

NEW ISSUE FULL BOOK-ENTRY

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.



\$75,000,000

ALASKA HOUSING FINANCE CORPORATION

Collateralized Bonds

(Veterans Mortgage Program)

2024 First Series (Non-AMT)

<i>Dated</i>	Date of Delivery.
<i>Due</i>	As shown on the inside cover page.
<i>Price</i>	As shown on the inside cover page.
<i>Tax Exemption</i>	In the opinion of Bond Counsel, interest on the 2024 Bonds (A) assuming compliance with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing laws, regulations, rulings and judicial decisions, (i) is excluded from gross income for federal income tax purposes and (ii) is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Code; and (B) is free from taxation by the State of Alaska under existing law (<i>except</i> that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death). Interest on the 2024 Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the 2024 Bonds. See "Tax Matters."
<i>Redemption</i>	The 2024 Bonds are subject to redemption prior to maturity at 100% of their principal amount under the circumstances described herein. See "REDEMPTION OF THE 2024 BONDS."
<i>Security</i>	Principal of and interest on the 2024 Bonds are unconditionally guaranteed by the State of Alaska. The 2024 Bonds will be primarily secured by Program Obligations (as defined in this Official Statement) initially consisting of conventional, single-family residential mortgage loans that are either guaranteed by the Department of Veterans Affairs or the Rural Housing Service (formerly, the Farmers' Home Administration) or insured by the Federal Housing Administration (the "Mortgage Loans") and securities backed by Mortgage Loans ("Mortgage Certificates"). The Mortgage Certificates will be issued or guaranteed by GNMA, FNMA or FHLMC (as defined herein) and will be held by the Trustee. The 2024 Bonds will also be secured by the Pledged Revenues (as defined in this Official Statement) and by all assets held in any fund or account established under the Indenture. The Mortgage Loans will consist of Mortgage Loans that the Corporation has purchased from qualifying lending institutions located in the State of Alaska that originated such Mortgage Loans (the "Purchased Mortgage Loans") and Mortgage Loans that the Corporation will purchase in the future from qualifying lending institutions located in the State of Alaska that originate such Mortgage Loans. See "THE PROGRAM OBLIGATION FUND — The Special Mortgage Loan Purchase Program" and "MORTGAGES AND MORTGAGE SERVICING — Purchased Mortgage Loans Data" herein. Each Mortgage Loan will be secured by a first mortgage lien on residential property located in the State of Alaska. THE CORPORATION HAS NO TAXING POWER. THE 2024 BONDS ARE GENERAL OBLIGATIONS OF THE CORPORATION FOR WHICH ITS FULL FAITH AND CREDIT ARE PLEDGED, SUBJECT TO AGREEMENTS MADE AND TO BE MADE WITH THE HOLDERS OF OTHER OBLIGATIONS OF THE CORPORATION PLEDGING PARTICULAR REVENUES AND ASSETS NOT PLEDGED TO THE 2024 BONDS AND TO THE EXCLUSION OF MONEY IN THE CORPORATION'S HOUSING DEVELOPMENT FUND.
<i>Interest Payment Dates</i>	December 1, 2024, and on each June 1 and December 1 thereafter.
<i>Denominations</i>	\$5,000 or any integral multiple thereof.
<i>Closing Date</i>	Expected on or about July 30, 2024.
<i>Bond Counsel</i>	Kutak Rock LLP.
<i>Trustee</i>	U.S. Bank Trust Company, National Association.
<i>Financial Advisor</i>	Masterson Advisors LLC.
<i>Book-Entry System</i>	The Depository Trust Company. See "DESCRIPTION OF THE 2024 BONDS—Book-Entry Only System."

The 2024 Bonds are offered when, as and if issued, subject to the approval of legality by Bond Counsel and to the confirmation of certain tax matters by Bond Counsel.

Sale Date: July 9, 2024

Maturity Schedule

\$75,000,000
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)

\$21,260,000 Serial Bonds

Maturity Date	Principal Amount	Interest Rate	Yield or Price	CUSIP[†]
June 1, 2027	\$800,000	3.250%	100%	011839G27
December 1, 2027	815,000	3.250	100%	011839G35
June 1, 2028	830,000	3.300	100%	011839G43
December 1, 2028	840,000	3.300	100%	011839G50
June 1, 2029	855,000	3.350	100%	011839G68
December 1, 2029	870,000	3.350	100%	011839G76
June 1, 2030	885,000	3.450	100%	011839G84
December 1, 2030	900,000	3.450	100%	011839G92
June 1, 2031	915,000	3.500	100%	011839H26
December 1, 2031	930,000	3.500	100%	011839H34
June 1, 2032	945,000	3.600	100%	011839H42
December 1, 2032	965,000	3.600	100%	011839H59
June 1, 2033	980,000	3.700	100%	011839H67
December 1, 2033	1,000,000	3.700	100%	011839H75
June 1, 2034	1,020,000	3.850	100%	011839H83
December 1, 2034	1,040,000	3.850	100%	011839H91
June 1, 2035	1,060,000	3.900	100%	011839J24
December 1, 2035	1,080,000	3.900	100%	011839J32
June 1, 2036	1,100,000	3.950	100%	011839J40
December 1, 2036	1,120,000	4.000	100%	011839J57
June 1, 2037	1,145,000	4.000	100%	011839J65
December 1, 2037	1,165,000	4.050	100%	011839J73

\$10,225,000 4.000% Term Bonds due December 1, 2041
Price: 98% CUSIP[†] 011839K71

\$12,020,000 4.250% Term Bonds due December 1, 2045
Price: 98% CUSIP[†] 011839L70

\$14,310,000 4.600% Term Bonds due December 1, 2049
Price: 100% CUSIP[†] 011839M79

\$17,185,000 4.650% Term Bonds due December 1, 2053
Price: 100% CUSIP[†] 011839N78

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. This CUSIP number has been assigned by an independent company not affiliated with the Corporation and is included solely for the convenience of the registered owners of the applicable 2024 Bonds. The Corporation and the Underwriter are not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness by the Corporation or the Underwriter on the 2024 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance.

The distribution of this Official Statement has been authorized by the Alaska Housing Finance Corporation. The material contained herein was compiled by officers of the Corporation, with the advice and assistance of Masterson Advisors LLC, financial advisor to the Corporation, and Kutak Rock LLP, Bond Counsel to the Corporation. Data has been obtained from official sources, so far as possible, and otherwise from sources which are believed to be reliable. The accuracy and completeness of the information derived from these sources is not guaranteed. Estimates and forecasts are necessarily approximate and subject to change. Detailed financial reports from which summaries contained herein have been taken are on file at the offices of the Corporation and at the offices of the relevant state agency.

No dealer, broker, salesman or other person has been authorized by the Alaska Housing Finance Corporation or by the State Bond Committee of the State of Alaska to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offer made by this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Alaska Housing Finance Corporation or by the State Bond Committee of the State of Alaska. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Alaska Housing Finance Corporation or the State of Alaska since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2024 Bonds, in any jurisdiction in which such offer, solicitation or sale is not authorized under the securities laws of such jurisdiction.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CORPORATION, THE STATE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS SUBMITTED BY THE ALASKA HOUSING FINANCE CORPORATION IN CONNECTION WITH THE SALE OF THE 2024 BONDS REFERRED TO HEREIN AND MAY NOT BE PRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.

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**OFFICIAL STATEMENT
OF
ALASKA HOUSING FINANCE CORPORATION**

RELATING TO

**\$75,000,000
ALASKA HOUSING FINANCE CORPORATION
Collateralized Bonds
(Veterans Mortgage Program)
2024 First Series (Non-AMT)**

INTRODUCTION

This Official Statement is being distributed by the Alaska Housing Finance Corporation (the “Corporation”) to furnish pertinent information to all who may become holders of its Collateralized Bonds (Veterans Mortgage Program), 2024 First Series (the “2024 Bonds”). The 2024 Bonds are authorized to be issued pursuant to Chapter 56 of Title 18 of the Alaska Statutes, as amended (the “Act”), an Indenture (the “Master Indenture”) dated as of October 1, 1999, as amended, and a 2024 First Series Supplemental Indenture (the “2024 Supplemental Indenture”), dated as of July 1, 2024 (together with the Master Indenture, the “Indenture”), to be entered into between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The 2024 Bonds are the fifteenth series of bonds issued under the Indenture (the “Bonds”). As of May 31, 2024, the Corporation had issued prior series Bonds in the aggregate principal amount of \$842,785,000. The Corporation is permitted to issue additional Bonds (including refunding Bonds) pursuant to and secured under the Indenture (“Additional Bonds”), subject to certain conditions. See “SECURITY FOR THE 2024 BONDS—Additional Bonds.” The 2024 Bonds will be secured on a parity with the prior series Bonds and with any Additional Bonds.

The proceeds of the 2024 Bonds will be used to provide funds to make or purchase Mortgage Loans (as defined below) or to reimburse the Corporation for such purchases. See “ESTIMATED SOURCES AND USES OF FUNDS.”

Principal of and interest on the Bonds is unconditionally guaranteed by the State of Alaska (the “State”). The full faith, credit and resources of the State are pledged to the payment of principal of and interest on the 2024 Bonds, and the payment of the principal of and interest on the 2024 Bonds is secured by the general obligation of the State. A total amount of \$3,300,000,000 of State-guaranteed veterans bonds have been authorized to be issued by the Corporation by six statewide voted bond propositions. A total of \$2,765,285,000 in bonds has been issued by the Corporation under such authorizations (excluding the 2024 Bonds), of which approximately \$88,845,000 is outstanding as of May 31, 2024.

On March 26, 2024, the State Bond Committee approved by resolution the timing and amount of the 2024 Bonds sale.

The Corporation and the State intend to enter into agreements to provide continuing disclosure to permit the purchaser to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

All capitalized terms used in this Official Statement that are defined in the Indenture (unless otherwise herein defined) shall have the same meanings as in the Indenture. See “DESCRIPTION OF THE INDENTURE” herein.

The summaries and references herein to the Act, the 2024 Bonds, the Indenture and other documents and materials are brief outlines of certain provisions contained therein and do not purport to summarize or describe all the provisions thereof. For further information, reference is hereby made to the Act, the 2024 Bonds, the Indenture and such other documents and materials for the complete provisions thereof, copies of which will be furnished by the Corporation upon request. See “THE CORPORATION—General” for the Corporation’s address and telephone number.

ESTIMATED SOURCES AND USES OF FUNDS

The expected sources and uses of funds in connection with the 2024 Bonds are set forth in the following table:

SOURCES	
2024 Bonds Par Amount	\$75,000,000.00
Original Issue Discount	(444,900.00)
Transfers from the Corporation ¹	<u>232,417.50</u>
Total Sources	\$74,787,517.50
USES	
Program Obligation Fund ²	\$74,555,100.00
Underwriter’s Fees	<u>232,417.50</u>
Total Uses	\$74,787,517.50

¹ In addition to the amounts set forth in this table, the Corporation will pay approximately \$200,000 of associated costs of issuance from available Corporation funds.

² The acquisition of the initial portfolio of Program Obligations (as defined below under “SECURITY FOR THE 2024 BONDS—General”) with 2024 Bond proceeds is expected to be completed by July 30, 2024. Mortgage Loans acquired by the Corporation from the proceeds of the 2024 Bonds are expected to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder. See “TAX MATTERS.”

SECURITY FOR THE 2024 BONDS

General

The 2024 Bonds are general obligations of the Corporation payable out of any of its revenues, moneys or assets, subject to agreements heretofore or hereafter made with the holders of notes and bonds, other than the Bonds, pledging particular revenues, moneys or assets for the payment thereof and subject to the exclusion of money in the Corporation’s Housing Development Fund.

The 2024 Bonds will be primarily secured by certain program obligations (the “Program Obligations”) initially consisting of conventional, single-family residential mortgage loans (the “Mortgage Loans”) that are either guaranteed by the Department of Veterans Affairs (“VA”) or the USDA Rural Development (“RD”) (formerly, the Farmers’ Home Administration), or insured by the Federal Housing Administration (“FHA”) or through private mortgage insurance. The Mortgage Loans will consist of first mortgage loans for single-family residences in the State that the Corporation has purchased from qualifying lending institutions that originated such Mortgage Loans (the “Purchased Mortgage Loans”) and first mortgage loans for single-family residences in the State that the Corporation will purchase in the future from qualifying lending institutions that originate such Mortgage Loans. See “THE PROGRAM

OBLIGATION FUND — The Special Mortgage Loan Purchase Program” and “MORTGAGES AND MORTGAGE SERVICING — Purchased Mortgage Loans Data” herein. Each Mortgage Loan will be secured by a first mortgage lien on residential property located in the State. Under the Indenture, Program Obligations may also include Mortgage Certificates (as defined below) and, if the Rating Agencies (as defined below) shall have previously informed the Corporation and the Trustee in writing that there would be no adverse effect on the credit ratings previously assigned by them to the Bonds, other mortgage instruments. Mortgage certificates (the “Mortgage Certificates”), if any, will be issued or guaranteed, as the case may be, by the Government National Mortgage Association (“GNMA”), the Federal National Mortgage Association (“FNMA”) or the Federal Home Loan Mortgage Corporation (“FHLMC”). The Program Obligations, together with the payments thereon, will be pledged to the Trustee under the Indenture.

All of the proceeds of the 2024 Bonds are expected to be used to purchase recently-originated Mortgage Loans financed on a temporary basis with Corporation funds or recently committed Mortgage Loans. The Corporation may exchange certain of such Mortgage Loans for Mortgage Certificates. For a more complete description of the Mortgage Certificates, see “THE PROGRAM OBLIGATION FUND—Mortgage Certificates” herein. The Corporation expects to complete its acquisition of Mortgage Loans and, if applicable, Mortgage Certificates with proceeds of the 2024 Bonds by July 30, 2024.

Mortgage Loans purchased from 2024 Bond proceeds will be limited to Mortgage Loans made to qualifying veterans which are secured by a first lien on residential, single family homes and which bear interest at a fixed rate. Such Mortgage Loans will provide for approximately equal monthly installments of principal and interest for an initial term of at least 15 years, but no more than 30 years, from the date of origination. For a more complete description of the Mortgage Loans, see “MORTGAGES AND MORTGAGE SERVICING—The Mortgages” and “CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS.”

No representation is made as to the percentage of the Program Obligation Fund with respect to the 2024 Bonds under the Indenture (the “Program Obligation Fund”) which will be invested initially in Purchased Mortgage Loans, Mortgage Certificates or other permitted investments.

Pledged Revenues

In addition, the 2024 Bonds will be secured by a pledge of the Corporation’s rights under the pledged Program Obligations and the various insurance policies and guaranty agreements provided with respect to the pledged Program Obligations, and by a pledge of the Pledged Revenues under the Indenture and all assets held in any fund or account established under the Indenture (except any Rebate Fund and any account within either a Credit Enhancement Fund or a Liquidity Facility Fund that is used exclusively to reimburse the credit enhancer or liquidity facility provider pursuant to the terms of the Credit Enhancement or Liquidity Facility). Pledged Revenues include (i) payments of principal and interest on the Pledged Program Obligations deposited with the Trustee and all other net proceeds of such Pledged Program Obligations and (ii) investment earnings on Investment Securities held by the Trustee as security for the Bonds and the net gain realized on the sale or other disposition of such Investment Securities. Pledged Revenues do not include earnings or payments on amounts on deposit in the Rebate Fund or the Over Collateralization Requirement Fund for the 2024 Bonds (the “OCR Fund”).

OCR Fund

If amounts in the Interest Account of the Revenue Fund and the Principal Account and General Account of the Redemption Fund are insufficient to pay debt service on the Bonds, amounts in the OCR Fund are available for such payment if there is an insufficient amount to pay such deficiency in the Debt

Service Account. The OCR Fund may consist of certain mortgage loans, cash and other assets contributed to it by the Corporation and is required to be maintained at 30% of total outstanding loans. The Corporation will deposit mortgage loans, mortgage certificates and/or cash into the OCR Fund in an amount sufficient to satisfy the OCR Fund Requirement.

Sufficiency of Pledged Revenues

The completed initial portfolio of Program Obligations, as described in the third paragraph under “SECURITY FOR THE 2024 BONDS—General” above, and all other Program Obligations, will be pledged to the payment of the 2024 Bonds and all other Bonds on a parity basis. Revenues received in respect of such Program Obligations and any other Program Obligations subsequently acquired, including amounts attributable to prepayments, are required to be deposited in the Revenue Fund and will be applied (unless used to purchase additional Program Obligations), together with amounts available from investment earnings, to meet interest payments, sinking fund redemption requirements, principal maturities and other redemption provisions of the Bonds. The cash flow from such Mortgage Loans and other Program Obligations and any subsequent Mortgage Loans or other Program Obligations, together with investment income and the Debt Service Account, is expected to be sufficient for all required principal (including sinking fund) and interest payments on the Bonds.

State Guaranty

Principal of and interest on all Bonds are unconditionally guaranteed by the State of Alaska. The full faith, credit and resources of the State are pledged to the payment of principal of and interest on all Bonds, and payment of the principal of and interest on all Bonds are secured by the general obligation of the State of Alaska.

Debt Service Account

The Corporation will establish from its unrestricted general funds a Debt Service Account in approximately the amount of \$1.5 million in order to assure the availability of moneys for the payment of debt service on the Bonds. The Corporation may deposit additional amounts in the Debt Service Account to the extent necessary to provide adequate cash flow to pay the Bonds. Under the terms of the Indenture, any deficiency in the minimum required deposit of amounts in the Interest Account, Principal Account and General Account with respect to payment of interest, principal or sinking fund payments on the Bonds three business days prior to any Interest Payment Date must be immediately satisfied with a withdrawal from the Debt Service Account and, if amounts therein shall be insufficient, from any other funds of the Corporation available therefor, including amounts in the OCR Fund. On the first Interest Payment Date next following the acquisition of the initial portfolio of Program Obligations with proceeds of the 2024 Bonds, in the event the Corporation has filed with the Trustee a Bond Coverage Certificate (as defined below) demonstrating Bond Coverage (as defined below) after giving effect to such withdrawal, the balance remaining in the Debt Service Account in excess of the Minimum Debt Service Account Requirement may be withdrawn by the Corporation to the extent that all debt service on all Outstanding Bonds then due shall have been paid as of such Interest Payment Date or as of the most recent applicable Interest Payment Date for such Bonds and to the extent that certain other tests are met. Any amounts remaining in the Debt Service Account five days after such Interest Payment Date in excess of the Minimum Debt Service Account Requirement shall be transferred by the Trustee to the Revenue Fund. On future Interest Payment Dates, the Trustee shall transfer any amounts in the Debt Service Account that are in excess of the Minimum Debt Service Account Requirement to the Revenue Fund.

Additional Bonds

Additional Bonds (including refunding Bonds) may be issued pursuant to the Master Indenture upon compliance with the provisions thereof, which include the requirement that no Additional Bonds may be issued (i) without the delivery of a Bond Coverage Certificate (as defined below) to the Trustee and (ii) unless the ratings then assigned by the Rating Agencies to the then Outstanding Bonds without regard to any bond insurance or any other form of credit enhancement will not be reduced as a result of the issuance of such Additional Bonds. The Bonds issued under the Indenture will rank on a parity with each other; therefore, the availability of money for repayment of the 2024 Bonds could be significantly affected by the issuance of Additional Bonds. The Corporation is also permitted to issue bonds which are separately secured and bonds which are also general obligations of the Corporation.

DESCRIPTION OF THE 2024 BONDS

The 2024 Bonds will be dated, will be issued in the denominations, and interest thereon will be payable on the dates, as set forth on the cover page. The 2024 Bonds will mature on the dates and in the amounts, and will bear interest (calculated on the basis of a 360-day year consisting of twelve 30-day months) from their dated dates to their maturity dates at the applicable rates, as set forth on the inside cover page.

All 2024 Bonds will be issued only in fully-registered form and will be initially offered only in book-entry form, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the 2024 Bonds. See “DESCRIPTION OF THE 2024 BONDS—Book-Entry Only System” herein. The 2024 Bonds are issuable in minimum denominations of \$5,000 or any integral multiple thereof. For so long as Cede & Co. remains the registered owner of the 2024 Bonds, payments of principal of and interest on the 2024 Bonds will be made by the Trustee directly to DTC or Cede & Co., as the nominee of DTC. DTC procedures provide for DTC to remit such payments to banks, brokers and dealers who are, or who act through, participants of DTC (“DTC Participants”) and for such payments to thereafter be paid by DTC Participants to the Beneficial Owners (as defined below). For payment if the 2024 Bonds are no longer held in book-entry-only system, see “Delivery of Bond Certificates” below.

Book-Entry Only System

The 2024 Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the 2024 Bonds. Purchasers of such 2024 Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the 2024 Bonds are immobilized in the custody of DTC, references to holders or owners of 2024 Bonds mean DTC or its nominee.

The information in this section concerning DTC and the DTC book-entry system has been obtained from DTC, and neither the Corporation nor the Underwriter takes responsibility for the accuracy or completeness thereof.

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully registered securities in the name of Cede & Co., DTC’s partnership nominee (“Cede”), or such other name as may be requested by an authorized representative of DTC. One fully-registered 2024 Bond certificate will be issued for each maturity of each Series thereof set forth on the inside cover page in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (information on the DTC website is not a part of this Official Statement).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2024 Bonds, except in the event that use of the book-entry system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2024 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to

provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2024 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede's consenting or voting rights to those Direct Participants to whose accounts the 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest on the 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Corporation, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. NEITHER THE CORPORATION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE 2024 BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2024 BONDS, ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE INDENTURE, THE SELECTION BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2024 BONDS OR ANY OTHER ACTION TAKEN BY DTC AS REGISTERED BONDOWNER.

DTC may discontinue providing its services as securities depository with respect to the 2024 Bonds at any time by giving reasonable notice to the Corporation or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2024 Bond certificates are required to be printed and delivered as described in the Indenture.

The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2024 Bond certificates will be printed and delivered to DTC.

The information herein concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

Payments of Principal and Interest

For so long as Cede & Co. is the registered owner of the 2024 Bond, payments of principal and interest with respect to the 2024 Bonds will be paid by the Trustee directly to DTC or its nominee, Cede & Co. DTC procedures provide for DTC to remit such payments to the DTC Participants and such payments to thereafter be paid by DTC Participants to Beneficial Owners. NO ASSURANCE CAN BE GIVEN BY THE CORPORATION THAT DTC AND DTC PARTICIPANTS WILL MAKE PROMPT TRANSFER OF PAYMENTS TO BENEFICIAL OWNERS. THE CORPORATION IS NOT RESPONSIBLE OR LIABLE FOR PAYMENT BY DTC OR DTC PARTICIPANTS OR FOR SENDING TRANSACTION STATEMENTS OR FOR MAINTAINING, SUPERVISING OR REVIEWING RECORDS MAINTAINED BY DTC OR DTC PARTICIPANTS OR FOR ANY OTHER ACTION TAKEN OR NOT TAKEN BY DTC OR DTC PARTICIPANTS. THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC, AND THE CORPORATION TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. THE BENEFICIAL OWNER MAY BE CHARGED A SUM SUFFICIENT TO COVER ANY TAX, FEE OR OTHER GOVERNMENTAL CHARGE THAT MAY BE IMPOSED FOR EVERY TRANSFER AND EXCHANGE OF THE 2024 BONDS.

Delivery of Bond Certificates

In the event the Corporation, in its sole discretion, determines that the Beneficial Owners should obtain bond certificates, the Corporation may, at its own expense, execute and deliver 2024 Bonds in the form of fully registered certificates, which would be available for distribution to Beneficial Owners or their nominees. In such event, principal and interest with respect to the 2024 Bonds will be payable to the holders of the 2024 Bonds in accordance with the terms of the Indenture. DTC also may discontinue providing its services with respect to the 2024 Bonds by giving notice to the Corporation and discharging its responsibilities under applicable law.

If bond certificates are issued as provided above, the principal and interest due upon maturity or redemption of any of the 2024 Bonds (or earlier payment in full) will be payable at the office of the Trustee, as Paying Agent, in St. Paul, Minnesota, upon presentation and surrender of such 2024 Bonds by the registered owner thereof on or after the date of maturity or redemption, as the case may be. Payment of the interest on each 2024 Bond (prior to the maturity or earlier redemption thereof) will be made by the Trustee to the registered owner of such 2024 Bond by check mailed by first-class mail on the Interest Payment Date to such registered owner as of the Record Date at the address appearing on the registration books relating to such 2024 Bonds. A registered owner of \$1,000,000 or more in principal amount of Bonds shall be paid interest by wire transfer to an account in the United States if the registered owner makes a written request to the Trustee prior to the Record Date specifying the account address.

If certificates are issued as provided above, the 2024 Bonds may be transferred and exchanged by the registered owner thereof or the registered owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the registered owner's duly authorized attorney at the office of the Trustee in Seattle, Washington. For every such exchange or transfer the Corporation or the Trustee may charge the transferee to reimburse it for its fees and expenses in connection with the transfer and any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee is not obligated to make any such transfer or exchange during the 15 days next preceding an Interest Payment Date on any 2024 Bond or next preceding any selection of any 2024 Bond to be redeemed, or to transfer or exchange any 2024 Bond previously called for redemption except to the extent of any unredeemed portion thereof. If any 2024 Bond is mutilated, lost, stolen or destroyed, the Trustee may execute and deliver a new 2024 Bond of the same maturity, interest rate and principal amount as the 2024 Bond so mutilated, lost,

stolen or destroyed, provided that such 2024 Bond is surrendered to the Trustee, or evidence of loss, destruction or theft, together with satisfactory indemnity, is provided to the Trustee. The fees and expenses of the Corporation and the Trustee in connection with such replacement shall be paid by the holder of the 2024 Bond.

Notices to Beneficial Owners

Each Beneficial Owner will receive any notices of redemption and other notices only through the DTC Participant from which each Beneficial Owner acquired its interest in the 2024 Bonds, who, in turn, will receive such notices through the facilities of DTC.

Neither the Trustee nor the Corporation shall have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the 2024 Bonds under or through DTC or any DTC Participant, or any other person not shown on the registration books of the Trustee as being a registered owner of 2024 Bonds with respect to: the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the principal of or interest on the 2024 Bonds; any notice which is permitted or required to be given to holders of the 2024 Bonds under the Indenture; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the 2024 Bonds; or any consent given or other action taken by DTC as the registered owner of the 2024 Bonds.

Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant, an Indirect Participant or otherwise) to notify the Beneficial Owner of any such notice and its contents or effect will not affect the validity of the redemption or of any other action premised on such notice.

When reference is made to any action which is required or permitted to be taken by the owners, such reference will only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such owners for such purposes.

REDEMPTION OF THE 2024 BONDS

Special Redemption

The 2024 Bonds are subject to redemption, at the option of the Corporation, in whole or in part on a pro rata basis from among all outstanding maturities of the 2024 Bonds unless the Corporation directs the Trustee otherwise, on any date on or after December 1, 2024 (which date shall be determined by the Corporation, subject to the provisions of, and in accordance with, the Indenture and when so determined or selected shall be deemed as the redemption date), from amounts in the Program Obligation Fund which have not been expended for the purchase of Program Obligations at a price equal to 100% of the original issue price thereof plus accrued interest to the redemption date. Amounts available to redeem 2024 Bonds as described in this paragraph may be applied at the direction of the Corporation to any maturity of the 2024 Bonds.

The 2024 Bonds are also subject to redemption, at the option of the Corporation, in whole or part on a pro rata basis from among all outstanding maturities of the 2024 Bonds unless the Corporation directs the Trustee otherwise, on any date beginning December 1, 2024, at a price equal to 100% of their principal amount plus accrued interest to the redemption date, from amounts available for such purpose in the Redemption Fund. Such amounts are expected to be generated primarily from repayments and prepayments of principal on Mortgage Loans represented by (or held directly as) Program Obligations, but may, at the discretion of the Corporation, include excess revenues relating to Mortgage Loans financed by the

Corporation with proceeds of the 2024 Bonds (“2024 Bonds Mortgage Loans”), any previously issued Bonds or any Additional Bonds, and amounts in the Debt Service Account in excess of 2% of the outstanding balance of Mortgage Loans (exclusive of Mortgage Loans that have been exchanged for Mortgage Certificates). Amounts available to redeem the 2024 Bonds under the terms of this paragraph may be applied at the direction of the Corporation to any maturity of the 2024 Bonds. Any 2024 Bonds redeemed under the terms of this paragraph shall be redeemed at a price equal to 100% of their principal amount plus accrued interest to the redemption date. If the Corporation elects to redeem the 2024 Bonds other than on a pro rata basis pursuant to this paragraph, the Corporation shall file a Bond Coverage Certificate with the Trustee demonstrating Bond Coverage after giving effect to such redemptions.

The Corporation may elect in lieu of the redemption described in the preceding paragraph to transfer such amounts to the Program Obligation Fund for the purchase of new Program Obligations, subject to the limitations described below under “ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE.” Amounts so transferred to the Program Obligation Fund which are not used for the purchase of new Program Obligations shall under certain circumstances be applied by the Corporation to the aforesaid redemption of 2024 Bonds.

Redemption When 2024 Bonds Outstanding Are 15% or Less of Initial Principal Amount

The 2024 Bonds are subject to redemption at 100% of the principal amount thereof, plus accrued interest to the redemption date, in whole on any date at the option of the Corporation, from any source of funds, if, in the case of the 2024 Bonds, the aggregate principal amount of then outstanding 2024 Bonds (reduced by any 2024 Bonds otherwise to be redeemed on such date) is less than or equal to 15% of the aggregate initial principal amount of the 2024 Bonds (\$11,250,000).

Sinking Fund Redemption

The 2024 Bonds which are term bonds are also subject to redemption in part by lot within a maturity at 100% of the principal amount thereof plus interest accrued to the redemption date from mandatory sinking fund payment on the dates and in the principal amounts of such 2024 Bonds specified for each of the years shown below:

Sinking Fund Payment Schedules

2024 Bonds maturing December 1, 2041

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2038	\$1,190,000
December 1, 2038	1,215,000
June 1, 2039	1,240,000
December 1, 2039	1,265,000
June 1, 2040	1,290,000
December 1, 2040	1,315,000
June 1, 2041	1,340,000
December 1, 2041 (maturity)	1,370,000

2024 Bonds maturing December 1, 2045

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2042	\$1,395,000
December 1, 2042	1,425,000
June 1, 2043	1,455,000
December 1, 2043	1,485,000
June 1, 2044	1,515,000
December 1, 2044	1,550,000
June 1, 2045	1,580,000
December 1, 2045 (maturity)	1,615,000

2024 Bonds maturing December 1, 2049

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2046	\$1,650,000
December 1, 2046	1,690,000
June 1, 2047	1,725,000
December 1, 2047	1,765,000
June 1, 2048	1,805,000
December 1, 2048	1,850,000
June 1, 2049	1,890,000
December 1, 2049 (maturity)	1,935,000

2024 Bonds maturing December 1, 2053

<u>Sinking Fund Payment Date</u>	<u>Principal Amount</u>
June 1, 2050	\$1,980,000
December 1, 2050	2,025,000
June 1, 2051	2,075,000
December 1, 2051	2,120,000
June 1, 2052	2,170,000
December 1, 2052	2,220,000
June 1, 2053	2,270,000
December 1, 2053 (maturity)	2,325,000

Optional Redemption

The 2024 Bonds maturing on or after June 1, 2033, are redeemable, at the option of the Corporation, on or after December 1, 2032, in whole or in part, at any time from any moneys made available for such purpose, at 100% of the principal amount of the 2024 Bonds to be redeemed, plus interest, if any, accrued to the redemption date.

General Provisions

The Corporation may from time to time, prior to notice of redemption, purchase 2024 Bonds from moneys held for redemption at a price not in excess of the applicable Redemption Price plus accrued interest.

Any 2024 Bonds to be redeemed shall be redeemed in accordance with the requirements of the Indenture, and any such redemption (other than a sinking fund redemption) shall be credited against future Sinking Fund Payments applicable to the 2024 Bonds being redeemed on a pro rata basis, unless the Corporation directs the Trustee to credit otherwise.

Subject to applicable law, notwithstanding the maximum purchase price, if at any time the investment earnings on the moneys available for such purchase shall be less than the interest accruing on the 2024 Bond to be redeemed, then the Trustee may pay a purchase price for any such 2024 Bond in excess of the Redemption Price that would be payable on the next redemption date to the Owner of such 2024 Bond, if the Corporation certifies to the Trustee that the amount paid in excess of said Redemption Price is less than the interest that is to accrue on said 2024 Bond less any investment earnings on such available moneys for the period from the settlement date of the proposed purchase to the redemption date.

Notice of the call for any redemption, identifying the 2024 Bonds or portion thereof to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 days and not less than 30 days prior to the date fixed for redemption to the registered owner of each 2024 Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Neither failure to receive any redemption notice nor any defect in such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of such Bonds.

THE PROGRAM OBLIGATION FUND

The Trustee has established a Program Obligation Fund for the 2024 Bonds. The Trustee shall deposit amounts available as a result of issuance of the 2024 Bonds in the 2024 Bond Proceeds Account of the Program Obligation Fund. The Corporation also may deposit additional funds and Program Obligations to the Program Obligation Fund during the initial acquisition period to satisfy the Bond Coverage requirements under the Indenture. Any Mortgage Loan represented by a Program Obligation purchased entirely with funds contributed by the Corporation need not comply with the mortgage requirements of the Code summarized hereafter.

The Trustee may disburse amounts held in the Program Obligation Fund as follows:

(a) at the written direction of the Corporation, against delivery of Program Obligations to the Trustee for deposit in the Program Obligation Fund, assuming compliance with the cash flow and Bond Coverage calculations referred to under “ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE”;

(b) at the written direction of the Corporation, to purchase Investment Securities;

(c) to the Interest Account or the Principal Account either (i) as directed in the most recently delivered Bond Coverage Certificate, or (ii) at the written direction of the Corporation to the extent necessary in the opinion of the Corporation to prevent a default in the payment of principal of or interest on the Bonds;

(d) on the date or dates specified in the 2024 Supplemental Indenture to the General Account, any moneys then remaining in the applicable Bond Proceeds Account for the 2024 Bonds unexpended for the purchase of Program Obligations for certain transfers for redemption or recycling;

(e) on any Interest Payment Date for the 2024 Bonds, as applicable, following completion of the purchase of the initial Program Obligation portfolio for the 2024 Bonds, as applicable, in an amount as certified to the Trustee in writing by an Authorized Officer, from the Accounts for the 2024 Bonds, as applicable, in the Program Obligation Fund, as applicable, to the Corporation free and clear of the lien and pledge of the Indenture but only upon receipt by the Trustee from the Corporation of a Bond Coverage Certificate demonstrating Bond Coverage after giving effect to the disbursement; or

(f) on any date, at the written direction of the Corporation, to the General Account, all or any portion of the moneys then on deposit in the Recycling Account.

The Corporation may acquire Program Obligations from moneys initially deposited in the Program Obligation Fund if it extends the Program Obligation acquisition period pursuant to the terms of the Indenture, upon filing with the Trustee a Bond Coverage Certificate, including confirmation from the Rating Agencies that such extension will not cause a reduction in the ratings on the Bonds then in effect.

“Bond Coverage Certificate” means a Certificate establishing Bond Coverage as of a specified date of certification. “Bond Coverage” means a condition which shall be deemed to exist as of any date of certification if either the test set forth in paragraph (i) below or the test set forth in paragraph (ii) below is met as of such date:

(i) the Corporation delivers to the Trustee a Certificate certifying (A) that the Over Collateralization Requirement has been met and that the Minimum Debt Service Account Requirement has been met and (B) that the schedules attached thereto show receipt and application of Eligible Funds which are in any Fund sufficient and available to provide timely payment of the principal of and interest on the Bonds of each Series on each Debt Service Payment Date and Program Expenses, up to the amount permitted to be paid out of the Operating Account within the Redemption Fund pursuant to the Indenture, from (and including) the first interest payment date that is or that follows the date of certification to the maturity of the Bonds; or

(ii) the Corporation delivers to the Trustee a Bond Coverage Certificate certifying as to another calculation (including, without limitation, any definition or component thereof) that is of Rating Quality. The Trustee is entitled to rely on the Certificate as to Rating Quality.

“Rating Quality” means, with respect to any Series of Bonds, having terms, conditions and/or a credit quality such that the item stated to be of “Rating Quality” will not, as confirmed in writing received by the Trustee from each of the Rating Agencies, impair the ability of the Corporation to obtain the ratings from the Rating Agencies initially anticipated to be received with respect to such Bonds as described in the Supplemental Indenture authorizing such Bonds and, if the Bonds have been rated, will not cause any such Rating Agency to lower or withdraw the rating it has assigned to the Bonds of such Series or to any other Outstanding Bonds.

The Corporation expects that the funds deposited into the Program Obligation Fund on the date of issuance of the 2024 Bonds will be disbursed to it against the deposit of Program Obligations. It is expected that the cash flow from such Program Obligations, together with other Pledged Revenues (including

investment income) and moneys from the Debt Service Account, will be sufficient to pay the principal of and interest on the Bonds.

Program Obligations are expected to consist of Mortgage Loans to be or which have been originated under the Corporation's ongoing Veterans Mortgage Program. See "THE CORPORATION—Lending Activities" for a description of the Veterans Mortgage Program.

Under certain circumstances the Indenture permits the Corporation to withdraw amounts held in the Program Obligation Fund free and clear of the lien of the Indenture. Any such withdrawal must be accompanied by a Bond Coverage Certificate demonstrating the sufficiency of revenues to pay principal and interest on the Bonds, notwithstanding such withdrawal, under certain assumptions set forth in the Indenture.

The Special Mortgage Loan Purchase Program

The Special Mortgage Loan Purchase Program, under which the Veterans Mortgage Program is operated, was established by the Corporation in 1980 in connection with a major expansion of the Corporation's functions by the State Legislature. Since June 1980, the Special Mortgage Loan Purchase Program has been a significant funding source for financing owner occupied housing in the State. Under the Special Mortgage Loan Purchase Program, the Corporation purchases first mortgage loans in amounts not in excess of those established for the State by FNMA (except for 1 unit single family mortgage loans, which may not exceed 110% of such FNMA limits). The Corporation's mortgage loan limits are currently \$1,264,807 for single family loans, \$1,472,250 for duplexes, \$1,779,525 for a triplex, and \$2,211,600 for a four-plex in the State of Alaska. The loan to value ratio may not exceed 95% for a single-family, 90% for a duplex, or 80% for a triplex or four-plex (except for federally guaranteed or insured mortgage loans, which may have a loan to value ratio in excess of 100% if acceptable to the guarantor or insurer).

Under the Special Mortgage Loan Purchase Program, all prospective residential mortgage loans submitted to the Corporation are subject to review pursuant to its delegated underwriting procedures and all loans with loan to value ratios in excess of 80% be insured through private mortgage insurance or federal insurance or guarantee.

The Corporation's approval of property and credit for residential loans generally follows a procedure which complies with FHLMC and FNMA guidelines and applicable federal and state laws and regulations. The mortgage loans must have been originated by an approved seller ("Seller") having experienced and qualified underwriters and utilizing appraisers and credit reporting agencies acceptable and/or approved by the Corporation. The Seller is required to provide the Corporation with a description of the prospective borrower's financial condition, including their current verified annual income and credit score. The Seller obtains a factual data credit report which summarizes the borrower's credit history with local and non-local creditors, as well as a search of the public records for suits, liens, judgments and bankruptcies. In addition, the Seller obtains from the borrower's employer information with respect to length of employment, current salary and expectations of continued employment. Self-employed applicants are required to provide copies of income tax returns as well as certain other financial data sufficient to determine reliability and adequacy of income. The Seller also verifies from all creditors the repayment history, opening balances and adequacy of repayment of all installment debt shown on the credit report and application. Verifications of deposit are secured for all financial institutions disclosed by the borrower. At present, Sellers are generally required to follow FNMA or FHLMC lending guidelines and use automated underwriting.

The Seller causes an appraisal to be made on each home to be financed. Such appraisal presently is made by an independent appraiser who holds a current general or residential certification and is approved

by the Seller. In order to avoid undue influence by the buyer, the seller, or the listing or selling real estate agent, arrangements for the appraisal are made by the Seller/Service.

When a loan to be purchased by the Corporation is the first permanent financing on the structure, with the construction financing appraisal having been based on plans and building specifications, a recertification of value by the original appraiser is required prior to the closing of the permanent mortgage. A copy of this recertification must be maintained the Seller's records. The recertification confirms that the home was completed in accordance with the original plans and specifications and that the value is, at a minimum, equal to the original appraised value.

Mortgage Certificates

The Bonds may also be secured by Mortgage Certificates that the Corporation may acquire in exchange for certain Mortgage Loans. The Mortgage Certificates will consist of "fully modified pass through" mortgage backed certificates (the "GNMA Certificates"), guaranteed by GNMA and/or by Guaranteed Mortgage Pass Through Certificates (the "FNMA MBSs") issued by FNMA and/or by Guaranteed Mortgage Pass Through Participation Certificates (the "FHLMC PCs") issued by FHLMC (GNMA Certificates, FNMA MBSs and FHLMC PCs being hereafter referred to as "Mortgage Certificates"). The guaranty of the GNMA Certificates will be backed by the full faith and credit of the United States. The FHLMC PCs will not be backed directly or indirectly by the full faith and credit of the United States but by the credit of FHLMC, a federally chartered, stockholder owned corporation. The FNMA MBSs will not be backed directly or indirectly by the full faith and credit of the United States but by the credit of FNMA, a federally chartered, stockholder owned corporation. No agreement presently exists between FNMA or FHLMC and the Corporation (and none is expected) for the acquisition of FNMA MBSs or FHLMC PCs.

MORTGAGES AND MORTGAGE SERVICING

The Mortgages

The Mortgage Loans related to the proceeds of the 2024 Bonds will be made to "qualified veterans." Currently, "qualified veteran" means any veteran (i) who served on active duty and (ii) who applied for financing before the date 25 years after the last date on which such veteran left active service. In general, and subject to certain limitations in the federal law, a person who has served on active duty in the Armed Forces and who was discharged or released therefrom under conditions other than dishonorable will qualify as a veteran. Discharge includes completion of the original period of duty. Included in the definition of veteran, in addition to those who have served on full time duty in the Army, Air Force, Navy, Marine Corps or Coast Guard, including the reserve components thereof, will be certain commissioned officers of the Public Health Service, National Oceanic and Atmospheric Administration, and Coast and Geodetic Survey and certain cadets and midshipmen.

Each of the Mortgage Loans will be a "single family" mortgage loan secured by a first mortgage lien on residential property located in the State. The term "single family" mortgage loan as used herein means a permanent loan (as opposed to a construction or land development loan) secured by a mortgage on owner occupied, one to four family units, as well as individual condominiums and other separate dwelling units even when located in buildings containing more than two units.

The Mortgage Loans may be prepaid, in whole or in part, at any time without penalty or charge. Revenues received in respect of Program Obligations, including amounts attributable to Mortgage Loan prepayments (unless transferred to the Program Obligation Fund and used to purchase additional Program Obligations), are required to be deposited in the Revenue Fund and will be applied, together with amounts

available from scheduled mortgage payments, investment earnings and other revenues, to, among other things, meet annual sinking fund redemption requirements, principal maturities and special redemption of Bonds.

In purchasing the Mortgage Loans, the Corporation requires the originating institution to furnish to the Corporation the original mortgage note and a title insurance policy in an amount equal to the unpaid principal due on the mortgage. The Corporation also requires generally that all taxes, assessments and water and sewage charges have been duly paid and that a hazard insurance policy exists in an amount equal to the unpaid principal due on the mortgage.

Mortgage Servicing on Single Family Loans

The Servicers approved by the Corporation service the mortgage loan for a fee. As compensation, the Servicers service the mortgage loan for a fee that is captured from the borrower's monthly payment. The annual fee amount is generally equal to 3/8 of 1% of the unpaid balance due on such mortgage loan. These fees are payable to the Servicer from the time of loan purchase by the Corporation until the loan is paid in full or for as long as the Servicer collects the loan payments. The Corporation has adopted standards for qualifying eligible servicing institutions and underwriting and servicing guidelines with respect to the record of and collection of principal and interest on the mortgage loans and the rendering to the Corporation of an accounting of funds collected. The servicing of a mortgage loan includes the responsibility for foreclosure, but not the bearing of any expenses thereof. The Servicers are required to work with borrowers to cure any default in scheduled mortgage payments including any advances, and is required to pay from scheduled mortgage payments, taxes, assessments, levies and charges, and premiums for hazard insurance and mortgage insurance, as they may become due.

Regularly scheduled principal and interest payments on the mortgage loans are required to be deposited by the Servicers with the Corporation's correspondent bank. Such funds (net of applicable servicing fees) are remitted to the Corporation's correspondent bank by the Servicer by the next business day following receipt where net collections exceed \$5,000. The balance of such monthly payments, representing payments for such items as property taxes and mortgage insurance, are retained by the Seller/Servicer and applied as necessary. The funds are held in a custodial account and invested for the benefit of the Trustee pending their transfer once a month to the Trustee.

The Corporation maintains detailed mortgage loan collection information on its internal data processing system. The Corporation's system generates the collection reports and consolidates actual collections by individual bond series.

The Corporation reviews individual Servicer reports to ascertain the extent of mortgagor payment delinquencies and servicer processing delays in order to determine the appropriate corrective action, if any, to be taken by the Corporation through the Servicer. The Servicer is expected to maintain delinquency rates on loans owned by the Corporation at a level below or comparable with other Servicers. Under the Corporation's monitoring system, if the Servicer's delinquency rate, either in total or for a program exceeds 1.5 times the Corporation's delinquency rate for three consecutive months, the Servicer is subject to suspension from further participation in one or more of the Corporation's loan programs.

Insurance

The following description of certain mortgage insurance policies and guarantees is only a brief outline and does not purport to summarize or describe all of the provisions thereof.

Private Mortgage Insurance, FHA Insurance, and VA, RD, and HUD-184 Guarantees

Any Purchased Mortgage Loan which has an original principal amount exceeding 80% of the value of the mortgaged property is required to be (a) insured by FHA, (b) guaranteed by VA, RD, or the Department of Housing and Urban Development (“HUD”) under Section 184 of the Housing and Community Development Act of 1992 (“HUD-184”), or (c) insured under a private mortgage insurance policy in the amount (i) equal to 12% of the Mortgage Loan if the loan to value ratio is 85% or less or (ii) equal to 25% of the Mortgage Loan if the loan to value ratio is 90% or less or (iii) equal to 30% of the Mortgage Loan if the loan-to-value exceeds 90%. The only Mortgage Loans which the Corporation is presently purchasing at a loan to value ratio which exceeds 95% are federally insured or guaranteed Mortgage Loans. FHA insurance coverage and RD and HUD-184 guarantees will equal 100% of the outstanding principal balance of all FHA insured, RD or HUD-184 guaranteed Mortgage Loans. The RD guarantee covers the lesser of (a) any loss up to 90% of the original principal amount of the Mortgage Loan or (b) 100% of any loss up to 35% of the original principal amount of the Mortgage Loan plus 85% on any additional loss up to 65% of the principal advanced. For all VA guaranteed Mortgage Loans, the VA guarantee plus the down payment must be at least 25% of the original Mortgage Loan amount. The FHA insurance or VA guarantee are required to be maintained for the entire period during which the Corporation owns an interest in the Mortgage Loan. FHA regulations do not permit the inclusion of the “due-on-sale” provision in the form specified in the Corporation’s Regulations. The private mortgage insurance policy will be maintained in force and effect (a) for the period during which the Corporation owns an interest in the Mortgage Loan or (b) until the outstanding principal amount of the Mortgage Loan is reduced to 80% of the lesser of the original appraised value of the mortgaged property or the original sale price of the mortgaged property and the loan is current. The cost of any such insurance or guarantee will be paid by the mortgagor. Streamlined Mortgage Loans will also be insured to the extent the original loan at the time of refinancing requires such insurance. No representation is made as to whether or not any Transferred Mortgage Loan satisfies any of the requirements set forth above.

In general, FHA, VA, RD, and HUD-184 regulations and private mortgage insurance contracts provide for the payment of insurance or guarantee benefits to a mortgage lender upon the failure of a mortgagor to make any payment or to perform any obligation under the insured or guaranteed mortgage loan and the continuance of such failure for a stated period. In order to receive payment of insurance or guarantee benefits, a mortgage lender, such as the Corporation, normally must acquire title to the property, either through foreclosure or conveyance in lieu of foreclosure, and convey such title to the insurer or guarantor. Alternatively, where it is determined that the default was caused by circumstances beyond the control of the mortgagor, and foreclosure or conveyance in lieu of foreclosure is completed, the Servicer files a claim for the insurance payment. In general, private mortgage insurance benefits, as limited by the amount of coverage indicated above, are based upon the unpaid principal amount of the mortgage loan at the date of institution of foreclosure proceedings or the acquisition of the property after default, as the case may be, adjusted to reflect certain payments paid or received by the mortgage lender. Where property to be conveyed to an insurer or guarantor has been damaged, it is generally required, as a condition to payment of an insurance or guarantee claim, that such property be restored to its original condition (reasonable wear and tear excepted) by the mortgage lender prior to such conveyance or assignment.

Standard Homeowner Insurance Policies

Each mortgagor will be required to maintain for the mortgaged property a standard homeowner’s insurance policy must at least equal the lesser of 100% of (i) the maximum insurable value of the mortgaged property or (ii) the unpaid principal amount of the mortgage loan. The insurance policy will be written by an insurance company qualified to do business in the State of Alaska and qualified to provide insurance on or in connection with mortgages purchased by FHLMC or FNMA. The mortgagor will pay the cost of the standard homeowner insurance policy.

In general, a standard homeowner's form of fire with extended coverage policy insures against physical damage to or destruction of the improvements on the property by fire, lightning, explosion, smoke, windstorm, hail, riot, strike, and civil commotion, subject to the conditions and exclusions particularized in each policy. Policies typically exclude physical damage resulting from the following: war, revolution, governmental action, floods and other water related causes, earth movement (including earthquakes, landslides and mud slides), nuclear reactions, wet or dry rot, vermin, rodents, insects or domestic animals, theft, and, in certain cases, vandalism.

Historical Veterans Mortgage Program Data

The following information is based on the Corporation's total portfolios of the types of loans described therein. It should not be regarded as indicative of the final composition of the Program Obligation portfolio.

Pledged Mortgage Loans Data

As of May 31, 2024, there were Mortgage Loans pledged to the Indenture (the "Pledged Mortgage Loans") with an outstanding aggregate principal balance of approximately \$99,331,962, with a weighted average yield to the Indenture of approximately 4.456% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 4.159% per annum and a weighted average remaining term of approximately 311 months.

The following table sets forth certain information regarding the type of primary mortgage insurance coverage originally applicable to the Pledged Mortgage Loans.

Pledged Mortgage Loans Primary Insurance

Insurance Type	Outstanding Principal Balance	Percentage by Principal Balance
Federally Insured – VA	\$77,483,342	78.0%
Uninsured	15,940,301	16.1
Private Mortgage Insurance	5,294,491	5.3
Federally Insured – FHA	<u>613,828</u>	<u>0.6</u>
TOTAL	<u>\$99,331,962</u>	<u>100.0%</u>

Purchased Mortgage Loans Data

As of May 31, 2024, there were Mortgage Loans already purchased by the Corporation and available for funding into the Indenture with the proceeds of the 2024 Bonds (the "Purchased Mortgage Loans") with an outstanding aggregate principal balance of approximately \$64,425,751, bearing interest at a weighted average yield to the Indenture of approximately 6.016% per annum, with a weighted average mortgage loan coupon rate to the borrower of approximately 5.987% per annum and a weighted average remaining term of 353 months.

The following table sets forth certain information regarding the type of primary mortgage insurance coverage originally applicable to the Purchased Mortgage Loans.

Purchased Mortgage Loans Primary Insurance

Insurance Type	Outstanding Principal Balance	Percentage by Principal Balance
Federally Insured – VA	\$45,981,501	71.4%
Uninsured	10,857,265	16.9
Private Mortgage Insurance	7,166,092	11.1
Federally Insured – RD	<u>420,893</u>	<u>0.6</u>
TOTAL	<u>\$64,425,751</u>	<u>100.0%</u>

Committed Mortgage Loans Data

In addition to the Purchased Mortgage Loans detailed above that are expected to be funded at closing, the Corporation also anticipates funding, with proceeds of the 2024 Bonds, an additional \$10.6 million of qualified Mortgage Loans from its current pipeline (the “Committed Mortgage Loans”) that are expected to be purchased by closing at a weighted average yield to the indenture and weighted average coupon rate to the borrower of approximately 5.875% and a weighted average term of 358 months.

OCR Fund Loans

In addition to the above-described mortgage portfolios, the Corporation also maintains an Over-Collateralization Requirement Fund at 30% of total outstanding loans which is available to support scheduled principal and interest debt service payments. As of May 31, 2024, the OCR Fund held mortgage loans having an outstanding aggregate principal balance of approximately \$28,989,470, as well as eligible securities in the amount of approximately \$1,869,019.

CERTAIN LEGAL ASPECTS OF THE MORTGAGE LOANS

Pledge of Mortgage Loans

The form of assignment to the Corporation of each mortgage deed of trust relating to Mortgage Loans purchased from the proceeds of the Bonds or originated from surplus revenues will expressly recite the interest of the Trustee on behalf of the holders of outstanding bonds of the Corporation in the mortgaged property. That assignment will be recorded with the appropriate real property recording office for the jurisdiction in which the property is located. The Indenture pledges to the Trustee and the holders of the Bonds, the Mortgage Loans, Deeds of Trust, Pledged Revenues and any and all assets held in any fund or account under the Indenture. Section 18.56.120 of the Act provides that such a pledge is valid and binding from the time the pledge is made and, further, that any assets or revenues so pledged are immediately subject to the lien of the pledge without physical delivery or any further act and without regard to whether any third party has notice of the lien of the pledge. Physical custody of each mortgage note is retained by the Corporation and the related deed of trust is retained by the originating lending institution. Notwithstanding the fact that the Trustee does not have physical possession of those instruments, and while Bond Counsel is unaware of any controlling judicial precedent, it is the opinion of Bond Counsel that the effect of (i) recording the assignment in the form described, (ii) execution and delivery of the Indenture and (iii) the statutory provisions referred to above afford the Trustee (on behalf of holders of Bonds of the Corporation) priority as against any competing claimants alleging any financial interest in the Mortgage Loans which have been so assigned.

Alaska Foreclosure Laws

The real estate security instrument customarily used in the State is the deed of trust. The parties to the deed of trust are the trustor (debtor), trustee and beneficiary (lender). Trustees are commonly title insurance companies. Both summary and judicial foreclosure proceedings are permitted. The deed of trust does not effect a conveyance of legal title, which remains in the trustor. The beneficiary acquires a security interest (lien) which may be enforced in accordance with the terms of the deed of trust and State statutes. Failure of the trustor to perform any of the covenants of the deed of trust generally constitutes an event of default entitling the beneficiary to declare a default and exercise its right of foreclosure.

Summary foreclosure may be used if provided for in the deed of trust. All deeds of trust securing loans to be funded from the proceeds of the Bonds contain provisions which permit summary foreclosure. Following a default by the trustor, upon request of the beneficiary and not less than 90 days before the sale, the trustee must record a notice of default in the recording district in which the property is located. Within 10 days after recording the notice of default, the trustee must mail a copy of the notice of default to the trustor, any successors in interest to the trustor, anyone in possession or occupying the property, and anyone who has an interest subsequent to the interest of the trustee in the deed of trust. If the default may be cured by the payment of money, the trustor may cure the default at any time prior to sale by payment of the sum in default without acceleration of the principal which would not then be due in the absence of default, plus actual costs and attorney's fees due to the default. If default has been cured under the same deed of trust after notice of default two or more times, the trustee may elect to refuse payment and continue the foreclosure proceeding to sale. Notice of the sale must be posted in three public places within five miles of where the sale is to be held, not less than 30 days before the day of sale and by publishing a copy of the notice four times, once a week for four successive weeks, in a newspaper of general circulation published nearest the place of sale and by publishing notice of the sale on an internet website at least 45 days before the date of the sale. The sale must be made at public auction at a courthouse of the superior court in the judicial district where the property is located, unless the deed of trust provides for a different place. After the sale, an affidavit of mailing the notice of default and an affidavit of publication of the notice must be recorded in the recording district where the property is located. The foreclosure sale and conveyance transfers all the title and interest which the trustor had in the property sold at the time of the execution of the deed of trust plus all interest the trustor may have acquired before the sale and extinguishes all junior liens. There is no right of redemption unless otherwise provided by the deed of trust. A deficiency judgment is prohibited where summary foreclosure is utilized.

Judicial foreclosure is also permitted. A deficiency judgment is allowed where judicial foreclosure is utilized, but judicial foreclosure is much more time-consuming than summary foreclosure. The judgment debtor under a judicial foreclosure proceeding has the right to redeem the property within 12 months from the order of confirmation. If the judgment debtor redeems the property, the foreclosure proceeding is terminated. Otherwise, within 60 days after the order confirming the foreclosure sale, any subsequent lien creditor can redeem the property. There can be as many redemptions as there are subsequent lien creditors. Upon expiration of the redemption period, the purchaser or redeemer is entitled to a conveyance of the property.

ASSUMPTIONS REGARDING THE 2024 BONDS STRUCTURE

The Corporation will use 2024 Bond proceeds to purchase Program Obligations which, together with investment earnings thereon, are expected to be sufficient to pay the debt service on the 2024 Bonds. The Program Obligations consisting of Mortgage Certificates and Mortgage Loans are expected to provide for level monthly payments of principal and interest.

The Corporation has determined that it may reduce its future financing requirements by hereafter acquiring Mortgage Loans or other Program Obligations representing new Mortgage Loans from revenues which are expected to be generated primarily from repayments and prepayments of principal on Mortgage Loans represented by (or held directly as) Program Obligations. The Indenture requires that all such excess revenues be used either to redeem Bonds or purchase Program Obligations upon delivery to the Trustee of the Bond Coverage Certificate. The 2024 Bonds have been structured to mature no later than December 1, 2053, in order to permit the Corporation to acquire future Program Obligations through recycling of loan repayments and prepayments. However, should the Corporation elect not to recycle, it is expected that a substantial portion of the 2024 Bonds would be redeemed prior to their scheduled maturity. The Corporation's election to purchase new Program Obligations will depend on various factors not now determinable, including the level of future interest rates and the availability of tax-exempt financing.

Upon each purchase of new Program Obligations, the Corporation will deliver to the Trustee a Bond Coverage Certificate which is designed to determine that, using various assumptions as to prepayments of principal and interest on such Program Obligations and investment earnings thereon at assumed rates, revenues will be sufficient to pay the principal and interest on the Bonds. The Corporation may in the future use a method of calculation other than the method specified in the Indenture if the new method will not cause any bond rating agency (which the Corporation has requested issue a rating on the Bonds) to lower or withdraw the ratings it has assigned to the Bonds.

Upon each purchase of new Mortgage Loans not exchanged for Mortgage Certificates, the Corporation will deliver to the Trustee a certification to the effect that the Over Collateralization Requirement established with respect to the proposed delivery of such Mortgage Loans has been satisfied through the contribution by the Corporation of additional Program Obligations, Investment Securities or funds to the OCR Fund. The Over Collateralization Requirement established with respect to a delivery of Mortgage Loans not exchanged for Mortgage Certificates will vary as a percentage of such Mortgage Loans to be acquired based upon the mix of particular mortgage loan characteristics including loan to value ratio, type and amount of mortgage insurance and property type. The Corporation may be required to deliver additional Program Obligations, Investment Securities or funds to the OCR Fund in an amount equal to the Over Collateralization Requirement each time the Trustee disburses Bond proceeds to acquire Mortgage Loans not exchanged for Mortgage Certificates. The OCR Fund was established to mitigate potential losses, if any, on Mortgage Loans that have not been converted to Mortgage Certificates, but will only be used to supplement revenues in the event that funds on deposit in the Revenue Fund and the Redemption Fund are insufficient to meet a Debt Service Payment on the Bonds. The Corporation may in the future use a different method of satisfying the Over Collateralization Requirement or change the method of calculation thereof if such difference or change will not adversely affect the current ratings assigned to the Bonds without regard to bond insurance or any other form of credit enhancement by any bond rating agency (which the Corporation has requested issue a rating on the Bonds).

A number of factors, including general economic conditions, changing mortgage market interest rates and homeowner mobility, will affect the prepayment experience with respect to the Mortgage Loans pledged to secure the Bonds and, therefore, the average life of the 2024 Bonds. Among the principal other factors which could affect the average life of the 2024 Bonds are:

- (a) The refinancing of Mortgage Loans currently held by the Corporation may continue to represent a substantial future activity. Refinancing may involve the prepayment of outstanding Mortgage Loans and the possible redemption of Bonds at par or prepayment of bonds and notes originally issued to finance the purchase of the Mortgage Loans. Accordingly, prepayment of the Mortgage Loans securing the Bonds could result from future refinancing programs offered by the Corporation. Conversely, if the Corporation's refinancing program were to cease, prepayments of the Corporation's Mortgage Loans might decline significantly.

(b) Mortgage Loan delinquencies can lead to foreclosures that result in prepayments. At May 31, 2024, approximately 2.46% of the Corporation's Pledged Mortgage Loans were reported as 30 days or more delinquent or in foreclosure. The Corporation had no foreclosures of Pledged Mortgage Loans in the 11 months ended May 31, 2024. In view of the time required to complete foreclosure proceedings and other uncertainties inherent in the foreclosure process, such delinquencies and foreclosures will not necessarily result in a rapid prepayment of the Mortgage Loans.

(c) Provisions of the current form of a Mortgage Loan financed by the Corporation permitting the assumption of such loans by eligible mortgagors will affect the Corporation's prepayment experience. When a mortgage loan is assumed by the purchaser of the related property, the existing mortgage loan is not prepaid. Future changes in this form may also affect its prepayment experience.

(d) The Indenture permits the Corporation to deliver a variety of Program Obligations, including but not limited to Mortgage Loans and Mortgage Certificates. The new Program Obligations may have original terms ranging from not less than 15 years to not more than 30 years. Existing Program Obligations may have shorter remaining terms. Shorter loan terms may result in a shorter average life of the 2024 Bonds than if the 2024 Bonds were secured exclusively by new Program Obligations representing 30-year Mortgage Loans.

(e) The Corporation retired \$960,000 of veterans program debt obligations from excess revenues (including prepayments of the principal on Mortgage Loans), prior to their stated maturity, during the 11 months ended May 31, 2024.

(f) There is no assurance that Program Obligations will be purchased within the estimated time, and if they are not purchased, a certain amount of unexpended moneys may be used to redeem the 2024 Bonds.

For these reasons, the Corporation cannot offer any assurances as to the rate at which Mortgage Loans will be acquired from 2024 Bond proceeds, the rate at which such Mortgage Loans will be prepaid, sold or assigned or the rate at which the Corporation may acquire new Mortgage Loans or other Program Obligations during the life of the Bond issue.

THE CORPORATION

Certain Definitions

"Authority" means the Alaska State Housing Authority.

"Board" means the Board of Directors of the Corporation.

"Department" means the former Department of Community and Regional Affairs.

"Dividend Plan" means the dividend plan adopted by the Board in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State.

"Division" means The Public Housing Division of the Corporation.

"HUD" means the U.S. Department of Housing and Urban Development.

“Self-Liquidity Bonds” means, collectively, the Corporation’s State Capital Project Bonds II, 2017 Series B, the Corporation’s State Capital Project Bonds II, 2018 Series A and State Capital Project Bonds II, 2019 Series A.

General

The Corporation was established in 1971 as a non-stock, public corporation and government instrumentality of the State. The Corporation currently functions as a major source of residential mortgage loan financing and capital project financing in the State. The Corporation’s programs were originally established to take advantage of tax-exempt financing permitted under federal income tax law. Mortgages which meet applicable federal income tax requirements are financed by selling tax-exempt bonds. All other mortgages generally are financed through the issuance of taxable bonds or from internal funds. Since 1972, the Corporation has acquired mortgage loans by appropriation from the State and by purchase from independent originating lending institutions operating throughout the State. On July 1, 1992, the Corporation succeeded to the public housing functions of the Authority and the rural housing and residential energy functions of the Department pursuant to legislation enacted in the State’s 1992 legislative session. As a result, the rights and obligations created by bonds and notes that were previously issued by the Authority became rights and obligations of the Corporation.

The Corporation prepares and publishes on its website a monthly Mortgage and Bond Disclosure Report containing detailed information concerning characteristics of the Corporation’s mortgage loan portfolios and outstanding bond issues, including bond redemptions and mortgage prepayments. The Corporation presently intends to continue to provide such information, but is not legally obligated to do so. Certain financial and statistical information relating to the Corporation and its programs under the subheadings “Activities of the Corporation,” “Financial Results of Operations” and “Legislative Activity/Transfers to the State — Dividend to the State of Alaska” below was obtained from the May 2024 Mortgage and Bond Disclosure Report of the Corporation and the audited financial statements of the Corporation as of and for the year ended June 30, 2023. Copies of such financial statements and disclosure report may be obtained upon request from the Corporation. The Corporation’s main office is located at 4300 Boniface Parkway, Anchorage, Alaska 99504, and its telephone number is (907) 338-6100. Electronic versions of the financial statements and disclosure reports are available at the Corporation’s website.

Board of Directors, Staff and Organization

The Corporation is required by law to comply (except for the procurement provisions of the Alaska Executive Budget Act), and does comply, with the State budget process. The Corporation administratively operates within the State Department of Revenue. The Board of Directors of the Corporation is comprised of the Commissioner of Revenue, the Commissioner of Commerce, Community and Economic Development and the Commissioner of Health and Social Services, as well as four members from the following sectors of the general public appointed by the Governor to serve two-year terms: one member with expertise or experience in finance or real estate; one member who is a rural resident of the State or who has expertise or experience with a regional housing authority; one member who has expertise or experience in residential energy efficient home-building or weatherization; and one member who has expertise or experience in the provision of senior or low-income housing. The powers of the Corporation are vested in and exercised by a majority of its Board of Directors then in office, who may delegate such powers and duties as appropriate and permitted under the Act. The Corporation’s current members of its Board of Directors are as follows:

Name	Location
Brent LeValley Chair	Retired Fairbanks, Alaska
Jess Hall	Hall Quality Homes Palmer, Alaska
Allen Hippler	Chief Financial Officer, Taġiugmiullu Nunamiullu Housing Authority, Anchorage, Alaska
Mr. David Pruhs	Mayor, City of Fairbanks Fairbanks, Alaska
Adam Crum Commissioner Alaska Department of Revenue	Fadil Limani (designee) Deputy Commissioner Alaska Department of Revenue Juneau, Alaska
Heidi Hedberg Commissioner Alaska Department of Health and Social Services	Emily Ricci (designee) Deputy Commissioner Alaska Department of Health and Social Services Juneau, Alaska
Julie Sande Commissioner Alaska Department of Commerce, Community and Economic Development	Sandra Moller (designee) Director Alaska Department of Commerce, Community and Economic Development Anchorage, AK

Principal financial officers of the Corporation are as follows:

Bryan D. Butcher - Chief Executive Officer/Executive Director. Mr. Butcher rejoined the Corporation on August 7, 2013. Prior to his appointment as Chief Executive Officer/Executive Director, Mr. Butcher served as Commissioner of the Alaska Department of Revenue from January 2011 to August 2013, as the Corporation's director of governmental relations and public affairs from 2003 to 2011, and as a senior aide to the House and Senate Finance Committees of the Alaska Legislature for 12 years. Mr. Butcher holds a Bachelor of Science degree from the University of Oregon.

Akis Gialopsos - Deputy Executive Director. Mr. Gialopsos joined the Corporation in January 2023, having previously worked in the Alaska Legislature in various aide positions, including to the Alaska House of Representatives, to the Chief of Staff for the Alaska Senate President and to the Senate Resources Committee. He also served as Deputy Chief of Staff and as Legislative Director in the Office of Governor Mike Dunleavy. Mr. Gialopsos is a graduate of the University of Alaska, Anchorage.

Michael L. Strand - Chief Financial Officer/Finance Director. Mr. Strand joined the Corporation in 2001, and previously served as Senior Finance Officer, Finance Officer and Financial Analyst II. Prior to joining the Corporation, he served as a budget analyst for Anchorage Municipal Light and Power and as a financial analyst for VECO Alaska. Mr. Strand is a graduate of the University of Alaska, Anchorage, with Bachelor of Business Administration degrees in finance and economics.

Derrick Chan - Senior Finance Officer. Mr. Chan joined the Corporation in 2014, and previously served as Finance Officer, Financial Analyst II and Planner I. Prior to joining the Corporation, he served as a non-commissioned officer with the United States Army. Mr. Chan is a graduate of the University of Oregon with a Bachelor of Business Administration degree and holds a Master of Business Administration degree with concentrations in Finance and Investments from the Alaska Pacific University.

Activities of the Corporation

The principal activity of the Corporation is the purchase of residential mortgage loans. This activity has been supplemented by the merger with the Authority under which the Corporation assumed responsibility for the public housing functions of the Authority and its assumption of the rural housing and residential energy functions of the Department. See “The Corporation — General.”

Financing Activities. The Corporation is authorized by the State Legislature to issue its own bonds, bond anticipation notes and other obligations in such principal amounts as the Corporation deems necessary to provide sufficient funds for carrying out its purpose.

Pursuant to State law, the maximum amount of bonds that the Corporation may issue during any fiscal year (the Corporation’s fiscal years end on June 30) is \$1.5 billion. Bonds issued to refund outstanding bonds and to refinance outstanding obligations of the Corporation are not counted against the maximum annual limit.

Since 1986, implementation of refinancing programs by the Corporation has resulted in the prepayment of outstanding mortgage loans with a corresponding redemption at par of substantial amounts of the Corporation’s notes or bonds secured by such mortgage loans.

Since 1997, the Corporation has issued certain Self-Liquidity Bonds, which are variable rate demand obligations with weekly interest rate resets. If these bonds are tendered or deemed tendered, the Corporation has the obligation to purchase any such bonds that cannot be remarketed. This general obligation is not secured by any particular funds or assets, including any assets that may be held under the related indentures. The Corporation may issue additional bonds for which it will provide liquidity support, similar to that which it currently provides for the Self-Liquidity Bonds.

Other variable rate demand obligations issued by the Corporation are the subject of liquidity facilities provided by third-party liquidity providers in the form of standby bond purchase agreements and/or letters of credit. If such obligations are tendered or deemed tendered, the related liquidity provider is obligated to purchase any such obligations that cannot be remarketed. Such purchase obligation also arises in connection with the expiration of such facility in the absence of a qualifying substitute therefor. Bonds so purchased and held by third-party liquidity providers will thereupon begin to bear higher rates of interest and be subject to accelerated mandatory redemption by the Corporation, in each case in accordance with and secured by the related indenture.

The following table sets forth certain information regarding the Corporation's variable rate demand obligations as of May 31, 2024:

<u>Bond Series</u>	<u>Amount Outstanding</u>	<u>Liquidity Provider (or Self-Liquidity)</u>	<u>Facility Expiration Date</u>
Governmental Purpose Bonds, 2001 Series A and B	\$59,950,000	Federal Home Loan Bank - Des Moines	April 22, 2025 ⁽¹⁾
Home Mortgage Revenue Bonds, 2002 Series A	25,050,000	Federal Home Loan Bank - Des Moines	April 22, 2025 ⁽¹⁾
Home Mortgage Revenue Bonds, 2007 Series A, B and D	198,820,000	Federal Home Loan Bank – Des Moines	December 15, 2025 ⁽²⁾
Home Mortgage Revenue Bonds, 2009 Series A and B	142,360,000	Wells Fargo Bank, N.A.	August 19, 2024 ⁽⁴⁾
Home Mortgage Revenue Bonds, 2009 Series D	71,175,000	Federal Home Loan Bank- Des Moines	April 22, 2025 ⁽³⁾
State Capital Project Bonds II, 2017 Series B	90,000,000	Self-Liquidity ⁽⁵⁾	NA ⁽⁶⁾
State Capital Project Bonds II, 2018 Series A	90,000,000	Self-Liquidity ⁽⁵⁾	NA ⁽⁶⁾
State Capital Project Bonds II, 2019 Series A	140,000,000	Self-Liquidity ⁽⁵⁾	NA ⁽⁶⁾
State Capital Project Bonds II, 2022 Series A	<u>200,000,000</u>	Barclays Bank PLC	June 1, 2027
	<u>\$1,017,355,000</u>		

- (1) Effective August 13, 2024, the Corporation and the Federal Home Loan Bank of Des Moines expected to have agreed to extend the expiration dates of these facilities to August 10, 2026.
- (2) Effective August 13, 2024, the Corporation and the Federal Home Loan Bank of Des Moines expected to have agreed to extend the expiration dates of these facilities to August 10, 2028.
- (3) Effective August 13, 2024, the Corporation and the Federal Home Loan Bank of Des Moines expected to have agreed to extend the expiration date of this facility to August 10, 2029.
- (4) The Corporation currently anticipates replacing the 2009A and 2009B agreements with new facilities through the Federal Home Loan Bank of Des Moines, with expected effective and expiration dates of August 13, 2024, and August 10, 2029, respectively.
- (5) A \$200,000,000 standby letter of credit is currently in place with the Sumitomo Mitsui Banking Corporation, acting through its New York Branch, to further support self-liquidity by providing funds for the purchase of the Corporation's Commercial Paper Notes and certain variable rate State Capital Project Bonds II which are tendered and not remarketed and which are supported by Self-Liquidity. Unless extended or terminated pursuant to its terms, this agreement will expire on June 13, 2025.
- (6) The Corporation's obligation to purchase Self-Liquidity Bonds tendered or deemed tendered remains in effect so long as the related variable rate bonds are outstanding or until a qualifying third-party liquidity facility has replaced it.

The Corporation's financing activities include, in addition to the issuance of Bonds under the Indenture, recurring long-term debt issuances under established bond indentures described below. Such issuances constitute the majority of the Corporation's financing activities.

Home Mortgage Revenue Bonds. The Corporation issues Home Mortgage Revenue Bonds to finance the purchase of mortgage loans or to refund other obligations of the Corporation. Mortgage loans and/or other assets are pledged as collateral for the Home Mortgage Revenue Bonds. Home Mortgage Revenue Bonds are also general obligations of the Corporation.

General Mortgage Revenue Bonds II. The Corporation issues General Mortgage Revenue Bonds II to finance the purchase of mortgage loans or to refund other obligations of the Corporation. Mortgage loans and other assets are pledged as collateral for the General Mortgage Revenue Bonds II. General Mortgage Revenue Bonds II are general obligations of the Corporation.

Collateralized Bonds. The Corporation funds its Veterans Mortgage Program with the proceeds of State-guaranteed Collateralized Bonds. Qualified mortgage loans and/or mortgage-backed securities are pledged as collateral for the Collateralized Bonds. Collateralized Bonds are also general obligations of the Corporation and general obligations of the State.

Governmental Purpose Bonds. The Corporation issues Governmental Purpose Bonds to finance capital expenditures of the State for governmental purposes, with certain proceeds available for general corporate purposes. Governmental Purpose Bonds are general obligations of the Corporation.

State Capital Project Bonds II. The Corporation issues State Capital Project Bonds II to finance designated capital projects of State agencies and the Corporation, to refund other obligations of the Corporation and to finance building purchases that may or may not be secured by lease agreements between the Corporation and the State of Alaska. State Capital Project Bonds II are general obligations of the Corporation.

The following tables set forth certain information as of May 31, 2024, regarding bonds issued under the above-described financing programs and the Bonds issued under the Indenture:

Bonds Issued and Remaining Outstanding by Program

<u>Bond Program</u>	<u>Issued through 5/31/2024</u>	<u>Issued During Eleven Months Ended 5/31/2024</u>	<u>Outstanding as of 5/31/2024</u>
State Capital Project Bonds II	\$2,137,310,000	\$99,995,000	\$1,188,545,000
General Mortgage Revenue Bonds II	1,289,080,000	243,120,000	824,970,000
Home Mortgage Revenue Bonds	1,262,675,000	0	437,405,000
Veterans Bonds	842,785,000	49,900,000	88,845,000
Governmental Purpose Bonds	973,170,000	0	59,950,000
Other Bonds	<u>14,283,874,122</u>	<u>0</u>	<u>0</u>
Total Bonds	<u>\$20,788,894,122</u>	<u>\$393,015,000</u>	<u>\$2,599,715,000</u>

Summary of Bonds Issued and Remaining Outstanding

	<u>Issued through 5/31/2024</u>	<u>Issued During Eleven Months Ended 5/31/2024</u>	<u>Outstanding as of 5/31/2024</u>
Tax-Exempt Bonds	\$15,166,969,122	\$273,015,000	\$1,866,320,000
Taxable Bonds	<u>5,621,925,000</u>	<u>120,000,000</u>	<u>733,395,000</u>
Total Bonds	<u>\$20,788,894,122</u>	<u>\$393,015,000</u>	<u>\$2,599,715,000</u>
Self-Liquidity Bonds [†]	\$380,000,000	\$0	\$320,000,000

[†] For information only. These amounts are already included in the categories above.

The Corporation's financing activities also include recurring short-term debt issuances under established programs or agreements. The proceeds of such issuances may be used for any lawful purpose of the Corporation; however, the Corporation has in the past used and intends to continue to use such proceeds to temporarily refund outstanding tax-exempt obligations prior to their permanent refunding through the issuance of tax-exempt bonds.

Commercial Paper Notes Program. On June 13, 2007, the Corporation's Board of Directors authorized a domestic Commercial Paper Notes Program with a major dealer under which the maximum principal amount of notes outstanding at any one time shall not exceed \$150,000,000. The Commercial Paper Notes Program is rated "P-1" by Moody's, "A-1+" by S&P, and "F1+" by Fitch.

Reverse Repurchase Agreements. The Corporation may enter into reverse repurchase agreements in such amounts as it deems necessary for carrying out its purpose.

TBA Markets. From time to time, in lieu of utilizing the proceeds of bond issues to finance certain federally insured or guaranteed mortgage loans, the Corporation pools those mortgage loans into GNMA Mortgage-Backed Securities and sells the securities into the national TBA ("To Be Announced") future delivery market.

Lending Activities

The Corporation finances its lending activities with a combination of general operating funds, bond proceeds, and loan prepayments and earnings derived from the permitted spread between borrowing and lending rates. The Corporation acquires mortgage loans after they have been originated and closed by direct lenders, which normally are financial institutions or mortgage companies with operations in the State. Under many of the Corporation's programs, the originating lender continues to service the mortgage loan on behalf of the Corporation. The Corporation also makes available a streamlined refinance option that allows applicants to obtain new financing secured by property that is currently financed by the Corporation without income, credit, or appraisal qualifications.

In addition to the lending programs described below, the Corporation funded a loan totaling approximately \$145 million (\$50 million on November 20, 2013; \$24 million on July 29, 2016; \$46 million on June 9, 2017; and \$25 million on January 12, 2018) for the construction and rehabilitation of rental housing on two United States Army bases in the State, Fort Wainwright and Fort Greely, bearing interest at a rate of 6.625% per annum and amortizing over a 40-year term maturing April 15, 2058, with a 35-year lockout for prepayment. As of May 31, 2024, the remaining principal balance on this loan was \$138,197,019.

Following are brief descriptions of the Corporation's lending programs:

First Home Limited Program. The First Home Limited Program offers lower interest rates to eligible borrowers who meet income, purchase price, and other requirements of the Code.

First Home Program. The First Home Program offers a reduced interest rate to first-time homebuyers who do not meet the Code requirements of the First Home Limited Program.

Veterans Mortgage Program. The Veterans Mortgage Program offers a reduced interest rate to qualified veterans who purchase or construct owner-occupied single-family residences or, with certain restrictions, who purchase a duplex, triplex, or fourplex.

Rural Loan Program. The Rural Loan Program offers financing to purchase, construct, or renovate owner occupied and non-owner occupied housing in small communities. The Rural interest rate is one percent below the calculated cost of funds established for the Corporation's Taxable Program and is applied to the first \$250,000 of the loan only. The balance of the loan is at the Rural interest rate plus 1%.

My Home Program. The My Home Program is available statewide for applicants or properties not meeting requirements of other Corporation programs. Borrowers and properties must meet the Corporation's general financing requirements.

Uniquely Alaskan Program. The Uniquely Alaskan Program is targeted toward non-conforming loans for certain properties for which financing may not be obtained through private, state or federal mortgage programs.

Military Facility Zone Program. The Military Facility Zone Program is available for qualified two-to-four-unit properties in Alaska's designated Military Facility Zone through June 30, 2024.

Multi-Family Loan Purchase Program. The Corporation participates with approved lenders to provide financing for the acquisition, rehabilitation, and refinancing of multi-family housing (buildings with at least five units and designed principally for residential use) as well as certain special-needs and congregate housing facilities.

The following tables set forth certain information as of May 31, 2024, regarding the mortgage loans financed under the above-described lending programs:

Mortgage Purchases by Program

<u>Loan Program</u>	<u>Original Principal Balance of Mortgage Loans Purchased during FY 2023</u>	<u>Original Principal Balance of Mortgage Loans Purchased during the Eleven Months Ended 5/31/2024</u>
My Home	\$199,113,535	\$216,752,607
First Home	107,987,743	129,916,747
First Home Limited	75,569,661	101,823,472
Veterans	40,099,277	72,381,916
Rural	47,683,159	27,493,891
Multi-Family/Special Needs	22,226,725	6,978,100
Other Loan Programs	<u>5,354,630</u>	<u>1,630,650</u>
Total Mortgage Purchases	\$498,034,730	\$556,977,383
Percentage of Original Principal Balance of		
Total Mortgage Purchases during Period		
Representing Streamline Refinance Loans	0.0%	0.1%

Mortgage Portfolio Summary

	<u>As of 6/30/2023</u>	<u>As of 5/31/2024</u>
Mortgages	\$3,110,614,523	\$3,409,816,970
Participation Loans	83,672,212	108,492,509
REO/Unconventional Loans	49,952,606	74,327,182
Total Mortgage Portfolio	<u>\$3,244,239,341</u>	<u>\$3,592,636,661</u>

Mortgage Insurance Summary[†]

<u>Type</u>	<u>Outstanding Principal Balance as of 5/31/2024</u>	<u>Percentage of Total Mortgage Loans by Outstanding Principal Balance</u>
Uninsured ^{††}	\$1,984,704,005	55.2%
Private Mortgage Insurance ^{†††}	1,000,589,383	27.9%
Federally Insured – FHA	220,909,219	6.1%
Federally Insured – VA	200,293,648	5.6%
Federally Insured – RD	113,348,094	3.2%
Federally Insured – HUD 184	72,792,312	2.0%
TOTAL	<u>\$3,592,636,661</u>	<u>100.0%</u>

[†] This table contains information regarding the types of primary mortgage insurance coverage applicable to the Corporation's mortgage loans at their respective originations. No representation is made as to the current status of primary mortgage insurance coverage.

^{††} Uninsured Mortgage Loans represent loans for which the original loan-to-value ratio was not in excess of 80% (90% for loans in rural areas) and insurance coverage was therefore not required. No representation is made as to current loan-to-value ratios.

^{†††} The following table sets forth information with respect to the providers of such private mortgage insurance. No representation is made as to the amount of private mortgage insurance coverage provided by carriers whose claims-paying ability is rated investment grade or better by Moody's, S&P or Fitch.

<u>PMI Provider</u>	<u>Outstanding Principal Balance as of 5/31/2024</u>	<u>Percentage of Total Mortgage Loans by Outstanding Principal Balance</u>
Radian Guaranty	\$346,841,984	9.7%
United Guaranty	200,787,791	5.6%
Mortgage Guaranty	171,459,164	4.8%
Essent Guaranty	105,987,016	3.0%
National Mortgage Insurance	90,324,506	2.5%
Genworth GE	61,214,934	1.7%
CMG Mortgage Insurance	23,291,614	0.6%
Commonwealth	364,370	0.0%
PMI Mortgage Insurance	318,004	0.0%
TOTAL	<u>\$1,000,589,383</u>	<u>27.9%</u>

The following table sets forth certain delinquency information (including loans receiving forbearance or in loss mitigation) as of May 31, 2024:

Corporation Mortgage Delinquency and Foreclosure Summary

<u>PMI Provider</u>	<u>As of 6/30/2023</u>	<u>As of 5/31/2024</u>
Delinquent 30 Days	1.77%	1.36%
Delinquent 60 Days	0.41	0.53
Delinquent 90 Days or More	<u>0.73</u>	<u>0.57</u>
Total Mortgage Delinquency	<u>2.91%</u>	<u>2.46%</u>
Total Foreclosures	<u>\$4,168,814</u>	<u>\$3,425,722</u>

Public Housing Activities. The Corporation performs certain public housing functions in the State through the Division. The Division operates Low Rent and Section 8 New Construction/Additional Assistance housing to serve low-income families, disabled persons and seniors in several communities throughout Alaska. The Division also administers the rent subsidies for numerous families located in private-sector housing through vouchers, certificates, and coupons issued pursuant to Section 8 of the United States Housing Act of 1937. The Division's operating budget is funded primarily through contracts with HUD. The Division is engaged in a number of multifamily renovation and new construction projects throughout the State.

Financial Results of Operations

The following is a summary of revenues, expenses and changes in net position of the Corporation for each of its five most recent fiscal years ended June 30. For additional detail, see the Statement of Revenues, Expenses, and Changes in Net Position in the Corporation's financial statements as of and for the year ended June 30, 2023, included in Appendix A to this Official Statement.

Summary of Revenues, Expenses and Changes in Net Position (000's)

	<u>Fiscal Year Ended June 30</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Assets and Deferred Outflows	\$4,324,347	\$4,352,496	\$4,502,474	\$4,609,943	\$4,322,532
Total Liabilities and Deferred Inflows	2,696,097	2,753,035	2,886,543	3,002,979	2,751,109
Total Net Position	1,628,250	1,599,461	1,615,931	1,606,964	1,571,423
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Contribution to State or State agency	(8,047)	(933)	(1,011)	0	(2,106)
Change in Net Position	\$28,789	\$1,301	\$8,967	\$35,541	\$32,727

Legislative Activity/Transfers to the State

Prior Transfers to the State. The Board adopted the Dividend Plan in 1991 to transfer one-half of the lesser of its unrestricted net income or total net income to the State. Under the Dividend Plan, in 1991 the Corporation transferred a total of \$114,324,000 to the State. Additionally, in 1995, the Board voted to make a one-time payment to the State in the amount of \$200,000,000. On April 27, 1995, the Corporation agreed to make a one-time transfer of \$50,000,000 to the State and close the Dividend Plan. In 1997, the Corporation transferred to the State's general fund \$20,000,000 made available as a consequence of certain bond retirements.

The Current Transfer Plan. In the fiscal year 1996 capital appropriation bill (the April 27, 1995, agreement referred to in the immediately preceding paragraph and the 1996 capital appropriation bill, as amended, collectively, the "Transfer Plan") the Legislature expressed its intent that the Corporation transfer to the State (or expend on its behalf) amounts not to exceed \$127,000,000 in fiscal year 1996 and \$103,000,000 in each fiscal year from 1997 to 2000, but that, "[T]o ensure the prudent management of [the Corporation and] to protect its excellent debt rating ..." in no fiscal year should such amount exceed the Corporation's net income for the preceding fiscal year.

The 1998 Legislature adopted legislation (the "1998 Act") authorizing the Corporation to finance state capital projects through the issuance of up to \$224,000,000 in bonds. The 1998 Act 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 2000 Legislature adopted legislation (the "2000 Act") 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 adopted legislation (the "2002 Act") authorizing the issuance of \$60,250,000 in capital project bonds for the renovation and deferred maintenance of the Corporation's Public Housing facilities.

The 2004 Legislature adopted legislation (the "2004 Act") 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 State Capital Project Bonds pursuant to the 2004 Act, and has completed its issuance authority under the Acts. Payment of principal and interest on these bonds is categorized as a transfer pursuant to the Transfer Plan and is included in the Corporation's capital budget.

The 2003 Legislature enacted Chapter 76 SLA 2003, subsequently amended by Chapter 120 SLA 2004, Chapter 7 SLA 2006 and Chapter 35 SLA 2010 (as so amended, the "2003 Act"), which modified and incorporated provisions of the Transfer Plan. The Corporation views the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. The 2003 Act provides that the amount transferred by the Corporation to the State in fiscal years 2004, 2005, and 2006 shall not exceed \$103,000,000 (in each case, less debt service on certain State Capital Project Bonds and any legislative appropriation of the

Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget).

The 2003 Act further provides that the amount transferred by the Corporation to the State in each fiscal year beginning with fiscal year 2007 shall not exceed:

- (a) the lesser of (i) \$103,000,000 and (ii) the respective percentage of adjusted change in net assets for the fiscal year two years prior thereto (the "base fiscal year") for such fiscal year set forth in the table below, less
- (b) debt service on certain State Capital Project Bonds, less
- (c) any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations for the Corporation's operating budget.

<u>Fiscal Year</u>	<u>Percentage of Adjusted Change in Net Assets</u>
2007	95%
2008	85%
2009 and thereafter	75%

Under the 2003 Act, "adjusted change in net assets" means the change in net assets for a base fiscal year as reflected in the Corporation's financial statements, adjusted for capital expenditures incurred during such year and, effective June 20, 2010, temporary market value adjustments to assets and liabilities made during such year.

Dividend to the State of Alaska. Following are the details of the Corporation's dividend to the State as of June 30, 2023 (in thousands).

	<u>Dividend Due to State</u>	<u>Expenditures</u>	<u>Remaining Commitments</u>
State General Fund Transfers	\$799,514	\$(789,880)	\$9,634
State Capital Projects Debt Service	507,037	(503,292)	3,745
State of Alaska Capital Projects	294,915	(260,699)	34,216
Corporation Capital Projects	<u>592,842</u>	<u>(541,762)</u>	<u>51,080</u>
Total	<u>\$2,194,308</u>	<u>\$(2,095,633)</u>	<u>\$98,675</u>

Corporation Budget Legislation. The Corporation's fiscal year 2025 operating budget was enacted by the Legislature during the 2024 legislative session. Consistent with the Transfer Plan, the fiscal year 2025 capital budget estimates that \$47.9 million will be available from the adjusted change in net position for payment of debt service, appropriation for capital projects and transfers to the State General Fund.

There can be no assurance that the Legislature or the Governor of the State will not seek and/or enact larger dividends or other transfers of Corporation assets by legislative enactment or other means in the future; however, the Transfer Plan, as amended, has been honored to date by all parties thereto.

Litigation

There are no threatened or pending cases in which the Corporation is or may be a defendant which the Corporation feels have merit and which it feels could give rise to materially negative economic consequences.

DESCRIPTION OF THE INDENTURE

Following is a summary of certain provisions of the Indenture. It is not comprehensive. Reference should be made to the full text of the Indenture.

All capitalized terms hereinafter used under this caption have the same meanings as in the Indenture if not otherwise defined herein.

Certain Definitions

“*Bondholder*” or “*holder*” or words of similar import, when used with reference to a Bond or Bonds, shall mean any person who shall be the bearer of any Outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any Outstanding Bond or Bonds at the time registered other than to bearer.

“*Bond Proceeds Account*” shall mean, for any Series, the Bond Proceeds Account established within the Program Obligation Fund for such Series.

“*Certificate*” shall mean a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined by an authorized officer pursuant to the Indenture; every certificate of the Corporation with respect to compliance with any agreement, condition, covenant or term contained in the Indenture shall include (1) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or term and the definitions in the Indenture relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, such person has made or caused to be made such examination or investigation as is necessary to enable such person to express an informed opinion with respect to the subject matter referred to in the instrument to which such person’s signature is affixed; and (4) a statement as to whether, in the opinion of such person, the Corporation has complied with such provision.

“*Counsel’s Opinion*” shall mean an unqualified opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to state and municipal financing (who may be counsel to the Corporation) selected by the Corporation.

“*Credit Enhancement*” shall mean a letter of credit, a line of credit, a credit facility, a surety bond, bond insurance, or any other instrument or arrangement obtained in connection with the issuance of a Series of Bonds to further secure the payment of principal and interest of the Bonds of such Series but does not include any Liquidity Facility.

“*Credit Enhancement Fund*” shall mean a Fund or Account authorized to be created by the Corporation pursuant to a Supplemental Indenture authorizing the issuance of a Series of Bonds for the purposes of holding and disbursing the proceeds of, or holding only, Credit Enhancement securing such Series.

“Debt Service Payment” shall mean any scheduled payment of principal of or interest on Bonds and any payment of the Redemption Price of and accrued interest on any Bonds that are redeemed.

“Debt Service Payment Date” shall mean any date on which any Debt Service Payment shall be due, including any redemption date for any Bonds.

“Eligible Funds” shall mean (1) any Pledged Revenues and Bond proceeds, (2) any moneys or Investment Securities which are not the proceeds of the Bonds and which are at any time on deposit in any Fund other than the Debt Service Account and the OCR Fund and (3) any moneys, Investment Securities or other assets on deposit in the Debt Service Account but excluding any amounts that may be received pursuant to the guaranty of the Bonds by the State of Alaska. Notwithstanding the above, moneys, Investment Securities or other assets that are not (i) Pledged Revenues, (ii) Bonds proceeds or (iii) contributions by the Corporation shall not be “Eligible Funds” until such moneys, Investment Securities or other assets shall have been on deposit hereunder for at least 93 days during which no proceeding by or against the payer of such moneys, Investment Securities or other assets shall have been commenced under the United States Bankruptcy Code or successor statute.

“General Account” shall mean, for any Series, the General Account established within the Redemption Fund for such Series.

“Interest Payment Date” shall mean, for any Series, any date upon which interest on the Bonds of such Series is payable in accordance with their terms and the terms of the Master Indenture or the Supplemental Indenture authorizing the issuance of such Series. “Interest Payment Date” for the 2024 Bonds shall mean December 1, 2024, and on each June 1 and December 1 thereafter.

“Investment Agreement” shall mean a guaranteed investment contract which may be entered into among the Corporation or the Trustee and any corporation (including the Trustee) meeting the requirements established in the Indenture.

“Liquidity Facility” shall mean an agreement or other instrument or arrangement to further secure the payment of the purchase price of any Bonds in connection with a tender of such Bonds pursuant to the terms thereof and the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Liquidity Facility Fund” shall mean a Fund or Account authorized to be created by the Trustee pursuant to a Supplemental Indenture authorizing the issuance of a Series of Bonds for the purposes of holding and disbursing the proceeds of, or holding only, a Liquidity Facility relating to such Series.

“Minimum Debt Service Account Requirement” shall mean 2% of the outstanding aggregate principal balance of the Mortgage Loans excluding Mortgage Loans that have been exchanged for Mortgage Certificates.

“Outstanding,” when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Any Bonds canceled by the Corporation or the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which there shall be held in trust hereunder and set aside moneys or Investment Securities that are either direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited at the same time, will be sufficient to pay the principal

or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date (whether at or prior to the maturity or redemption date) and, if such Bonds are to be redeemed, for which notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture; and

(d) Bonds deemed to have been paid as provided in the Indenture.

“Over Collateralization Requirement” shall mean the “OCR” as set forth in the Indenture.

“Pledged Program Obligation” shall mean all Pledged Mortgage Loans and Pledged Mortgage Certificates and all other Program Obligations acquired with amounts disbursed pursuant to the Indenture.

“Pledged Revenues” shall mean (i) all payments of principal of and interest on Pledged Program Obligations immediately upon receipt thereof by the Corporation or any Depository or the Trustee (including payments representing prepayments of Mortgage Loans and any payments received from FNMA pursuant to its guarantee of the FNMA MBSs and from GNMA pursuant to its guarantee of the GNMA Certificates and from FHLMC pursuant to its guarantee of the FHLMC Certificates) and all other net proceeds of such Pledged Program Obligations, and (ii) amounts required to be deposited as Pledged Revenues pursuant to the Indenture.

“Program Expenses” shall mean all the Corporation’s expenses in carrying out and administering the Program and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, consulting and banking services and expenses, the fees and expenses of the Trustee, any Credit Enhancement Agency, any Liquidity Facility Provider, the Depositories and the Paying Agents, Costs of Issuance not paid from proceeds of Bonds, and payments for pension, retirement, health and hospitalization and life and disability insurance benefits, all to the extent properly allocable to the Program.

“Rating Agencies” shall mean any national securities rating service requested by the Corporation to rate the Bonds and which, at the time of consideration, provides a published rating for the Bonds.

“Record Date” shall mean the twentieth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day, for the 2024 Bonds.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond or the Indenture or any Supplemental Indenture.

“Series” shall mean all the Bonds authenticated and delivered on original issuance pursuant to a Supplemental Indenture and designated as a Series therein and any Bonds thereafter authenticated and delivered upon the transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as provided in the Indenture, regardless of variations in maturity, interest rate, Sinking Fund Payments, or other provisions. Except as otherwise provided in the 2024 Supplemental Indenture, the 2024 Bonds are a “Series” for the purposes of the definition of such term in the Indenture.

“Sinking Fund Payment” shall mean, as of any particular date of calculation and with respect to the Outstanding Bonds of any Series, the amount required to be paid at all events by the Corporation on a single

future date for the retirement of Bonds of such Series which mature after said future date, but does not include any amount payable by the Corporation by reason only of the maturity of a Bond.

“*Supplemental Indenture*” shall mean an indenture supplemental to or amendatory of the Indenture, adopted by the Corporation and effective as provided in the Indenture.

Guaranty by the State

The following statement in the form set forth below will be on each Bond and constitutes the unconditional guaranty by the State of the payment of the principal and interest on the Bond according to its terms:

The payment of this Bond as to principal and interest according to its terms is hereby unconditionally guaranteed by the State of Alaska. The full faith, credit and resources of the State of Alaska are pledged to the payment of the principal and interest on this Bond, and the principal and interest on this Bond are secured by the general obligation of the State of Alaska.

Revenues

The Corporation will establish a Revenue Fund for the 2024 Bonds. The Revenue Fund will have the following accounts:

Interest Account
Debt Service Account
Capitalized Interest Account
Recycling Account.

The Corporation will establish a Redemption Fund for the 2024 Bonds. The Redemption Fund will have the following accounts:

Principal Account
Operating Account
General Account.

The Trustee will distribute and apply the Pledged Revenues in the following order of priorities:

FIRST, to the Interest Account of the Revenue Fund the amount required, together with other amounts on deposit in the Interest Account, to pay the interest on any Series of Bonds on the next Interest Payment Date or to reimburse any amounts drawn for such purpose under any Credit Enhancement or Liquidity Facility. The Trustee will apply funds in the Interest Account to payment of interest on such Bonds or to make such reimbursement on the due dates.

SECOND, to the Redemption Fund the remaining Pledged Revenues. The Trustee will deposit and apply the funds in the Redemption Fund as follows: to the Principal Account the amount necessary to pay all Principal Installments for each Series of Bonds Outstanding coming due on the next Principal Installment date for each Series; to the Debt Service Account, the amount required, if any, to increase the balance to the Minimum Debt Service Account Requirement; to the Operating Account, the amount required to pay or reimburse the Corporation for the payment of Program Expenses, but in no event may such amount in any semi-annual interest period exceed .055% of the outstanding principal balance of the Program Obligations held in the Program

Obligation Fund as of the date of determination as determined by the Corporation; and to the General Account, together with certain other amounts to be deposited in the General Account pursuant to the Indenture, for application to the special redemption of the Bonds pursuant to the provisions of the Supplemental Indenture authorizing the issuance of such Bonds, except that under certain circumstances the Corporation may direct these amounts to be transferred to the Recycling Account of the Program Obligation Fund.

The Corporation may establish an OCR Fund in order to meet the Over Collateralization Requirement with respect to Mortgage Loans not exchanged for Mortgage Certificates that are to be deposited in the Program Obligation Fund.

If three Business Days preceding any Interest Payment Date the amount on deposit, or to be deposited on such Interest Payment Date, in the Interest Account of the Revenue Fund and the Principal Account and the General Account of the Redemption Fund shall be less than the amount required to pay interest, principal or Sinking Fund Payments on the Bonds of any Series on such Interest Payment Date, any such deficiency shall be immediately satisfied with a transfer of Eligible Funds from the Debt Service Account to the applicable Account, or, if insufficient, by a deposit to the applicable Account of any other funds of the Corporation available therefor, including amounts available in the OCR Fund.

Issuance of Additional Bonds

The Master Indenture authorizes additional bonds to be issued from time to time, subject to the terms, conditions and limitations set forth therein. The additional bonds are to be executed by the Corporation and delivered to the Trustee for authentication and delivery only upon receipt by the Trustee of:

- (a) a Counsel's Opinion to the effect, among other things, that such additional bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State, including the Act as amended to the date of such opinion, and in accordance with the Indenture;
- (b) a written order as to the authentication and delivery of such additional bonds;
- (c) executed counterparts of the Master Indenture;
- (d) an executed original of the Supplemental Indenture authorizing such Series;
- (e) the amount of proceeds of such Series to be deposited in any Fund or Account;
- (f) a Certificate of an Authorized Officer stating that the Corporation is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture;
- (g) a Bond Coverage Certificate;
- (h) written verification from the Rating Agencies that the issuance of such Series of Bonds will not, in and of itself, cause a withdrawal or reduction in the rating assigned by the Rating Agencies to any Outstanding Bonds of any prior Series;
- (i) if such Series of Bonds is to have the benefit of a Liquidity Facility or be secured by Credit Enhancement, the executed Liquidity Facility or Credit Enhancement or evidence that all

conditions precedent to the issuance of such Liquidity Facility or Credit Enhancement have been met as of the date of issuance of such Series of Bonds; and

(j) such further documents and moneys as set forth in the Master Indenture or any Supplemental Indenture.

One or more Series of additional bonds (“Refunding Bonds”) may be issued pursuant to the Master Indenture to refund any Outstanding Bonds. Refunding Bonds may be issued only upon receipt by the Trustee of the documents and moneys, if any, referred to in the preceding paragraph and irrevocable instructions to the Trustee to give any required notices with respect to the refunded Bonds, and upon receipt by the Trustee of either (a) moneys sufficient to effect payment of the Bonds to be refunded, or (b) direct obligations of the United States or of agencies and instrumentalities thereof that are guaranteed by the United States of America the principal of and interest on which when due, together with the moneys (which may include all or a portion of the proceeds of the Refunding Bonds to be issued), if any, contemporaneously deposited with the Trustee, will be sufficient to pay when due the applicable redemption price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date.

The Trustee will establish a Program Obligation Fund for the 2024 Bonds and a Rebate Fund for the 2024 Bonds, if necessary. The Trustee shall establish within any Account such additional subaccounts for the purposes of such Account as the Corporation shall determine by Supplemental Indenture.

Rebate

The Corporation will establish a Rebate Fund for the 2024 Bonds if necessary to hold moneys required to be rebated to the federal government which shall not be subject to the lien and pledge of the Indenture.

Investments

Except as otherwise provided in the Indenture, all amounts held under the Indenture by the Trustee or any Depository shall be invested continuously and fully in Investment Securities for the benefit of the Corporation and the holders of the Bonds. “Investment Securities” are limited to: (a) direct obligation of or obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States; (b) demand and time deposits in, certificates of deposit of, banker acceptances issued by, or federal funds sold by, any bank or trust company organized under the laws of the United States of America or any state thereof and subject to supervision and examination by federal and/or state banking authorities, or any foreign bank with a branch or agency licensed under the laws of the United States of America or any state thereof or under the laws of a country the Moody’s sovereign rating for bank deposits in respect of which is “Aaa,” so long as at the time of such investment (i) the unsecured debt obligations of such bank or trust company have credit ratings from each Rating Agency at least equal to the then existing ratings of the Bonds; or (ii) the investment matures in six months or less and such bank or trust company has outstanding commercial paper rated “A-1+” by Standard & Poor’s and “P-1” by Moody’s and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency and has outstanding debt obligations rated as least “Aa” by Moody’s; (c) repurchase obligations held by the Trustee or a third party acting as agent for the Trustee with a maturity date not in excess of 30 days with respect to (i) any security described in paragraph (a) or (ii) any other security issued or guaranteed by an agency or instrumentality of the United States of America, in either case entered into with the Trustee or any other bank or trust company (acting as principal) that has outstanding commercial paper rated “A-1+” by Standard & Poor’s and “P-1” by Moody’s and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency and that has outstanding debt obligations rated at least “Aa2” by Moody’s; (d) securities (other than securities of the types described in the other paragraphs under this

definition of “Investment Securities”) which at the time of such investment have ratings from Standard & Poor’s and Moody’s at least equal to the highest ratings available from Standard & Poor’s and Moody’s for obligations similar to the Bonds and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency and which evidence a debt of any corporation incorporated under the laws of the United States of America or any state thereof; provided, however, that such securities issued by any particular corporation will not be Investment Securities to the extent that investment therein will cause the then outstanding principal amount of securities issued by such corporation and held under the Indenture to exceed 10% of the aggregate outstanding principal balances and amounts of all Mortgage Loans and Investment Securities held under the Indenture; (e) commercial paper with a maturity date not in excess of 270 days rated “A-1+” by Standard & Poor’s and “P-1” by Moody’s and having comparable ratings from (or otherwise acceptable to) Fitch and from any other Rating Agency at the time of such investment, issued by an entity incorporated under the laws of the United States or any state thereof or under the laws of a country the Moody’s sovereign rating for bank deposits in respect of which is “Aa”; provided, however, that at the time of such investment the issuer of such commercial paper shall also have outstanding debt obligations rated at least “Aa2” by Moody’s; (f) an Investment Agreement; (g) money market funds rated “AAAm” or “AAAm-G” by Standard & Poor’s and “Aaa-mf” by Moody’s and having comparable ratings from (or otherwise acceptable to) any other Rating Agency then rating that fund; and (h) any other investment that is of Rating Quality and that is not unacceptable to the Trustee upon written direction to the Issuer.

Powers of Amendment

A Supplemental Indenture may be adopted at any time or from time to time, without the consent of any holder of the Bonds, upon filing with the Trustee, in order to: (a) close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; (b) add other covenants and agreements to be observed by the Corporation not contrary to or inconsistent with the Indenture; (c) add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the Corporation which are not inconsistent with the Indenture; (d) surrender any right, power or privilege of the Corporation, by the terms of the Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Corporation contained in the Indenture; (e) authorize bonds of a Series and, in connection therewith (i) to specify and determine certain matters and things referred to as being matters or things to be determined or specified in a Supplemental Indenture authorizing a Series of Bonds and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Indenture as theretofore in effect, (ii) to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds, or (iii) to add such provisions to the Indenture and, if necessary, amend the provisions of the Indenture as may be necessary to permit and provide for the issuance of such Bonds as bearer Bonds; (f) confirm any pledge under, or the subjection to any lien or pledge created by, the Indenture; (g) modify any of the provisions of the Indenture in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the effective date of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof; and (h) to make such additions, deletions or modifications as may be necessary to assure compliance with the Code or to obtain a satisfactory rating on a Series of Bonds from a Rating Agency, provided that no such additions, deletions or modifications intended to obtain a satisfactory rating shall cause a reduction in any ratings assigned by a Rating Agency to Bonds then Outstanding. A Supplemental Indenture may also be adopted at any time or from time to time, without the consent of Bondholders, upon filing with the Trustee and upon consent of the Trustee to: (a) cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision; (b) insert such

provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; (c) provide for additional duties of the Trustee in connection with the Mortgage Loans and Mortgage Certificates; or (d) make any other changes not materially adverse to the interests of the Bondholders.

Any modification or amendment of any provision of the Indenture or of the rights and obligations of the Corporation and of the holders of the Bonds may be made by a Supplemental Indenture, with the written consent given as provided in the Indenture (i) of the holders of at least two-thirds in principal amount of the Bonds Outstanding, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of at least two-thirds in principal amount of the bonds of the particular Series and maturity entitled to such Sinking Fund Payment and Outstanding at the time such consent is given; except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the Indenture. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest rate thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For these purposes, a Series shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the holders of Bonds of such Series. The Trustee may in its discretion determine whether, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Corporation and all holders of Bonds.

Events of Default

Each of the following events is an “Event of Default”: (a) the Corporation defaults in the payment of the principal (including Sinking Fund Payments) or Redemption Price, if any, of any Bond within two Business Days after the same becomes due, whether at maturity or upon call for redemption or otherwise; (b) payment of any installment of interest on any of the Bonds is not made within two Business Days after the same becomes due; (c) the Corporation fails or refuses to comply with the provisions of the Indenture or defaults in the performance or observance of any of the covenants, agreements or conditions contained therein or in any Supplemental Indenture or the Bonds, and such failure, refusal or default continues for a period of 45 days after written notice thereof by the Trustee or the holders of not less than 25% in principal amount of the Outstanding Bonds; or (d) any Event of Default as designated by a Supplemental Indenture occurs and remains uncured.

Remedies

Upon the happening and continuance of any Event of Default specified in clause (a) or (b) above, the Trustee will proceed, or upon the happening and continuance of any Event of Default specified in clause (c) or (d) above, the Trustee may proceed, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds, subject to certain provisions relating to the Trustee (except that, with respect to an Event of Default specified in clause (c) or (d) above, the provisions of the Supplemental Indenture to which such Event of Default relates may direct the Trustee to so proceed without regard to Bondholder request or to proceed or not proceed upon the occurrence of other conditions set forth

in such Supplemental Indenture), will proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies as the Trustee, being advised by counsel, will deem most effectual to protect and enforce such rights: (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Corporation to receive and collect revenues and assets adequate to carry out the covenants and agreements as to, and pledge of, such revenues and assets, and to require the Corporation to carry out any other covenant or agreement with Bondholders and to perform its duties under the Act; (b) by bringing suit upon the Bonds; (c) by action or suit in equity, require the Corporation to account as if it were the trustee of an express trust for the holders of the Bonds; (d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the Bonds; or (e) by taking possession of and retaining the Program Obligations for the benefit of Bondholders.

Trustee

U.S. Bank Trust Company, National Association is appointed as the Trustee. The Trustee shall be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation, and signed by the holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation. Except during the existence of an Event of Default by the Corporation, the Corporation may remove the Trustee at any time for such cause as shall be determined by the Corporation. Any successor to the Trustee is required to be a trust company or bank having the powers of a trust company within or outside the State of Alaska and having capital and surplus aggregating at least \$25,000,000. The Corporation will pay to the Trustee reasonable compensation for all services rendered.

Defeasance

If the Corporation pays or causes to be paid to the holders of the Bonds the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any revenues and assets thereby pledged and all other rights granted thereby will be discharged and satisfied.

Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by fiduciaries (through deposit by the Corporation of funds for such payment or redemption or otherwise), at the maturity or redemption date thereof, will be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph. All Outstanding Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the preceding paragraph if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Corporation gives to the Trustee in form satisfactory to it irrevocable instructions to provide notice of redemption of the Bonds, (b) there has been deposited with the Trustee either moneys in an amount which are sufficient, or Investment Securities which are direct obligations of the United States or of agencies or instrumentalities thereof that are guaranteed by the United States the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal or redemption price, if any, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event the Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Corporation gives the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the holders of such Bonds stating that the deposit required by (b) above has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of the Bonds. Neither the Investment Securities nor the moneys so deposited with the Trustee nor principal or interest payments on any such Investment

Securities will be withdrawn or used for any purpose other than, and will be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on the bonds, but any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, will, be reinvested to the extent practicable in those Investment Securities described above maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, and interest to become due on the bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments will be paid over to the Corporation, as received by the Trustee, free and clear of any trust, lien or pledge.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, to be delivered on the date of issuance of the 2024 Bonds, assuming compliance with certain covenants which are designed to meet the requirements of the Code, under existing laws, regulations, rulings and judicial decisions, interest on the 2024 Bonds (i) is excluded from gross income for federal income tax purposes and (ii) is not a specific preference item for purposes of the alternative minimum tax provisions imposed on individuals by the Code. Interest on the 2024 Bonds may affect the federal alternative minimum tax imposed on certain corporations.

In the opinion of Bond Counsel, interest on the 2024 Bonds is free from taxation by the State under existing law (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).

General

The requirements of applicable federal tax law must be satisfied with respect to the 2024 Bonds in order that interest on such Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof. The Code provides that interest on obligations of a governmental unit such as the Corporation issued to finance, or to refund bonds issued to finance, single family residences for qualified veterans (such as the 2024 Bonds) is not included in gross income for federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations and the use of the funds generated by the issuance of the obligations, the nature of the residences and the mortgages, and the eligibility of the borrowers executing the mortgages.

Loan Eligibility Requirements Imposed by the Code

The Code contains the following loan eligibility requirements that are applicable to Mortgage Loans financed with proceeds attributable to the 2024 Bonds in order that interest on the 2024 Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof.

Qualifying Veterans and Residence Requirement. The Code requires that 95% of the net proceeds of the 2024 Bonds be used to provide residences for qualified veterans. In addition, the Code requires that each of the premises financed with proceeds of qualified veterans' mortgage bonds be a residence located within the jurisdiction of the issuer which can reasonably be expected to become the principal residence of the mortgagor within a reasonable time after the financing is provided. Certain documents adopted by the Corporation that establish procedures to be followed in connection with the financing of Mortgage Loans with amounts attributable to the 2024 Bonds in order to assure that interest paid on the 2024 Bonds not be included in gross income for federal income tax purposes under the Code (the "Program Documents") require each mortgagor to submit an affidavit stating such person's intention to occupy the premises as his principal residence within 60 days after closing of the Mortgage Loan.

New Mortgage Requirement. The Code requires that, with certain limited exceptions, the lendable proceeds of qualified veterans' mortgage bonds finance new mortgage loans only and that no proceeds may be used to acquire or replace an existing mortgage loan, which would include the refinancing of a pre-existing mortgage loan. The Corporation will verify compliance with the new mortgage requirement by requiring each mortgagor and the seller of the residence to certify, subject to such exceptions, that no refinancing of a prior mortgage loan is being effected.

Good Faith Efforts To Comply With Mortgage Eligibility Requirements. An issue of bonds is treated as meeting the loan eligibility requirements of the Code if (i) the issuer in good faith attempted to meet all the loan eligibility requirements before the mortgage loans were executed, (ii) any failure to comply with the loan eligibility requirements is corrected within a reasonable period after such failure is first discovered, and (iii) 95% or more of the proceeds of the issue used to make mortgage loans was used to finance residences that met all such requirements at the time the mortgage loans were executed. In determining whether 95% or more of the proceeds has been so used, the Code permits the Corporation to rely on certain documentation provided by the mortgagor and the seller even though the relevant information in such documentation should ultimately prove to be untrue, unless the Corporation or the Mortgage Lender knows or has reason to believe that such information is false.

Other Requirements Imposed by the Code

General. The Code provides that gross income for federal income tax purposes does not include interest on a mortgage revenue bond if it is a qualified veterans' mortgage bond. A qualified veterans' mortgage bond is a part of an issue of a state or political subdivision 95% of the proceeds of which (net of amounts applied to fund a reasonably required reserve) are used to finance, or to refund bonds issued to finance, owner-occupied residences and that meets certain (i) general requirements, (ii) arbitrage restrictions on the use and investment of proceeds of the issue, and (iii) loan eligibility requirements set forth in the Code and as more fully described above under "Tax Matters — Loan Eligibility Requirements Imposed by the Code."

The first general requirement of the Code applicable to the Corporation's Program for qualified veterans' mortgage bonds is that the aggregate amount of such bonds that may be issued by the Corporation in any calendar year must not exceed the limit set forth in the Code, which is \$100,000,000 for the State of Alaska. The 2024 Bonds are within the applicable limit for the Corporation.

The Code requires the issuer of qualified veterans' mortgage bonds to file with the Internal Revenue Service reports on the issuance of its qualified veterans' mortgage bonds following such issuance, as well as an annual qualified veterans' mortgage loan information report. The Corporation has covenanted to file, as required, such reports with respect to the mortgage loans financed by the 2024 Bonds.

The Code requires that the effective interest rate on mortgage loans financed with the lendable proceeds of qualified veterans' mortgage bonds (such as the 2024 Bonds) may not exceed the yield on the composite issue of 2024 Bonds by more than 1.125 percentage points. With respect to the 2024 Bonds, the Code requires that certain investment earnings on non-mortgage investments, calculated based upon the extent such investment earnings exceed the amount that would have been earned on such investments if the investments were invested at a yield equal to the yield on the issue, be rebated to the United States or credited to mortgagors. The Corporation has covenanted to comply with these requirements and has established procedures to determine the amount of excess earnings, if any, that must be rebated to the United States or credited to mortgagors.

Compliance

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2024 Bonds, including compliance with restrictions on the yield of mortgage loans and non-mortgage investments and periodic rebate payments to the federal government, as well as restrictions on the type of Mortgage Loans financed. The Corporation will deliver concurrently with the delivery the 2024 Bonds, a Tax Regulatory Agreement and No Arbitrage Certificate which contains provisions and procedures relating to compliance with such requirements of the Code, and the Corporation has included provisions in the Program Documents that establish procedures, including receipt of certain affidavits and warranties from Mortgage Lenders and mortgagors, in order to assure compliance with the loan eligibility requirements and other requirements that must be satisfied subsequent to the date of issuance of the 2024 Bonds. The Corporation also has covenanted in the Indenture to do and perform all acts and things permitted by law and necessary or desirable to assure that interest paid on the 2024 Bonds shall not be included in gross income for federal income tax purposes and, for such purpose, to adopt and maintain appropriate procedures. Failure to comply with these covenants may result in interest on the 2024 Bonds being included in gross income for federal income tax purposes from their date of issuance. The opinion of Bond Counsel assume the Corporation is in compliance with these covenants. Bond Counsel is not aware of any reason why the Corporation cannot or will not be in compliance with such covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the 2024 Bonds may affect the tax status of interest on the 2024 Bonds.

Original Issue Discount

Bonds sold at an initial public offering price that is less than the stated amount to be paid at maturity constitute “Discount Bonds.” The difference between the initial public offering prices of any such Discount Bond and the stated amount to be paid at maturity constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes to the same extent as interest on such Bond.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period and properly adjusted for the length of the accrual period) and (ii) the amount which would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond.

Original Issue Premium

2024 Bonds sold at an initial public offering price that is greater than the stated amount to be paid at maturity constitute “Premium Bonds.” An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of Premium Bonds should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Series 2024 Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Series 2024 Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Certain Additional Federal Tax Consequences

The foregoing is a brief discussion of certain federal and state income tax matters with respect to the 2024 Bonds under existing statutes. It does not purport to deal with all aspects of federal or state taxation that may be relevant to a particular owner of 2024 Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the 2024 Bonds.

Although Bond Counsel will render an opinion that interest on the 2024 Bonds will be excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2024 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel express no opinion regarding any such consequences. Purchasers of the 2024 Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions or recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing, holding or selling the 2024 Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the 2024 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2024 Bonds or the market value thereof would be impacted thereby. Purchasers of the 2024 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2024 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2024 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2024 BONDS.

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the 2024 Bond purchasers in complying with Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 as the same may be amended from time to time (the “Rule”), the Corporation and the State will enter into separate written agreements (collectively, the “Agreement”) for the benefit of the holders of the 2024 Bonds to provide continuing disclosure, which are anticipated to be in substantially the forms set forth in Appendix D hereto. The State and the Corporation will undertake to provide the Municipal Securities Rulemaking Board (the “MSRB”) on an annual basis commencing on January 31, 2025, for the State and on or before 180 days after the end of each fiscal year for the Corporation, commencing the fiscal year ending June 30, 2024, the financial and operating data concerning the State and the Corporation outlined in the Agreement. In addition, the State and the Corporation will undertake, for the benefit of the beneficial owners and holders of the 2024 Bonds, to provide to the MSRB, in a timely manner, the notices described in the Agreement.

The sole and exclusive remedy for breach or default under the Agreement to provide continuing disclosure described above is an action to compel specific performance of the undertakings of the State and/or the Corporation, and no person, including a holder of the 2024 Bonds, may recover monetary damages thereunder under any circumstances. A breach or default under the Agreement shall not constitute an Event of Default under the Indenture. In addition, if all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under the Agreement, insofar as the provision of the Rule no longer in effect required the provision of such information, will no longer be required to be provided.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; and where an undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. As a result, the parties to the Agreement do not anticipate that it often will be necessary to amend the informational undertakings. The Agreement, however, may be amended or modified under certain circumstances set forth therein. Copies of the Agreement are attached hereto as Appendix D.

RATINGS

The 2024 Bonds have been initially rated “AAA” by S&P and “Aaa” by Moody’s. The ratings of “AAA” and “Aaa” are the highest ratings that S&P and Moody’s, respectively, assign to bonds. A security rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. Any further explanation of the significance of these ratings should be obtained directly from the appropriate rating agency.

FINANCIAL STATEMENTS

The unaudited financial statements of the Corporation as of and for the nine months ended March 31, 2024, included in Appendix B to this Official Statement, appear without review or audit by an independent accountant.

The Corporation’s financial statements as of and for the year ended June 30, 2023, included in Appendix B to this Official Statement, have been audited by Eide Bailly LLP, independent auditors, as stated in their report appearing herein.

Copies of the Corporation’s annual financial statements as of and for the year ended June 30, 2023, the unaudited financial statements of the Corporation as of and for the nine months ended March 31, 2024, and the Corporation’s current annual report will be mailed to any Beneficial Owner who shall have filed his name and address with the Corporation for such purpose.

LITIGATION

There is no controversy or litigation of any material nature now pending or threatened to restrain or enjoin the issuance, sale, execution, authentication, or delivery of the 2024 Bonds, or in any way contesting or affecting the validity of such 2024 Bonds or any proceedings of the Corporation taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of such 2024 Bonds, or the existence or powers of the Corporation.

LEGAL MATTERS

All legal matters incident to the authorization, sale and delivery of the 2024 Bonds and certain federal and state tax matters are subject to the approval of Kutak Rock LLP, Bond Counsel to the Corporation.

LEGALITY FOR INVESTMENT

Subject to any applicable federal requirements or limitations, the 2024 Bonds are eligible for investment by all public officers and public bodies of Alaska and its political subdivisions, and, to the extent controlled by Alaska law, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, in the 2024 Bonds.

UNDERWRITING

On July 9, 2024, the Corporation received bids for the 2024 Bonds pursuant to competitive bidding. The 2024 Bonds have been sold at public sale by the Corporation to Truist Securities, Inc. (the “2024 Bonds Original Purchaser”), on the basis of lowest true interest cost. The 2024 Bonds Original Purchaser agreed, subject to certain conditions, to purchase the 2024 Bonds at a purchase price equal to the applicable initial

offering prices shown on the inside cover page hereof, upon receipt of an underwriter's fee of \$232,417.50. The 2024 Bonds Original Purchaser has supplied the information as to the initial offering prices on the 2024 Bonds set forth on the inside cover of this Official Statement. The 2024 Bonds Original Purchaser may offer to sell the 2024 Bonds to certain dealers and others at prices lower than initial offering prices, and the public offering prices may be changed from time to time by the 2024 Bonds Original Purchaser.

FINANCIAL ADVISOR

Masterson Advisors LLC ("Masterson") is employed as Financial Advisor to the Corporation in connection with the issuance of the 2024 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the 2024 Bonds is contingent upon the issuance and delivery of the 2024 Bonds. Masterson, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the 2024 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Corporation has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

FORWARD-LOOKING STATEMENTS

The following statements are made as contemplated by the provisions of the Private Securities Litigation Reform Act of 1995: If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, general economic and business conditions relating to the Corporation and the housing industry in general, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the Corporation. These forward-looking statements speak only as of the date of this Official Statement. The Corporation disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Corporation's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ADDITIONAL INFORMATION

All quotations from and summaries and explanations of the Act and the Indenture contained herein do not purport to be complete, and reference is made to the Act and the Indenture for full and complete statements of their provisions. The Appendices attached hereto are a part of this Official Statement. Copies, in reasonable quantity, of the Act and the Indenture (the 2024 Supplemental Indenture, in preliminary form, and the Master Indenture) may be obtained during the offering period upon request directed to the Corporation, Post Office Box 101020, Anchorage, Alaska 99510, or to the Financial Advisor, Masterson Advisors LLC, 2310 Tradition Way, Unit 201, Naples, Florida 34105.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Corporation and the owner of any 2024 Bond.

APPENDIX A

INFORMATION CONCERNING THE STATE OF ALASKA

The information concerning the State of Alaska (“Alaska” or the “State”) set forth in this Appendix is dated as of the date of the Official Statement. The information contained herein is subject in all respects to the complete text of the financial reports referenced. The information contained herein has been obtained from sources that the State believes to be reliable but is not guaranteed as to accuracy.

General

Alaska is a sovereign state of the United States of America, located in the far northwest of North America to the west of Canada, with its southeastern border approximately 500 miles north of the State of Washington. Alaska became a state in 1959. The State’s population grew each year and increased approximately 8.2 percent between fiscal year 2008 and fiscal year 2016; however, since 2016 the population has contracted by approximately 0.8 percent with a population estimate of 736,812 (2023 preliminary and adjusted estimates, Alaska Department of Labor and Workforce Development, Research & Analysis Section). The State’s fiscal year is July 1 to June 30.

Alaska includes approximately 586,412 square miles (approximately 365 million acres) of land and is the largest state of the United States (roughly equivalent in size to one-fifth of all of the other 49 states combined). Unlike the other 49 states, where significant portions of the land may be owned by individuals or entities in the private sector, less than one percent of the land in Alaska is owned by private, non-Alaska Native owners. As described below, most of the State’s revenue is derived from resources owned by the State itself, including petroleum and minerals extracted from State-owned lands and investment income on securities in funds owned by the State.

State Government

Alaska became the 49th state in 1959 pursuant to the Alaska Statehood Act, which was enacted by the United States Congress in 1958 (the “Statehood Act”). The Alaska Constitution was adopted by the Constitutional Convention on February 5, 1956, ratified by the people of Alaska on April 24, 1956, and became operative with the formal proclamation of statehood on January 3, 1959.

Alaska government has three branches: legislative, executive, and judicial. The legislative power of the State is vested in a legislature consisting of a Senate with a membership of 20 and a House of Representatives with a membership of 40 (the “Legislature”). The executive power of the State is vested in the Governor. The judicial power of the State is vested in a supreme court, a superior court, and the courts established by the Legislature. The jurisdiction of courts and judicial districts is prescribed by law. The courts constitute a unified judicial system for operation and administration.

The State provides or funds a range of services including education, health and human services, transportation, law enforcement, judicial, public safety, community and economic development, public improvements, and general administrative services.

There are 19 organized boroughs in Alaska and 145 cities, 49 of which are located within an organized borough and 96 of which are located within the unorganized borough. Of these, 15 boroughs and 21 cities impose property taxes and 9 boroughs and 94 cities impose general sales taxes.

State Revenues

The State does not currently impose personal income taxes and has never imposed statewide general sales taxes or statewide property tax with the exception of taxation of certain oil and gas activities and properties. The State does, however, impose a number of business-related taxes that, together with rents and royalties and fines and fees, represented nearly 100 percent of designated and unrestricted non-investment General Fund revenue in fiscal year 2023. Grants, contributions, and other revenue from the federal government and interest and investment income represent the remaining portions of State revenue.

The key drivers of the Alaska economy include natural resource development, federal (including national defense) and State government, seafood, and tourism. Approximately 24.0 percent of the State's total nonfarm employment is derived from government (including federal, state, and local). Other major industries in Alaska include the educational (private) and health services industry, making up 15.7 percent, trade, transportation, and utilities, making up 20.0 percent and the leisure and hospitality industry, making up 10.9 percent of total nonfarm employment (Alaska Department of Labor and Workforce Development, Research & Analysis, preliminary and adjusted estimates; 2023 Annual Average). The State's unemployment rate in May 2024 was 4.5 percent (seasonally adjusted, preliminary), according to the U.S. Department of Labor, Bureau of Labor Statistics. The State's major exports are oil, seafood (primarily salmon, halibut, cod, pollock, and crab), coal, gold, silver, zinc, and other minerals.

The Department of Revenue releases a formal state revenue forecast twice per year. The revenue forecast is intended to be a policy-neutral document that provides fundamental data and information to inform the public and aid decision-makers. The revenue sources book published each fall is the comprehensive annual forecast released in December, and the revenue forecast published in the spring is an annual, partial update of the revenue sources book published in the preceding fall. The most recent revenue forecast comes from the Spring 2024 Revenue Forecast, released by the Department of Revenue on March 13, 2024 (the "Spring 2024 Revenue Forecast"). The next forecast update, the Fall 2024 Revenue Sources Book and Forecast (the "Fall 2024 Revenue Forecast"), is anticipated to be released in December 2024.

The Spring 2024 Revenue Forecast reflects a modest increase in expected unrestricted General Fund revenue, for fiscal years 2024 and 2025, compared to the Fall 2023 Revenue Sources Book and Forecast, released by the Department of Revenue on December 14, 2023. The modest increases in expected unrestricted General Fund revenue contained in the Spring 2024 Revenue Forecast are largely a function of the Alaska North Slope ("ANS") oil price forecast increasing by \$1.69 and \$2.00 per barrel for fiscal years 2024 and 2025, respectively. The ANS oil production forecast has been adjusted to 467.6 thousand barrels per day for fiscal year 2024 and 476.8 thousand barrels per day for fiscal year 2025, representing a decrease of 2,800 barrels per day for fiscal year 2024 and an increase of 13,100 barrels per day in fiscal year 2025 when compared to the previous fall forecast.

The CARES Act, passed by the 116th U.S. Congress in March 2020, established a \$150 billion Coronavirus Relief Fund to, among other things, provide financial assistance to states. The State has received its approximately \$1.25 billion allocation from the Coronavirus Relief Fund, which can be used to cover COVID-19 related expenses. The CARES Act limits the State's use of funds from the Coronavirus Relief Fund to COVID-19 expense reimbursement rather than to offset anticipated state tax revenue losses. A unique provision specific to just over \$1 billion of the federal relief funds allowed the State to appropriate a portion of the funding to replace revenue lost due to COVID-19. This provision functionally allowed these funds to be appropriated toward any public purpose, just like unrestricted General Fund revenue. In the fiscal year 2022 and fiscal year 2023 budgets, a total of approximately \$750 million was appropriated as unrestricted revenue replacement, and in some reports produced by the State's Office of Management

and Budget (“OMB”) and Legislative Finance Division, these funds are depicted as unrestricted revenue for illustrative purposes. However, in the Fall 2022 and Spring 2023 Revenue Forecast, all federal funds were shown as restricted revenue in all years.

The Fall 2023 Revenue Forecast, released December 14, 2023, included the most recent forecast for federal revenue related to the Infrastructure Investment and Jobs Act (“IIJA”), as of November 30, 2023. The IIJA, passed by Congress in November 2021, included \$550 billion in new investments for transportation, water, power and energy, environmental remediation, broadband and cybersecurity, carbon reduction, and resilience. The legislation targets disadvantaged communities, a designation which applies to most of Alaska. It was originally estimated that State, local governments, tribes, and other organizations in the State could receive a total of nearly \$5 billion in funding over fiscal years 2023-2027 as a result of the legislation, some of which would represent overall increases to state revenue from federal funding. However, as of November 30, 2023, the total state revenue, including overall increases and discretionary grants, is estimated at \$5.4 billion. These include \$1 billion for a new Broadband Equity, Access, and Deployment Program; \$136 million for the Clean Water State Revolving and Drinking Water State Revolving Funds; and \$53 million for the Alaska Energy Authority’s State Energy Program, Energy Efficiency and Revolving Loan Fund, Energy Efficiency and Conservation, and Weatherization Assistance Program. The Department of Transportation & Public Facilities also received \$165 million for airport terminal upgrades and increased airport safety, and \$239 million for ferry service for rural communities.

The State also received funding for the Carbon Reduction Program, Restoring Fish Passage Program, Abandoned Mine Reclamation Fund, Port Infrastructure Development Program, Emerging Contaminants in Small or Disadvantaged Communities Grant Program, and Community Wildfire Defense Grant Program. The State, local governments, tribes, and other entities are regularly partnering on applications for discretionary IIJA funding grants. Award announcements are made on a rolling basis and Alaska is number one in per capita funding under IIJA. There can be no assurance that federal grants currently available to the State will not decrease or cease and grant awards are subject to amendment or repeal.

The Inflation Reduction Act, passed by Congress in August 2022, provides \$369 billion to address climate-related issues by expanding tax credits for clean energy and electric vehicles, boosting energy efficiency, establishing a national climate bank, supporting climate-smart agriculture, supporting production of sustainable aviation fuel, reducing air pollution at ports, among other items. Nearly three-quarters of the Inflation Reduction Act’s climate change investment (\$270 billion) is delivered through tax incentives and will have no impact on the State’s spending or federal revenue. As a result, projections of State revenues from federal funds within the Spring 2024 Revenue Forecast only include recently announced Home Energy Rebate program grants totaling \$74.5 million from the Inflation Reduction Act.

The federal tax incentives included in the Inflation Reduction Act could provide material support for some new projects in Alaska. For example, expanded tax credits for carbon sequestration projects could provide incentives for projects in Alaska that would otherwise not be viable. The Department of Revenue monitors these incentives for potential State revenue impacts.

Historic information in this Official Statement about the finances and operations of the State, that predates the outbreak of COVID 19 should be considered in light of the possible negative effects the COVID 19 outbreak may have on the current and future finances and operations thereof. The Spring 2024 Revenue Forecast and any other budget, outlook, and projection information and all other forward-looking statements in this Official Statement are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements are inherently subject

to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated, or projected.

Historically, petroleum-related revenue has been the largest source of unrestricted revenue for the General Fund. In fiscal year 2018 approximately 80 percent of total unrestricted General Fund revenue was generated from oil production. In 2018, the Legislature enacted Senate Bill 26 (“SB 26”), which directs the State to appropriate amounts from the earnings reserve of the Alaska Permanent Fund to the General Fund as unrestricted General Fund revenue, diminishing the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to approximately 38 percent in fiscal year 2019, 24 percent in fiscal year 2020, 25 percent in fiscal year 2021, 50 percent in fiscal year 2022, and 44 percent in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts the percentage of unrestricted General Fund revenue that petroleum-related revenue represents to be approximately 37 percent in fiscal year 2024 and 34 percent in fiscal year 2025.

In fiscal year 2019, pursuant to SB 26, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue. SB 26 adjusted the transfers from the Permanent Fund Earnings Reserve to an amount determined by taking 5.25 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. Effective July 1, 2021, the amount determined for transfers from the Permanent Fund Earnings Reserve was reduced to 5.00 percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years, including the fiscal year just ended. As described below in “Government Funds – The Alaska Permanent Fund,” this calculation does not include the principal attributable to the settlement of *State v. Amerada Hess*. The Alaska Permanent Fund Corporation (“APFC”), which manages the Permanent Fund, projects these annual transfers to the General Fund as unrestricted revenue in their unaudited monthly history and projections report. The Permanent Fund Earnings Reserve transferred approximately \$3.4 billion to General Fund revenue in fiscal year 2023 and is expected to transfer approximately \$3.5 billion and \$3.7 billion to General Revenue in fiscal years 2024 and 2025, respectively. The Permanent Fund Dividend may be paid out of these transfers, and any residual revenue is available for other appropriation. The Permanent Fund Dividend amount, paid in calendar year 2022, was \$3,284 per qualified resident, and the Permanent Fund Dividend amount, paid in calendar year 2023, was \$1,312 per qualified resident.

The Alaska Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation-proofing. The principal portion of the Permanent Fund, which was approximately \$69.2 billion as of May 31, 2024, unaudited, may not be spent without amending the State Constitution. The earnings reserve, approximately \$11.0 billion as of May 31, 2024, unaudited (subsequent to June 30, 2023, this amount includes approximately \$3.7 billion committed to the State’s General Fund pursuant to SB 26 for the succeeding fiscal year, and an estimated \$1.4 billion for current fiscal year inflation proofing), may be appropriated by a majority vote of the Legislature. See “– Government Funds – The Alaska Permanent Fund” below.

In the Spring 2024 Revenue Forecast, the State forecasted general purpose unrestricted revenue to be approximately \$6,543.9 million in fiscal year 2024 and \$6,448.5 million in fiscal year 2025, compared to \$6,939.2 million in fiscal year 2022 and \$7,050.0 million in fiscal year 2023.

In the Spring 2024 Revenue Forecast, the State forecasts that ANS oil prices will average \$84.08 in fiscal year 2024 and \$78.00 in fiscal year 2025, compared to actual prices averaging \$86.63 in fiscal year 2023, \$91.41 in fiscal year 2022 and \$54.14 in fiscal year 2021. The State forecasts that ANS production will average approximately 467.6 thousand barrels of oil per day in fiscal year 2024 and 476.8 thousand

barrels of oil per day in fiscal year 2025, compared to 479.4 thousand barrels of oil per day in fiscal year 2023, 476.5 thousand barrels of oil per day in fiscal year 2022 and 486.1 thousand barrels of oil per day in fiscal year 2021. In the Spring 2024 Revenue Forecast, the State forecasts ANS oil prices and production and general purpose unrestricted revenue through fiscal year 2034. See Table 4.

Oil and Gas Revenues. The State’s unrestricted General Fund revenues have historically been generated primarily from petroleum production activities. The State receives petroleum revenues (some of which are restricted) from four sources: oil and gas property taxes, oil and gas production taxes, oil and gas royalties, and corporate income taxes.

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are the Trans-Alaska Pipeline System, including the terminal at Valdez (“TAPS”) and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was approximately \$30.4 billion as of January 1, 2023, \$28.6 billion as of January 1, 2022, \$28.2 billion as of January 1, 2021, and \$29.0 billion as of January 1, 2020.

Property taxes on exploration property are based upon estimated market value of the property. For property taxes on production property, values are based upon replacement cost, less depreciation based on the economic life of the proven reserves (or the economic limit in the case of taxes on offshore platforms or onshore facilities). The amount collected from property taxes on existing production property is expected to decrease in the future. For property taxes on pipeline transportation property (primarily TAPS property), values are determined based upon the economic value, taking into account the estimated life of the proven reserves of gas or unrefined oil expected to be transported by the pipeline and replacement cost, less depreciation based on the economic life of the reserves.

When the oil and gas property is located within the jurisdiction of a municipality, the municipality may also levy a tax on the property at the same rate the municipality taxes all other non-oil and gas property. The tax paid to a municipality on oil and gas property acts as a credit toward the payment to the State. Of the \$608.9 million of gross tax levied in fiscal year 2023 on oil and gas property in the State, the State’s share was approximately \$128.8 million. In the Spring 2024 Revenue Forecast, the State forecasts income from the oil and gas property tax to be approximately \$133.3 million in fiscal year 2024 and \$133.2 million in fiscal year 2025.

Revenue from oil and gas property taxes is deposited in the General Fund; however, the State Constitution requires that settlement payments received by the State after a property tax assessment dispute be deposited in the Constitutional Budget Reserve Fund (the “CBRF”). In fiscal years 2022 and 2023, \$21.1 million and \$196.0 million, respectively, in total tax and royalty settlements were deposited into the CBRF, and in the Spring 2024 Revenue Forecast, the State forecasts tax and royalty settlements to be \$10.0 million in fiscal year 2024 and \$20.0 million in fiscal year 2025. See “– Government Funds – The Constitutional Budget Reserve Fund” below.

Oil and Gas Production Taxes. The State levies a tax on oil and gas production income generated from production activities in the State. The tax on production is levied on sales of all onshore oil and gas production, except for federal and State royalty shares and on offshore developments within three miles of shore.

The oil and gas production tax can be a significant source of revenue and in many past years has been the State's single largest source of revenue. The production tax is levied differently based upon the type of production (oil versus gas) and the geographical location (North Slope versus Cook Inlet, the State's two producing petroleum basins).

For North Slope oil and export gas, the tax uses the concept of "Production Tax Value" ("PTV"), which is the gross value at the point of production minus lease expenditures. PTV is similar in concept to net profit, but different in that all lease expenditures can be deducted in the year incurred; that is, capital expenditures are not subject to a depreciation schedule. The production tax rate is 35 percent of PTV with an alternative minimum tax of 0 percent to 4 percent of gross value, with the 4 percent minimum tax applying when average ANS oil prices for the year exceed \$25 per barrel.

Several tax credits and other mechanisms are available for North Slope oil production to provide incentives for additional investment. A per-taxable-barrel credit is available, which is reduced progressively from \$8 per barrel to \$0 per barrel as wellhead value increases from \$80 per barrel to \$150 per barrel. A company that chooses to take this credit may not use any other credits to reduce tax paid to below the gross minimum tax. An additional incentive applies for qualifying new production areas on the North Slope. The so-called "Gross Value Reduction" ("GVR") allows a company to exclude 20 percent or 30 percent of the gross value for that production from the tax calculation. Qualifying production includes areas surrounding a currently producing area that may not be commercial to develop, as well as new oil pools. Oil that qualifies for this GVR receives a flat \$5 per-taxable-barrel credit rather than the sliding-scale credit available for most other North Slope production. As a further incentive, this \$5 per-taxable-barrel credit can be applied to reduce tax liability below the minimum tax. The GVR is available only for the first seven years of production and ends early if ANS prices exceed \$70 per barrel for any three years.

Effective January 1, 2022, for North Slope export gas, the tax rate is 13 percent of gross value at the point of production. Currently, only a very small amount of gas is technically export gas, which is sold for field operations in federal offshore leases. However, this tax rate would apply to any major gas export project developed in the future.

For the North Slope, a Net Operating Loss ("NOL") credit in the amount of 35 percent of losses was available until December 31, 2017. It allowed a credit to be carried forward to offset a future tax liability or, in some cases, to be transferred or repurchased by the State. Effective January 1, 2018, the NOL credit was replaced with a new carried-forward annual loss provision. In lieu of credits, a company may carry forward 100 percent of lease expenditures not applied against the tax and may apply all or part of lease expenditures in a future year. A carried-forward annual loss may not reduce tax below the minimum tax and may only be used after the start of regular production from the area in which the expenditures were incurred. An unused carried-forward annual loss declines in value by one-tenth each year beginning in the eighth or eleventh year after it is earned, depending on whether the carried-forward annual loss was earned from a producing or non-producing area.

Cook Inlet oil production is officially subject to the same tax rate of 35 percent of PTV. However, the tax is limited by statute to a maximum of \$1 per barrel.

For Cook Inlet gas production, the tax rate is 35 percent of PTV, and the tax is limited to a maximum value averaging 17.7 cents per thousand cubic feet. This rate also applies to North Slope gas used for qualifying in-State uses, commonly referred to as "non-export gas."

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to "true up" any tax liabilities or overpayments made during the year. From fiscal year

2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund of the value of most of the credits, subject to appropriation. Appropriations funded State purchase of the full balance of tax credits for fiscal year 2007 through fiscal year 2015, then partial funding beginning in fiscal year 2016 onward, with an outstanding balance remaining every year from fiscal year 2016 through fiscal year 2023. All outstanding tax credits available for State purchase have been fully retired with a final appropriation in the enacted fiscal year 2024 budget, and no future purchases or appropriations are anticipated under current law. A total of \$4.1 billion of tax credits were purchased by the State over the life of the program.

In 2017, House Bill 111 (“HB 111”) was enacted, making multiple changes to the State’s oil and gas production tax and tax credit statutes. Following passage of HB 111, new credits will no longer be eligible for cash repurchase. Instead, companies will retain their credits until such time as they owe a tax liability to the State, at which time the credits could be used to offset the company’s oil and gas production taxes.

In 2018, House Bill 331 (“HB 331”) was enacted, creating a tax credit bonding program that would allow the State to purchase outstanding oil and gas tax credits at a discount to face value, and spread the funding out over several years through the issuance of subject-to-appropriation bonds. The fiscal year 2020 operating budget appropriated \$700 million of bond proceeds to the Oil and Gas Tax Credit Fund for expenditure in fiscal year 2020 or 2021. A legal challenge delayed the tax credit bonding program, and in September 2020, the Alaska Supreme Court (the “Supreme Court”) held that the tax credit bonding program under HB 331 was unconstitutional, prohibiting the Alaska Tax Credit Certificate Bond Corporation (“ATCCBC”) from issuing bonds to finance the purchase of approximately \$700 million in outstanding tax credit certificates. All outstanding tax credits available for State purchase have been fully retired with the final appropriation in the enacted fiscal year 2024 budget.

All unrestricted revenue generated by the oil and gas production taxes (approximately \$587 million in fiscal year 2019, \$277 million in fiscal year 2020, \$381 million in fiscal year 2021, \$1,802 million in fiscal year 2022, \$1,491 million in fiscal year 2023 and forecasted in the Spring 2024 Revenue Forecast to be \$939.9 million in fiscal year 2024 and \$752.3 million in fiscal year 2025) is deposited in the General Fund, except that any payments received as a result of an audit assessment under the oil and gas production tax or as a result of litigation with respect to the tax are deposited into the CBRF. See Table 1.

Oil and Gas Royalties, Rents and Bonuses. In Alaska, the State retains ownership of all subsurface minerals on lands in the State, with the exception of some federal and Alaska Native Corporation lands. As the land owner, through the Alaska Department of Natural Resources (“DNR”), the State earns revenue from leasing as (i) upfront bonuses, (ii) annual rent charges and (iii) retained royalty interests in the oil and gas production. State land historically has been leased largely based on a competitive bonus bid system. Under this system, the State retains a statutorily prescribed minimum royalty interest of at least 12.5 percent on oil and gas production from land leased from the State, although some leases contain royalty rates of 16.67 percent and some also include a net profit-share or sliding scale component. Under all lease contracts the State has ever written, the State reserves the right to switch between taking its royalty in-kind or in cash (in cash royalty is valued according to a formula based upon the contract prices received by the producers, net of transportation charges). When the State elects to take its royalty share in-kind, the State becomes responsible for selling and transporting that royalty share, which means establishing complex contracts to accomplish these tasks. The State regularly negotiates these contracts and has historically sold roughly 95 percent of North Slope oil royalties in this way. State royalty revenue from production on State land that is not obligated to the Permanent Fund or Public School Trust Fund is unrestricted revenue that is available for general appropriations.

In addition to royalties from production on State land, the State receives 50 percent of royalties and lease bonuses and rents received by the federal government from leases of federal lands in the National Petroleum Reserve Alaska (the “NPR-A”). The State is required to deposit its entire share of lease bonuses, rents, and royalties from oil activity in the NPR-A in the NPR-A Special Revenue Fund, from which a portion is used to make grants to municipalities that demonstrate present or future impact from oil development in the NPR-A. Of the revenue in the NPR-A Special Revenue Fund that is not appropriated to municipalities, 50 percent is to be deposited to the Permanent Fund, with up to 0.5 percent to the Public School Trust Fund and then to the Power Cost Equalization Fund. Any remaining amount is then available for General Fund appropriations. The State also receives a portion of revenues from federal royalties and bonuses on all other federal lands located within State borders and from certain federal waters.

Table 1 summarizes the sources and initial applications of oil and other petroleum-related revenue for fiscal years 2014 through 2023.

Table 1
Sources and Initial Applications of Oil and Other Petroleum-Related Revenue
Fiscal Years Ended June 30, 2014 – 2023

	(\$ millions)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Oil Revenue to the General Fund										
Property Tax.....	\$ 128.1	\$ 125.2	\$ 111.7	\$ 120.4	\$ 121.6	\$ 119.5	\$ 122.9	\$ 119.2	\$ 122.4	\$ 128.8
Corporate Income Tax ⁽¹⁾ .	307.6	94.8	(58.8)	(59.4)	66.4	217.7	(0.2)	(19.4)	297.5	312.4
Production Tax.	2,605.9	381.6	176.8	125.9	741.2	587.3	277.4	381.1	1,801.6	1,490.9
Royalties (including bonuses, rents and interest) ⁽²⁾⁽³⁾	1,721.2	1,086.3	879.8	690.1	1,011.0	1,119.3	683.0	736.6	1,259.3	1,187.4
Subtotal	\$4,762.8	\$1,687.9	\$1,109.5	\$ 876.9	\$ 1,940.2	\$ 2,043.8	\$ 1,083.1	\$ 1,217.6	\$ 3,480.8	\$ 3,119.4
Oil Revenue to Other Funds										
Royalties to the Permanent Fund and School Fund ⁽²⁾⁽³⁾	\$ 786.2	\$ 518.3	\$ 396.9	\$ 340.0	\$ 363.1	\$ 382.3	\$ 323.9	\$ 337.7	\$ 548.0	\$ 507.4
Tax settlements to CBRF	177.4	149.9	119.1	481.9	121.3	181.2	281.2	35.0	21.1	196.0
NPR-A royalties, rents and bonuses ⁽⁴⁾	6.8	3.2	1.8	1.4	23.7	12.3	16.4	15.8	16.7	41.5
Subtotal	970.4	671.4	517.8	823.2	508.0	575.8	621.5	388.5	593.5	752.7
Total Oil Revenue	\$5,733.2	\$2,359.3	\$1,627.4	\$1,700.2	\$2,448.2	\$2,619.6	\$1,704.6	\$1,606.1	\$4,074.3	\$3,872.1

- (1) Corporate income tax collections for fiscal years 2016-2017 and 2020-2021 were negative due to large refunds of prior-year estimated taxes and low estimated taxes for those fiscal years.
- (2) Net of Permanent Fund, Public School Trust Fund, and CBRF deposits. The State Constitution requires the State to deposit at least 25 percent in the Permanent Fund, and between 1980 and 2003, State statutes required the State to deposit at least 50 percent in the Permanent Fund. The statutory minimum was changed to 25 percent beginning July 1, 2003, and changed back to 50 percent as of October 1, 2008. In fiscal years 2018 and 2019, only the constitutionally required 25 percent of royalties were deposited into the Permanent Fund. See “Government Funds – The Alaska Permanent Fund” below.
- (3) Includes both Designated General Fund Royalties and Other Restricted Royalties. Beginning with FY 2022, the hazardous release surcharge and refined fuel surcharge are shown as Designated General Fund revenue. Previously these surcharges were shown as Unrestricted General Fund revenue.
- (4) By federal statute, the State receives 50 percent of federal revenues from oil and gas lease sales located in the NPR-A.

Source: 2014 through 2023 Revenue Sources Books and Forecast, including the Spring 2024 Revenue Forecast Update, Tax Division.

Corporate Income Tax. The State levies a corporate income tax on Alaska taxable net income of corporations doing business in Alaska (other than certain qualified small businesses and income received by certain corporations from the sale of salmon or salmon eggs). Corporate income tax rates are graduated and range from zero percent to 9.4 percent of income earned in Alaska. Taxable income generally is calculated using the provisions of the federal Internal Revenue Code, and the calculation of Alaska taxable income varies, depending upon whether the corporation does business solely in Alaska, does business both inside and outside Alaska, or is part of a group of corporations that operate as a unit in the conduct of a single business (a “unitary” or “combined” group). Oil and gas companies are combined on a world-wide

basis, although for other industries only the companies doing business in the United States are combined. Taxpayers may claim all federal incentive credits, but federal credits that refund other federal taxes are not allowed as credits against State corporate income taxes. In addition to the federal incentive credits, the State provides additional incentives, including an education credit for contributions made to accredited State universities or colleges for education purposes, a minerals exploration incentive, an oil and gas exploration incentive, and a gas exploration and development tax credit.

Most corporate net income tax collections are deposited in the General Fund, although collections from corporate income tax audit assessments of oil and gas corporations are deposited in the CBRF.

Non-Oil Revenues. The State also receives unrestricted and restricted General Fund revenues from activities unrelated to petroleum. The State receives revenues from corporate income taxes paid by corporations other than petroleum producers, cigarette/tobacco/marijuana excise taxes, motor fuel taxes, alcoholic beverage taxes, fishery business taxes, electric and telephone cooperative taxes, insurance premium taxes, commercial passenger vessel excise taxes and service charges, permit fees, fines and forfeitures, mining license taxes, and miscellaneous revenues. See “– Government Budgets and Appropriations – *General Appropriations*” below. A number of these non-oil tax, license, and fee revenues (but not investment income and federal revenue) are shared with municipalities. In fiscal year 2023, unrestricted revenues unrelated to petroleum production (excluding investment income and federal revenues) was \$472.3 million, and in the Spring 2024 Revenue Forecast, the State forecasts the value to be \$461.1 million in fiscal year 2024 and \$517.4 million in fiscal year 2025. Contained in the non-oil figures is the minerals industry, which contributes State revenue in the form of corporate income tax, mining license tax, and mining rents and royalties. For additional information, see “– Government Budgets and Appropriations – *General Appropriations*” below.

Federal Revenue. The federal government is a significant employer in Alaska, directly and indirectly, in connection with its military bases and as a result of procurement contracts, grants, and other spending. In addition to expenditures in connection with federal military bases and other activities in Alaska, the State receives funding from the federal government, approximately \$3.4 billion in fiscal year 2019, \$4.2 billion in fiscal year 2020, \$7.6 billion in fiscal year 2021, \$6.9 billion in fiscal year 2022, and \$5.8 billion in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts restricted federal revenue to be approximately \$6.2 billion in fiscal year 2024 and \$6.5 billion in fiscal year 2025. The forecasts represent total budgeted spending authority for federal receipts, and actual federal receipts are subject to change. The federal funds are used primarily for road and airport improvements, aid to schools, and Medicaid payments, all of which are restricted by legislative appropriation to specific uses. Federal funds are most often transferred to the State on a reimbursement basis, and all transfers are subject to federal and State audit. Most federal funding requires State matching.

Investment Revenues. The State earns unrestricted and restricted by custom investment earnings from a number of internal funds. Two primary sources of investment income for the State are the two constitutionally-mandated funds, the Permanent Fund and the CBRF. The Permanent Fund had a fund balance (principal and earnings reserve) of approximately \$80.2 billion as of May 31, 2024, unaudited, which includes approximately \$3.7 billion committed to the State’s General Fund pursuant to SB 26 for the succeeding fiscal year and an estimated \$1.4 billion for current year inflation proofing. The Permanent Fund had a total fund balance of \$78.0 billion as of June 30, 2023, \$76.3 billion as of June 30, 2022, \$81.9 billion as of June 30, 2021, \$65.3 billion as of June 30, 2020, and \$66.3 billion as of June 30, 2019. The CBRF had an asset balance of approximately \$2.7 billion, unaudited, as of May 31, 2024. The CBRF had an asset balance of approximately \$2.6 billion as of June 30, 2023, \$0.9 billion as of June 30, 2022, \$1.1 billion as of June 30, 2021, \$2.0 billion as of June 30, 2020, and \$1.8 billion as of June 30, 2019. Restricted investment revenue from the CBRF was approximately \$62.9 million in fiscal year 2023. In the Spring 2024 Revenue Forecast, the State forecasts restricted investment revenue from the CBRF to be

\$119.3 million in fiscal year 2024 and \$78.7 million in fiscal year 2025. The Permanent Fund Earnings Reserve balance is available for appropriation with a majority vote of the Legislature, while appropriation of the Permanent Fund’s principal balance requires amendment of the State Constitution. The balance of the CBRF is available for appropriation with a three-fourths vote of each house of the Legislature, and as described below, the State has historically borrowed from the CBRF when needed to address mismatches between revenue receipts and expenditures in the General Fund and/or to balance the budget at the end of the fiscal year.

As previously described, SB 26, relating to the earnings of the Permanent Fund, was enacted in 2018. The APFC projects these annual transfers of unrestricted General Fund revenue from the Permanent Fund Earnings Reserve to the General Fund, as reflected in Table 2.

Table 2
State of Alaska
Transfers from the Permanent Fund Earnings Reserve
to the General Fund for the Fiscal Years Ended June 30, 2019-2023
APFC Forecast for Fiscal Years Ending June 30, 2024– 2034

(\$ millions)

Fiscal Year	Transfer Amount
2019	\$2,723
2020	2,933
2021	3,092
2022	3,069
2023	3,361
Projected ⁽¹⁾	
2024	3,526
2025	3,657
2026	3,790
2027	3,957
2028	3,983
2029	4,090
2030	4,208
2031	4,338
2032	4,473
2033	4,613
2034	4,758

(1) APFC transfer projections as of the Spring 2024 Revenue Forecast, and subject to change.

Source: *Spring 2024 Revenue Forecast*.

General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. All CBRF values stated above are asset values. See “– Government Funds – *The Constitutional Budget Reserve Fund*” and “– *The Alaska Permanent Fund*” below.

In the past, the State has also received earnings on the Statutory Budget Reserve Fund (the “SBRF”). Earnings on the SBRF are considered General Fund unrestricted revenue unless otherwise appropriated back to the SBRF. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The available fund balance of the SBRF diminished to zero during fiscal year 2016. The SBRF unassigned fund balance for fiscal year 2023, reported in the State’s Annual Comprehensive Financial Report (“ACFR”), was zero. See “– Government Funds – *The Statutory Budget Reserve Fund*” below.

Major Components of State Revenues. Table 3 summarizes the sources of unrestricted and restricted revenues available to the State in fiscal years 2018 through 2023, with a forecast for fiscal years 2024 and 2025 from the Spring 2024 Revenue Forecast.

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Table 3
Total State Government Revenue by Major Component
Fiscal Years Ended June 30, 2018 – 2023
Forecast for Fiscal Years Ending June 30, 2024 – 2025

(\$ millions)

	2018	2019	2020	2021	2022	2023	2024 ⁽²⁾	2025 ⁽²⁾
Revenue Source								
<u>Unrestricted</u>								
Oil Revenue	\$ 1,940.2	\$ 2,043.8	\$ 1,083.1	\$ 1,217.6	\$ 3,480.9	\$ 3,119.4	\$ 2,432.3	\$ 2,196.0
Non-Oil Revenue	457.0	490.1	454.8	444.3	448.1	472.3]	461.1	517.4
Investment Earnings	16.3	2,815.9	2,991.2	3,120.9	3,010.2	3,458.3	3,650.6	3,735.1
Subtotal	\$ 2,413.5	\$ 5,349.8	\$ 4,529.1	\$ 4,782.8	\$ 6,939.2	\$ 7,050.0	\$ 6,543.9	\$ 6,448.5
<u>Restricted</u>								
Oil Revenue ⁽¹⁾	\$ 508.1	\$ 575.8	\$ 621.5	\$ 376.0	\$ 576.7	\$ 711.2	\$ 518.3	\$ 496.0
Non-Oil Revenue	697.4	631.2	558.6	590.9	643.0	680.5	831.4	848.3
Investment Earnings ⁽³⁾	5,616.4	1,188.0	(1,208.5)	16,460.9	(6,422.1)	1,210.1	1,346.3	2,250.5
Federal Revenue	3,124.6	3,434.5	4,173.0	7,555.0	6,911.8	5,826.8	6,225.3	6,472.5
Subtotal	9,446.5	5,829.6	4,144.6	24,982.8	1,709.4	8,428.6	8,921.2	10,067.3
Total	\$12,360.0	\$11,179.4	\$ 8,673.7	\$29,765.6	\$ 8,648.6	\$15,478.6	\$ 15,465.1	\$ 16,515.8

Totals may not foot due to rounding.

- (1) "Restricted Oil Revenue" includes oil revenue for the State's share of rents, royalties, and bonuses from the NPR–A, shared by the federal government. Starting in fiscal year 2022, hazardous release surcharge and refined fuel surcharge are included in Restricted Oil Revenue. Prior to 2021, these surcharges were included in "Unrestricted Oil Revenue."
- (2) Forecasts for fiscal years 2024 and 2025 include projections for the transfers from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26. All values for fiscal years 2024 and 2025 are based on projections as of the release of the Spring 2024 Revenue Forecast and are subject to change.
- (3) A portion of the Restricted investment earnings starting in fiscal year 2019 consist of Permanent Fund unrealized gains and realized gains, less the transfers to the General Fund classified as unrestricted revenue pursuant to SB 26.

Source: 2018 through 2023 Revenue Sources Books and Forecast, including the Spring 2024 Revenue Forecast and Update, Tax Division.

Government Budgets and Appropriations

The Legislature is responsible for enacting the laws of the State, including laws that impose State taxes, and for appropriating money to operate the government. The State is limited by federal law, the State Constitution and statutes, and by policy in how it manages its funds and, as in other states, no funds, regardless of source, may be spent without a valid appropriation from the Legislature. The Legislature has a 90-day statutory time limit, and a constitutional time limit of 120 days with an allowance for up to an additional 10 days, to approve a budget. If the Legislature fails to approve a budget, or if other limited purpose legislation needs to be considered, the Governor or Legislature may call a special session to consider such matters. See "– General Appropriations" below.

Budgets. The State's fiscal year begins on July 1 and ends on the following June 30, and the Legislature meets in regular session beginning on the fourth Monday of January in each year. The Governor

is required by AS 37.07.020(a) to prepare: (1) a statutorily conforming budget for the succeeding fiscal year, including capital, operating, and mental health budgets, setting forth all proposed expenditures (including expenditures of federal and other funds not generated by the State) and anticipated income of all departments, offices, and agencies of the State; (2) a general appropriation bill to authorize proposed expenditures; and (3) in the case of proposed new or additional revenues, one or more bills containing recommendations for such new or additional revenues. In accordance with AS 37.07.020(b), the Governor is also required to prepare a six-year capital budget covering the succeeding six fiscal years and a 10-year fiscal plan. To assist the Governor in preparing budgets, proposed appropriation bills, and fiscal plans, the Tax Division prepares forecasts of annual revenues in December and March or April of each year. See “– State Revenues” above and “– *General Appropriations*,” Table 4, “– Government Funds,” and “– Revenue Forecasts” below.

The State Constitution prohibits the withdrawal from the treasury of nearly all funds, regardless of source, without an appropriation. As a consequence, the Governor’s proposed budget and the Legislature’s appropriation bills include federal and other funds as well as funds from the State and, by practice, funds that may be available for withdrawal without an appropriation. The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation.

General Appropriations. The Governor is required by State law to submit the three budgets—an operating budget, a mental health budget, and a capital budget—by December 15 and to introduce the budgets and appropriation bills formally to the Legislature in January by the fourth day of the regular Legislative session. These three budgets then go to the House Finance Committee and are voted upon by the House of Representatives. The three budgets then go to the Senate Finance Committee, are voted upon by the full Senate, and may go to a conference committee to work out differences between the House and Senate versions (and then be submitted to both houses for final votes). Bills passed by both houses are delivered to the Governor for signature. The Governor may veto one or more of the appropriations made by the Legislature in an appropriations bill (a “line-item veto”) or may sign the bill or permit the bill to become law without a signature or veto. The Legislature may override a veto by the Governor (by a vote of three-fourths of the members of each house of the Legislature in the case of appropriation bills and by a vote of two-thirds of the members of each house in the case of other bills). Either the Governor or the Legislature may initiate supplemental appropriations during the fiscal year to deal with new or changed revenue receipts, to correct errors, or for any other reason. An appropriation is an authorization to spend, not a requirement to spend. Enacted budget appropriations may be expended beginning July 1.

The Governor is permitted to prioritize or restrict expenditures, to redirect funds within an operating appropriation to fund core services, and to expend unanticipated federal funds or program receipts. Historically, Alaskan Governors have placed restrictions on authorized operating and capital expenditures during years in which actual revenues were less than forecast and budgeted. Such expenditure restrictions have included deferring capital expenditures, State employment hiring and compensation freezes, lay-offs and furloughs, and restrictions on non-core operating expenses. Operating and capital expenditures have generally declined over the same time period through, among other actions, use of administrative restrictions on spending. See “– Public Debt and Other Obligations of the State” below.

Additional options for the State to manage budget funding include reducing State expenditures, transferring spending authority among line items, providing additional incentives to develop petroleum or mining resources, reinstituting a State personal income tax, or imposing other broad-based statewide taxes, such as a sales tax. Most of these options, including the imposition of personal income taxes or other taxes, would require action by the Legislature.

Governor Michael J. Dunleavy was reelected in November 2022, originally taking office in December 2018. In his fiscal year 2020 budget, the Governor declared that significant adjustments to the

State budget were needed to allow for a Permanent Fund Dividend distribution to State residents based on a historical statutory formula. This proposal was not approved by the Legislature. In his fiscal year 2021 and 2022 budgets the Governor again requested a Permanent Fund Dividend distribution to eligible State residents based on the historical statutory formula. Again, the Legislature did not approve these proposals. The fiscal year 2023 budget included an appropriation of approximately \$2.1 billion for Permanent Fund Dividend distributions to all eligible Alaskans, of which approximately \$420.1 million was designated as a special appropriation for energy relief. The enacted fiscal year 2024 budget includes approximately \$881.6 million for Permanent Fund Dividend distributions to all eligible Alaskans.

Through special appropriations in the fiscal year 2024 enacted budget, if the unrestricted General Fund revenue, collected in the fiscal year ending June 30, 2024, exceeds \$6,264,300,000, the amount remaining, after all appropriations have been made that take effect in the fiscal year ending June 30, 2024, of the difference between \$6,264,300,000 and the actual unrestricted General Fund revenue collected in fiscal year 2024, not to exceed \$636,400,000, is appropriated as follows: (i) 50 percent from the General Fund to the dividend fund to pay a one-time energy relief payment as part of the permanent fund dividend and for administrative and associated costs for fiscal year 2025; and (ii) 50 percent from the General Fund to the CBRF. After the appropriations described in clauses (i) and (ii) above are made, the amount remaining, after all appropriations have been made that take effect in fiscal year 2024, of the difference between \$6,900,700,000 and the actual unrestricted General Fund revenue collected in fiscal year 2024, is appropriated from the General Fund to the CBRF.

The State's enacted budget for fiscal year 2024, including forecasted supplemental appropriations, decreased spending from fiscal year 2023 from approximately \$15.9 billion to \$14.5 billion. The fiscal year 2023 expenditure value, provided by the OMB fiscal summary as of June 19, 2023, was inclusive of the permanent fund dividend distribution of approximately \$2.1 billion.

Appropriations for Debt and Appropriations for Subject-to-Appropriation Obligations. The Governor's appropriations bills include separate subsections for appropriations for State debt and other subject-to-appropriation obligations and specify the sources of funds to pay such obligations. For the State's outstanding voter-approved general obligation bonds and bond anticipation notes and for revenue anticipation notes to which the State's full faith and credit are pledged, money is appropriated from the General Fund and, if necessary, to the General Fund from other funds, including the Permanent Fund, to the State Bond Committee to make all required payments of principal, interest, and redemption premium. For the full faith and credit obligations, the State legally is required to raise taxes if State revenues are not sufficient to make the required payments.

The Governor's appropriation bills also include separate subsections for appropriations for subject-to-appropriation obligations, such as outstanding capital leases and lease-purchase financings authorized by law, and for State appropriations to replenish debt service reserves in the event of a deficiency. Such appropriations are made from the General Fund or from appropriations transferring to the General Fund money available in other funds such as the CBRF, SBRF, the Power Cost Equalization Fund, unencumbered funds of the State's public corporations, and the Permanent Fund Earnings Reserve.

Appropriation Limits. The State Constitution does not limit expenditures but does provide for an appropriation limit and reserves one-third of the amount within the limit for capital projects and loan appropriations. Because State appropriations have never approached the limit, the reservation for capital projects and loan appropriations has not been a constraint. The appropriation limit does not include appropriations for Permanent Fund Dividends described below, appropriations of revenue bond proceeds, appropriations to pay general obligation bonds, or appropriations of funds received in trust from a non-State source for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds. In general, under the State Constitution, appropriations that do not qualify for

an exception may not exceed \$2.5 billion by more than the cumulative change, derived from federal indices, in population and inflation since July 1, 1981. For fiscal year 2022, the Office of Management and Budget estimated the appropriation limit to be approximately \$11.1 billion. The fiscal year 2022 budget, not counting the excluded appropriations, was \$7.3 billion, or \$3.8 billion less than the constitutional limit.

As shown in Table 4, unrestricted General Fund revenue increased to \$6.9 billion in fiscal year 2022 and further increased to approximately \$7.1 billion in fiscal year 2023. In fiscal year 2019, the State began appropriating amounts from the Permanent Fund Earnings Reserve to the General Fund as unrestricted General Fund revenue, which significantly diminishes the percentage of unrestricted revenue that petroleum-related revenue represents. The fiscal year 2023 budget included approximately \$3.4 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. This shift of classification of revenue of the Permanent Fund from restricted to unrestricted was incorporated into the State's revenue projections in Table 4.

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Table 4
State of Alaska
Total Unrestricted General Fund Revenue, ANS West Coast Oil Price, and ANS Oil Production
Fiscal Years Ended June 30, 2014 – 2023 and
Forecast for Fiscal Years Ending June 30, 2024 – 2034

Fiscal Year	Total Unrestricted General Fund Revenue (\$ millions)	ANS West Coast Oil Price (\$/barrel)	ANS Oil Production (thousands of barrels per day)
2014	5,390	107.57	530.4
2015	2,256	72.58	501.0
2016	1,533	43.18	514.7
2017	1,355	49.43	526.4
2018	2,414	63.61	518.5
2019	5,350	69.46	496.9
2020	4,529	52.12	471.8
2021	4,783	54.14	486.1
2022	6,939	91.41	476.5
2023	7,050	86.63	479.4
Projected ⁽¹⁾			
2024	6,544	84.08	467.6
2025	6,449	78.00	476.8
2026	6,430	74.00	482.0
2027	6,617	72.00	520.0
2028	6,707	70.00	547.2
2029	6,813	70.00	542.8
2030	6,869	69.00	545.2
2031	7,008	69.00	573.1
2032	7,305	71.00	614.9
2033	7,604	73.00	640.2
2034	7,833	75.00	641.1

⁽¹⁾ The values for fiscal years 2024 through 2034 use the projections included in the Spring 2024 Revenue Forecast, and are subject to change. Fiscal year 2024 includes approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. The forecast period includes projections for the transfers from the Permanent Fund Earnings Reserve to the General Fund for unrestricted General Fund expenditures, including the Permanent Fund Dividend, based on SB 26.

Source: 2014 through 2023 Revenue Sources Books and Forecast, including the 2024 Spring Revenue Forecast Update, Tax Division.

The State's constitutionally based obligation for K-12 education has been one of the largest single recurring budget line items in the State's budget. In the enacted fiscal year 2024 budget, approximately \$1.17 billion is appropriated to the public education fund, comprised of an estimated \$1.14 billion from the General Fund, and \$32.2 million from the Public School Trust Fund. See "– Public Debt and Other

Obligations of the State – *State-Supported Debt – State-Supported Municipal Debt Eligible for State Reimbursement*” below.

The Spring 2024 Revenue Forecast projects approximately \$6.5 billion in unrestricted General Fund revenue in fiscal year 2024 prior to any carryforwards and adjustments from fiscal year 2023, and the enacted fiscal year 2024 budget includes approximately \$5.2 billion in unrestricted General Fund operating and capital budget appropriations. The enacted fiscal year 2024 budget includes approximately \$3.5 billion in transfers from the Permanent Fund Earnings Reserve to the General Fund as unrestricted revenue. In addition, the fiscal year 2024 expenditure value for the permanent fund dividend distribution was \$881.6 million.

In fiscal year 2024, projections for unrestricted General Fund capital budget appropriations decreased to approximately \$387.5 million from \$734.9 million in fiscal year 2023. Prior to fiscal year 2023, there were seven consecutive fiscal years that unrestricted General Fund capital budget appropriations had been under \$250 million, compared to \$608 million in fiscal year 2015. The State’s fiscal year 2024 total capital budget appropriations, including unrestricted general funds, designated general funds, other and federal funds were approximately \$3.1 billion (Source: Office of Management and Budget, Fiscal Summary as of June 19, 2023 and March 13, 2024).

Government Funds

Because the State is dependent upon taxes, royalties, fees, and other revenues that can be volatile, the State has developed a framework of constitutionally and statutorily restricted revenue that is held in a variety of reserve funds to provide long-term and short-term options to address cash flow mismatches and budgetary deficits. The State Constitution provides that with three exceptions, the proceeds of State taxes or licenses “shall not be dedicated to any special purpose.” The three exceptions are when required by the federal government for State participation in federal programs, any dedication existing before statehood, and when provided by the State Constitution, such as restricted for savings in the Permanent Fund or the CBRF.

Current State funding options available on a statutory basis include General Fund unrestricted revenue (which pursuant to SB 26 includes an annual transfer from the Permanent Fund Earnings Reserve), use of the earnings or the principal balance of the SBRF, borrowing restricted earnings revenue or principal balance from the CBRF, use of the statutorily restricted oil revenue currently flowing to the Permanent Fund, and use of the unrestricted earnings revenue of the Permanent Fund. To balance revenues and expenditures in a time of financial stress, each of these funds can be drawn upon, following various protocols. The CBRF may be accessed with a majority vote of the Legislature following a year-over-year total decline in total revenue available for appropriation, or in any year by a three-quarters vote of both houses of the Legislature. A majority vote of the Legislature is needed to appropriate from the SBRF and from the Permanent Fund Earnings Reserve.

The General Fund. Unrestricted State revenue is annually deposited in the General Fund, which serves as the State’s primary operating fund and accounts for most of the State’s unrestricted financial resources. The State has, however, created more than approximately 60 subfunds and “cash pools” within the General Fund to account for funds allocated to particular purposes or reserves, including the CBRF, the SBRF, an Alaska Capital Income Fund, and a debt retirement fund. In terms of long-term and short-term financial flexibility, the CBRF and the SBRF (subfunds within the General Fund) have been of particular importance to the State.

The Constitutional Budget Reserve Fund. The State Constitution requires that oil and gas and mineral dispute-related revenue be deposited in the CBRF. The State Constitution provides that other than

money required to be deposited in the Permanent Fund and the Public School Trust Fund, all money received by the State after July 1, 1990 as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, are required to be deposited in the CBRF. Money in the CBRF may be appropriated (1) for any public purpose, upon the affirmative vote of three-fourths of each house of the Legislature; or (2) by majority vote if the amount available to the State for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year; however, the amount appropriated may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year. The State Constitution also provides that until the amount appropriated from the CBRF is repaid, excess money in the General Fund at the end of each fiscal year must be deposited in the CBRF.

The State historically has borrowed from the CBRF as part of its cash management plan to address timing mismatches between revenues and disbursements within a fiscal year and also to balance the budget, when necessary, at the end of the fiscal year. The State has drawn on the CBRF in each year since fiscal year 2014, although in some years dedicated earnings and deposits into the CBRF were greater than the draws. Historical borrowing from the CBRF in the 1990's through 2005 was completely repaid in fiscal year 2010 and no borrowing activity from the CBRF occurred until fiscal year 2015.

The fiscal year 2015 capital budget approved by the Legislature included a \$3 billion transfer from the CBRF to the Public Employees Retirement System ("PERS") and Teachers Retirement System ("TRS"). PERS received \$1 billion and TRS received \$2 billion. This transfer resulted in a liability of the General Fund. Additional amounts were appropriated from the CBRF to the General Fund annually in fiscal years 2016 through 2023, to fund shortfalls between State revenue and General Fund appropriations. The total net amount appropriated from the CBRF since fiscal year 2015 as of June 30, 2023, was approximately \$11.3 billion. Pursuant to the State's fiscal year 2023 ACFR, the June 30, 2023, unassigned fund balance of the CBRF was approximately \$2.6 billion.

The asset balance in the CBRF as of June 30, 2023, was approximately \$2.6 billion, including earnings of approximately \$62.9 million. General Fund asset balances listed as of June 30 may include borrowings from the CBRF for future fiscal year operating requirements. As of June 30, 2022, the asset balance was approximately \$914.5 million, including earnings of approximately \$1.2 million; as of June 30, 2021, the asset balance was approximately \$1.1 billion, including earnings of approximately \$2.2 million; as of June 30, 2020, the asset balance was approximately \$2.0 billion, with investment earnings of \$62.8 million; and as of June 30, 2019, the asset balance was \$1.8 billion, with investment earnings of \$74.8 million.

The Statutory Budget Reserve Fund. The SBRF has existed in the State's accounting structure since 1986. The SBRF is available for use for legal purposes by majority vote of the Legislature and with approval by the Governor. If the unrestricted amount available for appropriation in any fiscal year was insufficient to cover General Fund appropriations, the amount necessary to balance revenue and General Fund appropriations or to prevent a cash deficiency in the General Fund may be appropriated from the SBRF to the General Fund. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated from the CBRF is repaid. The SBRF unassigned fund balance for fiscal year 2023, reported in the State's ACFR, was zero. Any earnings on the SBRF are considered unrestricted investment revenue and flow to the General Fund, unless otherwise appropriated back to the fund.

The Alaska Permanent Fund. The Permanent Fund was established by a voter-approved constitutional amendment that took effect in February 1977. The amendment provides that “at least twenty-five percent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments” and that “all income from the permanent fund shall be deposited in the General Fund unless otherwise provided by law.”

In 1980, legislation was enacted that provided for the management of the Permanent Fund by the APFC, a public corporation within the DOR managed by a board of trustees. The same legislation modified the contribution rate to the Permanent Fund from 25 percent (the minimum constitutionally mandated contribution) to 50 percent of all mineral lease rentals, royalties, royalty sale proceeds, net profit shares, federal mineral revenue sharing payments, and bonuses received by the State from mineral leases issued after December 1, 1979 or, in the case of bonuses, after May 1, 1980. The statutory contribution rate was changed back to 25 percent by legislation as of July 1, 2003 but then returned to 50 percent as of October 1, 2008. For fiscal year 2023, State oil and mineral revenues deposited in the Permanent Fund were \$754 million, compared to \$549 million in fiscal year 2022, \$320 million in fiscal year 2021, \$319 million in fiscal year 2020, and \$385 million in fiscal year 2019. Since inception, as of June 30, 2023, contributions to the principal account of the Permanent Fund, both constitutionally and statutorily mandated, include \$22.2 billion for inflation proofing, \$19.2 billion in royalty contributions, and \$15.0 billion in special appropriations.

The Permanent Fund tracks earnings on a basis compliant with statements pronounced by the Governmental Accounting Standards Board (“GASB”) in the compilation of the financial statements of the Permanent Fund. Fund balance consists of two parts: (1) principal, which is non-spendable, and (2) earnings reserve, which is spendable with an appropriation by the Legislature. By statute, only realized gains are deposited in the earnings reserve. Unrealized gains and losses associated with principal remain allocated to principal. Because realized gains deposited in the earnings reserve are invested alongside the principal, however, the unrealized gains and losses associated with the earnings reserve are spendable with an appropriation of the Legislature.

Pursuant to legislation enacted in 1982, annual appropriations are made from the Permanent Fund Earnings Reserve, first for dividends to qualified Alaska residents and then for inflation proofing. Between 1982 and 2023, approximately \$30.2 billion of dividends were paid to Alaska residents and \$22.2 billion of Permanent Fund income has been added to principal for inflation proofing. For fiscal years 2016, 2017, and 2018, there were no appropriations and therefore no transfers from the earnings reserve to principal for inflation proofing. The amount calculated under statute for fiscal year 2019 inflation proofing, \$989 million, provided for in the enacted fiscal year 2019 operating budget, was appropriated from the earnings reserve to the principal of the Permanent Fund to offset the effect of inflation on the principal for fiscal year 2019. The State’s fiscal year 2020 budget included an appropriation of approximately \$4.8 billion from the earnings reserve to the principal of the Permanent Fund. The State’s fiscal year 2021 budget did not include an appropriation for additions to principal for inflation proofing. The Legislature made an approximate \$4.0 billion special appropriation to principal in the fiscal year 2022 budget. For fiscal year 2023, approximately \$4.2 billion was appropriated from the earnings reserve to the principal of the Permanent Fund. The Permanent Fund Dividend amount, paid in calendar year 2022, was \$3,284 per qualified resident, inclusive of amounts designated as energy relief to Alaskans. The Permanent Fund Dividend amount, paid in calendar year 2023, was \$1,312 per qualified resident.

If any income remains after these transfers (except the portion transferred to the Alaska Capital Income Fund as described below), it remains in the Permanent Fund Earnings Reserve as undistributed income. The Legislature may appropriate funds from the earnings reserve at any time for any other lawful

purpose. The principal portion of the Permanent Fund, approximately \$67.5 billion as of June 30, 2023, up from approximately \$60.2 billion as of June 30, 2022, may not be spent without amending the State Constitution. The earnings reserve, approximately \$10.5 billion as of June 30, 2023, down from approximately \$16.1 billion as of June 30, 2022, may be appropriated by a majority vote of the Legislature.

During fiscal years 1990 through 1999, the Permanent Fund received dedicated State revenues from settlements of a number of North Slope royalty cases (known collectively as *State v. Amerada Hess*). The total of the settlements and retained income thereon, as of June 30, 2023, was approximately \$424.4 million. Earnings on the settlements are excluded from the dividend calculation and are not subject to inflation proofing in accordance with State law, and beginning in 2005, the settlement earnings have been appropriated to the Alaska Capital Income Fund, a subfund within the General Fund. The Alaska Capital Income Fund realized earnings on settlement principal of approximately \$14.3 million during fiscal year 2023.

As previously discussed, SB 26 created a percent of market value to provide a sustainable draw on the earnings reserve for transfer to the General Fund as unrestricted revenue.

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Table 5
State of Alaska
Available Funds and Recurring and Discretionary General Fund Expenditures
Fiscal Years Ended June 30, 2013 – 2022

Fiscal Year	General Purpose Unrestricted Revenue (\$ mil)	Recurring & Discretionary General Fund Expenditures (\$ mil)	Unrestricted Revenue Surplus/ (Deficit) (\$ mil)	Ending SBRF Reserves Available Balance (\$ mil)	Ending CBRF Reserves Available Balance (\$ mil) ⁽¹⁾	Permanent Fund Earnings Reserve Balance (\$ mil)	Oil Price (\$/barrel)	ANS Oil Production (thousands of barrels per day)
2013	6,929	7,455	(526)	4,711 ⁽²⁾	11,564	4,054	107.57	531.6
2014	5,394	7,314	(1,920)	2,791 ⁽²⁾	12,780	6,211	107.57	530.4
2015	2,257	4,760	(2,503) ⁽³⁾	288 ⁽²⁾	10,101	7,162	72.58	501.0
2016	1,533	5,213	(3,680) ⁽³⁾	— ⁽²⁾	7,331	8,570	43.18	514.7
2017	1,354	4,498	(3,144) ⁽³⁾	— ⁽²⁾	3,896	12,816	49.43	526.4
2018	2,414	4,489	(2,075) ⁽³⁾	— ⁽²⁾	2,360	18,864 ⁽⁴⁾	63.61	518.5
2019	5,350 ⁽⁵⁾	4,889	461 ⁽³⁾	— ⁽²⁾	1,832	18,481 ⁽⁴⁾	69.46	495.0
2020	4,529 ⁽⁵⁾	4,805	(276) ⁽³⁾	— ⁽²⁾	1,983	12,894 ⁽⁴⁾	52.12	471.8
2021	4,783 ⁽⁵⁾	5,031 ⁽³⁾	(248) ⁽³⁾	481 ⁽²⁾	1,076	21,148 ⁽⁴⁾	54.14	486.1
2022	6,939 ⁽⁵⁾	5,362 ⁽³⁾	1,577 ⁽³⁾	372 ⁽²⁾	915	16,150 ⁽⁴⁾	91.41	476.5
2023	7,050 ⁽⁵⁾	5,641	1,409 ⁽³⁾	— ⁽²⁾	2,620	10,491 ⁽⁴⁾	86.63	479.4

(1) The CBRF available balance represents the historical asset values.

(2) Includes unassigned fund balance through net transfer from the SBRF to the General Fund reconciled at the release of the State's ACFR.

(3) The SBRF was used to balance the fiscal year 2015 deficit, with \$288 million remaining as of June 30, 2015. Article IX, Section 17(d) of the Alaska Constitution provides that the amount of money in the General Fund available for appropriation at the end of each succeeding fiscal year is to be deposited in the CBRF until the amount appropriated is repaid. The available fund balance of the SBRF as of June 30, 2016, was zero. Fiscal year 2021 includes an estimated \$325 million transfer to the SBRF from the unrestricted General Fund, and fiscal year 2022 includes an estimated \$109 million draw from the SBRF, and the fiscal year 2023 unassigned fund balance was zero.

(4) Includes amount committed for General Fund transfers pursuant to SB 26, as well as any special appropriations and/or inflation proofing transfers.

(5) Includes Permanent Fund Earnings Reserve transfer prior to dividend payments.

Source: State of Alaska Department of Revenue, and OMB.

Revenue Forecasts

The State regularly prepares revenue forecasts for planning and budgetary purposes. Of necessity, such forecasts include assumptions about events that are not within the State's control. The forecast oil production volumes include only production expected from projects currently under development or evaluation. The forecast does not include any revenues that could be received if a natural gas pipeline is constructed. In making its forecasts, the State makes assumptions about, among other things, the demand for oil and national and international economic factors and assumes that the Legislature will not amend current laws to change materially the sources and uses of State revenue and that no major calamities such as earthquakes or catastrophic damage to TAPS will occur. Portions of TAPS are located in areas that have experienced and may in the future again experience major earthquakes. Actual revenues and expenditures will vary, perhaps materially, from year to year, particularly if any one or more of the assumptions upon which the State's forecasts are based proves to be incorrect or if other unexpected events occur. The State's most recent forecast is set forth in the Spring 2024 Revenue Forecast. The State will next update its forecast in the Fall 2024 Revenue Forecast, which is anticipated to be released in December 2024. The State has provided certain estimates for fiscal years 2024 and 2025 based on information available as of the Spring

2024 Revenue Forecast, as well as certain audited results for fiscal year 2023 for the CBRF and the APFC. See “– Government Funds” above for a description of some of the actions the State can take when revenues prove to be lower than expected.

The State has customarily restricted certain revenue sources each fiscal year by practice. Such revenue is nonetheless available for appropriation. Table 6 provides a summary of the State’s most recent forecast for revenues subject to appropriation in fiscal years 2024 through 2029.

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Table 6
State of Alaska Projection of Revenues Subject to Appropriation
Forecast Summary for Fiscal Years 2024 through 2029 ⁽¹⁾
(\$ millions)

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
<u>Petroleum Revenue</u>						
Unrestricted General Fund	\$ 2,432.3	\$ 2,196.0	\$ 2,013.2	\$ 1,999.7	\$ 2,044.0	\$ 2,029.0
Production Tax – Hazardous Release Surcharge	7.5	7.7	7.7	8.3	8.8	8.7
Royalties, Bonuses, Rents, and Interest to Alaska Permanent Fund	83.8	77.3	75.3	99.9	118.7	122.7
Tax and Royalty Settlements to CBRF	10.0	20.0	20.0	20.0	20.0	20.0
Subtotal Petroleum Revenue⁽³⁾	<u>\$ 2,533.6</u>	<u>\$ 2,300.9</u>	<u>\$ 2,116.3</u>	<u>\$ 2,127.9</u>	<u>\$ 2,191.5</u>	<u>\$ 2,180.4</u>
<u>Non-Petroleum Revenue</u>						
Unrestricted General Fund	\$ 461.1	\$ 517.4	\$ 549.2	\$ 582.1	\$ 602.1	\$ 615.7
Designated General Fund	480.2	494.9	497.6	501.1	501.9	502.8
Royalties to Alaska Permanent Fund beyond 25% dedication	3.7	4.0	4.2	4.4	4.5	4.5
Subtotal Non-Petroleum Revenue⁽³⁾	<u>\$ 945.0</u>	<u>\$ 1,016.4</u>	<u>\$ 1,051.0</u>	<u>\$ 1,087.6</u>	<u>\$ 1,108.5</u>	<u>\$ 1,123.0</u>
<u>Investment Revenue</u>						
Unrestricted General Fund	\$ 3,650.6	\$ 3,735.1	\$ 3,867.9	\$ 4,034.9	\$ 4,060.9	\$ 4,167.9
Designated General Fund	73.3	57.3	57.3	57.3	57.3	57.3
CBRF ⁽²⁾	119.3	78.7	89.3	92.3	95.4	98.6
Subtotal Investment Revenue⁽³⁾	<u>\$ 3,843.2</u>	<u>\$ 3,871.1</u>	<u>\$ 4,014.5</u>	<u>\$ 4,184.5</u>	<u>\$ 4,213.6</u>	<u>\$ 4,323.8</u>
Total Revenue Subject to Appropriation⁽³⁾	<u>\$ 7,321.8</u>	<u>\$ 7,188.4</u>	<u>\$ 7,181.8</u>	<u>\$ 7,400.0</u>	<u>\$ 7,513.5</u>	<u>\$ 7,627.1</u>

(1) This table presents only the largest known categories of current year funds subject to appropriation. A comprehensive review of all accounts in the State accounting system would likely reveal additional revenues subject to appropriation beyond those identified here. Totals may not add due to rounding.

(2) CBRF earnings projections on balances reflect estimates that do not incorporate potential amounts swept to the CBRF under Alaska Constitution Article IX Sec. 17(d).

Source: Spring 2024 Revenue Forecast, Tax Division.

Public Debt and Other Obligations of the State

State debt includes general obligation bonds and revenue anticipation notes, and State-supported debt includes lease-purchase financings and revenue bonds. The State also provides guarantees and other support for certain debt and operates the School Debt Reimbursement Program (the “SDRP”) and the Transportation and Infrastructure Debt Service Reimbursement Program (the “TIDSRP”). Other than the Veterans’ Mortgage Program, these programs do not constitute indebtedness of the State but do provide, annually on a subject-to-appropriation basis, financial support for certain bonds of local governments and obligations of State agencies.

Outstanding State Debt. State debt includes general obligation bonds and revenue anticipation notes. The State Constitution provides that general obligation bonds must be authorized by law and be ratified by the voters and permits authorization of general obligation bonds only for capital improvements. The amount and timing of a bond sale must be approved by the State Bond Committee. For both general obligation bonds and revenue anticipation notes, the full faith, credit, and resources of the State are pledged to the payment of principal and interest. If future State revenues are insufficient to make the required principal and interest payments, the State is legally required to raise taxes to provide sufficient funds for this purpose. Approximately \$577.2 million of general obligation bonds were outstanding as of June 30, 2023. See “Summary of Outstanding Debt” and Tables 7 and 8 below.

Most recently, in November 2012, voters approved \$453,499,200 in general obligation bonds for the purpose of design and construction of State transportation projects (the “2012 Transportation Bond Act”). During fiscal year 2021, the State issued its General Obligation Bonds Series 2020A, which used the remaining authority under the 2012 Transportation Bond Act.

The following other debt and debt programs of the State were outstanding as of June 30, 2023, except as otherwise noted.

State Guaranteed Debt. The only purpose for which State guaranteed debt may be issued is for payment of principal and interest on revenue bonds issued for the Veterans Mortgage Program by the Alaska Housing Finance Corporation (“AHFC”) for the purpose of purchasing mortgage loans made for residences of qualifying veterans. These bonds are also general obligation bonds of the State, and they must be authorized by law, ratified by the voters, and approved by the State Bond Committee. In November 2010, voters approved \$600 million of State guaranteed veterans’ mortgage bonds, and the total unissued authorization was \$584.6 million as of June 30, 2023. As of June 30, 2023, \$41.3 million of State guaranteed debt was outstanding. Subsequent to June 30, 2023, the AHFC issued Veteran’s Mortgage Bonds in the approximate amount of \$49.9 million and on March 26, 2024, received approval through the State Bond Committee for the issuance of not-to-exceed \$75 million in aggregate principal amount of Veteran’s Mortgage Bonds in 2024.

State-Supported Debt. State-supported debt is debt for which the ultimate source of payment is, or may include, appropriations from the General Fund. The State does not pledge its full faith and credit to State-supported debt, but another public issuer may have pledged its full faith and credit to it. State-supported debt is not considered “debt” under the State Constitution, because the State’s payments on this debt are subject to annual appropriation by the Legislature, recourse is limited to the financed property, and this debt does not create a long-term obligation of the State binding future legislatures. Voter approval of such debt is not required. State-supported debt includes lease-purchase financing obligations (structured as certificates of participation (“COPs”)) and capital leases the State has entered into with respect to the Linny Pacillo Parking Garage (with AHFC) and the Goose Creek Correctional Center (with the Matanuska-Susitna Borough). Approximately \$164.0 million of State-supported debt was outstanding as of June 30, 2023.

On September 4, 2020, the Alaska Supreme Court issued a decision in *Eric Forrer v. State of Alaska* (“*Forrer*”) related to the ATCCBC that created additional limitations on when the State can issue State Supported Debt. While the decision reaffirmed prior Supreme Court decisions allowing the use of State Supported Debt for lease-purchase of real property arrangements, it specifically disallowed the structure contemplated for the ATCCBC created in 2018 pursuant to AS 37.18. Due to similarity of structure, the decision also rendered the Pension Obligation Bond Corporation (the “POBC”) (created pursuant to AS 37.16) and the Toll Bridge Revenue Bonds for the Knik Arm Bridge (created in AS 37.15, Article 2) illegal. On September 28, 2020, the State of Alaska Department of Law filed a Petition for Rehearing with the Supreme Court in an attempt to obtain clarity on the scope of the Court’s intent in their decision. The Court declined to respond to the Petition for Rehearing without any further ruling on the merits of the case.

State-Supported Unfunded Actuarially Assumed Liability (UAAL). In 2008, Senate Bill 125 became law, declaring that the State shall fund any actuarially determined employer contribution rate above 22% for the Public Employees’ Retirement System (PERS) or 12.56% for the Teachers’ Retirement System (TRS) out of the State’s general fund. This change was designed to address the stress municipal employers were experiencing due to high actuarially determined percentage of payroll amounts to pay for actuarially assumed unfunded liabilities of the retirement systems. In 2015, the Governmental Accounting Standards Board Statement 68 (GASB 68) was enacted, updating reporting and disclosure requirements related to pension liabilities. One of the key changes was requiring a government that is committed to making payments on a pension system’s unfunded actuarial assumed liability (UAAL) on behalf of another entity to record the liability as a debt of the government making the payment. As a result of GASB 68, \$5.8 billion of long-term debt was added to the State’s fiscal year 2015 Annual Comprehensive Financial Report, for a total of \$6.0 billion of UAAL owed by the State at that time.

Annual payments are determined based on a variety of actuarial assumptions and the evolving experience as it occurs. The assumption with perhaps the greatest impact on future payments is the assumed rate of return on invested assets. The ARM Board completed an experience analysis of the actuarial assumptions underlying the PERS and TRS actuarial valuation reports covering the timeframe July 1, 2017, to June 30, 2021. There have been no changes in the actuarial methods or changes in benefit provisions since the June 30, 2021, valuation. Healthcare claims costs are updated annually. However, as a result of the experience analysis, updated demographic and economic assumptions were adopted by the ARM Board in June 2022, and were used in the June 30, 2022, actuarial valuation reports. One significant item that was changed is the actuarial assumption for investment rate of return. This rate was revised from 7.38 percent down to 7.25 percent, and the assumption was included within the June 30, 2022, actuarial valuation reports.

According to the PERS and TRS ACFR as of June 30, 2023, if the actual earnings rate experience is 6.25%, the 1% reduction in the rate of return on investments increases the net PERS pension liability by approximately \$1,775,923,000 and the net TRS pension liability by approximately \$830,095,000.

As long as the Senate Bill 125 statutory framework is in place, the State is statutorily obligated to obtain amounts required to meet all actuarially determined employer contribution rate for PERS’ employers above 22% and TRS employers above 12.56%.

Senate Bill 55 (SB 55) amended AS 39.35.255, providing that effective July 1, 2021, the State, as a participating employer, shall contribute to PERS and TRS every payroll period an amount sufficient to pay the actuarially determined employer normal cost, all contributions required under AS 39.30.370 (health reimbursement arrangements) and AS 39.35.750 (all defined contribution retirement plan costs, e.g., employer match, occupational death and disability, retiree major medical plan), and past service costs for members at the contribution rate adopted by the ARM Board under AS 37.10.220 for the fiscal year for that payroll period. The State of Alaska, as an employer, will pay the full actuarial determined employer contribution rate adopted by the Board for each fiscal year effective July 1, 2021.

As of June 30, 2023, State long-term debt for the combined PERS and TRS pension UAAL was approximately \$3.5 billion. Worth noting is that the Other Post Employment Benefit ('OPEB') asset levels are greater than the assumed liabilities for both PERS and TRS.

State-Supported Municipal Debt Eligible for State Reimbursement. The State administers two programs that reimburse municipalities for municipal debt: the SDRP and the TIDSRP. These programs provide for State reimbursement of annual debt service on general obligation bonds of municipalities for the SDRP and a combination of general obligation and revenue bonds of authorized participants in the TIDSRP. The State may choose not to fund these programs in part or whole.

DEED administers the SDRP, which was created by law in 1970. The SDRP allows municipalities to apply, and if structured correctly, be eligible for reimbursement on up to 100 percent of the debt service on general obligation bonds issued for school construction. All municipal bonds are required to be authorized as general obligation bonds of the municipality, providing the ultimate source of payment commitment. The SDRP has been partially funded in a number of years. Access to the SDRP was restricted during the 1990s due to State budgetary pressure. Beginning in the early 2000s, and through 2014, the program was generally available for any qualified municipal project at reimbursement rates of 60 to 70 percent of debt service. In 2015, the Legislature passed a moratorium on the SDRP and eliminated DEED's authority to issue agreements to reimburse debt from school bonds that voters approved after January 1, 2015, and before July 1, 2020. In 2020, the legislature extended the moratorium until July 1, 2025. Since 1983, the SDRP has been partially funded ten times, most recently in fiscal year 2017 at approximately 79 percent of the authorized amount, in fiscal year 2020 at 50 percent of the authorized amount, in fiscal year 2021 at zero percent of the authorized amount, and then in fiscal year 2022 at approximately 42 percent of the authorized amount. The fiscal year 2023 and 2024 budgets included a fully funded SDRP and TIDSRA, and in addition, fiscal year 2022 supplemental appropriations offset prior year reductions in the SDRP for fiscal year 2017 and for fiscal years 2020 through 2022.

The Department of Transportation and Public Facilities (DOTPF) and the Alaska Energy Authority (AEA) administers the TIDSRA which was created by law in 2002. The program currently includes University of Alaska revenue bonds, six municipalities' general obligation bonds, and one electric association revenue bond. The program provides for 100% reimbursement of a limited number of municipal transportation and infrastructure related projects. The underlying municipal bonds are issued as either general obligation bonds or utility revenue bonds providing the ultimate source of payment commitment. This was a one-time authorization and no additional authorizations have been proposed. Other than certain reimbursements for the University of Alaska, no funding was provided in the fiscal year 2020 through 2022 budgets. The fiscal year 2023 and 2024 budgets included a fully funded TIDSRA.

While the SDRP and the TIDSRP have been only partially funded or not funded at all in certain fiscal years, the statutorily allowed reimbursements are still reflected as State subject-to-appropriation obligations in current year balances and future year payment commitments within certain sections of the complete State's Public Debt publications.

State Moral Obligation Debt. State moral obligation debt consists of bonds issued by certain State agencies or authorities that are secured, in part, by a debt service reserve fund that is benefited by a discretionary replenishment provision that requires the applicable State agency or authority to report any deficiencies to the debt service reserve fund, and permits, but does not legally obligate, the Legislature to appropriate, on an annual basis, to the particular State agency or authority the amount necessary to replenish the debt service reserve fund up to its funding requirement (generally the maximum amount of debt service required in any year). Such State agency or authority debt is payable in the first instance by revenues generated from loan repayments or by the respective projects financed from bond proceeds. Among those State agencies that have the ability to issue such debt are: Alaska Aerospace Development Corporation,

which has not issued any debt; Alaska Energy Authority (“AEA”); AHFC; Alaska Industrial Development and Export Authority (“AIDEA”); Alaska Municipal Bond Bank Authority (“AMBBA”); and Alaska Student Loan Corporation (“ASLC”). Current outstanding moral obligation debt is limited to the Alaska Municipal Bond Bank Authority, and the Alaska Energy Authority. Approximately \$1,220.7 million of such State Moral Obligation debt was outstanding as of June 30, 2023.

State and University Revenue Debt. This type of debt is issued by the State or by the University of Alaska but is secured only by revenues derived from projects financed from bond proceeds. Revenue debt is not a general obligation of the State nor of the University and does not require voter approval. Such debt is authorized by law and issued by the State Bond Committee or the University of Alaska for projects approved by the Commissioner of Transportation and Public Facilities or by the University of Alaska. This type of debt includes International Airport System Revenue Bonds, various University Revenue Bonds, Notes, and Contracts, and Clean Water and Drinking Water Fund Bonds. As of June 30, 2023, there was \$479.1 million of State and University revenue debt outstanding, consisting of \$241.4 million of University of Alaska Revenue Bonds and Notes and \$237.7 million of Alaska International Airport System Revenue Bonds.

State Agency Debt. State agency debt is secured by revenues generated from the use of bond proceeds or the assets financed by bond proceeds or otherwise of assets of the agency issuing the bonds. This debt is not a general obligation of the State nor does the State provide security for the debt in any other manner, i.e., by appropriations, guarantees or moral obligation pledges. As of June 30, 2023, there was \$1,534.8 million aggregate principal amount of State agency debt outstanding, consisting of \$1,247.3 million of AHFC obligations, \$9.3 million of AMBBA Coastal Energy Impact Program Bonds payable to the National Oceanic and Atmospheric Administration, \$17.3 million of Alaska Railroad Corporation obligations and \$260.9 million of obligations of the Northern Tobacco Securitization Corporation.

State Agency Collateralized or Insured Debt. As security for State agency collateralized or insured debt, the particular State agency pledges mortgage loans or other securities as primary security which, in turn, may be 100 percent insured or guaranteed by another party with a superior credit standing. This upgrades the credit rating on the debt and lowers the interest cost and makes it less likely that the State will assume responsibility for the debt. As of June 30, 2023, the total principal amount outstanding of State agency collateralized or insured debt was approximately \$1,108.0 million, consisting of associated obligations issued through AHFC.

State-Supported Pension Obligation Bonds. In 2008, AS.37 Chapter 16 was enacted creating the POBC for the purpose of issuing bonds for up to \$5 billion for the prepayment of UAAL of the retirement systems. The POBC bonds would have been considered State-Supported debt as they would be secured by agreements with other state agencies that are subject to annual appropriation. In 2018, the POBC bond limit was reduced to \$1.5 billion. Based on the September 4, 2020, decision of the Supreme Court this statutory construct is invalid.

State-Supported Tax Credit Certificate Bonds. In 2018, AS 37 Chapter 18 was enacted creating the ATCCBC for the purpose of selling bonds for up to \$1 billion to provide for the purchase of certain State tax credits. The ATCCBC bonds would be considered State-Supported debt as they would be secured by agreements entered into by other state agencies that are subject to annual appropriation. A legal challenge on the State Constitutionality of the ATCCBC was filed and delayed the potential for bond issuance. Based on the September 4, 2020, decision of the Supreme Court this statutory construct is invalid.

State-Supported Toll Revenue Bonds. In April 2014, AS 37 Chapter 16 was enacted creating the Knik Arm Crossing project in the Alaska Department of Transportation and Public Facilities. The

Legislation provides for the Department of Transportation to enter into a Transportation Infrastructure Finance and Innovation Act (“TIFIA”) loan and for the DOR to issue up to \$300 million of state-supported subordinate lien toll bridge revenue bonds. Given the green field nature of this project there is a 100 percent expectation of insufficient toll revenue to cover debt service and the State’s General Fund having to make debt payments for at least 7 to 10 years, and longer if traffic forecasts are not realized. Based on the September 4, 2020, decision of the Supreme Court this statutory construct is invalid.

Summary of Outstanding Debt. Table 7 lists, by type, the outstanding State-related debt as of June 30, 2023, except as otherwise noted.

Table 7
State of Alaska Debt and State-Related Debt by Type as of June 30, 2023
(\$ millions)

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Debt			
State of Alaska General Obligation Bonds	\$ 577.2	\$ 198.9	\$ 776.1
State Guaranteed Debt			
Alaska Housing Finance Corporation Collateralized Bonds (Veterans’ Mortgage Program)	41.3	11.5	52.8
State-Supported Debt			
Certificates of Participation	14.7	2.7	17.4
Lease Revenue Bonds with State Credit Pledge and Payment	149.3	39.0	188.3
Total State-Supported Debt	<u>164.0</u>	<u>41.7</u>	<u>205.7</u>
State-Supported Municipal Debt			
State Reimbursement of Municipal School Debt Service	433.6	77.0	510.6
State Reimbursement of capital projects	13.6	3.4	17.0
Total State Supported Municipal Debt	<u>447.2</u>	<u>80.4</u>	<u>527.6</u>
Pension System Unfunded Actuarial Accrued Liability (UAAL) ⁽¹⁾			
Public Employees’ Retirement System UAAL	2,810.0	N/A	2,810.0
Teachers’ Retirement System UAAL	710.0	N/A	710.0
Total UAAL	<u>3,520.0</u>	<u>N/A</u>	<u>3,520.0</u>
State Moral Obligation Debt			
Alaska Municipal Bond Bank:			
2005 & 2016 General Resolution General Obligation Bonds	1,016.7	420.5	1,437.2
Alaska Energy Authority:			
Power Revenue Bonds #1 through #11	204.0	193.5	397.5
Total State Moral Obligation Debt	<u>1,220.7</u>	<u>614.0</u>	<u>1,834.7</u>
State Revenue Debt			
International Airport System Revenue Bonds	237.7	85.6	323.3
University of Alaska Debt			
University of Alaska Revenue Bonds	229.1	100.3	329.4
University Lease Liability and Notes Payable	12.3	2.7	15.0
Total University of Alaska Debt	<u>241.4</u>	<u>103.0</u>	<u>344.4</u>
Total State Revenue and University Debt	<u>479.1</u>	<u>188.6</u>	<u>667.7</u>

[Table 7 continued]

	Principal outstanding	Interest to maturity	Total debt service to maturity
State Agency Debt			
Alaska Housing Finance Corporation:			
Commercial Paper	\$ 129.6	N/A	\$ 129.6
State Capital Project Bonds II	1,117.7	529.8	1,647.5
Alaska Municipal Bond Bank Coastal Energy Loan Bonds	9.3	1.4	10.7
Alaska Railroad	17.3	0.4	17.7
Northern Tobacco Securitization Corporation			
2021 Tobacco Settlement Asset-Backed Bonds ⁽²⁾	260.9	444.2	705.1
Total State Agency Debt	1,534.8	975.8	2,510.6
State Agency Collateralized or Insured Debt			
Alaska Housing Finance Corporation:			
Home Mortgage Revenue Bonds	445.9	171.4	617.3
General Mortgage Revenue Bonds II	598.5	256.7	855.2
Government Purpose Bonds	63.6	10.3	73.9
Total State Agency Collateralized or Insured Debt	1,108.0	438.4	1,546.4
Total State and State Agency Debt	9,092.3		
Municipal Debt			
School G.O. Debt	649.6	N/A	N/A
Other G.O. Debt ⁽³⁾	1,714.0	N/A	N/A
Revenue Debt	848.3	N/A	N/A
Total Municipal Debt	3,211.9		
Debt Reported in More than One Category			
Less: State Reimbursable Municipal Debt and Capital Leases	(162.9)		
Less: State Reimbursable Municipal School G.O. Debt	(433.6)		
Less: Alaska Municipal Bond Bank debt included in University debt	(77.5)		
Less: Alaska Municipal Bond Bank debt included in Municipal debt	(825.0)		
Total Deductions Due to Reporting in More than One Category	(1,499.0)		
Total Alaska Public Debt	\$10,805.2		

(1) From most recent June 30, 2022, actuarial valuation, as of the release of the Alaska Public Debt Book 2023-2024.

(2) "Interest to Maturity" and "Total Debt Service to Maturity" includes accreted interest due at maturity of \$335.7 million.

(3) Other G.O. Debt includes certain information sourced directly from the Office of the State Assessor and certain municipal ACFRs.

Source: 2023-2024 Alaska Public Debt Book, published in January 2024.

General Fund Supported Obligations. General Fund support is pledged and required for only a portion of the total outstanding public debt. General obligation bonds are unconditionally supported, and COPs and capital leases are subject-to-appropriation commitments with associated obligations. The SDRP and TIDSRP provide discretionary annual payments to municipal issuers for qualified bonds of the municipalities that are eligible by statute to participate in the programs. Table 8 sets forth existing debt service on outstanding State-supported debt the State has provided from the General Fund for these outstanding obligations and the forecasted support required to retire the outstanding obligations into the future. In the State’s enacted fiscal year 2024 budget, the SDRP and TIDSRP were funded at 100 percent.

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Table 8
State of Alaska
Payments on General Fund Paid Debt as of June 30, 2023
(\$ millions)

Fiscal Year	State G.O.*	Lease / Purchase	Capital Leases (1)	School Debt Reimbursement (2),(3)	Capital Project Reimbursement(3)	Statutory Debt Payment to PERS/TRS (4)	Total Debt Service
2023	73.5	2.9	19.5	77.6	3.6	124.9	302.0
2024	72.7	2.9	19.5	66.2	3.6	136.7	301.6
2025	67.7	2.9	19.5	56.4	3.6	220.6	370.7
2026	67.5	2.9	19.5	46.5	2.8	219.3	358.5
2027	67.5	2.9	20.9	41.2	2.6	247.5	382.6
2028	66.5	2.9	20.9	39.2	2.2	253.8	385.5
2029	65.5	2.9	17.6	34.4	0.9	260.3	381.6
2030	64.8	—	17.6	32.0	0.9	267.4	382.7
2031	52.4	—	17.6	29.8	0.4	274.9	375.1
2032	51.9	—	17.6	26.5	—	283.0	379.0
2033	51.4	—	17.6	20.3	—	291.5	380.8
2034	50.9	—	—	18.0	—	300.0	368.9
2035	27.1	—	—	13.0	—	308.7	348.8
2036	27.0	—	—	6.0	—	317.8	350.8
2037	6.6	—	—	0.9	—	327.7	335.2
2038	18.3	—	—	0.8	—	337.2	356.3
2039	6.1	—	—	0.8	—	347.5	354.4
2040	6.1	—	—	0.4	—	—	6.5
2041	6.1	—	—	0.2	—	—	6.3
2042-2051	—	—	—	—	—	16.8	16.8

(1) A prison and a parking garage have been financed with capital leases.

(2) Fiscal years 2023–2041 payments are based on actual bond repayment schedules on file with the DEED as of June 30, 2023.

(3) In fiscal year 2023, the School Debt and Capital Project Reimbursements were funded at 100%.

(4) Based on PERS and TRS Actuarial Valuation Reports as of June 30, 2022.

(*) State G.O. debt service is net of federal subsidies on interest expense through fiscal year 2038.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

Payment History. The State has never defaulted on its general obligation bond obligations nor has it ever failed to appropriate funds for any State-supported outstanding securitized lease obligations.

State Debt Capacity. The State uses the ratio of debt service to revenue as a guideline for determining debt capacity of the State. This policy was established due to the State’s relatively small population and high per capita revenue due to investment and oil resource-generated revenue. Historically, the State Bond Committee adopted a policy to target no more than 5 percent of annual unrestricted General Fund (“UGF”) revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State. Additionally, a higher target of no more than 8 percent of annual UGF revenue for debt service on general obligation bonds and other public debt directly secured by a subject to appropriation pledge of the State, as well as certain reimbursement programs of the State of Alaska, was established. This policy was revised in fiscal year 2019 due to the inclusion of certain

Permanent Fund earnings in UGF revenue through SB 26, which made an adjustment of these ratios from 5 percent to 4 percent, and from 8 percent to 7 percent.

Table 9
State of Alaska
Debt Service on Outstanding Obligations to Unrestricted Revenues
Fiscal Years Ended June 30, 1996 – 2023
Forecast for Fiscal Years Ending June 30, 2024 – 2033

Fiscal Year	Unrestricted Revenues (\$ millions)	State G.O. Debt Service (%)	State Supported Debt Service (%)	Total State Debt Service (%)	School Debt Reimbursements (%)	Statutory Payment to PERS/TRS (%)	Total Payments to Revenues** (%)
1996	\$2133	1.0%	0.5%	1.4%	3.7%	—	5.2%
1997	2,495	0.7	0.4	1.0	2.5	—	3.5
1998	1,826	0.8	0.6	1.3	3.4	—	4.7
1999	1,348	0.7	1.1	1.8	4.6	—	6.4
2000	2,082	0.1	0.9	1.0	3.1	—	4.1
2001	2,282	0.0	0.7	0.7	2.3	—	3.0
2002	1,660	0.0	1.3	1.3	3.3	—	4.5
2003	1,948	0.0	1.1	1.1	2.7	—	3.7
2004	2,346	0.8	0.9	1.7	2.6	—	4.3
2005	3,189	1.5	0.7	2.2	2.2	—	4.4
2006	4,200	1.1	0.6	1.7	1.9	—	3.6
2007	5,159	0.9	0.5	1.4	1.7	—	3.1
2008	10,728	0.4	0.3	0.6	0.8	—	1.4
2009	5,838	0.8	0.6	1.3	1.6	—	2.9
2010	5,513	0.9	0.8	1.7	1.7	—	3.4
2011	7,673	0.7	0.6	1.3	1.3	—	2.6
2012	9,485	0.8	0.4	1.3	1.1	—	2.3
2013	6,929	1.1	0.6	1.7	1.6	—	3.3
2014	5,390	1.4	0.7	2.1	2.0	—	4.1
2015	2,256	3.3	1.6	4.9	5.2	—	10.1
2016	1,533	4.0	2.3	6.3	7.6	—	13.9
2017	1,355	6.1	2.3	8.3	6.7	—	15.0
2018	2,414	3.7	1.1	4.8	4.6	—	9.4
2019	5,350	1.7	0.4	2.1	2.0	—	4.1
2020	4,529	1.7	0.5	2.2	2.2	—	4.5
2021	4,783	1.7	0.5	2.1	2.0	—	4.1
2022	6,939	1.1	0.3	1.4	1.2	—	2.6
2023	7,044	1.0	0.3	1.4	1.2	—	2.6
Projected*							
2024	6,486	1.1	0.3	1.5	1.1	2.1	4.7
2025	6,308	1.1	0.4	1.4	1.0	3.5	5.9
2026	6,302	1.1	0.4	1.4	0.8	3.5	5.7
2027	6,478	1.0	0.4	1.4	0.7	3.8	5.9
2028	6,536	1.0	0.4	1.4	0.6	3.9	5.9
2029	6,546	1.0	0.3	1.3	0.5	4.0	5.8
2030	6,551	1.0	0.3	1.3	0.5	4.1	5.9
2031	6,653	0.8	0.3	1.1	0.5	4.1	5.7
2032	6,900	0.8	0.3	1.0	0.4	4.1	5.5
2033	7,133	0.7	0.2	1.0	0.3	4.1	5.4

* The forecast for fiscal years 2024 through 2033 uses the projections included in the 2023 – 2024 Alaska Public Debt Book, which was based on available information as the Fall 2023 Revenue Sources Book and Forecast release.

** Certain ‘Total Payment to Revenue’ percentages may not foot in the table due to rounding.

Source: 2023 – 2024 Alaska Public Debt Book, published in January 2024.

APPENDIX B

FINANCIAL STATEMENTS OF THE CORPORATION



A Component Unit of the State of Alaska

**Quarterly Unaudited
Financial Statements**

March 31, 2024

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This publication of Alaska Housing Finance Corporation. For comments or questions:

Website: <https://www.ahfc.us/investors/financials-history> or

E-Mail: rsmall@ahfc.us

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of March 31, 2024

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Assets					
Current					
Cash	\$ 44,850	\$ 15,330	\$ 162	\$ 31,508	\$ 91,850
Investments	506,790	-	180,180	2,923	689,893
Lease receivable	-	-	2,662	73	2,735
Accrued interest receivable	1,761	-	11,669	123	13,553
Inter-fund due (to)/from	(71,468)	35,628	38,387	(2,481)	66
Mortgage loans, notes and other loans, net	6,924	32	97,248	1,459	105,663
Other assets	12,285	22,315	-	2,439	37,039
Intergovernmental receivable	123	3,667	-	693	4,483
Total current	501,265	76,972	330,308	36,737	945,282
Non current					
Investments	9,987	-	22,572	-	32,559
Lease receivable	-	-	10,158	-	10,158
Inter-fund due (to)/from, net	-	1,423	-	-	1,423
Mortgage loans, notes and other loans, net	179,844	938	3,144,372	47,153	3,372,307
Capital assets - non-depreciable	2,430	-	-	15,164	17,594
Capital assets - depreciable, net	10,319	466	-	35,533	46,318
Other assets	2,693	6,195	6,726	13	15,627
OPEB asset	14,102	-	-	-	14,102
Total non current	219,375	9,022	3,183,828	97,863	3,510,088
Total assets	720,640	85,994	3,514,136	134,600	4,455,370
Deferred Outflow Of Resources					
	7,437	-	50,212	-	57,649
Liabilities					
Current					
Bonds payable	-	-	105,180	-	105,180
Short term debt	1,909	-	-	-	1,909
Accrued interest payable	-	-	33,270	-	33,270
Other liabilities	9,183	86,198	969	1,123	97,473
Intergovernmental payable	-	-	162	1	163
Total current	11,092	86,198	139,581	1,124	237,995
Non current					
Bonds payable	-	-	2,579,802	-	2,579,802
Other liabilities	1,652	5,969	-	(1)	7,620
Derivative instrument - interest rate swaps	-	-	30,064	-	30,064
Pension liability	35,286	-	-	-	35,286
Total non current	36,938	5,969	2,609,866	(1)	2,652,772
Total liabilities	48,030	92,167	2,749,447	1,123	2,890,767
Deferred Inflow Of Resources					
	1,180	-	19,753	62	20,995
Net Position					
Net investment in capital assets	12,749	466	-	50,697	63,912
Restricted by bond resolutions	-	-	607,993	-	607,993
Restricted by contractual or statutory agreements	137,002	14,746	-	83,871	235,619
Unrestricted or (deficit)	529,116	(21,385)	187,155	(1,153)	693,733
Total net position	\$ 678,867	\$ (6,173)	\$ 795,148	\$ 133,415	\$ 1,601,257

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ 9,108	\$ 100,958
-	689,893
3,373	6,108
678	14,231
(66)	-
-	105,663
98	37,137
-	4,483
13,191	958,473
-	32,559
-	10,158
(1,423)	-
25,124	3,397,431
4,740	22,334
-	46,318
1	15,628
-	14,102
28,442	3,538,530
41,633	4,497,003
-	57,649
-	105,180
-	1,909
-	33,270
6	97,479
-	163
6	238,001
-	2,579,802
224	7,844
-	30,064
-	35,286
224	2,652,996
230	2,890,997
3,262	24,257
4,740	68,652
-	607,993
33,474	269,093
(73)	693,660
\$ 38,141	\$ 1,639,398

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended March 31, 2024

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Operating Revenues					
Mortgage and loan revenue	\$ 6,732	\$ -	\$ 99,509	\$ 1,135	\$ 107,376
Investment interest	19,289	248	8,353	812	28,702
Net change in the fair value of investments	1,429	-	185	3	1,617
Net change of hedge termination	-	-	-	-	-
Total investment revenue	20,718	248	8,538	815	30,319
Grant revenue	-	53,087	-	3,800	56,887
Housing rental subsidies	-	-	-	8,980	8,980
Rental revenue	7	2	-	9,139	9,148
Gain on disposal of capital assets	-	5	-	26	31
Other revenue	1,147	695	6	15	1,863
Total operating revenues	28,604	54,037	108,053	23,910	214,604
Operating expenses					
Interest	2,554	-	65,143	-	67,697
Mortgage and loan costs	2,940	-	7,531	108	10,579
Bond financing expenses	285	-	4,635	-	4,920
Provision for loan loss	(4,152)	30	3,425	34	(663)
Operations and administration	13,387	11,629	3,347	12,308	40,671
Rental housing operating expenses	-	23	-	12,641	12,664
Grant expense	-	62,376	-	-	62,376
Total operating expenses	15,014	74,058	84,081	25,091	198,244
Operating income (loss)	13,590	(20,021)	23,972	(1,181)	16,360
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(4,966)	-	-	-	(4,966)
Interfund receipts (payments) for operations	831	13,168	(15,939)	1,772	(168)
Change in net position	9,455	(6,853)	8,033	591	11,226
Net position at beginning of year	669,412	680	787,115	132,824	1,590,031
Net position at end of period	\$ 678,867	\$ (6,173)	\$ 795,148	\$ 133,415	\$ 1,601,257

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ 752	\$ 108,128
187	28,889
-	1,617
-	-
187	30,506
600	57,487
-	8,980
52	9,200
239	270
-	1,863
1,830	216,434
-	67,697
-	10,579
-	4,920
1,858	1,195
218	40,889
-	12,664
-	62,376
2,076	200,320
(246)	16,114
-	(4,966)
168	-
(78)	11,148
38,219	1,628,250
\$ 38,141	\$ 1,639,398

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 11,312	\$ -	\$ 87,745	\$ 991	\$ 100,048
Principal receipts on mortgages and loans	14,416	-	167,230	4,567	186,213
Disbursements to fund mortgages and loans	(470,492)	-	-	-	(470,492)
Receipts (payments) for interfund loan transfers	493,231	-	(485,450)	(7,781)	-
Mortgage and loan proceeds receipts	289,506	-	-	-	289,506
Mortgage and loan proceeds paid to trust funds	(284,464)	-	-	-	(284,464)
Payroll-related disbursements	(17,580)	(4,600)	-	(7,462)	(29,642)
Payments for goods and services	(20,119)	(2,688)	-	(13,123)	(35,930)
Receipts from externally funded programs	-	24,611	-	12,527	37,138
Receipts from Federal HAP subsidies	-	26,419	-	-	26,419
Payments for Federal HAP subsidies	-	(27,819)	-	-	(27,819)
Interfund receipts (payments)	(33,540)	32,616	-	1,278	354
Grant payments to other agencies	-	(45,699)	-	-	(45,699)
Other operating cash receipts (payments)	7,415	528	(4)	8,467	16,406
Net cash receipts (disbursements)	(10,315)	3,368	(230,479)	(536)	(237,962)
Non-capital financing activities					
Proceeds from bond issuance	-	-	408,793	-	408,793
Principal paid on bonds	-	-	(60,475)	-	(60,475)
Payment of bond issuance costs	-	-	(1,140)	-	(1,140)
Interest paid on bonds	-	-	(45,254)	-	(45,254)
Proceeds from short-term debt issuance	149,218	-	-	-	149,218
Payment of short term debt	(278,338)	-	-	-	(278,338)
Contributions to State of Alaska or State agencies	(4,966)	-	-	-	(4,966)
Transfers from (to) other funds	31,086	-	(31,086)	-	-
Net cash receipts (disbursements)	(103,000)	-	270,838	-	167,838
Capital financing activities					
Acquisition of capital assets	(49)	(351)	-	(1,643)	(2,043)
Proceeds from the disposal of capital assets	8	5	-	26	39
Proceeds from direct financing leases	-	-	3,304	-	3,304
Net cash receipts (disbursements)	(41)	(346)	-	(1,617)	1,300
Investing activities					
Purchase of investments	(2,943,361)	-	(542,980)	(5,993)	(3,492,334)
Proceeds from maturity of investments	3,057,218	-	492,857	7,978	3,558,053
Interest received from investments	16,642	248	6,456	827	24,173
Net cash receipts (disbursements)	130,499	248	(43,667)	2,812	89,892
Net Increase (decrease) in cash	17,143	3,270	(4)	659	21,068
Cash at beginning of year	27,707	12,060	166	30,849	70,782
Cash at end of period	\$ 44,850	\$ 15,330	\$ 162	\$ 31,508	\$ 91,850

Alaska Corporation for Affordable Housing		Total March 31, 2024
\$	-	\$ 100,048
	-	186,213
	-	(470,492)
	-	-
	-	289,506
	-	(284,464)
	(124)	(29,766)
	(102)	(36,032)
	-	37,138
	-	26,419
	-	(27,819)
	(354)	-
	-	(45,699)
	73	16,479
	(507)	(238,469)
	-	408,793
	-	(60,475)
	-	(1,140)
	-	(45,254)
	-	149,218
	-	(278,338)
	-	(4,966)
	-	-
	-	167,838
	-	(2,043)
	-	39
	-	3,304
	-	1,300
	-	(3,492,334)
	-	3,558,053
	192	24,365
	192	90,084
	(315)	20,753
	9,423	80,205
\$	9,108	\$ 100,958

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 13,590	\$ (20,021)	\$ 23,972	\$ (1,181)	\$ 16,360
<i>Adjustments:</i>					
Depreciation expense	786	780	-	4,112	5,678
Provision for loan loss	(4,152)	30	3,425	34	(663)
Net change in the fair value of investments	(1,429)	-	(185)	(3)	(1,617)
Interfund receipts (payments) for operations	831	13,168	(15,939)	1,772	(168)
Interest received from investments	(16,642)	(248)	(6,456)	(827)	(24,173)
Interest paid on bonds and capital notes	-	-	45,254	-	45,254
			-		
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	69,371	30	(340,875)	(3,401)	(274,875)
Net increase (decrease) in assets, liabilities, and deferred resources	(72,670)	9,629	60,325	(1,042)	(3,758)
Net operating cash receipts (disbursements)	\$ (10,315)	\$ 3,368	\$ (230,479)	\$ (536)	\$ (237,962)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 8,949	\$ -	\$ 8,949
Derivative instruments liability	-	-	(8,949)	-	(8,949)
Net change of hedge termination	-	-	393	-	393
Deferred outflow debt refunding	-	-	4,954	-	4,954
Total non-cash activities	\$ -	\$ -	\$ 5,347	\$ -	\$ 5,347

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ (246)	\$ 16,114
-	5,678
1,858	1,195
-	(1,617)
168	-
(192)	(24,365)
-	45,254
1,024	(273,851)
(3,119)	(6,877)
\$ (507)	\$ (238,469)
\$ -	\$ 8,949
-	(8,949)
-	393
-	4,954
\$ -	\$ 5,347

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FOR THE NINE MONTHS ENDED MARCH 31, 2024

1 AUTHORIZING LEGISLATION AND FUNDING

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

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

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

The Corporation has affiliates incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. Each affiliate issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The affiliates are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ntsc/ntsc-financial-statements/>
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill No. 232 of the 2006 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ahcc/ahcc-financial-statements/>
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill No. 119 of the 2011 Legislature. <https://www.ahfc.us/about-us/subsidiaries/alaska-corporation-affordable-housing-acah/acah-financial-statements/>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Basis of Accounting

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

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Cash Flow Statement (Exhibit C) and the accompanying note disclosures. The supplementary section contains combining financial statements by program, purpose, or bond indenture.

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

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, but owned by AHFC; as well as, the Home Ownership Fund and the Senior Housing Revolving Loan Fund.

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

Restricted Net Position

The restricted net position of the Administrative Fund consists of the Corporation's remaining commitments to the State (refer to Footnote No. 19 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

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

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

Use of Estimates

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

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

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

Loans and Allowances for Estimated Loan Losses

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

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the

Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. A general allowance is applied to the performing loan portfolio, and a specific reserve on individual non-performing. This can be modified. 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. Costs of issuance are expensed when incurred.

Deferred Debt Refunding Expenses

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

Pensions

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

Other Post-Employment Benefits

Information about the Other Post-Employment Benefits ("OPEB") fiduciary net position of the PERS plans has been determined on the same basis as reported by PERS. The PERS information includes the valuation of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

The Corporation recognizes Right of Use Assets, Lease Liabilities, Lease Receivables and Deferred Inflow of Resources for lease contracts with terms greater than 12 months. The Corporation as a Lessee records the Right of Use Assets and Lease Liability, and as a Lessor, records Lease Receivable and Deferred Inflow of Resources, measured at present value of future lease payments and receipts respectively, discounted at Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. As payments are received over the term of the lease, lease revenues are recognized in two components, interest revenue on lease receivable and revenue from amortization of deferred inflow of resources.

Subscription-Based Information Technology Arrangements

Subscription-Based Information Technology Arrangements ("SBITA") recognizes valuation of an intangible asset with a corresponding liability. The Corporation recognizes a Right to Use Subscription Intangible Asset, and corresponding Liability, for certain assets and liabilities for SBITAs that were previously recognized as outflows of resources based on the payment provisions of the contract.

Derivative Instruments-Interest Rate Swaps

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

Operating Revenues and Expenses

The Corporation is authorized to issue bonds to finance the purchase of mortgage loans made to borrowers and to fund other lawful activities of the Corporation. Operating revenues are primarily derived from interest income on mortgage loans and investments. 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.

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, 2024	
Restricted cash	\$ 64,917
Unrestricted cash	36,041
Carrying amount	<u>\$ 100,958</u>
Bank balance	<u>\$ 100,030</u>

Investment Valuation

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

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

Investment Maturities

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

Investment Maturities					
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	March 31, 2024
Securities of U.S. Government agencies and corporations	\$ 5,977	\$ 9,987	\$ -	\$ -	\$ 15,964
Commercial paper & medium-term notes	413,121	-	-	-	413,121
Corporate Certificates of Deposit	6,503	-	-	-	6,503
Guaranteed Investment Contracts	-	10,000	12,572	-	22,572
Money market funds	262,695	-	-	-	262,695
Total not including GeFONSI	<u>\$ 688,296</u>	<u>\$ 19,987</u>	<u>\$ 12,572</u>	<u>\$ -</u>	<u>\$ 720,855</u>
GeFONSI pool					<u>1,597</u>
Total AHFC Investment Portfolio					<u>\$ 722,452</u>

Restricted Investments

A large portion of the Corporation's investments, \$332,646,000, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$389,806,000, is unrestricted.

Realized Gains and Losses

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

Original Amount	March 31, 2024
Ending unrealized holding gain	\$ 7,211
Beginning unrealized holding gain	5,644
Net change in unrealized holding gain	1,567
Net realized gain (loss)	50
Net increase (decrease) in fair value	\$ 1,617

Deposit and Investment Policies

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

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

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

- Guaranteed investment contracts with a financial institution having outstanding unsecured long-term obligations rated, or an investment agreement rating of, at least “AA” by S&P or “Aa2” by Moody’s or “AA” by Fitch, or, if the term is one year or less, at least “A-1” by S&P or “P-1” by Moody’s or “F-1” by Fitch;
- Fixed and floating-rate notes and bonds, other than commercial paper, issued by corporate or municipal obligors and rated at least “AA” by S&P or “Aa2” by Moody’s or “AA” by Fitch if maturing in excess of one year, or at least “A-1” by S&P or “P-1” by Moody’s or “F1” by Fitch if maturing, or with a provision for investor withdrawal or put at par, in one year or less;
- Asset-backed securities, other than asset-backed commercial paper, rated at least “AA+” by S&P or “Aa1” by Moody’s or “AA+” by Fitch; and
- Investment pools managed by the State of Alaska, including the General Fund and Other Non-Segregated Investments (“GeFONSI”) pool.

Credit Risk

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

The credit quality ratings of the Corporation’s investments as of March 31, 2024, as determined by nationally recognized statistical rating organizations, are shown below (in thousands), and do not include investments held by GeFONSI pool.

	S&P	Moody's	Investment Fair Value
Securities of U.S. Government agencies & corporations, Commercial paper, Medium-term notes, Guaranteed investment contracts & Certificates of deposit:	AA+	Aaa	\$ 9,988
	AA+	Aa3	12,572
	A-1+	P-1	90,444
	AA-	A1	10,000
	A-1	P-1	170,144
	A-1	P-2	18,935
	A-2	P-1	89,658
	NA	P-1	21,541
	A-2	P-2	14,884
	A-2	NA	9,997
	NA	P-2	9,997
Money market funds:	AAAm	Aaa-mf	262,695
			<u>\$ 720,855</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

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, 2024, the Corporation had investment balances greater than 5 percent of the Corporation's total investments with the following issuers (in thousands).

Issuer	Investment Fair Value	Percentage of Total Portfolio	Investment Category
Morgan Stanley	\$ 105,412	14.59%	MMF
Invesco Ltd.	84,165	11.65%	MMF
JP Morgan	73,118	10.12%	MMF
	<u>\$ 262,695</u>		

Custodial Credit Risk

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

Of the Corporation's \$100,030,000 bank balance as of March 31, 2024, cash deposits in the amount of \$619,000 were uninsured and uncollateralized.

Interest Rate Risk

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

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

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of March 31, 2024, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 15,965	0.913
Certificate of Deposit	6,503	0.233
Commercial paper & medium-term notes:		
Commercial paper discounts	407,679	0.254
Medium-term notes	5,441	0.443
Guaranteed Investment Contracts	22,572	5.405
Money market funds	262,695	0.000
Portfolio modified duration	\$ 720,855	0.338

Investment in GeFONSI Pool

The Alaska State Department of Revenue, Treasury Division, has established various investment pools to manage funds for which the Commissioner of Revenue has fiduciary responsibility. The GeFONSI pool in which the Corporation participates is itself comprised of investment shares of the State's Short-term Fixed Income, and Intermediate-term Fixed Income investment pools. Assets in these pools are reported at fair value with purchases and sales recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service. The complete financial activity of the State's investment pools is shown in the Annual Comprehensive Financial Report (ACFR) available from the Department of Administration, Division of Finance.

The accrual basis of accounting is used for the investment income and GeFONSI investment income is distributed to pool participants monthly if prescribed by statute or if appropriated by state legislature. Income in the Short-term, Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis. The fair value of the Corporation's investment in the GeFONSI pool was \$1,597,000 as of March 31, 2024.

For additional information on interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk see the separately issued report on the Invested Assets of the Commissioner of Revenue at: <http://treasury.dor.alaska.gov/Investments/Annual-Investment-Reports.aspx>.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance as of March 31, 2024, is shown below (in thousands):

		Due From					
Due To		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	Total
	Administrative Fund	\$ -	\$ 19,911	\$ -	\$ 2,796	\$ 66	\$ 22,773
	Grant Programs	55,539	-	-	-	1,423	56,962
	Mortgage or Bond Programs	38,387	-	-	-	-	38,387
	Other Funds or Programs	315	-	-	-	-	315
	Total	\$ 94,241	\$ 19,911	\$ -	\$ 2,796	\$ 1,489	\$ 118,437

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

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

The balance due from ACAH to the Grant Programs is the result of a repayable grant to ACAH for the purchase of land in 2013.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

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

	March 31, 2024
Mortgage loans	\$ 3,097,228
Multifamily loans	375,374
Other notes receivable	72,478
	<u>3,545,080</u>
Less:	
Allowance for losses	(41,986)
Net Mortgages, Notes & Other	<u>\$ 3,503,094</u>

Of the \$3,545,080,000 mortgage loans, notes, and other loans, \$105,663,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies remaining unexpended by grant recipients, and notes receivable due to ACAH of \$28,125,000. Included in the allowance for losses is \$3,001,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$25,124,000.

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

	March 31, 2024
Loans Delinquent 30 days or more	\$ 98,581
Foreclosures during reporting period	3,233
Loans in foreclosure process	11,058
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 104,661

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 LEASES

Lease Liability and Asset

As of March 31, 2024, the Corporation recognized a total of \$7,530,000 Lease Liability, comprised of \$570,000 Current Lease Liability and \$6,960,000 Long term Lease Liability. Also recognized is \$8,256,000 Right-of-Use Asset and related accumulated amortization of \$1,059,000. The Corporation as a Lessee records the Right-of-Use Asset and Lease Liability at present value of future lease payments discounted at weighted-average discount rate, based on the Corporation's incremental borrowing rate of 5% subject to reexamination on annual basis.

The Corporation leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from one year to ten years. The Corporation included in the determination of the right-of-use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on lease agreements subject to certain minimum increases.

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

Date	Interest Due	Principal Due
6/30/2025	\$ 381	\$ 590
6/30/2026	335	659
6/30/2027	302	703
6/30/2028	267	738
6/30/2029	231	776
2030 and thereafter	\$ 681	\$ 3,554

Lease Receivable

The Corporation receives lease payments from leasing certain properties to a local charitable organization in the form of a monthly utility offset payment. The lease term commenced on April 1, 2009 through June 30, 2019. The Corporation opted to renew for an additional 10 year period, which terminates this lease in March 2029. As of March 31, 2024, the Corporation recognized a Lease Receivable from this lease of \$73,000 measured at present value of future lease receivable expected to be received during the lease term discounted at 5% incremental borrowing rate.

ACAH receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As of March 31, 2024, ACAH recognized a Lease Receivable of \$3,373,000 measured at the present value of future lease receivable expected to be received during the lease term discounted at the 5% incremental borrowing rate.

In 2007, the Corporation constructed a parking garage (the "Pacillo Parking Garage") in downtown Anchorage with its corporate assets. The Pacillo Parking Garage cost \$44,000,000 and was leased to the State of Alaska for use by its departments and agencies located in Anchorage.

The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease. In 2015, the Corporation issued its State Capital Project Bonds II, 2015 Series B and C, respectively, to partially refund its State Capital Project Bonds, 2007 Series A, which were originally issued in 2007 to finance the Pacillo Parking Garage.

As of March 31, 2024, the Corporation recognized valuation of Lease Receivable of \$12,820,000 measured based on discounted future lease at Corporation's incremental borrowing rate of 5%, subject to reexamination on annual basis. The following table lists the components of the Lease Receivable and shows the future minimum payments under the lease for the next four years (in thousands):

Future Minimum Payments Due	
Twelve Months Ending March 31,	Total
2025	\$ 3,304
2026	3,304
2027	3,304
Thereafter	3,302
Gross payments due	13,214
Less: Unearned revenue	(394)
Net Lease Receivable	\$ 12,820

8 CAPITAL ASSETS

Capital assets activity for the nine months ended March 31, 2024, and a summary of balances is shown below (in thousands):

Issuer	June 30, 2023	Additions	Reductions	March 31, 2024
Non-Depreciable Capital Assets:				
Land	\$ 20,742	\$ -	\$ (51)	\$ 20,691
Construction in progress	-	1,643	-	1,643
Total Non-Depreciable	20,742	1,643	(51)	22,334
Depreciable Capital Assets:				
Buildings	245,488	-	-	245,488
Computers & Equipment	3,699	365	-	4,064
Vehicles	3,333	35	(62)	3,306
Less: Accumulated depreciation				
Buildings	(195,991)	(4,477)	-	(200,468)
Computers & Equipment	(3,346)	(173)	-	(3,519)
Vehicles	(2,383)	(232)	62	(2,553)
Total Depreciable, Net	50,800	(4,482)	-	46,318
Total Capital Assets, Net	\$ 71,542	\$ (2,839)	\$ (51)	\$ 68,652

The above capital assets include \$4,740,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$4,882,000 for the nine months ended March 31, 2024.

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 \$12,425,000 as of March 31, 2024.

In 2017, the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. The Atwood Office Building was leased to the State of Alaska as part of the Corporation's State Building Lease Program. Block 102, containing land the State did not transfer but may take ownership of at a later date, is reported as a Corporation asset at the assessed value of \$4,175,000, with a net book value of zero in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

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 as of March 31, 2024, were interest rate swap derivatives of \$30,063,000, deferred debt refunding expense of \$20,149,000, pension deferred outflows of \$3,511,000, and other post-employment benefits deferred outflows of \$3,926,000, for a total of \$57,649,000.

10 BONDS PAYABLE

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

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. Although the Corporation has always made its Veterans Mortgage Program Bond payments, in the event that the Corporation cannot make the payments, the State would be responsible for the principal and interest.

Bonds outstanding as of March 31, 2024, are as follow (in thousands):

	Original Amount	March 31, 2024
Housing Bonds:		
Home Mortgage Revenue Bonds, Tax-Exempt:		
• 2002 Series A; Floating Rate*; 4.67% at March 31, 2024, due 2032-2036	\$ 170,000	\$ 25,050
Unamortized swap termination penalty		(845)
• 2007 Series A; Floating Rate*; 3.64% at March 31, 2024, due 2024-2041	75,000	62,300
• 2007 Series B; Floating Rate*; 3.64% at March 31, 2024, due 2024-2041	75,000	62,300
• 2007 Series D; Floating Rate*; 3.65% at March 31, 2024, due 2024-2041	89,370	74,220
• 2009 Series A; Floating Rate*; 3.65% at March 31, 2024, due 2024-2040	80,880	71,180
• 2009 Series B; Floating Rate*; 3.65% at March 31, 2024, due 2024-2040	80,880	71,180
• 2009 Series D; Floating Rate*; 3.64% at March 31, 2024, due 2024-2040	80,870	71,175
Total Home Mortgage Revenue Bonds	652,000	436,560
Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:		
• 2016 First and Second Series; 1.55% to 2.90%, due 2024-2037	50,000	25,015
• 2019 First and Second Series; 2.00% to 4.00%, due 2024-2048	60,000	13,930
Unamortized premium		372
• 2023 First Series; 3.15% to 4.65%, due 2027-2052	49,900	49,900
Total Collateralized Bonds (Veterans Mortgage Program)	159,900	89,217
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 1.85%-3.50%, due 2024-2046	100,000	37,465
Unamortized premium		129
• 2018 Series A; 2.50%-4.00%, due 2024-2048	109,260	25,835
Unamortized premium		775
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		2,814
• 2019 Series A; 1.50%-3.75%, due 2024-2044	136,700	85,125
Unamortized premium		906
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		3,194
• 2020 Series A; 0.65%-3.25%, due 2024-2044	135,170	105,065
Unamortized premium		2,611
• 2020 Series B; 2.00%-5.00%, due 2030-2035	74,675	74,675
Unamortized premium		9,390
• 2022 Series A; 0.45%-3.00%, due 2024-2051	39,065	34,960
Unamortized premium		917
• 2022 Series B; 1.65%-5.00%, due 2030-2036	83,730	83,730
Unamortized premium		12,696
• 2022 Series C; 2.70%-5.75%, due 2024-2052	87,965	86,545
Unamortized premium		2,374
• 2024 Series A; 3.20%-6.00%, due 2024-2054	75,000	75,000
Unamortized premium		1,872
• 2024 Series B; 3.63%-5.00%, due 2031-2036	48,120	48,120
Unamortized premium		3,705
Total General Mortgage Revenue Bonds II, Tax-Exempt	973,190	745,353

	Original Amount	March 31, 2024
Housing Bonds (cont.):		
General Mortgage Revenue Bonds II, Taxable:		
• 2024 Series C; 4.81%-6.25%, due 2024-2053	120,000	120,000
Unamortized premium		1,093
Total General Mortgage Revenue Bonds II, Taxable	120,000	121,093
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; Floating Rate*; 3.64% at March 31, 2024, due 2024-2030	76,580	26,980
Unamortized swap termination penalty		(1,518)
• 2001 Series B; Floating Rate*; 3.64% at March 31, 2024, due 2024-2030	93,590	32,970
Total Governmental Purpose Bonds	170,170	58,432
Total Housing Bonds	2,075,260	1,451,655
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2014 Series B; 5.00%, due 2024	29,285	1,085
Unamortized premium		4
• 2014 Series D; 5.00%, due 2024	78,105	7,715
Unamortized premium		70
• 2015 Series A; 5.00%, due 2024-2025	111,535	12,680
Unamortized premium		217
• 2015 Series B; 3.38% to 5.00%, due 2024-2036	93,365	33,185
Unamortized discount		(91)
Unamortized premium		103
• 2015 Series C; 5.00%, due 2024-2025	55,620	8,395
Unamortized premium		129
• 2017 Series A; 4.00% to 5.00%, due 2024-2032	143,955	108,535
Unamortized premium		7,025
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		2,590
• 2018 Series B; 3.13% to 5.00%, due 2024-2038	35,570	29,560
Unamortized discount		(48)
Unamortized premium		2,084
• 2019 Series B; 4.00% to 5.00%, due 2024-2039	60,000	52,070
Unamortized premium		5,940
• 2021 Series A; 3.00% to 5.00%, due 2024-2030	90,420	87,720
Unamortized premium		11,231
• 2022 Series B; 4.00% to 5.00%, due 2024-2037	97,700	90,355
Unamortized discount		(35)
Unamortized premium		6,613
• 2023 Series A; 5.00%-5.25%, due 2027-2041	99,995	99,995
Unamortized premium		8,950
Total State Capital Project Bonds II, Tax-Exempt	939,405	619,932

	Original Amount	March 31, 2024
Non-Housing Bonds (cont.):		
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 5.36% at March 31, 2024, due 2047	150,000	90,000
• 2018 Series A; Floating Rate*; 5.33% at March 31, 2024, due 2031-2043	90,000	90,000
• 2019 Series A; Floating Rate*; 5.35% at March 31, 2024, due 2033-2044	140,000	140,000
• 2020 Series A; 0.96% to 2.18%, due 2024-2033	96,665	93,395
• 2022 Series A; Floating Rate*; 5.35% at March 31, 2024, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	613,395
Total Non-Housing Bonds	1,616,070	1,233,327
Total Bonds Payable	\$ 3,691,330	\$ 2,684,982

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

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

Assets Pledged as Collateral for Debt

AHFC's bonds are secured by the general obligation of the Corporation and may also be secured with collateral from mortgages, investments and/or direct financing leases. See the table below (in thousands):

	Mortgages	Investments	Leases	Total
Housing	\$ 1,934,261	\$ 126,370	\$ -	\$ 2,060,631
Non-Housing	-	-	12,820	12,820
Total	\$ 1,934,261	\$ 126,370	\$ 12,820	\$ 2,073,451

Redemption Provisions

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt pursuant to the terms of the related agreements governing such redemptions. For housing bonds, such agreements typically permit surplus revenues resulting primarily from mortgage loan prepayments to be used to retire housing obligations at par. With respect to non-housing and direct placement bonds, such agreements typically permit optional redemptions at par from any source of funds on or after a specified date.

The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

During the nine months ended March 31, 2024, the Corporation made special redemptions in the amount of \$64,340,000 of which \$53,450,000 was from a prior period defeasance.

Bond Defeasances

There were no new bond defeasances for the first nine months of fiscal year 2024. A summary of defeased debt from the prior two fiscal years that will be redeemed on their first optional redemption date, as of March 31, 2024, follows (in thousands):

	Month Defeased	March 31, 2024
State Capital Project Bonds II, 2014 Series B	June 2021	\$ 13,860
State Capital Project Bonds II, 2014 Series D	June 2021	39,980
State Capital Project Bonds II, 2015 Series A	June 2021	54,780
State Capital Project Bonds II, 2015 Series B	June 2021	29,945
State Capital Project Bonds II, 2015 Series C	June 2021	31,045
		<u>\$ 169,610</u>

Debt Service Requirements**

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2029, and in five year increments thereafter to maturity, are shown below (in thousands):

	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		
Twelve Months Ending March 31,	Principal	Interest*	Principal	Interest*	Principal	Interest*	Total
2025	\$ 43,570	\$ 51,253	\$ 61,610	\$ 53,535	\$ 105,180	\$ 104,788	\$ 209,968
2026	46,600	52,676	49,805	50,639	96,405	103,315	199,720
2027	48,125	51,270	47,155	48,491	95,280	99,761	195,041
2028	51,030	49,779	66,255	46,257	117,285	96,036	213,321
2029	48,440	48,227	60,330	43,140	108,770	91,367	200,137
30-34	467,140	201,823	293,310	188,978	760,450	390,801	1,151,251
35-39	308,760	120,093	191,570	140,122	500,330	260,215	760,545
40-44	194,010	71,340	194,025	89,522	388,035	160,862	548,897
45-49	104,655	42,561	174,425	44,068	279,080	86,629	365,709
50-54	97,845	14,991	50,060	5,463	147,905	20,454	168,359
55-59	995	30	-	-	995	30	1,025
	<u>\$ 1,411,170</u>	<u>\$ 704,043</u>	<u>\$ 1,188,545</u>	<u>\$ 710,215</u>	<u>\$ 2,599,715</u>	<u>\$ 1,414,258</u>	<u>\$ 4,013,973</u>

* Interest requirements have been computed for hedged variable rate bonds using the associated fixed swap rates and for unhedged variable rate bonds using interest rates in effect at March 31, 2024.

** Also see Note 11 – Derivatives.

Events of Default

Significant finance-related events of default with respect to the Corporation's outstanding housing, non-housing, and direct placement bonds include a failure to repay principal at stated maturity or upon redemption; a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, certain other covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof.

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of all conduit debt as of March 31, 2024, follows (in thousands):

	Maximum Issue Amount	Balance	Remaining Authority
Revenue Bonds, 2023 (Spenard East Phase II)	\$ 10,000	\$ 5,395	\$ 4,605
Revenue Bonds, 2023 (Brewsters MT View 21)	5,500	2,696	2,804
Revenue Bonds, 2022 (ACAH Fairbanks Project)	13,000	13,000	-
Revenue Bonds, 2021 (Little Dipper Project)	4,340	4,340	-
Total	<u>\$ 32,840</u>	<u>\$ 25,431</u>	<u>\$ 7,409</u>

11 DERIVATIVES

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

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

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

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of March 31, 2024, 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, 2024, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁵
GP01B ²	08/02/01	4.1127%	67% of 1M Fallback Rate (SOFR) ¹	12/01/30	A+/Aa1
E021A ³	10/09/08	2.9800%	70% of 3M Fallback Rate (SOFR) ¹	06/01/32	AA-/Aa2
E071AB ³	05/31/07	3.7345%	70% of 3M Fallback Rate (SOFR) ¹	12/01/41	AA-/Aa2
E071BD ³	05/31/07	3.7200%	70% of 3M Fallback Rate (SOFR) ¹	12/01/41	A+/Aa2
E091A ³	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ¹	12/01/40	A+/Aa2
E091B ³	05/28/09	3.7610%	70% of 3M Fallback Rate (SOFR) ¹	12/01/40	AA-/Aa2
E091ABD ³	05/28/09	3.7400%	70% of 3M Fallback Rate (SOFR) ¹	12/01/40	A+/Aa2
SC19A ⁴	06/01/19	3.2220%	100% of 1M Fallback Rate (SOFR) ¹	12/01/29	A/A1

1. SOFR-Secured Overnight Finance Rate

2. Governmental Purpose Bonds

3. Home Mortgage Revenue Bonds

4. State Capital Project Bonds II

5. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of March 31, 2024, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Value		Change in Fair Value
			March 31, 2024	June 30, 2023	
GP01B	\$ 32,970	\$ 34,393	\$ (1,423)	\$ (1,782)	\$ 359
E021A	25,050	25,066	(16)	(135)	119
E071AB	119,292	127,716	(8,424)	(10,940)	2,516
E071BD	79,528	85,121	(5,593)	(7,279)	1,686
E091A	64,061	68,461	(4,400)	(5,679)	1,279
E091B	64,061	68,461	(4,400)	(5,679)	1,279
E091ABD	85,413	91,221	(5,808)	(7,519)	1,711
SC19A	140,000	134,186	5,814	4,915	899
	\$ 610,375	\$ 634,625	\$ (24,250)	\$ (34,098)	\$ 9,848

As of March 31, 2024, 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 June30,	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2024	\$ 10,830	\$ 12,508	\$ (2,007)	\$ 21,331
2025	22,440	24,357	(3,980)	42,817
2026	23,495	23,526	(3,947)	43,074
2027	24,630	22,633	(3,912)	43,351
2028	25,820	21,735	(3,884)	43,671
2029-2033	271,075	66,737	(7,660)	330,152
2034-2038	134,850	31,745	(1,638)	164,957
2039-2043	97,235	6,432	(336)	103,331
	<u>\$ 610,375</u>	<u>\$ 209,673</u>	<u>\$ (27,364)</u>	<u>\$ 792,684</u>

Credit Risk

As of March 31, 2024, the Corporation was exposed to credit risk on its State Capital Project Bonds II 2019 Series A, to the extent of the associated swap's positive fair value of \$5,814,000. The Corporation was not exposed to credit risk on its remaining swap agreements because these swaps all have fair values equal to their respective notional amounts.

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

The Corporation currently has swap agreements with five separate counterparties. Approximately 34.1% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.0% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa2," and 22.9% of the total notional amount of the swaps is held with another counterparty rated "A/A1." Of the remaining swaps, the counterparties are rated "A+/Aa2" and "A+/Aa1", approximating 10.5% and 5.4% 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 underlying indices such as SOFR or SIFMA change, the Corporation's net payment on its swaps will also change accordingly.

Basis Risk

The Corporation is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which the Corporation's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds.

As of March 31, 2024, the Corporation's interest rate swaps were based on the SOFR index, while its variable rate bonds were based on SOFR or SIFMA indexes.

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

Termination Risk

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

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. The Corporation has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

12 OTHER CURRENT LIABILITIES

Other Current Liabilities as of March 31, 2024, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	March 31, 2024
Accounts Payable	\$ 1,085
Accrued Payroll	6,765
Lease Liability	571
Other Miscellaneous Liabilities	811
Service Fees Payables	1,023
Unearned Grant Revenue	87,224
Total	<u>\$ 97,479</u>

13 LONG TERM LIABILITIES

Activity for the nine months ended March 31, 2024, is summarized in the following schedule (in thousands):

	June 30, 2023	Additions	Reductions	March 31, 2024	Due Within One Year
Total bonds and notes payable	\$ 2,347,283	\$ 409,172	\$ (71,473)	\$ 2,684,982	\$ 105,180
Net Pension liability	35,286	-	-	35,286	-
Compensated absences	3,071	7,496	(7,477)	3,090	2,429
Lease liability	1,414	7,166	(1,050)	7,530	571
Other liabilities	222	208	(206)	224	-
Total long-term liabilities	<u>\$ 2,387,276</u>	<u>\$ 424,042</u>	<u>\$ (80,206)</u>	<u>\$ 2,731,112</u>	<u>\$ 108,180</u>

14 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the nine months ended March 31, 2024, was 5.15% and the highest, 5.50%.

Short term debt activity for the nine months ended March 31, 2024, is summarized in the following schedule (in thousands):

	June 30, 2023	Additions	Reductions	March 31, 2024
Commercial paper	\$ 129,642	\$ 150,624	\$ (278,338)	\$ 1,928
Unamortized discount	(1,166)	(2,202)	3,349	(19)
Commercial paper, net	<u>\$ 128,476</u>	<u>\$ 148,422</u>	<u>\$ (274,989)</u>	<u>\$ 1,909</u>

15 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. At March 31, 2024, AHFC recognized combined total deferred inflows of \$24,257,000 as follows:

- Other Post-Employment Benefits ("OPEB") related deferred inflows totaled \$1,180,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience in the amount of \$203,000, b) the net effect of changes in actuarial assumptions in the amount of \$955,000 and c) changes in proportional contribution levels among participating employers totaling \$22,000.
- Lease-related deferred inflows totaled \$17,263,000, consisting of or more leases with local charitable organizations totaling \$62,000, with the Corporation's affordable housing subsidiary, the Alaska

Corporation for Affordable Housing, totaling \$3,262,000, and the Pacillo Parking Garage lease in the amount of \$13,939,000.

- Derivatives-related deferred inflows totaled \$5,814,000.

16 TRANSFERS

Transfers for the nine months ended March 31, 2024, are summarized in the following schedule (in thousands):

	From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Administrative Fund	\$ -	\$ -	\$ 538,155	\$ 7,780	\$ -	\$ 545,935
Grant Programs	13,168	-	-	-	-	13,168
Mortgage or Bond Programs	522,216	-	-	-	-	522,216
Other Funds or Programs	9,552	-	-	-	-	9,552
Alaska Corporation for Affordable Housing	168	-	-	-	-	168
Total	\$ 545,104	\$ -	\$ 538,155	\$ 7,780	\$ -	\$1,091,039

Transfers are used to:

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

17 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations in relation to which it has entered into standby bond purchase agreements ("SBPAs") to guarantee the payment of debt service in the event of unremarketed tenders. Additionally, in June 2022, the Corporation entered into a direct-pay letter of credit ("D-LOC") which guarantees the purchase of unremarketed tenders and the payment of regular debt service with respect to the Corporation's \$200 million State Capital Project Bonds II, 2022 Series A, and a \$200 million standby LOC ("S-LOC") to further secure debt issued under the State Capital Project Bonds II indenture and the Corporation's Commercial Paper Notes program.

As of March 31, 2024, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Counterparty Short-Term Ratings		Available Unused Lines of Credit
		S&P	Moody's	
Home Mortgage Revenue Bonds, 2002 Series A	SBPA	A-1+	P-1	\$ 25,050
Home Mortgage Revenue Bonds, 2007 Series A, B, D	SBPA	A-1+	P-1	198,820
Home Mortgage Revenue Bonds, 2009 Series A	SBPA	A-1	P-1	71,180
Home Mortgage Revenue Bonds, 2009 Series B	SBPA	A-1	P-1	71,180
Home Mortgage Revenue Bonds, 2009 Series D	SBPA	A-1+	P-1	71,175
Governmental Purpose Bonds, 2001 Series A & B	SBPA	A-1+	P-1	59,950
State Capital Project Bonds II, 2022 Series A	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & Commercial Paper	S-LOC	A-1	P-1	200,000
Total				<u>\$ 897,355</u>

18 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds.

Non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned. As of March 31, 2024, no rebate liability exists and no rebate payments are due to the Internal Revenue Service.

19 STATE AUTHORIZATIONS AND COMMITMENTS

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

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

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of March 31, 2024 (in thousands):

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 799,514	\$ (789,880)	\$ 9,634
State Capital Projects Debt Service	510,557	(505,912)	4,645
State of Alaska Capital Projects	294,915	(265,665)	29,250
AHFC Capital Projects	637,232	(553,790)	83,442
Total	<u>\$ 2,242,218</u>	<u>\$ (2,115,247)</u>	<u>\$ 126,971</u>

Transfer Plan with the State

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

exceed the Corporation's net income for the preceding fiscal year. The bond proceeds are allocated to agencies and municipalities subject to specific legislative appropriation.

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

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

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

20 HOUSING GRANTS AND SUBSIDIES EXPENSES

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

	March 31, 2024
Beneficiaries and Special Needs Housing	\$ 897
Competitive Grants for Public Housing	36
Continuum of Care Homeless Assistance	1,234
COVID-19 American Rescue Plan Act - Homeless Assistance	6,276
COVID-19 American Rescue Plan Act - Homeowner Assistance	705
COVID-19 American Rescue Plan Act	718
COVID-19 American Rescue Plan Act-Tribal	482
Domestic Violence	1,208
Discharge Incentive grant	112
Emergency Housing Vouchers (EHV)	865
Emergency Shelter Grant (ESG)	1,111
Energy Efficiency Monitoring Research	365
Energy Efficient Weatherization	859
Energy Residential Program	21
Foster Youth to Independence	68
HOME Investment Partnership	5,349
Homeless Assistance Program (HAP)	4,941
Housing Choice Vouchers	23,160
Housing Choice Voucher - Mainstream	328
Housing Loan Program	954
Housing Opportunities for Persons with AIDS	533
Housing Trust Fund	3,342
Low Income Weatherization Assistance	2,620
Low Income Home Energy Assistance	866
Non-Elderly Disabled (NED)	267

Parolees (TBRA)	165
Section 811 Rental Housing Assistance	357
Section 8 Rehabilitation	398
Senior Citizen Housing Development Grant	1,377
Supplemental Housing Grant	657
Veterans Affairs Supportive Housing	1,883
Victims of Human Trafficking	138
Youth (TBRA)	84
Total Housing Grants and Subsidies Expenses	\$ 62,376

A sum of \$13,000,000, from the Corporation's Moving to Work (MTW) Demonstration Program reserves in HUD, was transferred to ACAH to assist in funding the Fairbanks Affordable Housing Project, a multifamily housing project. ACAH advanced these funds to Fairbanks Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or September 1, 2079. Interest and principal are payable at the interest rate of 3.14% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$21,658,000, and committed to third parties a sum of \$52,014,000 in grant awards as of March 31, 2024.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of March 31, 2024, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

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

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

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

Defined Benefit ("DB") Pension and Post-Employment Healthcare Plans (*Employees hired prior to July 1, 2006*)

Employee Benefits:

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

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

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

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

The Defined Benefit Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan.

Under State law, the Corporation is required to contribute 22.00% of annual covered salary. For fiscal year 2024, 22.00% of covered salary is for the pension plan and 0% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 3.10%, the difference between the actuarial required contribution of 25.10% for fiscal year 2024 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the nine months ended March 31, 2024, totaled \$1,211,000.

Pension Liability:

The pension liability for the nine months ended March 31, 2024, is not available at this time.

For the year ended June 30, 2023, the Corporation reported a liability for its proportionate share of net pension liability of \$35,286,000. This amount reflected State pension support provided to the Corporation of \$9,767,000. The total net pension liability associated with the Corporation was \$45,053,000.

The net pension liability for the June 30, 2022 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

Pension Income:

The pension income for the nine months ended March 31, 2024, is not available at this time.

For the year ended June 30, 2023, the Corporation recognized pension income of \$1,152,000 and revenue of \$604,000 for support provided by the State.

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

Deferred outflows of resources and deferred inflow of resources related to Pensions for the nine months ended March 31, 2024, are not available at this time.

For the year ended June 30, 2023, the Corporation's deferred outflows of resources related to pension expense of \$3,511,000 were due to a change in proportion and difference between employer contributions of \$1,009,000 and contributions to the pension plan subsequent to the measurement date of \$2,502,000. The Corporation's deferred inflows of resources related to pension is zero.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2024. 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
2024	\$ 2,382	\$ -	\$ 2,382
2025	(307)	-	(307)
2026	(738)	-	(738)
2027	2,174	-	2,174
	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 3,511</u>

Pension Employer Contributions:

In 2023, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer PERS contributions	\$ 2,918,000	\$ 2,781,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2023, was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.85%. The investment rate of return was calculated at 7.25%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.75%.

Mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 general improvement.

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

Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the and OPEB plans' target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.25% and what it would be if the discount was 1% lower (6.25%) or 1% higher (8.25%), (in thousands).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Corporation's proportionate share of the net pension liability	\$ 47,502	\$ 35,286	\$ 24,985

Defined Contribution ("DC") Pension and Post-Employment Healthcare Plans (Employees hired on or after July 1, 2006):

Employee Benefits:

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan ("ODD"), and the Retiree Medical Plan ("RM"). Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment healthcare benefits.

There is no retirement age set, however taxes and penalties may apply if withdrawn prior to age 59 ½. Retirement benefits are equal to the Defined Contribution account balance plus interest. The employee may direct the investment of the account if so desired. The account balance is 100% of the employee's contribution plus 25% of the Corporation's contribution after two years of service, 50% of the Corporation's contribution after three years of service, 75% of the Corporation's contribution after four years of service, and 100% of the Corporation's contribution after 5 years of service.

The plan pays a portion of the retiree medical plan premium if the retiree retires directly from the plan and is eligible for Medicare. The portion of premium paid by the plan is determined by years of service.

Funding Policy:

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for the fiscal year 2024 are as follows:

	Other Tier IV
Pension Employer Contribution	5.00%
Occupational Death and Disability Benefits (ODD)	0.30%
Retiree Medical	1.01%
Total OPEB	1.31%
Total Contribution Rates	6.31%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2024, 6.31% of covered salary is split between 5.00% for the pension plan and 1.31% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,302.56, representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.48 per hour for part-time employees, is deposited in a Health Reimbursement Arrangement ("HRA") Account for each covered employee per AS 39.30.370.

Additionally, if the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll after the HRA contributions, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the nine months ended March 31, 2024, the Corporation paid additional contributions of \$1,497,000. All of the contributions were for the defined benefit pension as of March 31, 2024.

The contributions to the pension plan for the nine months ended March 31, 2024, by the employees totaled \$945,000 and by the Corporation totaled \$582,000.

The contributions to Other Post-Employment Benefits (OPEB) plan by the Corporation for the nine months ended March 31, 2024, totaled \$152,000.

The Corporation contributed \$359,000 to a Health Reimbursement Arrangement for the nine months ended March 31, 2024.

The Defined Contribution Pension and Post Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/dr/b/employer/resources/gasb.html.

Other Post-Employment Benefits ("OPEB") Defined Benefit and Defined Contribution Plans

The Corporation did not contribute to the defined benefit post-employment healthcare plan for the nine months ended March 31, 2024, and for the year ended June 30, 2023. For the year ended June 30, 2022, the Corporation's total contribution was \$569,000.

OPEB Employer Contribution Rate:

In 2023, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer contributions DB	\$ 585,000	\$ 727,000
Employer contributions DC RM	135,000	143,000
Employer contributions DC ODD	39,000	35,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 759,000	\$ 905,000

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2021 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022:

1. For DC RM and PERS Alaska Retiree Healthcare Trust (ARHT) per capita claims costs were updated to reflect recent experience.
2. For all of the plans the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

OPEB healthcare cost trend rates:

Healthcare cost trend model has been adopted by the Society of Actuaries, and has been populated with assumptions that are specific to the State of Alaska. The following table shows the rate used by actuaries to project the cost from the shown fiscal year to the next fiscal year.

	Medical Pre-65	Medical Post-65	Prescription Drugs/ Employer Group Waiver Plan (EGWP)
FY22	6.3%	5.4%	7.1%
FY23	6.1%	5.4%	6.8%
FY24	5.9%	5.4%	6.4%
FY25	5.8%	5.4%	6.1%
FY26	5.6%	5.4%	5.7%
FY27-FY40	5.4%	5.4%	5.4%
FY41	5.3%	5.3%	5.3%
FY42	5.2%	5.2%	5.2%
FY43	5.1%	5.1%	5.1%
FY44	5.1%	5.1%	5.1%
FY45	5.0%	5.0%	5.0%
FY46	4.9%	4.9%	4.9%
FY47	4.8%	4.8%	4.8%
FY48	4.7%	4.7%	4.7%
FY49	4.6%	4.6%	4.6%
FY50+	4.5%	4.5%	4.5%

Key Elements of OPEB formula:

Liability and contributions shown in the report are computed using the Entry Age Normal Actuarial Cost Method. Projected pension and postemployment healthcare benefits were determined for all active members. Cost factors designed to produce annual costs as a constant percentage of each member's expected compensation in each year from the assumed entry age to the assumed retirement age were applied to the projected benefits to determine the normal cost (the portion of the total cost of the plan allocated to the current year under the method). The normal cost is determined by summing intermediate results for active members and determining an average normal cost rate, which is then related to the total payroll of active members. The actuarial accrued liability for active members (the portion of the total cost of the plan allocated to prior years under the method) was determined as the excess of the actuarial present value of projected benefits over the actuarial present value of future normal costs.

The actuarial accrued liability for retired members, their beneficiaries currently receiving benefits, terminated vested members and disabled members not yet receiving benefits was determined as the actuarial present value of the benefits expected to be paid. No future normal costs are payable for these members.

The actuarial accrued liability under this method at any point in time is the theoretical amount of the fund that would have been accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of plan assets measured on the valuation date.

Post-employment healthcare benefits:

For DB plan major medical benefits are provided to retirees and their surviving spouses by PERS for all employees hired before July 1, 1986, (Tier 1) and disabled retirees. Employees hired after June 30, 1986, (Tier 2) and their surviving spouses with five years of credited service (or ten years of credited service for those first hired after June 30, 1996, (Tier 3)) must pay the full monthly premium if they are under age sixty and will receive benefits paid by PERS if they are over age sixty. Tier 3 Members with between five and ten years of credited service must pay the full monthly premium regardless of their age. Tier 2 and Tier 3 members with less than five years of credited service are not eligible for post-employment healthcare benefits. Tier 2 members, who are receiving a conditional benefit and are age eligible,

are eligible for post-employment healthcare benefits. Employees and their surviving spouses with thirty years of membership service receive benefits paid by PERS, regardless of their age or date of hire.

Medical, prescription drug, dental, vision and audio coverage is provided through the AlaskaCare Retiree Health Plan. Health plan provisions do not vary by retirement tier or age, except for Medicare coordination. Surviving spouses continue coverage only if a pension payment form that provided survivor benefits was elected. Where premiums are required prior to age 60, the valuation bases this payment upon the age of the retiree.

Starting in 2022, prior authorization will be required for certain special medications for all participants, while certain preventive benefits for pre-Medicare participants will now be covered by the plan.

Of those benefit recipients who are eligible for the COLA, 70% are assumed to remain in Alaska and receive COLA. 50%-75% of assumed inflation, or 1.25% and 1.875%, respectively, is valued for the annual automatic Post-Retirement Pension Adjustment (PRPA).

For DC RM and DC ODD retirement eligibility: must retire from the plan and have 30 years of service or be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The premium for dependents who are not eligible for Medicare aligns with the member's subsidy. While a member is not Medicare-eligible, premiums are 100% of the estimated cost. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Asset:

The OPEB Asset total for the nine months ended March 31, 2024 is not available at this time.

For the year ended June 30, 2023, the total net OPEB Asset associated with the Corporation was \$14,102,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2023, the Corporation reported an asset for its proportionate share of the net OPEB Asset ("NOA") that reflected an increase for State OPEB support provided to the Corporation. The amount recognized by the Corporation for its proportional share, the related State proportion, and the total were as follows:

Corporation's proportionate share Net OPEB Asset:	2023
Corporation's proportionate share of NOA – DB	\$ 13,531,000
Corporation's proportionate share of NOA – DC RM	277,000
Corporation's proportionate share of NOA – DC ODD	295,000
Total Net OPEB Asset	\$ 14,102,000

The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

Corporation's proportionate share of the net OPEB Asset:	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
DB	0.78626%	0.68783%	(0.09843%)
DC RM	0.76797%	0.79810%	0.03013%
DC ODD	0.64746%	0.67357%	0.02611%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

Starting in 2022, prior authorization will be required for certain specialty medications for all participants, and certain preventive benefits for pre-Medicare participants will now be covered by the plan. There have been no other changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

The OPEB expense for the nine months ended March 31, 2024, is not available at this time.

For the year ended June 30, 2023, the Corporation recognized a reduction of OPEB expense of \$3,575,000 and no support provided by the State.

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

Deferred outflows of resources and deferred inflow of resources related to OPEB for the nine months ended March 31, 2024, are not available at this time.

For the year ended June 30, 2023, the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

Year Ended June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,708	\$ -
Difference between expected and actual experience	14	(203)
Difference between projected and actual investment earnings	817	-
Changes in assumptions	54	(955)
Changes in proportion and differences between employer contributions	333	(22)
Total Deferred Outflows and Deferred Inflows	<u>\$ 3,926</u>	<u>\$ (1,180)</u>

Deferred outflows of resources related to OPEB resulting from contributions of \$2,708 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30,	Total
2024	\$ 2,118
2025	(330)
2026	(674)
2027	1,772
2028	(63)
Thereafter	(77)
	<u>\$ (2,746)</u>

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

Sensitivity of the Corporation's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the Corporations proportionate share of the net OPEB asset using the discount rate of 7.25% and what it would be if the discount was 1-percentage-point (6.25%) lower or 1-percentage-point higher (8.25%), (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
DB plan	0.68763%	\$ (8,038)	\$ (13,530)	\$ (18,134)
DC RM plan	0.79810%	51	(277)	(527)
DC ODD plan	0.67357%	(278)	(295)	(309)

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

The following presents the Corporation's net OPEB liability using current healthcare cost trend rates and comparing to a 1% increase and a 1% decrease of current healthcare costs trend rates, (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
DB plan	0.68763%	\$ (18,676)	\$ (13,530)	\$ (7,384)
DC RM plan	0.79810%	(562)	(277)	106
DC ODD plan	0.67357%	n/a	(295)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/drb/employer/resources/gasb.html#.YMPxY6hKg2x>.

Annual Postemployment Healthcare Cost:

The annual postemployment healthcare cost for the nine months ended March 31, 2024, is not available at this time. For the year ended June 30, 2023, the Corporation recognized \$431,000 in DC OPEB costs. These amounts were recognized as expense.

22 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$200,000 per employee per year. The Corporation provided an estimate of the incurred but not reported (IBNR) liability based on historic trends. Changes in the balances for the claims liabilities for the prior and current fiscal years are as follows (in thousands):

	June 30, 2023	March 31, 2024
Claims liabilities, beginning balance	\$ 1,809	\$ 3,013
Incurred claims	11,934	5,693
Claims payments	(10,730)	(5,825)
Claims liabilities, ending balance	\$ 3,013	\$ 2,881

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

24 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

After reviewing the principles outlined in GASB 96, it was determined that the Corporation does not have any subscriptions that match the criteria described in this statement for the nine months ended March 31, 2024. As such, all subscriptions were determined by the Corporation to be immaterial for financial reporting, and all subscriptions were determined to be cancellable at any time by either party. Therefore, no assets or corresponding liabilities have been booked.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
The Corporation's proportion of the net pension liability (asset)	0.692310%	0.783070%	0.629770%	0.656900%	0.714740%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,286	\$ 28,727	\$ 37,164	\$ 35,960	\$ 35,515
State's proportionate share of the net pension liability (asset) associated with the Corporation	9,767	3,891	15,376	14,276	10,284
Total	\$ 45,053	\$ 32,618	\$ 52,540	\$ 50,236	\$ 45,799
The Corporation's covered employee payroll	\$ 8,888	\$ 9,602	\$ 10,681	\$ 11,680	\$ 12,583
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	397.02%	299.18%	347.94%	307.88%	282.24%
Plan fiduciary net position as a percentage of the total pension liability	67.97%	76.46%	61.61%	63.42%	65.19%
	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,660	\$ 47,645	\$ 37,859	\$ 28,368	\$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	13,285	6,003	10,856	22,644	26,434
Total	\$ 48,945	\$ 53,648	\$ 48,715	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$ 13,817	\$ 15,252	\$ 16,314	\$ 17,189	\$ 17,815
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	63.37%	59.55%	63.96%	62.37%	56.04%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 3,448	\$ 2,474	\$ 2,292	\$ 2,561	\$ 2,727
Contributions in relation to the contractually required contributions	3,448	2,474	2,292	2,561	2,727
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,948	8,888	9,602	10,681	11,680
Contributions as a percentage of covered-employee payroll	43.38%	27.83%	23.87%	23.98%	23.35%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	23.30%	19.39%	16.23%	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023, basic financial statements.

This pension table presents 10 years of information.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68763%	0.78626%	0.62960%	0.65680%	0.71458%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.79810%	0.76797%	0.74451%	0.69949%	0.71095%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.67357%	0.64746%	0.60268%	0.55609%	0.71095%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (14,102)	\$ (20,661)	\$ (2,963)	\$ 1,007	\$ 7,286
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(3,868)	(2,642)	(1,183)	388	2,12
Total	<u>\$ (17,970)</u>	<u>\$ (23,303)</u>	<u>\$ (4,146)</u>	<u>\$ 1,395</u>	<u>\$ 9,415</u>
The Corporation's covered employee payroll	\$ 21,649	\$ 21,489	\$ 20,850	\$ 20,890	\$ 20,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(65.14%)	(96.15%)	(14.21%)	4.82%	35.32%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	128.51%	135.54%	106.15%	98.13%	88.12%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	120.08%	115.10%	95.23%	83.17%	88.71%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	348.80 %	374.22%	283.80%	297.43%	270.62%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

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

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

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

	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	2,173	-
Total	<u>\$ 7,939</u>	<u>\$ 9,752</u>
The Corporation's covered employee payroll	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

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

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023, basic financial statements.

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

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of March 31, 2024

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Assets					
Current					
Cash	\$ 44,850	\$ -	\$ -	\$ -	\$ -
Investments	506,790	32,670	51,807	6,291	16,173
Lease receivable	-	-	-	-	-
Accrued interest receivable	1,761	1,979	3,638	450	359
Inter-fund due (to)/from	(71,468)	5,822	9,228	1,475	1,337
Mortgage loans, notes and other loans, net	6,924	18,665	30,043	3,852	4,887
Other assets	12,285	-	-	-	-
Intergovernmental receivable, net	123	-	-	-	-
Total current	501,265	59,136	94,716	12,068	22,756
Non current					
Investments	9,987	10,000	12,572	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans, net	179,844	603,470	971,414	124,564	158,024
Capital assets - non-depreciable	2,430	-	-	-	-
Capital assets - depreciable, net	10,319	-	-	-	-
Other assets	2,693	-	-	-	911
OPEB asset	14,102	-	-	-	-
Total non current	219,375	613,470	983,986	124,564	158,935
Total assets	720,640	672,606	1,078,702	136,632	181,691
Deferred Outflow Of Resources	7,437	33,757	-	-	1,423
Liabilities					
Current					
Bonds payable	-	15,245	17,820	2,925	7,580
Short term debt	1,909	-	-	-	-
Accrued interest payable	-	4,577	8,162	1,058	726
Other liabilities	9,183	192	306	38	40
Intergovernmental payable	-	-	-	-	-
Total current	11,092	20,014	26,288	4,021	8,346
Non current					
Bonds payable	-	421,315	849,626	86,292	50,852
Other liabilities	1,652	-	-	-	-
Derivative instrument - interest rate swaps	-	28,641	-	-	1,423
Pension liability	35,286	-	-	-	-
Total non current	36,938	449,956	849,626	86,292	52,275
Total liabilities	48,030	469,970	875,914	90,313	60,621
Deferred Inflow Of Resources	1,180	-	-	-	-
Net Position					
Net investment in capital assets	12,749	-	-	-	-
Restricted by bond resolutions	-	236,393	202,788	46,319	122,493
Restricted by contractual or statutory agreements	137,002	-	-	-	-
Unrestricted or (deficit)	529,116	-	-	-	-
Total net position	\$ 678,867	\$ 236,393	\$ 202,788	\$ 46,319	\$ 122,493

Combined State Capital Project Bonds	Combined Other Programs	Total March 31, 2024
\$ 162	\$ 55,946	\$ 100,958
73,239	2,923	689,893
2,662	3,446	6,108
5,243	801	14,231
20,525	33,081	-
39,801	1,491	105,663
-	24,852	37,137
-	4,360	4,483
141,632	126,900	958,473
-	-	32,559
10,158	-	10,158
-	-	-
1,286,900	73,215	3,397,431
-	19,904	22,334
-	35,999	46,318
5,815	6,209	15,628
-	-	14,102
1,302,873	135,327	3,538,530
1,444,505	262,227	4,497,003
15,032	-	57,649
61,610	-	105,180
-	-	1,909
18,747	-	33,270
393	87,327	97,479
162	1	163
80,912	87,328	238,001
1,171,717	-	2,579,802
-	6,192	7,844
-	-	30,064
-	-	35,286
1,171,717	6,192	2,652,996
1,252,629	93,520	2,890,997
19,753	3,324	24,257
-	55,903	68,652
-	-	607,993
-	132,091	269,093
187,155	(22,611)	693,660
\$ 187,155	\$ 165,383	\$ 1,639,398

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
ADMINISTRATIVE FUND

As of March 31, 2024

(in thousands of dollars)

Schedule 2

	Administrative Fund	Total March 31, 2024
Assets		
Current		
Cash	\$ 44,850	\$ 44,850
Investments	506,790	506,790
Lease receivable	-	-
Accrued interest receivable	1,761	1,761
Inter-fund due (to)/from	(71,468)	(71,468)
Mortgage loans, notes and other loans, net	6,924	6,924
Other assets	12,285	12,285
Intergovernmental receivable, net	123	123
Total current	501,265	501,265
Non current		
Investments	9,987	9,987
Lease receivable	-	-
Inter-fund due (to)/from	-	-
Mortgage loans, notes and other loans, net	179,844	179,844
Capital assets - non-depreciable	2,430	2,430
Capital assets - depreciable, net	10,319	10,319
Other assets	2,693	2,693
OPEB asset	14,102	14,102
Total non current	219,375	219,375
Total assets	720,640	720,640
Deferred Outflow Of Resources	7,437	7,437
Liabilities		
Current		
Bonds payable	-	-
Short term debt	1,909	1,909
Accrued interest payable	-	-
Other liabilities	9,183	9,183
Intergovernmental payable	-	-
Total current	11,092	11,092
Non current		
Bonds payable	-	-
Other liabilities	1,652	1,652
Derivative instrument - interest rate swaps	-	-
Pension liability	35,286	35,286
Total non current	36,938	36,938
Total liabilities	48,030	48,030
Deferred Inflow Of Resources	1,180	1,180
Net Position		
Net investment in capital assets	12,749	12,749
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	137,002	137,002
Unrestricted or (deficit)	529,116	529,116
Total net position	\$ 678,867	\$ 678,867

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

HOME MORTGAGE REVENUE BONDS

As of March 31, 2024

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	4,216	3,640	3,210	4,326	4,523
Lease receivable	-	-	-	-	-
Accrued interest receivable	208	179	185	248	273
Inter-fund due (to)/from	833	376	395	530	1,197
Mortgage loans, notes and other loans, net	1,829	1,799	1,753	2,496	3,058
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	7,086	5,994	5,543	7,600	9,051
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans, net	59,134	58,172	56,671	80,693	98,869
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	59,134	58,172	56,671	80,693	98,869
Total assets	66,220	64,166	62,214	88,293	107,920
Deferred Outflow Of Resources	16	5,283	5,282	6,303	5,649
Liabilities					
Current					
Bonds payable	-	2,200	2,200	2,625	2,740
Short term debt	-	-	-	-	-
Accrued interest payable	183	658	660	790	763
Other liabilities	19	19	18	26	28
Intergovernmental payable	-	-	-	-	-
Total current	202	2,877	2,878	3,441	3,531
Non current					
Bonds payable	24,205	60,100	60,100	71,595	68,440
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	16	4,399	4,398	5,219	4,885
Pension liability	-	-	-	-	-
Total non current	24,221	64,499	64,498	76,814	73,325
Total liabilities	24,423	67,376	67,376	80,255	76,856
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	41,813	2,073	120	14,341	36,713
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 41,813	\$ 2,073	\$ 120	\$ 14,341	\$ 36,713

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total March 31, 2024
\$ -	\$ -	\$ -
4,520	8,235	32,670
-	-	-
377	509	1,979
1,251	1,240	5,822
3,250	4,480	18,665
-	-	-
-	-	-
9,398	14,464	59,136
-	10,000	10,000
-	-	-
-	-	-
105,092	144,839	603,470
-	-	-
-	-	-
-	-	-
-	-	-
105,092	154,839	613,470
114,490	169,303	672,606
5,649	5,575	33,757
2,740	2,740	15,245
-	-	-
763	760	4,577
36	46	192
-	-	-
3,539	3,546	20,014
68,440	68,435	421,315
-	-	-
4,885	4,839	28,641
-	-	-
73,325	73,274	449,956
76,864	76,820	469,970
-	-	-
-	-	-
43,275	98,058	236,393
-	-	-
-	-	-
\$ 43,275	\$ 98,058	\$ 236,393

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

GENERAL MORTGAGE REVENUE BONDS

As of March 31, 2024

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	2,130	3,156	6,271	18,360	8,799
Lease receivable	-	-	-	-	-
Accrued interest receivable	140	407	368	657	503
Inter-fund due (to)/from	348	1,848	783	2,042	1,442
Mortgage loans, notes and other loans, net	1,668	2,854	3,532	6,547	5,074
Other assets	-	-	-	-	-
Intergovernmental receivable, net	-	-	-	-	-
Total current	4,286	8,265	10,954	27,606	15,818
Non current					
Investments	-	-	-	12,572	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans, net	53,931	92,281	114,208	211,683	164,068
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	53,931	92,281	114,208	224,255	164,068
Total assets	58,217	100,546	125,162	251,861	179,886
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	4,510	2,025	4,000	4,035	855
Short term debt	-	-	-	-	-
Accrued interest payable	322	782	1,037	1,687	1,393
Other liabilities	15	30	34	62	54
Intergovernmental payable	-	-	-	-	-
Total current	4,847	2,837	5,071	5,784	2,302
Non current					
Bonds payable	33,084	55,864	105,210	187,706	131,448
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	33,084	55,864	105,210	187,706	131,448
Total liabilities	37,931	58,701	110,281	193,490	133,750
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	20,286	41,845	14,881	58,371	46,136
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 20,286	\$ 41,845	\$ 14,881	\$ 58,371	\$ 46,136

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		General Mortgage Revenue Bonds II 2024 A,B & C		Total March 31, 2024
\$	-	\$	-	\$ -
	1,954		11,137	51,807
	-		-	-
	370		1,193	3,638
	608		2,157	9,228
	2,601		7,767	30,043
	-		-	-
	-		-	-
	5,533		22,254	94,716
	-		-	12,572
	-		-	-
	-		-	-
	84,108		251,135	971,414
	-		-	-
	-		-	-
	-		-	-
	84,108		251,135	983,986
	89,641		273,389	1,078,702
	-		-	-
	-		-	-
	1,320		1,075	17,820
	-		-	-
	1,373		1,568	8,162
	32		79	306
	-		-	-
	2,725		2,722	26,288
	87,599		248,715	849,626
	-		-	-
	-		-	-
	-		-	-
	87,599		248,715	849,626
	90,324		251,437	875,914
	-		-	-
	-		-	-
	-		-	-
	(683)		21,952	202,788
	-		-	-
	-		-	-
\$	(683)	\$	21,952	\$ 202,788

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

As of March 31, 2024

(in thousands of dollars)

Schedule 5

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total March 31, 2024
Assets				
Current				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	1,067	3,698	1,526	6,291
Lease receivable	-	-	-	-
Accrued interest receivable	81	151	218	450
Inter-fund due (to)/from	167	997	311	1,475
Mortgage loans, notes and other loans, net	894	1,497	1,461	3,852
Other assets	-	-	-	-
Intergovernmental receivable, net	-	-	-	-
Total current	2,209	6,343	3,516	12,068
Non current				
Investments	-	-	-	-
Lease receivable	-	-	-	-
Inter-fund due (to)/from	-	-	-	-
Mortgage loans, notes and other loans, net	28,909	48,415	47,240	124,564
Capital assets - non-depreciable	-	-	-	-
Capital assets - depreciable, net	-	-	-	-
Other assets	-	-	-	-
OPEB asset	-	-	-	-
Total non current	28,909	48,415	47,240	124,564
Total assets	31,118	54,758	50,756	136,632
Deferred Outflow Of Resources	-	-	-	-
Liabilities				
Current				
Bonds payable	2,070	855	-	2,925
Short term debt	-	-	-	-
Accrued interest payable	204	148	706	1,058
Other liabilities	8	14	16	38
Intergovernmental payable	-	-	-	-
Total current	2,282	1,017	722	4,021
Non current				
Bonds payable	22,945	13,447	49,900	86,292
Other liabilities	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-
Pension liability	-	-	-	-
Total non current	22,945	13,447	49,900	86,292
Total liabilities	25,227	14,464	50,622	90,313
Deferred Inflow Of Resources	-	-	-	-
Net Position				
Net investment in capital assets	-	-	-	-
Restricted by bond resolutions	5,891	40,294	134	46,319
Restricted by contractual or statutory agreements	-	-	-	-
Unrestricted or (deficit)	-	-	-	-
Total net position	\$ 5,891	\$ 40,294	\$ 134	\$ 46,319

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**GOVERNMENTAL PURPOSE BONDS**

As of March 31, 2024

(in thousands of dollars)

Schedule 6

	Governmental Purpose Bonds 2001 A & B	Total March 31, 2024
Assets		
Current		
Cash	\$ -	\$ -
Investments	16,173	16,173
Lease receivable	-	-
Accrued interest receivable	359	359
Inter-fund due (to)/from	1,337	1,337
Mortgage loans, notes and other loans, net	4,887	4,887
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current	22,756	22,756
Non current		
Investments	-	-
Lease receivable	-	-
Inter-fund due (to)/from	-	-
Mortgage loans, notes and other loans, net	158,024	158,024
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	911	911
OPEB asset	-	-
Total non current	158,935	158,935
Total assets	181,691	181,691
Deferred Outflow Of Resources	1,423	1,423
Liabilities		
Current		
Bonds payable	7,580	7,580
Short term debt	-	-
Accrued interest payable	726	726
Other liabilities	40	40
Intergovernmental payable	-	-
Total current	8,346	8,346
Non current		
Bonds payable	50,852	50,852
Other liabilities	-	-
Derivative instrument - interest rate swaps	1,423	1,423
Pension liability	-	-
Total non current	52,275	52,275
Total liabilities	60,621	60,621
Deferred Inflow Of Resources	-	-
Net Position		
Net investment in capital assets	-	-
Restricted by bond resolutions	122,493	122,493
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	-	-
Total net position	\$ 122,493	\$ 122,493

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
STATE CAPITAL PROJECT BONDS

As of March 31, 2024

(in thousands of dollars)

Schedule 7

	State Capital Project Bonds II	Total March 31, 2024
Assets		
Current		
Cash	\$ 162	\$ 162
Investments	73,239	73,239
Lease receivable	2,662	2,662
Accrued interest receivable	5,243	5,243
Inter-fund due (to)/from	20,525	20,525
Mortgage loans, notes and other loans, net	39,801	39,801
Other assets	-	-
Intergovernmental receivable, net	-	-
Total current	141,632	141,632
Non current		
Investments	-	-
Lease receivable	10,158	10,158
Inter-fund due (to)/from	-	-
Mortgage loans, notes and other loans, net	1,286,900	1,286,900
Capital assets - non-depreciable	-	-
Capital assets - depreciable, net	-	-
Other assets	5,815	5,815
OPEB asset	-	-
Total non current	1,302,873	1,302,873
Total assets	1,444,505	1,444,505
Deferred Outflow Of Resources	15,032	15,032
Liabilities		
Current		
Bonds payable	61,610	61,610
Short term debt	-	-
Accrued interest payable	18,747	18,747
Other liabilities	393	393
Intergovernmental payable	162	162
Total current	80,912	80,912
Non current		
Bonds payable	1,171,717	1,171,717
Other liabilities	-	-
Derivative instrument - interest rate swaps	-	-
Pension liability	-	-
Total non current	1,171,717	1,171,717
Total liabilities	1,252,629	1,252,629
Deferred Inflow Of Resources	19,753	19,753
Net Position		
Net investment in capital assets	-	-
Restricted by bond resolutions	-	-
Restricted by contractual or statutory agreements	-	-
Unrestricted or (deficit)	187,155	187,155
Total net position	\$ 187,155	\$ 187,155

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of March 31, 2024

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Assets					
Current					
Cash	\$ 17,780	\$ 13,728	\$ -	\$ -	\$ 31,508
Investments	-	-	699	2,224	2,923
Lease receivable	73	-	-	-	73
Accrued interest receivable	-	-	20	103	123
Inter-fund due (to)/from	(2,166)	(630)	53	262	(2,481)
Mortgage loans, notes and other loans, net	-	-	390	1,069	1,459
Other assets	2,127	312	-	-	2,439
Intergovernmental receivable, net	690	3	-	-	693
Total current	18,504	13,413	1,162	3,658	36,737
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans, net	-	-	12,596	34,557	47,153
Capital assets - non-depreciable	14,034	1,130	-	-	15,164
Capital assets - depreciable, net	26,542	8,991	-	-	35,533
Other assets	9	4	-	-	13
OPEB asset	-	-	-	-	-
Total non current	40,585	10,125	12,596	34,557	97,863
Total assets	59,089	23,538	13,758	38,215	134,600
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	898	214	2	9	1,123
Intergovernmental payable	-	1	-	-	1
Total current	898	215	2	9	1,124
Non current					
Bonds payable	-	-	-	-	-
Other liabilities	(1)	-	-	-	(1)
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	(1)	-	-	-	(1)
Total liabilities	897	215	2	9	1,123
Deferred Inflow Of Resources	62	-	-	-	62
Net Position					
Net investment in capital assets	40,576	10,121	-	-	50,697
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	18,469	13,440	13,756	38,206	83,871
Unrestricted or (deficit)	(915)	(238)	-	-	(1,153)
Total net position	\$ 58,130	\$ 23,323	\$ 13,756	\$ 38,206	\$ 133,415

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ 783	\$ 6,377	\$ 3	\$ 8,167	\$ 15,330	\$ 9,108	\$ 55,946
-	-	-	-	-	-	2,923
-	-	-	-	-	3,373	3,446
-	-	-	-	-	678	801
(174)	(15,718)	(7,867)	59,387	35,628	(66)	33,081
-	-	32	-	32	-	1,491
590	656	4,698	16,371	22,315	98	24,852
1,422	53	2,192	-	3,667	-	4,360
2,621	(8,632)	(942)	83,925	76,972	13,191	126,900
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,423	-	1,423	(1,423)	-
-	-	938	-	938	25,124	73,215
-	-	-	-	-	4,740	19,904
-	466	-	-	466	-	35,999
-	6,195	-	-	6,195	1	6,209
-	-	-	-	-	-	-
-	6,661	2,361	-	9,022	28,442	135,327
2,621	(1,971)	1,419	83,925	85,994	41,633	262,227
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	537	54	85,606	86,198	6	87,327
-	-	-	-	-	-	1
1	537	54	85,606	86,198	6	87,328
-	-	-	-	-	-	-
-	5,969	-	-	5,969	224	6,192
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,969	-	-	5,969	224	6,192
1	6,506	54	85,606	92,167	230	93,520
-	-	-	-	-	3,262	3,324
-	466	-	-	466	4,740	55,903
-	-	-	-	-	-	-
4,303	4,644	5,705	94	14,746	33,474	132,091
(1,683)	(13,587)	(4,340)	(1,775)	(21,385)	(73)	(22,611)
\$ 2,620	\$ (8,477)	\$ 1,365	\$ (1,681)	\$ (6,173)	\$ 38,141	\$ 165,383

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED - ALL FUNDS

For the Year Ended March 31, 2024

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Operating Revenues					
Mortgage and loan revenue	\$ 6,732	\$ 18,569	\$ 25,205	\$ 4,230	\$ 3,515
Investment interest	19,289	1,506	1,522	290	519
Net change in the fair value of investments	1,429	(114)	191	85	377
Net change of hedge termination	-	-	-	-	-
Total investment revenue	20,718	1,392	1,713	375	896
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	7	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	1,147	-	-	-	6
Total operating revenues	28,604	19,961	26,918	4,605	4,417
Operating expenses					
Interest	2,554	11,277	13,039	2,178	2,008
Mortgage and loan costs	2,940	1,821	2,192	303	387
Bond financing expenses	285	958	1,456	694	134
Provision for loan loss	(4,152)	(496)	2,662	610	20
Operations and administration	13,387	781	1,071	102	188
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	15,014	14,341	20,420	3,887	2,737
Operating income (loss)	13,590	5,620	6,498	718	1,680
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(4,966)	-	-	-	-
Interfund receipts (payments) for operations	831	(54,142)	58,822	12,743	(245)
Change in net position	9,455	(48,522)	65,320	13,461	1,435
Net position at beginning of year	669,412	284,915	137,468	32,858	121,058
Net position at end of period	\$ 678,867	\$ 236,393	\$ 202,788	\$ 46,319	\$ 122,493

See accompanying notes to the financial statements.

Combined State Capital Project Bonds		Combined Other Programs	Total March 31, 2024
\$	47,990	\$ 1,887	\$ 108,128
	4,516	1,247	28,889
	(354)	3	1,617
	-	-	-
	4,162	1,250	30,506
	-	57,487	57,487
	-	8,980	8,980
	-	9,193	9,200
	-	270	270
	-	710	1,863
	52,152	79,777	216,434
	36,641	-	67,697
	2,828	108	10,579
	1,393	-	4,920
	629	1,922	1,195
	1,205	24,155	40,889
	-	12,664	12,664
	-	62,376	62,376
	42,696	101,225	200,320
	9,456	(21,448)	16,114
	-	-	(4,966)
	(33,117)	15,108	-
	(23,661)	(6,340)	11,148
	210,816	171,723	1,628,250
\$	187,155	\$ 165,383	\$ 1,639,398

ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**ADMINISTRATIVE FUND**

For the Year Ended March 31, 2024

(in thousands of dollars)

	Administrative Fund	Total March 31, 2024
Operating Revenues		
Mortgage and loan revenue	\$ 6,732	\$ 6,732
Investment interest	19,289	19,289
Net change in the fair value of investments	1,429	1,429
Net change of hedge termination	-	-
Total investment revenue	<u>20,718</u>	<u>20,718</u>
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	7	7
Gain on disposal of capital assets	-	-
Other revenue	1,147	1,147
Total operating revenues	<u>28,604</u>	<u>28,604</u>
Operating expenses		
Interest	2,554	2,554
Mortgage and loan costs	2,940	2,940
Bond financing expenses	285	285
Provision for loan loss	(4,152)	(4,152)
Operations and administration	13,387	13,387
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	<u>15,014</u>	<u>15,014</u>
Operating income (loss)	<u>13,590</u>	<u>13,590</u>
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	(4,966)	(4,966)
Interfund receipts (payments) for operations	831	831
Change in net position	9,455	9,455
Net position at beginning of year	<u>669,412</u>	<u>669,412</u>
Net position at end of period	<u>\$ 678,867</u>	<u>\$ 678,867</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
HOME MORTGAGE REVENUE BONDS

For the Year Ended March 31, 2024

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Operating Revenues					
Mortgage and loan revenue	\$ 1,937	\$ 1,918	\$ 1,806	\$ 2,488	\$ 2,798
Investment interest	153	109	184	196	211
Net change in the fair value of investments	(15)	(13)	(11)	(11)	(17)
Net change of hedge termination	-	-	-	-	-
Total investment revenue	138	96	173	185	194
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,075	2,014	1,979	2,673	2,992
Operating expenses					
Interest	442	1,644	1,655	1,972	1,828
Mortgage and loan costs	189	187	172	250	285
Bond financing expenses	60	130	129	123	160
Provision for loan loss	(3)	(83)	(63)	(84)	(61)
Operations and administration	112	81	74	99	113
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	800	1,959	1,967	2,360	2,325
Operating income (loss)	1,275	55	12	313	667
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	238	(7,259)	(5,335)	(7,792)	(5,966)
Change in net position	1,513	(7,204)	(5,323)	(7,479)	(5,299)
Net position at beginning of year	40,300	9,277	5,443	21,820	42,012
Net position at end of period	\$ 41,813	\$ 2,073	\$ 120	\$ 14,341	\$ 36,713

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total March 31, 2024
\$ 3,143	\$ 4,479	\$ 18,569
184	469	1,506
(18)	(29)	(114)
-	-	-
166	440	1,392
-	-	-
-	-	-
-	-	-
-	-	-
3,309	4,919	19,961
1,872	1,864	11,277
303	435	1,821
160	196	958
(113)	(89)	(496)
120	182	781
-	-	-
-	-	-
2,342	2,588	14,341
967	2,331	5,620
-	-	-
(11,321)	(16,707)	(54,142)
(10,354)	(14,376)	(48,522)
53,629	112,434	284,915
\$ 43,275	\$ 98,058	\$ 236,393

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended March 31, 2024

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Operating Revenues					
Mortgage and loan revenue	\$ 1,411	\$ 2,599	\$ 3,341	\$ 5,403	\$ 4,698
Investment interest	98	151	261	590	304
Net change in the fair value of investments	(1)	(1)	(2)	200	(2)
Net change of hedge termination	-	-	-	-	-
Total investment revenue	97	150	259	790	302
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	1,508	2,749	3,600	6,193	5,000
Operating expenses					
Interest	701	1,396	1,943	2,564	1,912
Mortgage and loan costs	153	211	322	556	485
Bond financing expenses	2	3	6	11	7
Provision for loan loss	(34)	301	(49)	(54)	(102)
Operations and administration	89	115	182	297	190
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	911	2,026	2,404	3,374	2,492
Operating income (loss)	597	723	1,196	2,819	2,508
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	92	34,565	(64)	5,305	(4,603)
Change in net position	689	35,288	1,132	8,124	(2,095)
Net position at beginning of year	19,597	6,557	13,749	50,247	48,231
Net position at end of period	\$ 20,286	\$ 41,845	\$ 14,881	\$ 58,371	\$ 46,136

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	Total March 31, 2024
\$ 3,264	\$ 4,489	\$ 25,205
81	37	1,522
-	(3)	191
-	-	-
81	34	1,713
-	-	-
-	-	-
-	-	-
-	-	-
3,345	4,523	26,918
2,996	1,527	13,039
222	243	2,192
4	1,423	1,456
(15)	2,615	2,662
115	83	1,071
-	-	-
-	-	-
3,322	5,891	20,420
23	(1,368)	6,498
-	-	-
207	23,320	58,822
230	21,952	65,320
(913)	-	137,468
\$ (683)	\$ 21,952	\$ 202,788

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended March 31, 2024

(in thousands of dollars)

Schedule 13

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total March 31, 2024
Operating Revenues				
Mortgage and loan revenue	\$ 721	\$ 1,454	\$ 2,055	\$ 4,230
Investment interest	81	86	123	290
Net change in the fair value of investments	-	84	1	85
Net change of hedge termination	-	-	-	-
Total investment revenue	81	170	124	375
Grant revenue	-	-	-	-
Housing rental subsidies	-	-	-	-
Rental revenue	-	-	-	-
Gain on disposal of capital assets	-	-	-	-
Other revenue	-	-	-	-
Total operating revenues	802	1,624	2,179	4,605
Operating expenses				
Interest	467	276	1,435	2,178
Mortgage and loan costs	63	123	117	303
Bond financing expenses	1	1	692	694
Provision for loan loss	3	115	492	610
Operations and administration	25	46	31	102
Rental housing operating expenses	-	-	-	-
Grant expense	-	-	-	-
Total operating expenses	559	561	2,767	3,887
Operating income (loss)	243	1,063	(588)	718
Non-operating expenses and transfers				
Contributions to State of Alaska or State agencies	-	-	-	-
Interfund receipts (payments) for operations	27	11,994	722	12,743
Change in net position	270	13,057	134	13,461
Net position at beginning of year	5,621	27,237	-	32,858
Net position at end of period	\$ 5,891	\$ 40,294	\$ 134	\$ 46,319

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 14

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended March 31, 2024

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total March 31, 2024
Operating Revenues		
Mortgage and loan revenue	\$ 3,515	\$ 3,515
Investment interest	519	519
Net change in the fair value of investments	377	377
Net change of hedge termination	-	-
Total investment revenue	<u>896</u>	<u>896</u>
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	-	-
Gain on disposal of capital assets	-	-
Other revenue	6	6
Total operating revenues	<u>4,417</u>	<u>4,417</u>
Operating expenses		
Interest	2,008	2,008
Mortgage and loan costs	387	387
Bond financing expenses	134	134
Provision for loan loss	20	20
Operations and administration	188	188
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	<u>2,737</u>	<u>2,737</u>
Operating income (loss)	<u>1,680</u>	<u>1,680</u>
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	(245)	(245)
Change in net position	<u>1,435</u>	<u>1,435</u>
Net position at beginning of year	<u>121,058</u>	<u>121,058</u>
Net position at end of period	<u>\$ 122,493</u>	<u>\$ 122,493</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 15

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**STATE CAPITAL PROJECT BONDS**

For the Year Ended March 31, 2024

(in thousands of dollars)

	State Capital Project Bonds II	Total March 31, 2024
Operating Revenues		
Mortgage and loan revenue	\$ 47,990	\$ 47,990
Investment interest	4,516	4,516
Net change in the fair value of investments	(354)	(354)
Net change of hedge termination	-	-
Total investment revenue	4,162	4,162
Grant revenue	-	-
Housing rental subsidies	-	-
Rental revenue	-	-
Gain on disposal of capital assets	-	-
Other revenue	-	-
Total operating revenues	52,152	52,152
Operating expenses		
Interest	36,641	36,641
Mortgage and loan costs	2,828	2,828
Bond financing expenses	1,393	1,393
Provision for loan loss	629	629
Operations and administration	1,205	1,205
Rental housing operating expenses	-	-
Grant expense	-	-
Total operating expenses	42,696	42,696
Operating income (loss)	9,456	9,456
Non-operating expenses and transfers		
Contributions to State of Alaska or State agencies	-	-
Interfund receipts (payments) for operations	(33,117)	(33,117)
Change in net position	(23,661)	(23,661)
Net position at beginning of year	210,816	210,816
Net position at end of period	\$ 187,155	\$ 187,155

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OTHER PROGRAM FUNDS

For the Year Ended March 31, 2024

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Operating Revenues					
Mortgage and loan revenue	\$ -	\$ -	\$ 184	\$ 951	\$ 1,135
Investment interest	326	256	44	186	812
Net change in the fair value of investments	-	-	-	3	3
Net change of hedge termination	-	-	-	-	-
Total investment revenue	326	256	44	189	815
Grant revenue	3,800	-	-	-	3,800
Housing rental subsidies	7,277	1,703	-	-	8,980
Rental revenue	7,318	1,821	-	-	9,139
Gain on disposal of capital assets	26	-	-	-	26
Other revenue	15	-	-	-	15
Total operating revenues	18,762	3,780	228	1,140	23,910
Operating expenses					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	22	86	108
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	7	27	34
Operations and administration	9,865	2,390	14	39	12,308
Rental housing operating expenses	10,686	1,955	-	-	12,641
Grant expense	-	-	-	-	-
Total operating expenses	20,551	4,345	43	152	25,091
Operating income (loss)	(1,789)	(565)	185	988	(1,181)
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	1,368	380	(14)	38	1,772
Change in net position	(421)	(185)	171	1,026	591
Net position at beginning of year	58,551	23,508	13,585	37,180	132,824
Net position at end of period	\$ 58,130	\$ 23,323	\$ 13,756	\$ 38,206	\$ 133,415

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752	\$ 1,887
16	75	-	157	248	187	1,247
-	-	-	-	-	-	3
-	-	-	-	-	-	-
16	75	-	157	248	187	1,250
3,611	32,107	8,064	9,305	53,087	600	57,487
-	-	-	-	-	-	8,980
-	2	-	-	2	52	9,193
-	5	-	-	5	239	270
7	2	684	2	695	-	710
3,634	32,191	8,748	9,464	54,037	1,830	79,777
-	-	-	-	-	-	-
-	-	-	-	-	-	108
-	-	-	-	-	-	-
-	-	30	-	30	1,858	1,922
1,801	6,272	2,432	1,124	11,629	218	24,155
-	23	-	-	23	-	12,664
4,733	28,422	21,040	8,181	62,376	-	62,376
6,534	34,717	23,502	9,305	74,058	2,076	101,225
(2,900)	(2,526)	(14,754)	159	(20,021)	(246)	(21,448)
-	-	-	-	-	-	-
2,805	185	10,180	(2)	13,168	168	15,108
(95)	(2,341)	(4,574)	157	(6,853)	(78)	(6,340)
2,715	(6,136)	5,939	(1,838)	680	38,219	171,723
\$ 2,620	\$ (8,477)	\$ 1,365	\$ (1,681)	\$ (6,173)	\$ 38,141	\$ 165,383

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, 2024

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 11,312	\$ 16,799	\$ 20,170	\$ 3,445	\$ 3,192
Principal receipts on mortgages and loans	14,416	39,660	43,054	6,149	10,393
Disbursements to fund mortgages and loans	(470,492)	-	-	-	-
Receipts (payments) for interfund loan transfers	493,231	(25,079)	(251,751)	(54,166)	(12,263)
Mortgage and loan proceeds receipts	289,506	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(284,464)	-	-	-	-
Payroll-related disbursements	(17,580)	-	-	-	-
Payments for goods and services	(20,119)	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(33,540)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	7,415	-	-	-	-
Net cash receipts (disbursements)	(10,315)	31,380	(188,527)	(44,572)	1,322
Non-capital financing activities					
Proceeds from bond issuance	-	-	248,810	50,093	-
Principal paid on bonds	-	(8,550)	(16,690)	(2,400)	(3,685)
Payment of bond issuance costs	-	-	-	(691)	-
Interest paid on bonds	-	(7,557)	(10,108)	(1,289)	(1,208)
Proceeds from short-term debt issuance	149,218	-	-	-	-
Payment of short term debt	(278,338)	-	-	-	-
Contributions to State of Alaska or State agencies	(4,966)	-	-	-	-
Transfers from (to) other funds	31,086	286	3,447	(502)	-
Net cash receipts (disbursements)	(103,000)	(15,821)	225,459	45,211	(4,893)
Capital financing activities					
Acquisition of capital assets	(49)	-	-	-	-
Proceeds from the disposal of capital assets	8	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(41)	-	-	-	-
Investing activities					
Purchase of investments	(2,943,361)	(74,124)	(209,062)	(14,975)	(23,097)
Proceeds from maturity of investments	3,057,218	57,315	170,896	14,054	26,375
Interest received from investments	16,642	1,250	1,234	282	293
Net cash receipts (disbursements)	130,499	(15,559)	(36,932)	(639)	3,571
Net Increase (decrease) in cash	17,143	-	-	-	-
Cash at beginning of year	27,707	-	-	-	-
Cash at end of period	\$ 44,850	\$ -	\$ -	\$ -	\$ -

Combined State Capital Project Bonds		Combined Other Programs	Total March 31, 2024
\$	44,139	\$ 991	\$ 100,048
	67,974	4,567	186,213
	-	-	(470,492)
	(142,191)	(7,781)	-
	-	-	289,506
	-	-	(284,464)
	-	(12,186)	(29,766)
	-	(15,913)	(36,032)
	-	37,138	37,138
	-	26,419	26,419
	-	(27,819)	(27,819)
	-	33,540	-
	-	(45,699)	(45,699)
	(4)	9,068	16,479
	(30,082)	2,325	(238,469)
	109,890	-	408,793
	(29,150)	-	(60,475)
	(449)	-	(1,140)
	(25,092)	-	(45,254)
	-	-	149,218
	-	-	(278,338)
	-	-	(4,966)
	(34,317)	-	-
	20,882	-	167,838
	-	(1,994)	(2,043)
	-	31	39
	3,304	-	3,304
	3,304	(1,963)	1,300
	(221,722)	(5,993)	(3,492,334)
	224,217	7,978	3,558,053
	3,397	1,267	24,365
	5,892	3,252	90,084
	(4)	3,614	20,753
	166	52,332	80,205
\$	162	\$ 55,946	\$ 100,958

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, 2024

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 13,590	\$ 5,620	\$ 6,498	\$ 718	\$ 1,680
<i>Adjustments:</i>					
Depreciation expense	786	-	-	-	-
Provision for loan loss	(4,152)	(496)	2,662	610	20
Net change in the fair value of investments	(1,429)	114	(191)	(85)	(377)
Interfund receipts (payments) for operations	831	(54,142)	58,822	12,743	(245)
Interest received from investments	(16,642)	(1,250)	(1,234)	(282)	(293)
Interest paid on bonds and capital notes	-	7,557	10,108	1,289	1,208
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	69,371	49,166	(263,576)	(60,331)	(1,933)
Net increase (decrease) in assets, liabilities, and deferred resources	(72,670)	24,811	(1,616)	766	1,262
Net operating cash receipts (disbursements)	\$ (10,315)	\$ 31,380	\$ (188,527)	\$ (44,572)	\$ 1,322

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total March 31, 2024
\$ 9,456	\$ (21,448)	\$ 16,114
-	4,892	5,678
629	1,922	1,195
354	(3)	(1,617)
(33,117)	15,108	-
(3,397)	(1,267)	(24,365)
25,092	-	45,254
(64,201)	(2,347)	(273,851)
35,102	5,468	(6,877)
\$ (30,082)	\$ 2,325	\$ (238,469)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Administrative Fund	Total March 31, 2024
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 11,312	\$ 11,312
Principal receipts on mortgages and loans	14,416	14,416
Disbursements to fund mortgages and loans	(470,492)	(470,492)
Receipts (payments) for interfund loan transfers	493,231	493,231
Mortgage and loan proceeds receipts	289,506	289,506
Mortgage and loan proceeds paid to trust funds	(284,464)	(284,464)
Payroll-related disbursements	(17,580)	(17,580)
Payments for goods and services	(20,119)	(20,119)
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	(33,540)	(33,540)
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	7,415	7,415
Net cash receipts (disbursements)	(10,315)	(10,315)
Non-capital financing activities		
Proceeds from bond issuance	-	-
Principal paid on bonds	-	-
Payment of bond issuance costs	-	-
Interest paid on bonds	-	-
Proceeds from short-term debt issuance	149,218	149,218
Payment of short term debt	(278,338)	(278,338)
Contributions to State of Alaska or State agencies	(4,966)	(4,966)
Transfers from (to) other funds	31,086	31,086
Net cash receipts (disbursements)	(103,000)	(103,000)
Capital financing activities		
Acquisition of capital assets	(49)	(49)
Proceeds from the disposal of capital assets	8	8
Proceeds from direct financing leases	-	-
Net cash receipts (disbursements)	(41)	(41)
Investing activities		
Purchase of investments	(2,943,361)	(2,943,361)
Proceeds from maturity of investments	3,057,218	3,057,218
Interest received from investments	16,642	16,642
Net cash receipts (disbursements)	130,499	130,499
Net Increase (decrease) in cash	17,143	17,143
Cash at beginning of year	27,707	27,707
Cash at end of period	\$ 44,850	\$ 44,850

	Administrative Fund	Total March 31, 2024
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 13,590	\$ 13,590
<i>Adjustments:</i>		
Depreciation expense	786	786
Provision for loan loss	(4,152)	(4,152)
Net change in the fair value of investments	(1,429)	(1,429)
Interfund receipts (payments) for operations	831	831
Interest received from investments	(16,642)	(16,642)
Interest paid on bonds and capital notes	-	-
		-
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	69,371	69,371
Net increase (decrease) in assets, liabilities, and deferred resources	(72,670)	(72,670)
Net operating cash receipts (disbursements)	\$ (10,315)	\$ (10,315)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

HOME MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,732	\$ 1,756	\$ 1,642	\$ 2,290	\$ 2,502
Principal receipts on mortgages and loans	4,625	4,311	3,844	5,154	6,646
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(2,121)	(1,234)	(3,055)	(4,091)	(4,227)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	4,236	4,833	2,431	3,353	4,921
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(1,210)	(1,060)	(1,060)	(1,260)	(1,320)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(195)	(1,114)	(1,123)	(1,333)	(1,236)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	(1,405)	(2,174)	(2,183)	(2,593)	(2,556)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(8,090)	(7,128)	(8,538)	(11,008)	(11,280)
Proceeds from maturity of investments	5,151	4,377	8,191	10,132	8,767
Interest received from investments	108	92	99	116	148
Net cash receipts (disbursements)	(2,831)	(2,659)	(248)	(760)	(2,365)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total March 31, 2024
\$ 2,840	\$ 4,037	\$ 16,799
5,381	9,699	39,660
-	-	-
(2,991)	(7,360)	(25,079)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
5,230	6,376	31,380
-	-	-
(1,320)	(1,320)	(8,550)
-	-	-
(1,280)	(1,276)	(7,557)
-	-	-
-	-	-
-	-	-
-	286	286
(2,600)	(2,310)	(15,821)
-	-	-
-	-	-
-	-	-
-	-	-
(10,140)	(17,940)	(74,124)
7,384	13,313	57,315
126	561	1,250
(2,630)	(4,066)	(15,559)
-	-	-
-	-	-
\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**HOME MORTGAGE REVENUE BONDS**

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,275	\$ 55	\$ 12	\$ 313	\$ 667
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(3)	(83)	(63)	(84)	(61)
Net change in the fair value of investments	15	13	11	11	17
Interfund receipts (payments) for operations	238	(7,259)	(5,335)	(7,792)	(5,966)
Interest received from investments	(108)	(92)	(99)	(116)	(148)
Interest paid on bonds and capital notes	195	1,114	1,123	1,333	1,236
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	318	8,174	6,283	8,316	6,038
Net increase (decrease) in assets, liabilities, and deferred resources	2,306	2,911	499	1,372	3,138
Net operating cash receipts (disbursements)	\$ 4,236	\$ 4,833	\$ 2,431	\$ 3,353	\$ 4,921

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total March 31, 2024
\$ 967	\$ 2,331	\$ 5,620
-	-	-
(113)	(89)	(496)
18	29	114
(11,321)	(16,707)	(54,142)
(126)	(561)	(1,250)
1,280	1,276	7,557
11,186	8,851	49,166
3,339	11,246	24,811
\$ 5,230	\$ 6,376	\$ 31,380

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GENERAL MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,266	\$ 1,984	\$ 2,968	\$ 5,810	\$ 4,265
Principal receipts on mortgages and loans	3,745	4,426	8,839	13,643	9,340
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	(336)	(3,564)	(3,373)	(3,268)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	5,011	6,074	8,243	16,080	10,337
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(3,035)	(3,160)	(3,060)	(4,910)	(1,420)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(517)	(1,228)	(1,593)	(2,583)	(2,105)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	2,409	-
Net cash receipts (disbursements)	(3,552)	(4,388)	(4,653)	(5,084)	(3,525)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(5,725)	(8,041)	(17,536)	(25,720)	(15,576)
Proceeds from maturity of investments	4,184	6,249	13,739	14,313	8,496
Interest received from investments	82	106	207	411	268
Net cash receipts (disbursements)	(1,459)	(1,686)	(3,590)	(10,996)	(6,812)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

General Mortgage Revenue Bonds II 2022 C		General Mortgage Revenue Bonds II 2024 A,B & C		Total March 31, 2024	
\$	2,995	\$	882	\$	20,170
	1,374		1,687		43,054
	-		-		-
	-		(241,210)		(251,751)
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	4,369		(238,641)		(188,527)
	-		248,810		248,810
	(1,105)		-		(16,690)
	-		-		-
	(2,082)		-		(10,108)
	-		-		-
	-		-		-
	-		-		-
	88		950		3,447
	(3,099)		249,760		225,459
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	(4,510)		(131,954)		(209,062)
	3,101		120,814		170,896
	139		21		1,234
	(1,270)		(11,119)		(36,932)
	-		-		-
	-		-		-
\$	-	\$	-	\$	-

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
GENERAL MORTGAGE REVENUE BONDS

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 597	\$ 723	\$ 1,196	\$ 2,819	\$ 2,508
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(34)	301	(49)	(54)	(102)
Net change in the fair value of investments	1	1	2	(200)	2
Interfund receipts (payments) for operations	92	34,565	(64)	5,305	(4,603)
Interest received from investments	(82)	(106)	(207)	(411)	(268)
Interest paid on bonds and capital notes	517	1,228	1,593	2,583	2,105
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	3,362	(29,804)	4,831	5,334	10,143
Net increase (decrease) in assets, liabilities, and deferred resources	558	(834)	941	704	552
Net operating cash receipts (disbursements)	\$ 5,011	\$ 6,074	\$ 8,243	\$ 16,080	\$ 10,337

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C	General Mortgage Revenue Bonds II 2024 A,B & C	Total March 31, 2024
\$ 23	\$ (1,368)	\$ 6,498
-	-	-
(15)	2,615	2,662
-	3	(191)
207	23,320	58,822
(139)	(21)	(1,234)
2,082	-	10,108
		-
		-
1,460	(258,902)	(263,576)
		-
751	(4,288)	(1,616)
\$ 4,369	\$ (238,641)	\$ (188,527)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total March 31, 2024
Cash Flows				
Operating activities				
Interest income on mortgages and loans	\$ 651	\$ 1,262	\$ 1,532	\$ 3,445
Principal receipts on mortgages and loans	1,664	2,702	1,783	6,149
Disbursements to fund mortgages and loans	-	-	-	-
Receipts (payments) for interfund loan transfers	(1,763)	(1,328)	(51,075)	(54,166)
Mortgage and loan proceeds receipts	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-
Payroll-related disbursements	-	-	-	-
Payments for goods and services	-	-	-	-
Receipts from externally funded programs	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-
Interfund receipts (payments)	-	-	-	-
Grant payments to other agencies	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-
Net cash receipts (disbursements)	552	2,636	(47,760)	(44,572)
Non-capital financing activities				
Proceeds from bond issuance	-	-	50,093	50,093
Principal paid on bonds	(1,020)	(1,380)	-	(2,400)
Payment of bond issuance costs	-	-	(691)	(691)
Interest paid on bonds	(315)	(245)	(729)	(1,289)
Proceeds from short-term debt issuance	-	-	-	-
Payment of short term debt	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-
Transfers from (to) other funds	-	(1,000)	498	(502)
Net cash receipts (disbursements)	(1,335)	(2,625)	49,171	45,211
Capital financing activities				
Acquisition of capital assets	-	-	-	-
Proceeds from the disposal of capital assets	-	-	-	-
Proceeds from direct financing leases	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-
Investing activities				
Purchase of investments	(2,645)	(5,042)	(7,288)	(14,975)
Proceeds from maturity of investments	3,343	4,949	5,762	14,054
Interest received from investments	85	82	115	282
Net cash receipts (disbursements)	783	(11)	(1,411)	(639)
Net Increase (decrease) in cash	-	-	-	-
Cash at beginning of year	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Collateralized Bonds, 2023 1st Series	Total March 31, 2024
Reconciliation				
Operating income (loss) to net cash				
Operating income (loss)	\$ 243	\$ 1,063	\$ (588)	\$ 718
<i>Adjustments:</i>				
Depreciation expense	-	-	-	-
Provision for loan loss	3	115	492	610
Net change in the fair value of investments	-	(84)	(1)	(85)
Interfund receipts (payments) for operations	27	11,994	722	12,743
Interest received from investments	(85)	(82)	(115)	(282)
Interest paid on bonds and capital notes	315	245	729	1,289
<i>Change in assets, liabilities and deferred resources:</i>				
Net (increase) decrease in mortgages and loans	(278)	(11,352)	(48,701)	(60,331)
Net increase (decrease) in assets, liabilities, and deferred resources	327	737	(298)	766
Net operating cash receipts (disbursements)	\$ 552	\$ 2,636	\$ (47,760)	\$ (44,572)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**GOVERNMENTAL PURPOSE BONDS**

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B	Total March 31, 2024
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 3,192	\$ 3,192
Principal receipts on mortgages and loans	10,393	10,393
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(12,263)	(12,263)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	-	-
Net cash receipts (disbursements)	1,322	1,322
Non-capital financing activities		
Proceeds from bond issuance	-	-
Principal paid on bonds	(3,685)	(3,685)
Payment of bond issuance costs	-	-
Interest paid on bonds	(1,208)	(1,208)
Proceeds from short-term debt issuance	-	-
Payment of short term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	-	-
Net cash receipts (disbursements)	(4,893)	(4,893)
Capital financing activities		
Acquisition of capital assets	-	-
Proceeds from the disposal of capital assets	-	-
Proceeds from direct financing leases	-	-
Net cash receipts (disbursements)	-	-
Investing activities		
Purchase of investments	(23,097)	(23,097)
Proceeds from maturity of investments	26,375	26,375
Interest received from investments	293	293
Net cash receipts (disbursements)	3,571	3,571
Net Increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of period	\$ -	\$ -

	Governmental Purpose Bonds 2001 A & B	Total March 31, 2024
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 1,680	\$ 1,680
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	20	20
Net change in the fair value of investments	(377)	(377)
Interfund receipts (payments) for operations	(245)	(245)
Interest received from investments	(293)	(293)
Interest paid on bonds and capital notes	1,208	1,208
		-
<i>Change in assets, liabilities and deferred resources:</i>		-
Net (increase) decrease in mortgages and loans	(1,933)	(1,933)
Net increase (decrease) in assets, liabilities, and deferred resources	1,262	1,262
Net operating cash receipts (disbursements)	\$ 1,322	\$ 1,322

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	State Capital Project Bonds II	Total March 31, 2024
Cash Flows		
Operating activities		
Interest income on mortgages and loans	\$ 44,139	\$ 44,139
Principal receipts on mortgages and loans	67,974	67,974
Disbursements to fund mortgages and loans	-	-
Receipts (payments) for interfund loan transfers	(142,191)	(142,191)
Mortgage and loan proceeds receipts	-	-
Mortgage and loan proceeds paid to trust funds	-	-
Payroll-related disbursements	-	-
Payments for goods and services	-	-
Receipts from externally funded programs	-	-
Receipts from Federal HAP subsidies	-	-
Payments for Federal HAP subsidies	-	-
Interfund receipts (payments)	-	-
Grant payments to other agencies	-	-
Other operating cash receipts (payments)	(4)	(4)
Net cash receipts (disbursements)	(30,082)	(30,082)
Non-capital financing activities		
Proceeds from bond issuance	109,890	109,890
Principal paid on bonds	(29,150)	(29,150)
Payment of bond issuance costs	(449)	(449)
Interest paid on bonds	(25,092)	(25,092)
Proceeds from short-term debt issuance	-	-
Payment of short term debt	-	-
Contributions to State of Alaska or State agencies	-	-
Transfers from (to) other funds	(34,317)	(34,317)
Net cash receipts (disbursements)	20,882	20,882
Capital financing activities		
Acquisition of capital assets	-	-
Proceeds from the disposal of capital assets	-	-
Proceeds from direct financing leases	3,304	3,304
Net cash receipts (disbursements)	3,304	3,304
Investing activities		
Purchase of investments	(221,722)	(221,722)
Proceeds from maturity of investments	224,217	224,217
Interest received from investments	3,397	3,397
Net cash receipts (disbursements)	5,892	5,892
Net Increase (decrease) in cash	(4)	(4)
Cash at beginning of year	166	166
Cash at end of period	\$ 162	\$ 162

ALASKA HOUSING FINANCE CORPORATION

Schedule 23

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Nine Months Ended March 31, 2024

(in thousands of dollars)

	State Capital Project Bonds II	Total March 31, 2024
Reconciliation		
Operating income (loss) to net cash		
Operating income (loss)	\$ 9,456	\$ 9,456
<i>Adjustments:</i>		
Depreciation expense	-	-
Provision for loan loss	629	629
Net change in the fair value of investments	354	354
Interfund receipts (payments) for operations	(33,117)	(33,117)
Interest received from investments	(3,397)	(3,397)
Interest paid on bonds and capital notes	25,092	25,092
<i>Change in assets, liabilities and deferred resources:</i>		
Net (increase) decrease in mortgages and loans	(64,201)	(64,201)
Net increase (decrease) in assets, liabilities, and deferred resources	35,102	35,102
Net operating cash receipts (disbursements)	\$ (30,082)	\$ (30,082)

See accompanying notes to the financial statements.

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, 2024

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 165	\$ 826	\$ 991
Principal receipts on mortgages and loans	-	-	699	3,868	4,567
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(1,446)	(6,335)	(7,781)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(6,130)	(1,332)	-	-	(7,462)
Payments for goods and services	(11,136)	(1,987)	-	-	(13,123)
Receipts from externally funded programs	10,823	1,704	-	-	12,527
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	1,229	49	-	-	1,278
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	6,728	1,739	-	-	8,467
Net cash receipts (disbursements)	1,514	173	(582)	(1,641)	(536)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	(1,643)	-	-	-	(1,643)
Proceeds from the disposal of capital assets	26	-	-	-	26
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(1,617)	-	-	-	(1,617)
Investing activities					
Purchase of investments	-	-	(902)	(5,091)	(5,993)
Proceeds from maturity of investments	-	-	1,438	6,540	7,978
Interest received from investments	331	258	46	192	827
Net cash receipts (disbursements)	331	258	582	1,641	2,812
Net Increase (decrease) in cash	228	431	-	-	659
Cash at beginning of year	17,552	13,297	-	-	30,849
Cash at end of period	\$ 17,780	\$ 13,728	\$ -	\$ -	\$ 31,508

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 991
-	-	-	-	-	-	4,567
-	-	-	-	-	-	-
-	-	-	-	-	-	(7,781)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(113)	(3,823)	(527)	(137)	(4,600)	(124)	(12,186)
(296)	(884)	(509)	(999)	(2,688)	(102)	(15,913)
3,672	5,709	15,230	-	24,611	-	37,138
-	26,419	-	-	26,419	-	26,419
-	(27,819)	-	-	(27,819)	-	(27,819)
1,794	1,021	6,776	23,025	32,616	(354)	33,540
(5,065)	(603)	(21,491)	(18,540)	(45,699)	-	(45,699)
7	(2)	521	2	528	73	9,068
(1)	18	-	3,351	3,368	(507)	2,325
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(351)	-	-	(351)	-	(1,994)
-	5	-	-	5	-	31
-	-	-	-	-	-	-
-	(346)	-	-	(346)	-	(1,963)
-	-	-	-	-	-	(5,993)
-	-	-	-	-	-	7,978
16	75	-	157	248	192	1,267
16	75	-	157	248	192	3,252
15	(253)	-	3,508	3,270	(315)	3,614
768	6,630	3	4,659	12,060	9,423	52,332
\$ 783	\$ 6,377	\$ 3	\$ 8,167	\$ 15,330	\$ 9,108	\$ 55,946

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, 2024

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ (1,789)	\$ (565)	\$ 185	\$ 988	\$ (1,181)
<i>Adjustments:</i>					
Depreciation expense	3,229	883	-	-	4,112
Provision for loan loss	-	-	7	27	34
Net change in the fair value of investments	-	-	-	(3)	(3)
Interfund receipts (payments) for operations	1,368	380	(14)	38	1,772
Interest received from investments	(331)	(258)	(46)	(192)	(827)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	(711)	(2,690)	(3,401)
Net increase (decrease) in assets, liabilities, and deferred resources	(963)	(267)	(3)	191	(1,042)
Net operating cash receipts (disbursements)	\$ 1,514	\$ 173	\$ (582)	\$ (1,641)	\$ (536)

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total March 31, 2024
\$ (2,900)	\$ (2,526)	\$ (14,754)	\$ 159	\$ (20,021)	\$ (246)	\$ (21,448)
-	780	-	-	780	-	4,892
-	-	30	-	30	1,858	1,922
-	-	-	-	-	-	(3)
2,805	185	10,180	(2)	13,168	168	15,108
(16)	(75)	-	(157)	(248)	(192)	(1,267)
-	-	-	-	-	-	-
-	-	30	-	30	1,024	(2,347)
110	1,654	4,514	3,351	9,629	(3,119)	5,468
\$ (1)	\$ 18	\$ -	\$ 3,351	\$ 3,368	\$ (507)	\$ 2,325

Other Financial Information

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

	2023	2022	2021	2020	2019
Assets					
Cash	\$ 80,205	\$ 84,731	\$ 108,769	\$ 73,772	\$ 74,259
Investments	784,796	981,786	1,033,065	871,387	562,671
Accrued interest receivable	16,664	14,791	14,850	16,183	15,831
Mortgage loans, notes and other loans	3,229,243	3,018,160	2,995,561	3,256,290	3,342,961
Net investment in direct financing lease	-	-	20,287	22,468	24,780
Capital assets, net	71,542	75,158	81,177	87,061	94,036
Other assets	70,344	66,358	38,510	21,455	21,255
Total Assets	4,252,794	4,240,984	4,292,219	4,348,616	4,135,793
Deferred Outflow of Resources	71,553	111,512	210,255	261,327	186,739
Liabilities					
Bonds and notes payable	2,347,283	2,277,492	2,366,206	2,572,813	2,461,125
Short term debt	128,476	149,771	131,697	115,366	49,469
Accrued interest payable	7,339	6,013	6,681	7,257	8,388
Other liabilities	150,617	202,682	211,197	70,401	70,059
Derivative instrument - interest rate swaps	39,013	73,728	168,250	234,281	158,349
Total Liabilities	2,672,728	2,709,686	2,883,031	3,000,118	2,747,390
Deferred Inflow of Resources	23,369	43,349	3,512	2,861	3,719
Total Net Position	\$ 1,628,250	\$ 1,599,461	\$ 1,615,931	\$ 1,606,964	\$ 1,571,423
Operating Revenues					
Mortgage and loans revenue	\$ 127,895	\$ 120,874	\$ 132,258	\$ 147,068	\$ 146,042
Investment interest	35,962	3,440	5,669	13,031	17,404
Net change in fair value of investments	3,158	820	(2,158)	1,922	(838)
Net change of hedge termination	281	875	579	(177)	(278)
Total Investment Revenue	39,401	5,135	4,090	14,776	16,288
Externally funded programs	156,657	283,006	154,023	76,113	77,143
Rental	11,509	11,280	11,219	11,512	11,926
Other	3,165	4,347	4,490	1,607	4,634
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Operating Expenses					
Interest	79,853	60,780	70,987	81,137	76,831
Mortgage and loan costs	12,501	11,767	11,342	14,763	12,034
Operations and administration	47,774	48,911	50,360	40,958	44,781
Financing expenses	4,834	4,923	6,033	5,163	6,054
Provision for loan loss	1,640	485	(2,761)	(6,639)	(5,740)
Housing grants and subsidies	138,014	276,268	143,129	63,800	72,198
Rental housing operating expenses	17,175	19,274	17,012	16,353	15,042
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Non-Operating & Special Item					
Contribution to State or State agency	(8,047)	(933)	(1,011)	-	(2,106)
Change in Net Position	\$ 28,789	\$ 1,301	\$ 8,967	\$ 35,541	\$ 32,727



A Component Unit of the State of Alaska

Financial Statements
And Independent Auditor's Report

June 30, 2023

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This publication of Alaska Housing Finance Corporation. For comments or questions:

Website: <https://www.ahfc.us/investors/financials-history> or

E-Mail: rsmall@ahfc.us



Independent Auditor's Report

To the Board of Directors
Alaska Housing Finance Corporation
Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of each major fund, and the aggregate remaining fund information of the Alaska Housing Finance Corporation (the Corporation), a component unit of the State of Alaska, as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Alaska Housing Finance Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of each major fund, and the aggregate remaining fund information of the Alaska Housing Finance Corporation as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the net pension liability, contributions to the pension plan, net OPEB liability, and contributions to the OPEB plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Alaska Housing Finance Corporation's basic financial statements. The combining statements of net position, combining statements of revenues, expenses, and changes in net position, and combining statements of cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position, combining statements of revenues, expenses, and changes in net position, and combining statements of cash flows are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

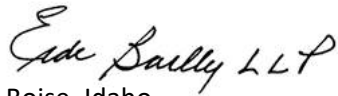
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the five-year comparative information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial report of the Alaska Housing Finance Corporation (the "Corporation") consists of three sections: Management's Discussion and Analysis, the Basic Financial Statements, and Supplementary Schedules. The Corporation's operations are business-type activities and follow enterprise fund accounting rules. The Corporation is a component unit of the State of Alaska (the "State") and is discretely presented in the State's financial statements. The Corporation's Basic Financial Statements include the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; and the Notes to Financial Statements. These statements are presented for all of the Corporation's operations and grouped by program or function. Summarized financial information for fiscal year 2023 is also presented in Management's Discussion and Analysis to facilitate and enhance the understanding of the Corporation's financial position and the results of operations for the current fiscal year in comparison to the prior fiscal year.

Management's Discussion and Analysis

This section of the Corporation's annual financial report presents management's discussion and analysis of the financial position and results of operations for the fiscal year ended June 30, 2023. This information is presented to assist the reader in identifying significant financial issues and to provide additional information regarding the activities of the Corporation. This information should be read in conjunction with the Independent Auditors' Report, audited financial statements and accompanying notes.

Basic Financial Statements

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

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

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

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

Major Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For fiscal year 2023, the Corporation reports the following major funds:

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

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

As of June 30, 2023, the Administrative Fund reported a net position of \$669.4 million, an increase of \$3.0 million from June 30, 2022. The increase in net position is largely due to operating income of \$19.0 million and internal transfers from the Mortgage and Bond Funds. The Administrative Fund transferred \$464.7 million to the Mortgage and Bond Funds, whereas \$479.7 million transferred from the Mortgage and Bond Funds, resulting in a net transfer into the Administrative Fund of \$15.0 million. Transfers for loan purchases totaled \$60.4 million less than in the previous year, and loans were warehoused in the Administrative Fund after the refunding of bonds. Unrestricted net position totaled \$546.9 million, or 81.7% of the total net position in the fund, and may be used for operations and to meet the continuing obligations of the Corporation.

The Grant Programs Fund includes resources provided to other agencies and individuals to develop and improve affordable housing units for lower income families and to assist in improving the energy efficiency of Alaskan homes, as well as tenant-based rental assistance programs for families in the private market that are administered by the Corporation under contract with the Department of Housing and Urban Development (HUD). These programs include the Energy Programs, the Section 8 Voucher Programs, and Other Grants.

The Mortgage and Bond Funds include resources used to assist in the financing of loan programs or to fund legislative appropriations. This fund includes the Home Mortgage Revenue Bonds, General Mortgage Revenue Bonds II, Collateralized Veterans Mortgage Bonds, Governmental Purpose Bonds, and State Capital Project Bonds II.

As of June 30, 2023, the Mortgage and Bond Funds reported a net position of \$787.1 million, an increase of \$18.7 million from the previous year. Funds are transferred to the Administrative Fund to fund mortgage purchases, and there was \$60.4 million less transferred to the Administrative Fund in FY2023 for purchases than in FY2022. Loan payoffs decreased by 56.0% during the current fiscal year due to increase of interest rates compared to fiscal year 2022. During fiscal year 2023, the mortgage loan portfolio increased by 6.5% or \$199.0 million from fiscal year 2022. Approximately \$576.0 million, or 73.0%, of the fund's net position is restricted by bond resolutions.

The Other Funds and Programs include AHFC-owned housing for low-income families that is managed under contract with HUD as well as other programs that are not specifically grants or bond funds. These programs include the Low Rent Program, the Market Rate Rental Housing Program, the Home Ownership Fund and the Senior Housing Revolving Loan Fund. The fund had an operating loss of \$3.8 million in fiscal year 2023, \$3.1 million lower than fiscal year 2022 operating loss. In fiscal year 2023, the Administrative Fund transferred \$14.0 million to Other Funds and Programs.

The Alaska Corporation for Affordable Housing ("ACAH") is a non-profit public benefit corporation that develops and operates affordable housing for Alaskans, utilizing various funding sources. ACAH is reported as a major blended component unit for the benefit of users of the financial statements. ACAH's net position at June 30, 2023, was \$38.2 million. ACAH had an operating income of \$13.6 million in fiscal year 2023, and the Administrative Fund transferred \$0.1 million into ACAH. ACAH's change in net position is the product of rental income from both housing and non-housing properties and expenses include rental property expenses and payroll expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- The Corporation had operating income in fiscal year 2023 of \$36.8 million. The increase from fiscal year 2022 operating income of \$2.2 million, was the result of increased investment interest income, as well as a 5% increase in interest rates earned on the mortgage portfolio. The average interest rate on the mortgage portfolio was 4.2%, representing a 5.0% increase from the fiscal year 2022 average mortgage rate of 4.0%.
- The Corporation's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2023, by \$1.6 billion (net position), an increase over 2022 of \$28.8 million, of which 45.5% was unrestricted.
- During the fiscal year ended June 30, 2023, the investment portfolio earned approximately 4.0% overall, as compared to 0.3% for the fiscal year ended June 30, 2022, reflecting a significant increase in short-term interest rates.
- The Corporation's mortgage loan portfolio is one of its primary assets. During the fiscal year ended June 30, 2023, the mortgage loan portfolio increased by 6.5%. Loan purchases decreased by \$60.4 million in fiscal year 2023 but exceeded loan payoffs by \$318.5 million.

Bonds outstanding increased by 3.4%. The Corporation redeemed a total of \$112.2 million in bonds in fiscal year 2023. Of this total, scheduled bond redemptions totaled \$91.3 million and special redemptions totaled \$20.9 million. New bond issuances exceeded bond redemptions by over \$73.4 million.

- On July 7, 2022, the Corporation issued its \$97,700,000 State Capital Project Bonds II, 2022 Series B Social Bonds. Net proceeds of the bonds totaled approximately \$106.5 million, including a premium of \$9.0 million. Proceeds were used to reimburse the Corporation for certain capital expenditures previously incurred and to refund prior outstanding obligations. The 2022B bonds are tax-exempt, fixed rate, general obligations of the Corporation, paying interest each June 1 and December 1, with a final maturity of June 1, 2037.
- On December 22, 2022, the Corporation issued its \$87,965,000 General Mortgage Revenue Bonds II, 2022 Series C. Net proceeds of the bonds totaled approximately \$90.0 million, including a premium of \$2.5 million. Proceeds were used to redeem certain outstanding obligations of the Corporation, to purchase mortgages, and to pay costs of issuance. The bonds are tax-exempt, fixed rate, general obligations of the Corporation, paying interest each June 1 and December 1, with a final maturity of December 1, 2052.
- As of June 30, 2023, the weighted average interest rate on the mortgage and bond portfolios was 4.2% and 4.0%, respectively, yielding a net interest margin of 0.2%, a decrease of 69.0% from fiscal year 2022. This decrease was primarily due to higher average interest rates on unhedged variable rate bonds. However, the net cash impact of the lower interest margin was offset by corresponding rate increases on the Corporation's investments.
- The U.S. Department of the Treasury awarded the Corporation funding for rental and mortgage assistance for those affected by the COVID-19 pandemic. The funding came from the Consolidated Appropriations and The American Rescue Plan Acts of 2021. Funding received in fiscal year 2022 totaled \$169.6 million to assist Alaskans struggling to make rent or mortgage payments due to the coronavirus pandemic. Funding received in fiscal year 2023 totaled \$5.0 million funds from reallocation of rental assistance.
- In fiscal year 2023, the Corporation transferred \$13.0 million of its Moving to Work (MTW) reserves funds in HUD to ACAH to assist in funding a multifamily housing project known as the Fairbanks Affordable Housing Project. These funds were passed through Fairbanks Affordable Housing, LLC (FAH), in a form of a loan agreement. As a result of this loan to FAH, ACAH's Net Position increased by \$13.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONDENSED STATEMENT OF NET POSITION

The following table presents condensed information about the financial position of the Corporation as of June 30, 2023 and 2022, and changes in balances during the fiscal year ended June 30, 2023 (in thousands):

Condensed Statement of Net Position

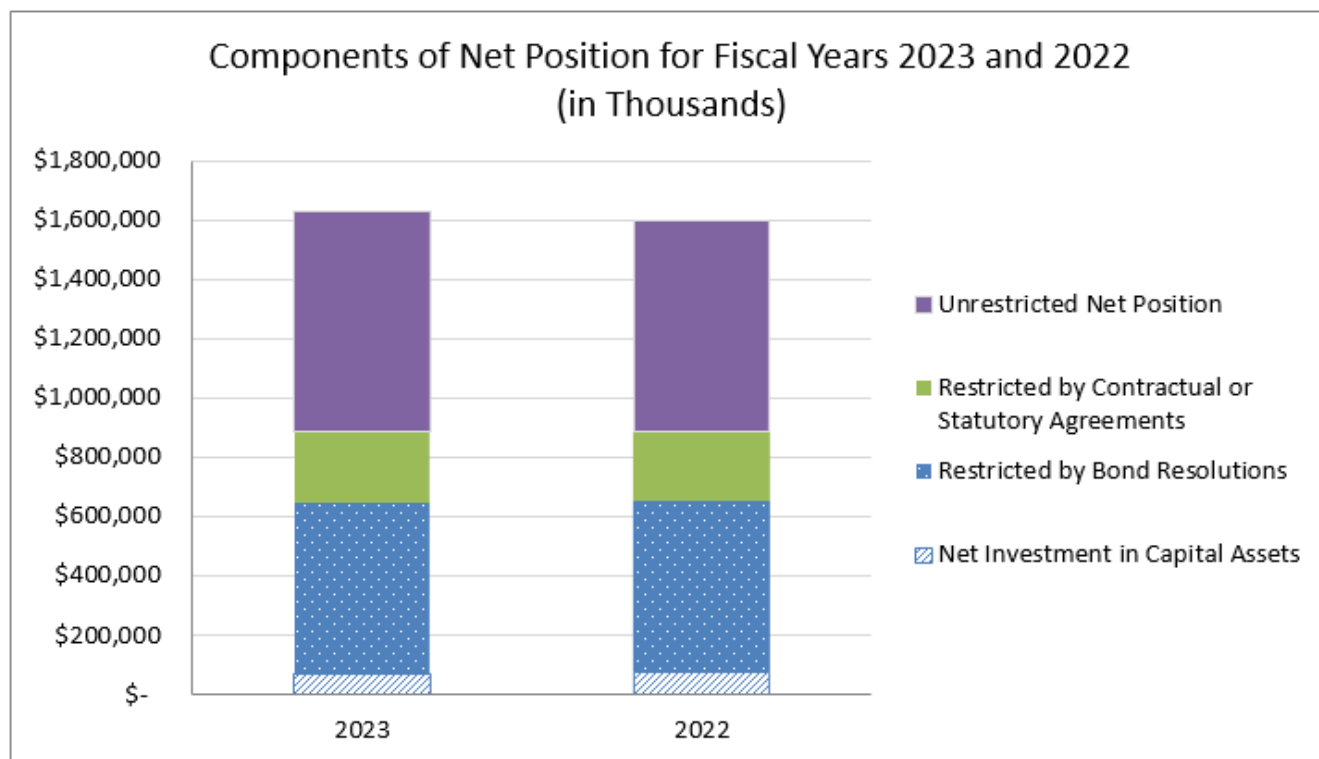
	2023	2022	Increase/(Decrease)	
Cash and investments	\$ 865,001	\$ 1,066,517	\$ (201,516)	-18.9%
Mortgage loans, notes and other loans, net	3,245,907	3,032,951	212,956	7.0%
Capital assets, net	71,542	75,158	(3,616)	-4.8%
Other assets	70,344	66,358	3,986	6.0%
Total Assets	4,252,794	4,240,984	11,810	0.3%
Deferred outflow of resources	71,553	111,512	(39,959)	-35.8%
Bonds and notes payable, net	2,347,283	2,277,492	69,791	3.1%
Short term debt	128,476	149,771	(21,295)	-14.2%
Accrued interest payable	7,339	6,013	1,326	22.1%
Derivatives	39,013	73,728	(34,715)	-47.1%
Pension and OPEB liabilities	35,286	28,727	6,559	22.8%
Other liabilities	115,331	173,955	(58,624)	-33.7%
Total liabilities	2,672,728	2,709,686	(36,958)	-1.4%
Deferred inflow of resources	23,369	43,349	(19,980)	-46.1%
Total net position	\$ 1,628,250	\$ 1,599,461	\$ 28,789	1.8%

The increase in total assets during fiscal year 2023 is primarily due to an increase in the mortgage portfolio, notes and other loans. The \$213.0 million increase in mortgage loans and notes from the prior year was mainly due to mortgage purchases exceeding mortgage pay-off by \$318.5 million compared to \$154.5 million in fiscal year 2022. HUD transfer of \$13.0 million MTW reserves to ACAH, which ACAH loaned to FAH, increased ACAH's notes receivable compared to fiscal year 2022. Due to rising interest rates, the fair value of the derivative portfolio decreased, which resulted in a decrease in deferred outflows.

Total liabilities decreased by \$37.0 million mainly due to a decrease in unearned income and short-term debt, offset by an increase in bonds payable. The major factor in the decrease of total liabilities was the decrease in unearned income of \$52.1 million as COVID-19 funds received in 2022 were utilized in 2023 to help Alaskans affected by the pandemic. Short-term debt (commercial paper) decreased by \$21.3 million. Based on actuarial valuation, pension, OPEB liability, and the related deferred inflows decreased by \$14.7 million. The Corporation issued new bonds totaling \$185.7 million, but bond redemptions totaled \$112.2 million. Bond issuances exceeded bond redemptions by \$73.4 million. Finally, the aggregate fair value of the Corporation's interest rate swap derivatives decreased by \$34.7 million. Derivative valuations are based on forward swap rates, which steadily decreased during fiscal year 2022, causing the associated liability to increase accordingly. But in fiscal year 2023, the Federal Reserve reversed direction and began increasing rates due to inflation, which caused the forward swap curve to increase sharply, and thus decreased the fair value of the derivatives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart shows the various components of net position in fiscal years 2023 and 2022:



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

The following table presents condensed information about the revenues, expenses and changes in net position for the fiscal years ended June 30, 2023 and 2022, and the variances from the prior fiscal year (in thousands):

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	2023	2022	Increase/(Decrease)	
Mortgage and loan revenue	\$ 127,895	\$ 120,874	\$ 7,021	5.8%
Investment interest income	35,962	3,440	32,522	945.4%
Net change in fair value of investments	3,439	1,695	1,744	102.9%
Externally funded programs	156,657	283,006	(126,349)	-44.6%
Rental and other revenue	14,674	15,627	(953)	-6.1%
Total operating revenue	338,627	424,642	(86,015)	-20.3%
Interest expense	79,853	60,780	19,073	31.4%
Mortgage and loan costs	12,501	12,252	249	2.0%
Bond financing expenses	4,834	4,923	(89)	-1.8%
Operations and administration	49,414	48,911	503	1.0%
Rental housing and grant expenses	155,189	295,542	(140,353)	-47.5%
Total operating expense	301,791	422,408	(120,617)	-28.6%
Operating income(loss)	36,836	2,234	34,602	1548.9%
Contributions to the State of Alaska	(8,047)	(933)	(7,114)	
Change in net position	\$ 28,789	\$ 1,301	\$ 27,488	2112.8%

Total operating revenues decreased by \$86.0 million during fiscal year 2023, primarily due to decreased revenue from federal financial assistance of \$141.0 million. However, investment interest income increased by \$32.5 million.

Total operating expense decreased by \$120.6 million, mainly due to \$140.4 million decrease in rental housing and grant expenses. Federal grants related to COVID-19 have decreased in fiscal year 2023 compared to fiscal year 2022. Interest expense increased by \$19.0 million mainly due to higher interest rates on the Corporation's variable rate bonds.

In fiscal year 2023, the Corporation contributed \$8.0 million to the State of Alaska. See Footnote No.19 in the Notes to the Financial Statements for more details about the Transfer Plan.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Corporation's capital assets include land, buildings, vehicles, office and computer equipment. Capital assets are presented in the financial statements at \$71.5 million (net of accumulated depreciation), a decrease of 4.8% from fiscal year 2022. The change in capital assets in any given year is immaterial to the overall operation of the Corporation as assets depreciate due to normal wear and tear.

As of June 30, 2023, the Corporation had \$2.3 billion in outstanding bonds and notes payable secured by assets held and the general obligation pledge of the Corporation. The Corporation's general obligation is rated by three major rating agencies as follows. There has been no change in the Corporation's ratings from previous years.

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

Significant debt activity during the year included the following:

- Issued \$185.7 million in new bonds;

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Redeemed bonds through both scheduled and special redemption provisions of their respective indentures of \$112.2 million.

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

ECONOMIC FACTORS AND OTHER FINANCIAL INFORMATION

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

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

Any decrease in interest rates could also cause an increase in prepayments on higher rate mortgages. The Corporation uses these prepayments to redeem higher rate bonds, thus lowering the interest expense incurred on the Corporation's overall portfolio, or to recycle mortgages to obtain the maximum allowable spread. Large federal deficits or changes in programs or funding levels could have a negative impact on externally funded program revenues.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

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

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED – ALL MAJOR PROGRAMS

As of June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Assets					
Current					
Cash	\$ 27,707	\$ 12,060	\$ 166	\$ 30,849	\$ 70,782
Investments	596,696	-	151,103	4,906	752,705
Lease receivable	-	-	2,536	83	2,619
Accrued interest receivable	6,792	-	9,682	121	16,595
Inter-fund due (to)/from	(82,900)	53,622	31,467	(2,077)	112
Mortgage loans, notes and other loans, net	9,026	33	87,022	1,356	97,437
Other assets	1,517	13,978	-	1,325	16,820
Intergovernmental receivable	98	11,131	-	909	12,138
Total current	558,936	90,824	281,976	37,472	969,208
Non current					
Investments	9,928	-	22,163	-	32,091
Lease receivable	-	-	12,820	-	12,820
Inter-fund due (to)/from	-	1,423	-	-	1,423
Mortgage loans, notes and other loans	247,113	967	2,813,723	43,855	3,105,658
Capital assets - non-depreciable	2,483	-	-	13,519	16,002
Capital assets - depreciable, net	11,002	169	-	39,629	50,800
Other assets	2,230	304	5,820	30	8,384
OPEB asset	14,102	-	-	-	14,102
Total non current	286,858	2,863	2,854,526	97,033	3,241,280
Total assets	845,794	93,687	3,136,502	134,505	4,210,488
Deferred Outflow Of Resources					
	7,437	-	64,116	-	71,553
Liabilities					
Current					
Bonds payable	-	-	100,555	-	100,555
Short term debt	128,476	-	-	-	128,476
Accrued interest payable	-	-	7,339	-	7,339
Other liabilities	16,637	92,740	849	1,202	111,428
Intergovernmental payable	-	-	166	396	562
Total current	145,113	92,740	108,909	1,598	348,360
Non current					
Bonds payable	-	-	2,246,728	-	2,246,728
Other liabilities	2,240	267	-	9	2,516
Derivative instrument - interest rate swaps	-	-	39,013	-	39,013
Pension liability	35,286	-	-	-	35,286
Total non current	37,526	267	2,285,741	9	2,323,543
Total liabilities	182,639	93,007	2,394,650	1,607	2,671,903
Deferred Inflow Of Resources					
	1,180	-	18,853	74	20,107
Net Position					
Net investment in capital assets	13,485	169	-	53,148	66,802
Restricted by bond resolutions	-	-	576,299	-	576,299
Restricted by contractual or statutory agreements	109,004	16,600	-	80,861	206,465
Unrestricted or (deficit)	546,923	(16,089)	210,816	(1,185)	740,465
Total net position	\$ 669,412	\$ 680	\$ 787,115	\$ 132,824	\$ 1,590,031

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 9,423	\$ 80,205
-	752,705
3,373	5,992
69	16,664
(112)	-
-	97,437
85	16,905
2	12,140
12,840	982,048
-	32,091
-	12,820
(1,423)	-
26,148	3,131,806
4,740	20,742
-	50,800
1	8,385
-	14,102
29,466	3,270,746
42,306	4,252,794
-	71,553
-	100,555
-	128,476
-	7,339
605	112,033
-	562
605	348,965
-	2,246,728
220	2,736
-	39,013
-	35,286
220	2,323,763
825	2,672,728
3,262	23,369
4,740	71,542
-	576,299
33,522	239,987
(43)	740,422
\$ 38,219	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Operating Revenues					
Mortgage and loan revenue	\$ 12,967	\$ -	\$ 113,327	\$ 1,459	\$ 127,753
Investment interest	20,158	7	15,193	600	35,958
Net change in the fair value of investments	2,864	-	294	-	3,158
Net change of hedge termination	-	-	281	-	281
Total investment revenue	23,022	7	15,768	600	39,397
Grant revenue	-	126,870	-	4,087	130,957
Housing rental subsidies	-	-	-	12,700	12,700
Rental revenue	9	-	-	11,500	11,509
Gain on disposal of capital assets	-	3	-	-	3
Other revenue	1,664	737	75	18	2,494
Total operating revenues	37,662	127,617	129,170	30,364	324,813
Operating expenses					
Interest	4,260	-	75,593	-	79,853
Mortgage and loan costs	2,915	-	9,440	146	12,501
Bond financing expenses	685	-	4,149	-	4,834
Provision for loan loss	(282)	35	1,822	54	1,629
Operations and administration	11,001	15,288	4,475	16,818	47,582
Rental housing operating expenses	-	25	-	17,147	17,172
Grant expense	6	138,008	-	-	138,014
Total operating expenses	18,585	153,356	95,479	34,165	301,585
Operating income (loss)	19,077	(25,739)	33,691	(3,801)	23,228
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	(8,047)
Interfund receipts (payments) for operations	(7,974)	19,918	(14,980)	2,961	(75)
Change in net position	3,056	(5,821)	18,711	(840)	15,106
Net position at beginning of year	666,356	6,501	768,404	133,664	1,574,925
Net position at end of period	\$ 669,412	\$ 680	\$ 787,115	\$ 132,824	\$ 1,590,031

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 142	\$ 127,895
4	35,962
-	3,158
-	281
4	39,401
13,000	143,957
-	12,700
-	11,509
-	3
668	3,162
13,814	338,627
-	79,853
-	12,501
-	4,834
11	1,640
192	47,774
3	17,175
-	138,014
206	301,791
13,608	36,836
-	(8,047)
75	-
13,683	28,789
24,536	1,599,461
\$ 38,219	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 8,751	\$ -	\$ 104,679	\$ 1,337	\$ 114,767
Principal receipts on mortgages and loans	15,940	-	287,026	4,854	307,820
Disbursements to fund mortgages and loans	(497,181)	-	-	-	(497,181)
Receipts (payments) for interfund loan transfers	389,596	-	(378,857)	(10,739)	-
Mortgage and loan proceeds receipts	414,480	-	-	-	414,480
Mortgage and loan proceeds paid to trust funds	(426,376)	-	-	-	(426,376)
Payroll-related disbursements	(23,138)	(5,630)	-	(9,746)	(38,514)
Payments for goods and services	(7,055)	(4,568)	-	(15,796)	(27,419)
Receipts from externally funded programs	-	24,807	-	15,739	40,546
Receipts from Federal HAP subsidies	-	30,092	-	-	30,092
Payments for Federal HAP subsidies	-	(34,427)	-	-	(34,427)
Interfund receipts (payments)	(92,134)	92,530	-	1,127	1,523
Grant payments to other agencies	-	(105,880)	-	-	(105,880)
Other operating cash receipts (payments)	5,731	429	17	10,821	16,998
Net cash receipts (disbursements)	(211,386)	(2,647)	12,865	(2,403)	(203,571)
Non-capital financing activities					
Proceeds from bond issuance	-	-	197,245	-	197,245
Principal paid on bonds	-	-	(108,947)	-	(108,947)
Payment of bond issuance costs	(578)	-	(741)	-	(1,319)
Interest paid on bonds	(253)	-	(82,400)	-	(82,653)
Proceeds from short-term debt issuance	559,836	-	-	-	559,836
Payment of short term debt	(585,138)	-	-	-	(585,138)
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	(8,047)
Transfers from (to) other funds	97,543	-	(97,543)	-	-
Net cash receipts (disbursements)	63,363	-	(92,386)	-	(29,023)
Capital financing activities					
Acquisition of capital assets	(181)	(125)	-	(2,487)	(2,793)
Proceeds from the disposal of capital assets	3	3	-	-	6
Principal paid on capital notes	-	-	(3,278)	-	(3,278)
Interest paid on capital notes	-	-	(292)	-	(292)
Proceeds from direct financing leases	-	-	3,304	-	3,304
Net cash receipts (disbursements)	(178)	(122)	(3,570)	(2,487)	(6,357)
Investing activities					
Purchase of investments	(7,299,217)	-	(974,003)	(6,411)	(8,279,631)
Proceeds from maturity of investments	7,425,253	-	1,043,730	10,802	8,479,785
Interest received from investments	19,074	7	10,077	594	29,752
Net cash receipts (disbursements)	145,110	7	79,804	4,985	229,906
Net Increase (decrease) in cash	(3,091)	(2,762)	17	95	(5,741)
Cash at beginning of year	30,798	14,822	149	30,754	76,523
Cash at end of period	\$ 27,707	\$ 12,060	\$ 166	\$ 30,849	\$ 70,782

Alaska Corporation for Affordable Housing		Total June 30, 2023
\$	-	\$ 114,767
	-	307,820
	-	(497,181)
	-	-
	-	414,480
	-	(426,376)
	(118)	(38,632)
	(76)	(27,495)
	-	40,546
	-	30,092
	-	(34,427)
	(1,523)	-
	-	(105,880)
	2,927	19,925
	1,210	(202,361)
	-	197,245
	-	(108,947)
	-	(1,319)
	-	(82,653)
	-	559,836
	-	(585,138)
	-	(8,047)
	-	-
	-	(29,023)
	-	(2,793)
	-	6
	-	(3,278)
	-	(292)
	-	3,304
	-	(3,053)
	-	(8,279,631)
	-	8,479,785
	5	29,757
	5	229,911
	1,215	(4,526)
	8,208	84,731
\$	9,423	\$ 80,205

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED – ALL MAJOR PROGRAMS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Grant Programs	Mortgage and Bond Funds	Other Funds and Programs	Total Programs and Funds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 19,077	\$ (25,739)	\$ 33,691	\$ (3,801)	\$ 23,228
<i>Adjustments:</i>					
Depreciation expense	1,047	81	-	5,359	6,487
Provision for loan loss	(282)	35	1,822	54	1,629
Net change in the fair value of investments	(2,864)	-	(294)	-	(3,158)
Interfund receipts (payments) for operations	(7,974)	19,918	(14,980)	2,961	(75)
Interest received from investments	(19,074)	(7)	(10,077)	(594)	(29,752)
Interest paid on bonds and capital notes	253	-	82,692	-	82,945
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(10,149)	34	(182,533)	(5,304)	(197,952)
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)	3,031	102,544	(1,078)	(86,923)
Net operating cash receipts (disbursements)	\$ (211,386)	\$ (2,647)	\$ 12,865	\$ (2,403)	\$ (203,571)
Non-cash activities					
Deferred outflow of resources - derivatives	\$ -	\$ -	\$ 86,967	\$ -	\$ 86,967
Derivative instruments liability	-	-	108,443	-	108,443
Net change of hedge termination	-	-	762	-	762
Deferred outflow debt refunding	-	-	35,308	-	35,308
Total non-cash activities	\$ -	\$ -	\$ 231,480	\$ -	\$ 231,480

See accompanying notes to the financial statements.

Alaska Corporation for Affordable Housing		Total June 30, 2023	
\$	13,608	\$	36,836
	-		6,487
	11		1,640
	-		(3,158)
	75		-
	(5)		(29,757)
	-		82,945
	(13,131)		(211,083)
	652		(86,271)
\$	1,210	\$	(202,361)
\$	-	\$	86,967
	-		108,443
	-		762
	-		35,308
\$	-	\$	231,480

NOTE DISCLOSURES INDEX

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FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

1 AUTHORIZING LEGISLATION AND FUNDING

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

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

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

The Corporation has affiliates incorporated under the Alaska Nonprofit Corporation Act (AS 10.20) and provisions of the Alaska Housing Finance Corporation Act (AS 18.56), as amended. Each affiliate issues annual audited financial statements. Copies may be found at the following links, or please contact AHFC to obtain a copy. The affiliates are as follows:

- Northern Tobacco Securitization Corporation ("NTSC") incorporated on September 29, 2000, pursuant to House Bill No. 281 of the 2000 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ntsc/ntsc-financial-statements/>
- Alaska Housing Capital Corporation ("AHCC") incorporated on May 23, 2006, pursuant to Senate Bill No. 232 of the 2006 Legislature. <https://www.ahfc.us/about-us/subsidiaries/ahcc/ahcc-financial-statements/>
- Alaska Corporation for Affordable Housing ("ACAH") incorporated on February 1, 2012, pursuant to House Bill No. 119 of the 2011 Legislature. <https://www.ahfc.us/about-us/subsidiaries/alaska-corporation-affordable-housing-acah/acah-financial-statements/>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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

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

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

Basis of Accounting

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

Basis of Presentation

The financial reporting entity is engaged in business-type activities that utilize enterprise funds. The basic fund financial statements are comprised of the Statement of Net Position (Exhibit A), the Statement of Revenues, Expenses and Changes in Net Position (Exhibit B), the Cash Flow Statement (Exhibit C) and the accompanying note disclosures. The supplementary section contains combining financial statements by program, purpose, or bond indenture.

The basic financial statements include a Total 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. 19 State Authorizations and Commitments for further details) and resources of the Affordable Housing Development Program. The remaining resources of the Administrative Fund are unrestricted.

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

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

Use of Estimates

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

Investments

All investments are stated at fair value.

Accrued Interest Receivable on Loans and Real Estate Owned

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

Loans and Allowances for Estimated Loan Losses

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

The Corporation provides for possible losses on loans on which foreclosure is anticipated. A potential loss is recorded when the net realizable value, or fair value, of the related collateral or security interest is estimated to be less than the

Corporation's investment in the property less anticipated recoveries from private mortgage insurance, private credit insurance, and various other loan guarantees. In providing for losses, through a charge to operations, consideration is given to the costs of holding real estate, including interest costs. The loan portfolio, property holding periods and property holding costs are reviewed periodically. A general allowance is applied to the performing loan portfolio, and a specific reserve on individual non-performing. This can be modified. 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. Costs of issuance are expensed when incurred.

Deferred Debt Refunding Expenses

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

Pensions

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

Other Post-Employment Benefits

Information about the Other Post-Employment Benefits ("OPEB") fiduciary net position of the PERS plans has been determined on the same basis as reported by PERS. The PERS information includes the valuation of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

The standard requires the recognition of right-of-use assets and lease liabilities, and Lease Receivable and Deferred Inflow of Resources, for lease contracts with terms greater than 12 months. The Corporation as a Lessee records the Right of Use Assets and Lease Liability, and as a Lessor records Lease Receivable and Deferred Inflow of Resources, measured at present value of future lease payments and receipts respectively, discounted at Corporation's incremental borrowing rate of 5%. Finance lease costs are recognized in two components, interest expense and amortization expense. As payments are received over the term of the lease, lease revenues are recognized in two components, interest revenue on lease receivable and revenue from amortization of deferred inflow of resources. The adoption of GASB 87 effective July 1, 2021, eliminates the disclosure on direct financing lease previously adopted by the Corporation.

Subscription-Based Information Technology Arrangements

As of July 1, 2022, the Corporation adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. During fiscal year 2023, the Corporation does not have any subscription that match the criteria described in this statement.

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 hedgeable derivatives is recorded as deferred inflows of resources or deferred outflows of resources, and the change in the fair value of the investment derivatives is recorded 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.

3 CASH AND INVESTMENTS

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

	June 30, 2023
Restricted cash	\$ 61,244
Unrestricted cash	18,961
Carrying amount	80,205
Bank balance	\$ 80,495

Investment Valuation

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

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

Investment Maturities

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

Investment Maturities (In Years)					
	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	June 30, 2023
Securities of U.S. Government agencies and corporations	\$ 3,500	\$ 9,928	\$ -	\$ -	\$ 13,428
Commercial paper & medium-term notes	597,128	-	-	-	597,128
Corporate Certificates of Deposit	16,502	-	-	-	16,502
Guaranteed Investment Contracts	-	10,000	12,163	-	22,163
Money market funds	134,042	-	-	-	134,042
Total not including GeFONSI	\$ 751,172	\$ 19,928	\$ 12,163	\$ -	\$ 783,263
GeFONSI pool					1,533
Total AHFC Investment Portfolio					\$ 784,796

Restricted Investments

A large portion of the Corporation's investments, \$286,876,400, is restricted by bond resolutions, contractual agreements, and statutory agreements, and the remainder, \$497,919,600, 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):

Original Amount	June 30, 2023
Ending unrealized holding gain	\$ 5,644
Beginning unrealized holding gain	2,496
Net change in unrealized holding gain	3,148
Net realized gain (loss)	10
Net increase (decrease) in fair value	\$ 3,158

Deposit and Investment Policies

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

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

- Obligations backed by the full faith and credit of the United States;
- Obligations of U.S. government-sponsored enterprises ("GSEs") and federal agencies not backed by the full faith and credit of the United States;
- Obligations of the World Bank rated at least "AA" by S&P or "Aa2" by Moody's or "AA" by Fitch if maturing in excess of one year or "A-1" by S&P or "P-1" by Moody's or "F1" by Fitch if maturing in one year or less;
- Money market funds (MMF) rated at least "AAm" by S&P or "Aa-mf" by Moody's or "AAMmf" by Fitch;

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

Credit Risk

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

The credit quality ratings of the Corporation's investments as of June 30, 2023, as determined by nationally recognized statistical rating organizations, are shown below (in thousands), and do not include investments held by GeFONSI pool.

	S&P	Moody's	Investment Fair Value
Securities of U.S. Government agencies and corporations, Commercial paper, medium-term notes, Guaranteed Investment Contracts & Certificates of Deposit:	AA+	Aaa	\$ 10,928
	AA+	Aa3	12,163
	AA-	Aa2	10,000
	A-1+	A-1+	15,350
	A-1+	P-1	132,638
	A+	A1	799
	A	A2	464
	A-1	P-1	319,789
	A-1	P-2	14,989
	A-1	NA	11,049
	A-2	P-1	56,487
	A-2	P-2	33,926
	NA	P-2	30,637
Money market funds:	Aaa-mf	AAAmf	134,042
			<u>\$ 783,263</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

Investment Holdings Greater than Five Percent of Total Portfolio

The following investment holdings, summarized by issuer, include both investments that are governed by the maximum concentration limits of the Corporation's Fiscal Policies and trusted investments which have no established concentration limits. As of June 30, 2023, the Corporation had investment balances greater than 5 percent of the Corporation's total investments with the following issuers (in thousands).

Issuer	Investment Fair Value	Percentage of Total Portfolio	Investment Category
Invesco Ltd.	\$ 103,279	13.22%	MMF

Custodial Credit Risk

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

None of the Corporation's \$80,495,000 bank balance at June 30, 2023, was uninsured and uncollateralized.

Interest Rate Risk

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

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

Modified Duration

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Corporation's trusted and non-trusted investments (in thousands, net of GeFONSI holdings) with their modified duration as of June 30, 2023, in thousands:

Issuer	Investment Fair Value	Modified Duration
Securities of U.S. Government agencies and corporations:		
Federal agency pass through securities	\$ 13,428	1.832
Certificate of Deposit	16,502	0.439
Commercial paper & medium-term notes:		
Commercial paper discounts	595,865	0.374
Medium-term notes	1,263	0.631
Guaranteed Investment Contracts	22,163	5.360
Money market funds	134,042	0.000
Portfolio modified duration	<u>\$ 783,263</u>	0.477

Investment in GeFONSI Pool

The Alaska State Department of Revenue, Treasury Division, has established various investment pools to manage funds for which the Commissioner of Revenue has fiduciary responsibility. The GeFONSI pool in which the Corporation participates is itself comprised of investment shares of the State's Short-term Fixed Income, and Intermediate-term Fixed Income investment pools. Assets in these pools are reported at fair value with purchases and sales recorded on a trade-date basis. Securities are valued each business day using prices obtained from a pricing service. The complete financial activity of the State's investment pools is shown in the Annual Comprehensive Financial Report (ACFR) available from the Department of Administration, Division of Finance.

The accrual basis of accounting is used for the investment income and GeFONSI investment income is distributed to pool participants monthly if prescribed by statute or if appropriated by state legislature. Income in the Short-term, Short-term Liquidity and Intermediate-term Fixed Income Pools is allocated to the pool participants daily on a pro-rata basis. The fair value of the Corporation's investment in the GeFONSI pool was \$1,533,000 as of June 30, 2023.

For additional information on interest rate risk, credit risk, foreign exchange, derivatives, fair value, and counterparty credit risk see the separately issued report on the Invested Assets of the Commissioner of Revenue at:

<http://treasury.dor.alaska.gov/Investments/Annual-Investment-Reports.aspx>.

4 INTERFUND RECEIVABLE/PAYABLE

A summary of the interfund receivable/payable balance as of June 30, 2023, is shown below (in thousands):

		Due From				
Due To		Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing
						Total
	Administrative Fund	\$ -	\$ 14,466	\$ -	\$ 2,616	\$ 112
	Grant Programs	68,088	-	-	-	1,423
	Mortgage or Bond Programs	31,467	-	-	-	-
	Other Funds or Programs	539	-	-	-	-
	Total	\$ 100,094	\$ 14,466	\$ -	\$ 2,616	\$ 1,535
						\$ 118,711

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

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

The balance due from ACAH to the Grant Programs is the result of a repayable grant to ACAH for the purchase of land in 2013.

5 MORTGAGE LOANS, NOTES AND OTHER LOANS

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

	June 30, 2023
Mortgage loans	\$ 2,802,245
Multifamily loans	392,042
Other notes receivable	75,783
	3,270,070
Less:	
Allowance for losses	(40,827)
Net Mortgages, Notes & Other	\$ 3,229,243

Of the \$3,270,070,000 mortgage loans, notes, and other loans, \$97,437,000 is due within a year.

Other notes receivable include monies due to AHFC for various unconventional loan programs, monies remaining unexpended by grant recipients, and notes receivable due to ACAH of \$27,291,000. Included in the allowance for losses is \$1,143,000 for ACAH's notes receivable bringing ACAH's net notes receivable to \$26,148,000.

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

	June 30, 2023
Loans Delinquent 30 days or more	\$ 92,748
Foreclosures during reporting period	4,169
Loans in foreclosure process	8,304
<u>Mortgage-related commitments:</u>	
To purchase mortgage loans	\$ 152,125

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 LEASES

GASB 87

The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lease Liability

As of June 30, 2023, Current Lease Liability of \$101,000 and Long term Lease Liability of \$1,314,000, total of \$1,415,000 Lease Liability, and Right-of-Use Asset of \$1,657,000, were recognized by the Corporation. The Corporation as a Lessee records the Right-of-Use Asset and Lease Liability at present value of future lease payments discounted at weighted-average discount rate based on the Corporation's incremental borrowing rate of 5% subject to reexamination on annual basis. The adoption of the new standard did not materially affect the Corporation's Statements of Operations or Statements of Cash Flows.

The Corporation leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2041 and provide for renewal options ranging from one year to five years. The Corporation included in the determination of the right-of-use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on lease agreements subject to certain minimum increases. As of June 30, 2023, the Corporation recognized a total amount of lease assets of \$1,657,000 and its related accumulated amortization of \$261,000.

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

Date	Interest Due	Principal Due
6/30/2024	\$ 117	\$ 107
6/30/2025	85	78
6/30/2026	65	64
6/30/2027	59	67
6/30/2028	56	69
2029 and thereafter	\$ 386	\$ 1,030

Lease Receivable

The Corporation receives lease payments from leasing certain properties to a local charitable organization in the form of a monthly utility offset payment. The lease term commenced on April 1, 2009 through June 30, 2019. The Corporation opted to renew an additional 10 year period, which terminates this lease in March 2029. As of June 30, 2023, the Corporation recognized a Lease Receivable from this lease of \$83,000 measured at present value of future lease receivable expected to be received during the lease term discounted at 5% incremental borrowing rate.

ACAH receives lease payments from leasing various properties in Anchorage, Wasilla, and Fairbanks in the form of monthly and annual payments. The lease terms expire at various dates through 2078 and provide for renewal options of one year. As of June 30, 2023, ACAH recognized a Lease Receivable of \$3,373,000 measured at the present value of future lease receivable expected to be received during the lease term discounted at the 5% incremental borrowing rate.

In 2007, the Corporation constructed a parking garage (the "Pacillo Parking Garage") in downtown Anchorage with its corporate assets. The Pacillo Parking Garage cost \$44,000,000 and was leased to the State of Alaska for use by its departments and agencies located in Anchorage.

The State has the option to purchase the Pacillo Parking Garage for \$1 after December 1, 2027, which is the end of the lease. In 2015, the Corporation issued its State Capital Project Bonds II, 2015 Series B and C, respectively, to partially refund its State Capital Project Bonds, 2007 Series A, which were originally issued in 2007 to finance the Pacillo Parking Garage.

As of June 30, 2023, the Corporation recognized valuation of Lease Receivable of \$15,356,000 measured based on discounted future lease at Corporation's incremental borrowing rate of 5%, subject to reexamination on annual basis. The following table lists the components of the Lease Receivable and shows the future minimum payments under the lease for the next five years and thereafter (in thousands):

Future Minimum Payments Due	
Twelve Months Ending June 30,	Parking Garage
2024	\$ 3,304
2025	3,304
2026	3,304
2027	3,304
Thereafter	3,301
Gross payments due	16,517
Less: Unearned revenue	(1,161)
Net Lease Receivable	\$ 15,356

8 CAPITAL ASSETS

Capital assets activity for the twelve months ended June 30, 2023, and a summary of balances is shown below (in thousands):

Issuer	June 30, 2022	Additions	Reductions	June 30, 2023
Non-Depreciable Capital Assets:				
Land	\$ 20,742	\$ -	\$ -	\$ 20,742
Construction in progress	63	1,855	1,918	-
Total Non-Depreciable	20,805	1,855	(1,918)	20,742
Depreciable Capital Assets:				
Buildings	243,570	1,918	-	245,488
Computers & Equipment	3,518	181	-	3,699
Vehicles	2,679	695	-	3,333
Less: Accumulated depreciation				
Buildings	(190,093)	(5,898)	-	(195,991)
Computers & Equipment	(3,131)	(215)	-	(3,346)
Vehicles	(2,190)	(234)	41	(2,383)
Total Depreciable, Net	54,353	(3,553)	-	50,800
Total Capital Assets, Net	\$ 75,158	\$ (1,698)	\$ (1,918)	\$ 71,542

The above capital assets include \$4,740,000 of land and land improvements that belong to ACAH.

Depreciation expense charged by the Corporation was \$6,347,000 for the twelve months ended June 30, 2023.

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 \$12,428,000 at June 30, 2023.

In 2017, the State exercised the option to purchase the Atwood Office Building and associated land, identified as Block 79, for \$1. The Atwood Office Building was leased to the State of Alaska as part of the Corporation's State Building Lease Program. Block 102, containing land the State did not transfer but may take ownership of at a later date, is

reported as a Corporation asset at the assessed value of \$4,175,000, with a net book value of zero in the Other Non-Current Assets section of the financial statements, pending potential future transfers.

9 DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred outflows of resources as the consumption of resources that are applicable to a future period. AHFC's deferred outflows of resources at June 30, 2023, were interest rate swap derivatives of \$39,013,000, deferred debt refunding expense of \$25,103,000, pension deferred outflows of \$3,511,000, and other post-employment benefits deferred outflows of \$3,926,000, for a total of \$71,553,000.

10 BONDS PAYABLE

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

The Corporation's obligations are not a debt of the State, and the State is not directly liable thereon except for the Veterans Mortgage Program Bonds. The Veterans Mortgage Program Bonds are backed by the full faith and credit of the State. Although the Corporation has always made its Veterans Mortgage Program Bond payments, in the event that the Corporation cannot make the payments, the State would be responsible for the principal and interest.

Bonds outstanding as of June 30, 2023, are shown on the next three pages (in thousands):

	Original Amount	June 30, 2023
Housing Bonds:		
<i>Home Mortgage Revenue Bonds, Tax-Exempt:</i>		
• 2002 Series A; Floating Rate*; 3.80% at June 30, 2023, due 2032-2036	\$ 170,000	\$ 26,260
Unamortized swap termination penalty		(967)
• 2007 Series A; Floating Rate*; 3.95% at June 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series B; Floating Rate*; 4.00% at June 30, 2023, due 2023-2041	75,000	63,360
• 2007 Series D; Floating Rate*; 3.96% at June 30, 2023, due 2023-2041	89,370	75,480
• 2009 Series A; Floating Rate*; 3.96% at June 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series B; Floating Rate*; 3.96% at June 30, 2023, due 2023-2040	80,880	72,500
• 2009 Series D; Floating Rate*; 3.95% at June 30, 2023, due 2023-2040	80,870	72,495
Total Home Mortgage Revenue Bonds	652,000	444,988
<i>Collateralized Bonds (Veterans Mortgage Program), Tax-Exempt:</i>		
• 2016 First and Second Series; 1.50% to 2.90%, due 2023-2037	50,000	26,035
• 2019 First and Second Series; 1.95% to 4.00%, due 2023-2048	60,000	15,310
Unamortized premium		448
Total Collateralized Bonds (Veterans Mortgage Program)	110,000	41,793

	Original Amount	June 30, 2023
General Mortgage Revenue Bonds II, Tax-Exempt:		
• 2016 Series A; 1.75%-3.50%, due 2023-2046	100,000	40,500
Unamortized premium		181
• 2018 Series A; 2.40%-4.00%, due 2023-2048	109,260	28,995
Unamortized premium		908
• 2018 Series B; 5.00%, due 2031	58,520	28,465
Unamortized premium		3,090
• 2019 Series A; 1.45%-3.75%, due 2023-2044	136,700	88,185
Unamortized premium		1,046
• 2019 Series B; 5.00%, due 2030-2033	24,985	19,985
Unamortized premium		3,475
• 2020 Series A; 0.55%-3.25%, due 2023-2044	135,170	109,975
Unamortized premium		2,993
• 2020 Series B; 2.00%-5.00%, due 2030-2035	74,675	74,675
Unamortized premium		10,283
• 2022 Series A; 0.35%-3.00%, due 2023-2051	39,065	36,380
Unamortized premium		1,021
• 2022 Series B; 1.65%-5.00%, due 2030-2036	83,730	83,730
Unamortized premium		13,828
• 2022 Series C; 2.55%-5.75%, due 2023-2052	87,965	87,650
Unamortized premium		2,487
Total General Mortgage Revenue Bonds II, Tax-Exempt	850,070	637,852
Governmental Purpose Bonds, Tax-Exempt:		
• 2001 Series A; Floating Rate*; 3.95% at June 30, 2023, due 2023-2030	76,580	28,640
Unamortized swap termination penalty		(1,790)
• 2001 Series B; Floating Rate*; 3.95% at June 30, 2023, due 2023-2030	93,590	34,995
Total Governmental Purpose Bonds	170,170	61,845
Total Housing Bonds	1,782,240	1,186,478

	Original Amount	June 30, 2023
Non-Housing Bonds:		
State Capital Project Bonds II, Tax-Exempt:		
• 2014 Series A; 4.00% to 5.00%, due 2023-2033	95,115	3,105
Unamortized premium		21
• 2014 Series B; 5.00%, due 2023-2029	29,285	2,140
Unamortized premium		28
• 2014 Series D; 5.00%, due 2023-2029	78,105	11,435
Unamortized premium		232
• 2015 Series A; 4.00% to 5.00%, due 2023-2030	111,535	16,635
Unamortized premium		505
• 2015 Series B; 3.38% to 5.00%, due 2023-2036	93,365	38,460
Unamortized discount		(101)
Unamortized premium		269
• 2015 Series C; 5.00%, due 2024-2035	55,620	8,395
Unamortized premium		275
• 2017 Series A; 4.00% to 5.00%, due 2023-2032	143,955	113,220
Unamortized premium		8,481
• 2017 Series C; 5.00%, due 2024-2032	43,855	43,855
Unamortized premium		3,291
• 2018 Series B; 3.13% to 5.00%, due 2023-2038	35,570	30,220
Unamortized discount		(53)
Unamortized premium		2,334
• 2019 Series B; 4.00% to 5.00%, due 2023-2039	60,000	53,140
Unamortized premium		6,618
• 2021 Series A; 3.00% to 5.00%, due 2023-2030	90,420	90,420
Unamortized premium		13,588
• 2022 Series B; 4.00% to 5.00%, due 2023-2037	97,700	92,695
Unamortized discount		(37)
Unamortized premium		7,654
Total State Capital Project Bonds II, Tax-Exempt	934,525	546,825
State Capital Project Bonds II, Taxable:		
• 2017 Series B; Floating Rate*; 5.15% at June 30, 2023, due 2047	150,000	90,000
• 2018 Series A; Floating Rate*; 5.13% at June 30, 2023, due 2031-2043	90,000	90,000
• 2019 Series A; Floating Rate*; 5.10% at June 30, 2023, due 2033-2044	140,000	140,000
• 2020 Series A; 0.85% to 2.18%, due 2023-2033	96,665	93,980
• 2022 Series A; Floating Rate*; 5.13% at June 30, 2023, due 2037-2052	200,000	200,000
Total State Capital Project Bonds II, Taxable	676,665	613,980
Total Non-Housing Bonds	1,611,190	1,160,805
Total Bonds Payable	\$ 3,393,430	\$ 2,347,283

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

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

Assets Pledged As Collateral for Debt

AHFC's bonds are secured by the general obligation of the Corporation and may also be secured with collateral from mortgages, investments and/or direct financing leases. See the table below (in thousands):

	Mortgages	Investments	Leases	Total
Housing	\$ 1,654,794	\$ 97,845	\$ -	\$ 1,752,639
Non-Housing	-	-	15,356	15,356
Total	\$ 1,654,794	\$ 97,845	\$ 15,356	\$ 1,767,995

Redemption Provisions

The bonds are generally subject to certain early-redemption provisions, both mandatory and at the option of the Corporation. The Corporation redeems debt pursuant to the terms of the related agreements governing such redemptions. For housing bonds, such agreements typically permit surplus revenues resulting primarily from mortgage loan prepayments to be used to retire housing obligations at par. With respect to non-housing and direct placement bonds, such agreements typically permit optional redemptions at par from any source of funds on or after a specified date.

The Corporation also issues new debt whose proceeds are used to redeem previously issued debt, called current refundings. The related discounts and costs of issuance of the old debt are classified as a deferred outflow of resources and amortized as interest expense. The Corporation may call some bonds at a premium using any monies once bonds reach a certain age and may also use a clean-up call to redeem certain bonds once the outstanding amount falls below 15% of the total issuance.

During the twelve months ended June 30, 2023, the Corporation made special redemptions in the amount of \$20,955,000.

Bond Defeasances

There were no new bond defeasances in fiscal year 2023. A summary of all defeased debt from prior two fiscal years, as of June 30, 2023, follows (in thousands):

	Month Defeased	June 30, 2023
State Capital Project Bonds II, 2014 Series A	October 2020	\$ 35,200
State Capital Project Bonds II, 2014 Series A	June 2021	18,250
State Capital Project Bonds II, 2014 Series B	June 2021	13,860
State Capital Project Bonds II, 2014 Series D	June 2021	39,980
State Capital Project Bonds II, 2015 Series A	June 2021	23,200
State Capital Project Bonds II, 2015 Series B	June 2021	21,495
State Capital Project Bonds II, 2015 Series C	June 2021	31,045
State Capital Project Bonds II, 2015 Series A	December 2021	31,580
State Capital Project Bonds II, 2015 Series B	December 2021	8,450
		<u>\$ 223,060</u>

Debt Service Requirements**

For all bonds in the preceding schedules, excluding any defeased bonds, the Corporation's annual debt service requirements through 2028, and in five year increments thereafter to maturity, are shown below (in thousands):

Twelve Months Ending June 30	Housing Bond Debt Service		Non-Housing Bond Debt Service		Total Debt Service		
	Principal	Interest*	Principal	Interest*	Principal	Interest*	Total
2024	\$ 41,415	\$ 40,133	\$ 59,140	\$ 49,060	\$ 100,555	\$ 89,193	\$ 189,748
2025	42,950	38,925	58,345	46,169	101,295	85,094	186,389
2026	46,005	37,687	45,425	43,660	91,430	81,347	172,777
2027	47,055	36,331	48,075	41,564	95,130	77,895	173,025
2028	44,830	34,924	46,565	39,304	91,395	74,228	165,623
29-33	389,685	143,709	276,315	170,673	666,000	314,382	980,382
34-38	285,930	73,255	161,785	129,624	447,715	202,879	650,594
39-43	172,110	32,058	178,730	88,988	350,840	121,046	471,886
44-48	51,520	13,198	186,285	47,155	237,805	60,353	298,158
49-53	27,975	3,271	57,035	6,726	85,010	9,997	95,007
	<u>\$ 1,149,475</u>	<u>\$ 453,491</u>	<u>\$ 1,117,700</u>	<u>\$ 662,923</u>	<u>\$ 2,267,175</u>	<u>\$ 1,116,414</u>	<u>\$ 3,383,589</u>

* Interest requirements have been computed for hedged variable rate bonds using the associated fixed swap rates and for unhedged variable rate bonds using interest rates in effect at June 30, 2023.

** Also see Note 11 – Derivatives.

Events of Default

Significant finance-related events of default with respect to the Corporation's outstanding housing, non-housing, and direct placement bonds include a failure to repay principal at stated maturity or upon redemption (including sinking fund payments); a failure to pay interest when due; and a continued failure to comply with, or default in the performance or observance of, any of the covenants, agreements or conditions in the Indenture 45 days after having received written notice thereof.

Conduit Debt

From time to time, the Corporation has issued debt to assist private-sector entities in the acquisition or construction of facilities that help the Corporation fulfill its mission of making housing affordable for all Alaskans. The bonds are secured by the properties financed and are payable from rents, payments received on the underlying mortgage loans, as well as tax credits, grants and other subsidy funding. Neither the Corporation nor the State is obligated in any manner for repayment of the bonds. Accordingly, the bonds and any related assets are not reported as assets or liabilities in the accompanying financial statements.

A summary of all conduit debt as of June 30, 2023, follows (in thousands):

	Maximum Issue Amount	Balance as of June 30, 2023	Remaining Authority as of June 30, 2023
Revenue Bonds, 2023 (Brewsters MT View 21)	\$ 5,500	\$ 50	\$ 5,450
Revenue Bonds, 2023 (ACAH Fairbanks Project)	13,000	5,541	7,459
Revenue Bonds, 2021 (Little Dipper Project)	4,372	4,372	-
Revenue Bonds, 2020 (Old Mat Phase 1 Project)	3,800	1,771	2,029
Total	<u>\$ 26,672</u>	<u>\$ 11,734</u>	<u>\$ 14,938</u>

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 or not the derivatives constitute effective hedges. The fair values of the hedgeable derivatives and investment derivatives are presented in the Statement of Net Position, either as a derivative liability (negative fair value amount) or as a derivative asset (positive fair value amount). If a swap changes from a hedgeable derivative to an investment derivative, the hedge is considered terminated and the accumulated change in fair value is no longer deferred but recognized as a revenue item.

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

The fair value amounts, obtained from mark to market statements from the respective counterparties and reconciled to present value calculations done by the Corporation, represent mid-market valuations that approximate the current economic value using market averages, reference rates, and/or mathematical models. These measurements are Level 2 inputs. Actual trade prices may vary significantly from these estimates as a result of various factors, which may include (but are not limited to) portfolio composition, current trading intentions, prevailing credit spreads, market liquidity, hedging costs and risks, position size, transaction and financing costs, and the use of capital profit. The fair value represents the current price to settle swap assets or liabilities in the marketplace if a swap were to be terminated.

The Corporation's interest rate swaps require that if the ratings on the associated bonds fall to "BBB+/Baa1", the Corporation would have to post collateral of up to 100 percent of the swap's fair value. As of June 30, 2023, the Corporation had not posted any collateral and was not required to post any collateral.

Hedging Derivatives

The significant terms and credit ratings of the Corporation's hedging derivatives as of June 30, 2023, are shown below:

Related Bond Issue	Effective Date	Fixed Rate Paid	Variable Rate Received	Swap Termination Date	Counterparty Credit Rating ⁶
GP01B ¹	08/02/01	4.1127%	67% of 1M LIBOR ⁴	12/01/30	A+/Aa2
E021A ¹²	10/09/08	2.9800%	70% of 3M LIBOR ⁵	06/01/32	AA-/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+/Aa1
E091A	05/28/09	3.7610%	70% of 3M LIBOR	12/01/40	A+/Aa1
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+/Aa1
SC19A ³	06/01/19	3.2220%	100% of 1M LIBOR	12/01/29	AA-/Aa2

1. Governmental Purpose Bonds

2. Home Mortgage Revenue Bonds

3. State Capital Project Bonds (I/II)

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

5. London Interbank Offered Rate 3 month

6. Standard & Poor's/Moody's

The change in fair value and ending balance of the hedging derivatives as of June 30, 2023, is shown below (in thousands). The fair value is reported as a deferred outflow / inflow of resources in the Statement of Net Position.

Related Bond Issue	Notional Amounts	Present Values	Fair Value		Change in Fair Value
			June 30, 2023	June 30, 2022	
GP01A	\$ -	\$ -	\$ -	\$ (731)	\$ 731
GP01B	34,995	36,777	(1,782)	(3,707)	1,925
E021A	26,260	26,395	(135)	(1,276)	1,141
E071A1	121,320	132,260	(10,940)	(18,802)	7,862
E071A2	80,880	88,159	(7,279)	(12,526)	5,247
E091A1	65,249	70,928	(5,679)	(10,009)	4,330
E091A2	65,249	70,928	(5,679)	(9,833)	4,154
E091A3	86,997	94,516	(7,519)	(13,040)	5,525
SC19A ³	140,000	135,085	4,915	(3,522)	8,437
	\$ 620,950	\$ 655,048	\$ (34,098)	\$ (73,446)	\$ 39,348

As of June 30, 2023, 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 June30	VRDO Principal	VRDO Interest	Swap Net Payments	Total Payments
2024	\$ 21,405	\$ 26,008	\$ (3,449)	\$ 44,044
2025	22,440	25,164	(3,421)	44,183
2026	23,495	24,295	(3,403)	44,387
2027	24,630	23,358	(3,383)	44,605
2028	25,820	22,415	(3,370)	44,865
2029-2033	271,075	70,645	(6,459)	335,261
2034-2038	134,850	34,514	(1,232)	168,132
2039-2043	97,235	6,998	(254)	103,979
	<u>\$ 620,950</u>	<u>\$ 233,477</u>	<u>\$ (24,971)</u>	<u>\$ 829,456</u>

Credit Risk

As of June 30, 2023, the Corporation was exposed to credit risk on its State Capital Project Bonds 2019 Series A, to the extent of the swap's fair value of \$4,915,000, due to the value turning positive because of the increase in interest rates. The Corporation was not exposed to a credit risk on the rest of the swaps because these swaps all have negative fair values, or fair values equal to the notional amount. If interest rates rise and the fair value of the swaps becomes positive, the Corporation would be exposed to credit risk in the amount of the swaps' fair value. The swap agreements contain varying collateral agreements with the counterparties, and require full collateralization of the fair value amount of the swap should the counterparty's rating fall to "BBB+/Baa1". The Corporation currently has swap agreements with five separate counterparties. Approximately 34.3% of the total notional amount of the swaps is held with one counterparty rated "AA-/Aa2". Another 27.0% of the total notional amount of the swaps is held with another counterparty rated "A+/Aa1," and 22.5% of the total notional amount of the swaps is held with another counterparty rated "AA-/Aa2." Of the remaining swaps, the counterparties are rated "A+/Aa1" and "A+/Aa2", approximating 10.5% and 5.6% 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

The Corporation is exposed to basis risk when the variable payment received on an interest rate swap is based on an index that differs from the index on which the Corporation's variable-rate payment to its bondholders is based. In such instance, the float payment received from the swap counterparty may not fully offset the variable rate paid on the bonds.

As of June 30, 2023, the Corporation's interest rate swaps were based on the LIBOR index, while its variable rate bonds were based on SIFMA or some other non-LIBOR index.

The relative ratios among such indices have fluctuated since the Corporation's swap agreements became effective and will continue to do so in response to then-current market conditions.

Termination Risk

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

Rollover Risk

Rollover risk occurs when there is a mismatch in the amortization of the swap versus the amortization of the floating rate bonds. The Corporation has structured the swaps to amortize at the same rate as scheduled or anticipated reductions in the associated floating rate bonds outstanding.

12 OTHER CURRENT LIABILITIES

Other Current Liabilities as of June 30, 2023, are composed of the accounts and balances as follows (in thousands):

Other Current Liabilities	June 30, 2023
Accounts Payable	\$ 7,424
Accrued Payroll	7,389
Lease Liability	101
Other Miscellaneous Liabilities	805
Service Fees Payables	915
Unearned Grant Revenue	95,399
Total	<u>\$ 112,033</u>

13 LONG TERM LIABILITIES

The activity for the twelve months ended June 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Total bonds and notes payable	\$ 2,277,492	\$ 197,246	\$ (127,455)	\$ 2,347,283	\$ 100,555
Net Pension liability	28,727	6,559	-	35,286	-
Compensated absences	3,214	2,677	(2,820)	3,071	1,870
Other liabilities	-	1,708	(72)	1,636	101
Total long-term liabilities	<u>\$ 2,309,433</u>	<u>\$ 208,190</u>	<u>\$ (130,347)</u>	<u>\$ 2,387,276</u>	<u>\$ 102,526</u>

14 SHORT TERM DEBT

The Corporation has a taxable commercial paper program. Commercial paper is used to refund certain tax-exempt debt until new debt replaces it. Individual maturities range up to 270 days from date of issuance. The maximum aggregate outstanding principal balance authorized by the Corporation's Board of Directors is \$150,000,000. The lowest yield during the twelve months ended June 30, 2023, was 1.25% and the highest, 5.30%.

Short term debt activity for the twelve months ended June 30, 2023, is summarized in the following schedule (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023
Commercial paper	\$ 149,810	\$ 564,970	\$ (585,138)	\$ 129,642
Unamortized discount	(39)	(4,478)	3,351	(1,166)
Commercial paper, net	<u>\$ 149,771</u>	<u>\$ 560,492</u>	<u>\$ (581,787)</u>	<u>\$ 128,476</u>

15 DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board has defined deferred inflows of resources as the acquisition of resources that are applicable to a future period. At June 30, 2023, AHFC recognized combined total deferred inflows of \$23,369,000 as follows:

- Other Post-Employment Benefits ("OPEB")-related deferred inflows totaled \$1,180,000, consisting of the sum of a) the difference of actuarial benefit assumptions vs. actual benefit experience (\$203,000), b) the net effect of changes in actuarial assumptions (\$955,000) and c) changes in proportional contribution levels among participating employers (\$22,000).
- Lease-related deferred inflows totaled \$17,275,000, including one or more leases with local charitable organizations (\$74,000) and/or with the Corporation's affordable housing subsidiary, the Alaska Corporation for Affordable Housing (\$3,262,000), and Pacillo Garage (\$13,939,000).
- Derivatives-related deferred inflows totaled \$4,914,000.

16 TRANSFERS

Transfers for the twelve months ended June 30, 2023, are summarized in the following schedule (in thousands):

	From					Total
	Administrative Fund	Grant Programs	Mortgage or Bond Programs	Other Funds or Programs	Alaska Corporation for Affordable Housing	
Administrative Fund	\$ -	\$ -	\$ 479,694	\$ 10,738	\$ -	\$ 490,432
Grant Programs	19,918	-	-	-	-	19,918
Mortgage or Bond Programs	464,714	-	-	-	-	464,714
Other Funds or Programs	13,699	-	-	-	-	13,699
Alaska Corporation for Affordable Housing	75	-	-	-	-	75
Total	\$ 498,406	\$ -	\$ 479,694	\$ 10,738	\$ -	\$ 988,838

Transfers are used to:

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

17 OTHER CREDIT ARRANGEMENTS

The Corporation currently has certain outstanding debt obligations in relation to which it has entered into standby bond purchase agreements ("SBPAs") to guarantee the payment of debt service in the event of unremarketed tenders. In June 2022, the Corporation entered into a direct-pay letter of credit ("D-LOC") which guarantees the purchase of unremarketed tenders and the payment of regular debt service with respect to the Corporation's \$200 million State Capital Project Bonds II, 2022 Series A. Also in June 2022, the Corporation entered into a \$200 million standby LOC ("S-LOC") to further secure debt issued under the Corporation's State Capital Project Bonds II indenture and its Commercial Paper Notes program.

At June 30, 2023, the Corporation had the following available unused credit lines (in thousands):

	Credit Type	Counterparty Short-Term Ratings		Available Unused Lines of Credit
		S&P	Moody's	
2002 Series A Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	\$ 26,260
2007 Series A, B, D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	202,200
2009 Series A Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series B Home Mortgage Revenue Bonds	SBPA	A-1	P-1	72,500
2009 Series D Home Mortgage Revenue Bonds	SBPA	A-1+	P-1	72,495
2001 Series A & B Governmental Purpose Bonds	SBPA	A-1+	P-1	63,635
2022 State Capital Project Bonds II	D-LOC	A-1	P-1	200,000
State Capital Project Bonds II & Commercial Paper	S-LOC	A-1	P-1	200,000
Total				\$ 909,590

18 YIELD RESTRICTION AND ARBITRAGE REBATE

Most mortgages purchased with the proceeds of tax-exempt mortgage revenue bonds issued by the Corporation are subject to interest-rate yield restrictions of 1.125% to 1.500% over the yield of the bonds. These restrictions are in effect over the lives of the bonds.

Non-mortgage investments made under the Corporation's tax-exempt mortgage revenue bond programs are subject to rebate provisions or restricted as to yields. The rebate provisions require that a calculation be performed every five years and upon full retirement of the bonds to determine the amount, if any, of excess yield earned. As of June 30, 2023, no rebate liability exists and no rebate payments are due to the Internal Revenue Service.

19 STATE AUTHORIZATIONS AND COMMITMENTS

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

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

The projected amounts stated in the legislative intent language were based on the Corporation's financial operating plan and represent the total amount of anticipated State transfers and capital expenditures rather than projected "net income". The following table shows the cumulative total of all dividends due and payable to the State since 1991, and the remaining commitment as of June 30, 2023, (in thousands).

	Dividend Due to State	Expenditures	Remaining Commitments
State General Fund Transfers	\$ 799,514	\$ (789,880)	\$ 9,634
State Capital Projects Debt Service	507,037	(503,292)	3,745
State of Alaska Capital Projects	294,915	(260,699)	34,216
AHFC Capital Projects	592,842	(541,762)	51,080
Total	\$ 2,194,308	\$ (2,095,633)	\$ 98,675

Transfer Plan with the State

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

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

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

The Twenty-Third Legislature in 2003 enacted SCS HB 256 (the "2003 Act") which added language to the Alaska Statutes to modify and incorporate the Transfer Plan. The Corporation and the State view the 2003 Act as an indefinite, sustainable continuation of the Transfer Plan. As approved and signed into law by the Governor and modified by the

Twenty-Fourth Legislature in 2006 with SB 236, the 2003 Transfer Plan calls for annual transfers that will not exceed the lesser of 75% of the adjusted change in net position for the fiscal year two years prior to the current fiscal year or \$103,000,000 less debt service on certain State Capital Project Bonds, less any legislative appropriation of the Corporation's unrestricted, unencumbered funds other than appropriations of the Corporation's operating budget.

20 HOUSING GRANTS AND SUBSIDIES EXPENSES

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

	June 30, 2023
Beneficiaries and Special Needs Housing	\$ 1,879
Competitive Grants for Public Housing	63
Continuum of Care Homeless Assistance	1,991
COVID-19 American Rescue Plan Act - Homeless Assistance	20,683
COVID-19 American Rescue Plan Act - Homeowner Assistance	34,728
COVID-19 American Rescue Plan Act - Rental Assistance	75
COVID-19 Consolidated Appropriation Act - Rental Assistance	6,922
COVID-19 American Rescue Plan Act	38
Domestic Violence	1,312
Discharge Incentive grant	292
Emergency Housing Vouchers (EHV)	555
Emergency Shelter Grant (ESG)	719
Energy Efficiency Monitoring Research	721
Energy Efficient Weatherization	501
Foster Youth to Independence	100
HOME Investment Partnership	7,366
Homeless Assistance Program (HAP)	8,272
Housing Choice Vouchers	29,392
Housing Choice Voucher - Mainstream	399
Housing Grants - Other Agencies	6
Housing Loan Program	1,440
Housing Opportunities for Persons with AIDS	584
Housing Trust Fund	6,293
Low Income Weatherization Assistance	3,282
Low Income Home Energy Assistance	2,169
Energy Residential Program	20
Neighborhood Stabilization Program	902
Non-Elderly Disabled (NED)	283
Parolees (TBRA)	269
Section 811 Rental Housing Assistance	495
Section 8 Rehabilitation	523
Senior Citizen Housing Development Grant	1,464
Supplemental Housing Grant	1,579
Veterans Affairs Supportive Housing	2,339
Victims of Human Trafficking	243
Youth (TBRA)	115
Total Housing Grants and Subsidies Expenses	\$ 138,014

A sum of \$13,000,000, from the Corporation's Moving to Work (MTW) Demonstration Program reserves in HUD, were transferred to ACAH to assist in funding the Fairbanks Affordable Housing Project, a multifamily housing project. ACAH advanced these funds to Fairbanks Affordable Housing, LLC in the form of a loan agreement, payable on earliest date or September 1, 2079. Interest and principal are payable at the interest rate of 3.14% annually.

In addition to grant payments made, the Corporation advanced grant funds of \$11,381,000, and committed to third parties a sum of \$67,621,000 in grant awards, as of June 30, 2023.

21 PENSION AND POST-EMPLOYMENT HEALTHCARE PLANS

Description of Plans

As of June 30, 2023, all regular employees of the Corporation who work more than fifteen hours per week participate in the Alaska Public Employees' Retirement System ("PERS"). PERS administers the State of Alaska Public Employees' Retirement System Defined Benefit Retirement Plan, which includes both pension and post-employment healthcare plans for all employees hired prior to July 1, 2006. The defined benefit plan was an agent multiple-employer, statewide plan until July 1, 2008, when Senate Bill 125 converted the plan to a multiple-employer cost-sharing plan.

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

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

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

Defined Benefit ("DB") Pension and Post-Employment Healthcare Plans (*Employees hired prior to July 1, 2006*)

Employee Benefits:

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

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

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

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

The Defined Benefit Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Funding Policy:

Under State law, covered employees are required to contribute 6.75% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan.

Under State law, the Corporation is required to contribute 22.00% of annual covered salary. For fiscal year 2023, 22.00% of covered salary is for the pension plan and 0% is for the post-employment healthcare plan.

Under AS39.35.255, the State funds 2.79%, the difference between the actuarial required contribution of 24.79% for fiscal year 2023 and the employer rate of 22.00%.

The Corporation's contributions to the Defined Benefit pension plan for the twelve months ended June 30, 2023, totaled \$1,740,000.

Pension Liability:

For the year ended June 30, 2023, the Corporation reported a liability for its proportionate share of net pension liability of \$35,286,000. This amount reflected State pension support provided to the Corporation of \$9,767,000. The total net pension liability associated with the Corporation was \$45,053,000.

The net pension liability for the June 30, 2022 measurement date, and the total pension liability used to calculate the new pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

Pension Income:

For the year ended June 30, 2023, the Corporation recognized pension income of \$1,152,000 and revenue of \$604,000 for support provided by the State.

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

For the year ended June 30, 2023, the Corporation's deferred outflows of resources related to pension expense of \$3,511,000 were due to a change in proportion and difference between employer contributions \$1,009,000 and contributions to the pension plan subsequent to the measurement date of \$2,502,000. The Corporation's deferred inflows of resources related to pension is zero.

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending June 30, 2024. 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
2024	\$ 2,382	\$ -	\$ 2,382
2025	(307)	-	(307)
2026	(738)	-	(738)
2027	2,174	-	2,174
	<u>\$ 3,511</u>	<u>\$ -</u>	<u>\$ 3,511</u>

Pension Employer Contributions:

In 2023, the Corporation was credited with the following contributions to the PERS plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer PERS contributions	\$ 2,918,000	\$ 2,781,000

Pension and OPEB Actuarial Assumptions:

The total pension and OPEB Liability for the fiscal year ending June 30, 2023, was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022. The valuation was prepared assuming an inflation rate of 2.50%. Salary increases were determined by grading by service to range from 6.75% to 2.85%. The investment rate of return was calculated at 7.25%, net of pension and OPEB plan investment expenses, based on an average inflation rate of 2.50% and a real return of 4.75%.

Mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 general improvement.

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

Best estimates of arithmetic real rates of return, excluding the inflation component of 2.50%, for each major asset class included in the and OPEB plans' target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	6.51%
Global Equity (non-U.S.)	5.70%
Aggregate Bonds	0.31%
Opportunistic	0.00%
Real Assets	3.71%
Private Equity	9.61%
Cash Equivalents	(0.50)%

Pension Discount rate:

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Corporation's proportionate share of the net pension liability using the discount rate of 7.25% and what it would be if the discount was 1% lower (6.25%) or 1% higher (8.25%), (in thousands).

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Corporation's proportionate share of the net pension liability	\$ 47,502	\$ 35,286	\$ 24,985

Defined Contribution ("DC") Pension and Post-Employment Healthcare Plans (Employees hired on or after July 1, 2006):

Employee Benefits:

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the Occupational Death and Disability Plan ("ODD"), and the Retiree Medical Plan ("RM"). Information on these plans is included in the comprehensive annual financial report for the PERS Plan noted above. These plans provide for death, disability, and post-employment healthcare benefits.

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

Funding Policy:

Under State law, covered employees are required to contribute 8% of their annual covered salary to the pension plan and are not required to contribute to the post-employment healthcare plan. Employer contribution rates for the fiscal year 2023 are as follows:

	Other Tier IV
Pension Employer Contribution	5.00%
Occupational Death and Disability Benefits (ODD)	0.30%
Retiree Medical	1.10%
Total OPEB	1.40%
Total Contribution Rates	6.40%

Under State law, the Corporation is required to contribute 22% of annual covered salary. For fiscal year 2023, 6.40% of covered salary is split between 5.00% for the pension plan and 1.40% for the post-employment healthcare plan. Then, to offset additional individual post-employment healthcare cost, an annual flat dollar amount of \$2,237.04,

representing 3% of total annual covered compensation in the Plan for each full-time employee, and \$1.43 per hour for part-time employees, is deposited in a Health Reimbursement Arrangement ("HRA") Account for each covered employee per AS 39.30.370.

Additionally, if the total amount that the Corporation has contributed for the defined contribution pension and post-employment healthcare plans is less than 22% of covered payroll after the HRA contributions, the Corporation must pay that additional amount. This additional amount is used to reduce the defined benefit plan's unfunded liability. For the twelve months ended June 30, 2023, the Corporation paid additional contributions of \$1,707,000. All of the contributions were for the defined benefit pension as of June 30, 2023.

The contributions to the pension plan for the twelve months ended June 30, 2023, by the employees totaled \$1,096,000 and by the Corporation totaled \$664,000.

The contributions to Other Post-Employment Benefits (OPEB) plan by the Corporation for the twelve months ended June 30, 2023, totaled \$185,000.

The Corporation contributed \$431,000 to a Health Reimbursement Arrangement for the twelve months ended June 30, 2023.

The Defined Contribution Pension and Post-Employment Healthcare Plan issues financial reports that are available to the public on the SOA website: alaska.gov/drb/employer/resources/gasb.html.

Other Post-Employment Benefits ("OPEB") Defined Benefit and Defined Contribution Plans

The Corporation's contributions to the defined benefit post-employment healthcare plan for the twelve months ended June 30, 2023, were zero dollars, and for the years ended June 30, 2022, and June 30, 2021, totaled \$569,000 and \$706,000, respectively.

OPEB Employer Contribution Rate:

In 2023, the Corporation was credited with the following contributions to the OPEB plan:

	Measurement Period Corporation FY22	Measurement Period Corporation FY21
Employer contributions DB	\$ 585,000	\$ 727,000
Employer contributions DC RM	135,000	143,000
Employer contributions DC ODD	39,000	35,000
Nonemployer contributions (on-behalf)	-	-
Total Contributions	\$ 759,000	\$ 905,000

Changes in Benefit Assumptions Since the Prior Valuation of OPEB:

The actuarial assumptions used in the June 30, 2021 actuarial valuation, were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022:

1. For DC RM and PERS Alaska Retiree Healthcare Trust (ARHT) per capita claims costs were updated to reflect recent experience.
2. For all of the plans the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

OPEB healthcare cost trend rates:

P^ad@Cae^&[.o^i^]aA[[a^/Aae^&^]Aa[[]o^a^&^@A[&C^A^AeC^ae^Eae^Ae^&^]A[[]^ae^aA^ae^&^{}]a[.o^ae^&^] ^8a&A^A^o^A^ae^&^A^Ae^&^V^@Aa^/A^a[[]^A^@.^A^o^Ae^&^&^a^&^A^A^aeC^ae^A^A[[]b^o^A^&[.o^A[[]A^o^@.}A^8a^&^ae^A^A^o^A^ae^&^A^ae^E

	Medical Pre-65	Medical Post-65	Prescription Drugs/ Employer Group Waiver Plan (EGWP)
ØYGG	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYGH	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYG	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYGÍ	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYGÍ	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYGÍ ØYI €	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI F	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI G	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI H	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI I	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI Í	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI Î	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI Ï	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI Ì	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI J	Í ÆÃ	Í ÆÃ	Í ÆÃ
ØYI €€	Í ÆÃ	Í ÆÃ	Í ÆÃ

Key Elements of OPEB formula:

[illegible]

V@/A&c ææA&S~^A&AææA A/!A&aA&A \{ à!•E@A&A)^ææA&A&||}q'Á&A&æA^*A^)^æE@{|ææA&A^•A { \{ à!•A&A&ææ|A&A \{ à!•A/|O&A&A&A&æA^*A^)^æAææA&A{|æA&A&A@/A&c ææA&A^!•A^}ææ^A&A&A@/A^)^æA&A&A&A&ææA&A&A|A&c|!|æA&A&A&A&ææA&A|A@•A&A \{ à!•E

[illegible]

Post-employment healthcare benefits:

[illegible][illegible]

Starting in 2022, prior authorization will be required for certain special medications for all participants, while certain preventive benefits for pre-Medicare participants will now be covered by the plan.

Of those benefit recipients who are eligible for the COLA, 70% are assumed to remain in Alaska and receive COLA. 50%-75% of assumed inflation, or 1.25% and 1.875%, respectively, is valued for the annual automatic Post-Retirement Pension Adjustment (PRPA).

For DC RM and DC ODD retirement eligibility: must retire from the plan and have 30 years of service or be eligible for Medicare and have 10 years of service. Once member becomes eligible for Medicare, the required contribution follows a set plan schedule. The plan's coverage is supplemental to Medicare, referred to in the industry as exclusion coordination. Medicare payment is deducted from the Medicare allowable expense and plan parameters are applied to the remaining amount. Starting in 2019, the prescription drug coverage will be through a Medicare Part D Employer Group Waiver Plan (EGWP) arrangement. The premium for dependents who are not eligible for Medicare aligns with the member's subsidy. While a member is not Medicare-eligible, premiums are 100% of the estimated cost. Occupational Disability and Death benefit are 40% of salary at date of qualifying event. Medicare exclusion coordination applies to ODD benefits.

OPEB Asset:

For the year ended June 30, 2023, the total net OPEB Asset associated with the Corporation was \$14,102,000 and the total net OPEB Liability associated with the Corporation was zero.

For the year ended June 30, 2023, the Corporation reported an asset for its proportionate share of the net OPEB Asset ("NOA") that reflected an increase for State OPEB support provided to the Corporation. The amount recognized by the Corporation for its proportional share, the related State proportion, and the total were as follows:

Corporation's proportionate share Net OPEB Asset:	2023
Corporation's proportionate share of NOA – DB	\$ 13,530,000
Corporation's proportionate share of NOA – DC RM	277,000
Corporation's proportionate share of NOA – DC ODD	295,000
Total Net OPEB Asset	\$ 14,102,000

The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the new OPEB asset was determined by an actuarial valuation as of June 30, 2021, and rolled forward to June 30, 2022.

	June 30, 2021 Measurement Date Employer Proportion	June 30, 2022 Measurement Date Employer Proportion	Change
Corporation's proportionate share Net OPEB Asset:			
DB	0.78626%	0.68783%	(0.09843%)
DC RM	0.76797%	0.79810%	0.03013%
DC ODD	0.64746%	0.67357%	0.02611%

Changes in Benefit Provisions Since Prior Valuation of OPEB:

Starting in 2022, prior authorization will be required for certain specialty medications for all participants, and certain preventive benefits for pre-Medicare participants will now be covered by the plan. There have been no other changes in PERS DCR benefit provisions valued since the prior valuation.

OPEB Expense:

For the year ended June 30, 2023, the Corporation recognized a reduction of OPEB expense of \$3,575,000 and no support provided by the State.

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

For the year ended June 30, 2023, the Corporation reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

Year Ended June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 2,708	\$ -
Difference between expected and actual experience	14	(203)
Difference between projected and actual investment earnings	817	-
Changes in assumptions	54	(955)
Changes in proportion and differences between employer contributions	333	(22)
Total Deferred Outflows and Deferred Inflows	\$ 3,926	\$ (1,180)

Deferred outflows of resources related to OPEB resulting from contributions of \$2,708,000 reported subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30:	Total
2024	\$ 2,118
2025	(330)
2026	(674)
2027	1,772
2028	(63)
Thereafter	(77)
	\$ (2,746)

OPEB Discount rate:

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the Corporation and non-employer State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

Sensitivity of the Corporation's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the Corporation's proportionate share of the net OPEB asset using the discount rate of 7.25% and what it would be if the discount was 1-percentage-point (6.25%) lower or 1-percentage-point higher (8.25%), (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
				\$
DB plan	0.68763%	\$ (8,038)	\$ (13,530)	(18,134)
DC RM plan	0.79810%	51	(277)	(527)
DC ODD plan	0.67357%	(278)	(295)	(309)

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

The following presents the Corporation's net OPEB liability using current healthcare cost trend rates and comparing to a 1% increase and a 1% decrease of current healthcare costs trend rates, (in thousands).

Corporation's proportionate share of the net OPEB Liability (asset):	Proportional Share	1% Decrease	Current Discount Rate	1% Increase
DB plan	0.68763%	\$ (18,676)	\$ (13,530)	\$ (7,384)
DC RM plan	0.79810%	(562)	(277)	106
DC ODD plan	0.67357%	n/a	(295)	n/a

OPEB plan's fiduciary net position:

All information regarding the Plan's assets, deferred outflow/inflow of resources, liabilities and fiduciary net position can be found in the PERS financial statements that are available to the public on the SOA website: <http://doa.alaska.gov/drb/employer/resources/gasb.html#.YMPxY6hKg2x>.

Annual Post-employment Healthcare Cost:

For the year ended June 30, 2023, the Corporation recognized \$431,000 in DC OPEB costs. These amounts were recognized as expense.

22 OTHER COMMITMENTS AND CONTINGENCIES

Medical Self Insurance

During the fiscal year ended June 30, 1998, the Corporation began a program of self-insurance for employee medical benefits. Costs are billed directly to the Corporation by an Administrative Services Provider that processes all of the claims from the employees and their dependents. The Corporation has purchased a stop-loss policy that limits its liability to \$200,000 per employee per year. The Corporation has provided for an estimate of the Incurred but Not Reported ("IBNR") liability in the amount of \$3,013,000 as of June 30, 2023.

Litigation

The Corporation, in the normal course of its activities, is involved in various claims and pending litigation, the outcome of which is not presently determinable. In the opinion of management, the disposition of these matters is not presently expected to have a material adverse effect on the Corporation's financial statements.

Contingent Liabilities

The Corporation participates in several federally assisted programs. These programs are subject to program compliance audits and adjustment by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, would become a liability of the Administrative Fund. In management's opinion, disallowance, if any, will be immaterial.

Subsequent Events

The Corporation delivered its \$49,900,000 Collateralized Bonds (Veterans Mortgage Program), 2023 First Series, on July 27, 2023. The First Series Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2052, and paying interest each June 1 and December 1 at fixed rates ranging from 3.15% to 4.65%. Proceeds of the First Series Bonds will be used to finance qualified veterans mortgage loans. Principal and interest on the First Series Bonds is further secured by the unconditional guarantee of the State of Alaska.

The Corporation will deliver its \$99,995,000 State Capital Project Bonds II, 2023 Series A, on October 17, 2023. The Series A Bonds are tax-exempt general obligations of the Corporation having a final maturity of December 1, 2041, and paying interest each June 1 and December 1 at fixed rates ranging from 5.00% to 5.25%. Proceeds of the Series A Bonds will be used to refund certain outstanding obligations of the Corporation and for other authorized purposes.

23 RISK MANAGEMENT

The Corporation is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by various commercial insurance policies and contractual risk transfers. When the Corporation enters into agreements, contracts or grants, it requires insurance from the party with which the Corporation is doing business. This ensures that the party can adequately sustain any loss exposure, so the Corporation is not first in line in case of a loss. For the Fiscal Year 2023 property deductible increased from \$100,000 to \$250,000, general liability insurance deductible increased from \$400,000 to \$500,000, cyber security coverage increased from \$5 million to \$6 million by the carriers' response to the market conditions. The settlements have not exceeded insurance coverage during the past three years.

24 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In FY23, the Corporation adopted Statement No. 96, Subscription-Based Information Technology Arrangements. We have assessed all subscriptions as of year-end June 30, 2023. After reviewing the principles outlined in GASB 96, it was determined that the Corporation does not have any subscription that match the criteria described in this statement. As such, all subscriptions were determined by the Corporation to be immaterial for financial reporting, and all subscriptions were determined to be cancellable at any time by either party. Therefore, no assets or corresponding liabilities have been booked.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
The Corporation's proportion of the net pension liability (asset)	0.692310%	0.783070%	0.629770%	0.656900%	0.714740%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,286	\$ 28,727	\$ 37,164	\$ 35,960	\$ 35,515
State's proportionate share of the net pension liability (asset) associated with the Corporation	9,767	3,891	15,376	14,276	10,284
Total	\$ 45,053	\$ 32,618	\$ 52,540	\$ 50,236	\$ 45,799
The Corporation's covered employee payroll	\$ 8,888	\$ 9,602	\$ 10,681	\$ 11,680	\$ 12,583
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	397.02%	299.18%	347.94%	307.88%	282.24%
Plan fiduciary net position as a percentage of the total pension liability	67.97%	76.46%	61.61%	63.42%	65.19%
	2018	2017	2016	2015	2014
The Corporation's proportion of the net pension liability (asset)	0.689820%	0.852380%	0.780600%	0.608214%	0.598696%
The Corporation's proportionate share of the net pension liability (asset)	\$ 35,660	\$ 47,645	\$ 37,859	\$ 28,368	\$ 31,440
State's proportionate share of the net pension liability (asset) associated with the Corporation	13,285	6,003	10,856	22,644	26,434
Total	\$ 48,945	\$ 53,648	\$ 48,715	\$ 51,012	\$ 57,874
The Corporation's covered employee payroll	\$ 13,817	\$ 15,252	\$ 16,314	\$ 17,189	\$ 17,815
The Corporation's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	258.10%	312.39%	232.06%	165.04%	176.48%
Plan fiduciary net position as a percentage of the total pension liability	63.37%	59.55%	63.96%	62.37%	56.04%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 3,448	\$ 2,474	\$ 2,292	\$ 2,561	\$ 2,727
Contributions in relation to the contractually required contributions	3,448	2,474	2,292	2,561	2,727
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	7,948	8,888	9,602	10,681	11,680
Contributions as a percentage of covered-employee payroll	43.38%	27.83%	23.87%	23.98%	23.35%
	2018	2017	2016	2015	2014
Contractually required contributions	\$ 2,932	\$ 2,679	\$ 2,475	\$ 2,403	\$ 2,128
Contributions in relation to the contractually required contributions	2,932	2,679	2,475	2,403	2,128
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	12,583	13,817	15,252	16,314	17,189
Contributions as a percentage of covered-employee payroll	23.30%	19.39%	16.23%	14.73%	12.38%

This table reports the Corporation's pension contributions to PERS during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

This pension table presents 10 years of information.

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

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

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68763%	0.78626%	0.62960%	0.65680%	0.71458%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.79810%	0.76797%	0.74451%	0.69949%	0.71095%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.67357%	0.64746%	0.60268%	0.55609%	0.71095%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ (14,102)	\$ (20,661)	\$ (2,963)	\$ 1,007	\$ 7,286
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	(3,868)	(2,642)	(1,183)	388	2,12
Total	\$ (17,970)	\$ (23,303)	\$ (4,146)	\$ 1,395	\$ 9,415
The Corporation's covered employee payroll	\$ 21,649	\$ 21,489	\$ 20,850	\$ 20,890	\$ 20,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	(65.14%)	(96.15%)	(14.21%)	4.82%	35.32%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	128.51%	135.54%	106.15%	98.13%	88.12%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	120.08%	115.10%	95.23%	83.17%	88.71%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	348.80 %	374.22%	283.80%	297.43%	270.62%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

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

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

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

	2018	2017
The Corporation's proportion of the net OPEB liability (asset) for Defined Benefit - Retiree Medical	0.68992%	0.85265%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Retiree Medical Plan	0.70310%	0.66252%
The Corporation's proportion of the net OPEB liability (asset) for Defined Contribution Pension Plans - Occupational Death & Disability Plan	0.70310%	0.66252%
The Corporation's proportionate share of the net OPEB liability (asset)	\$ 5,765	\$ 9,752
State's proportionate share of the net OPEB liability (asset) associated with the Corporation	2,173	-
Total	<u>\$ 7,939</u>	<u>\$ 9,752</u>
The Corporation's covered employee payroll	\$ 21,133	\$ 21,629
The Corporation's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	27.28%	45.09%
Defined Benefit - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	89.68%	85.45%
Defined Contribution - Retiree Medical Plan fiduciary net position as a percentage of the total OPEB liability	93.98%	86.82%
Defined Contribution - Occupational Death & Disability Plan fiduciary net position as a percentage of the total OPEB liability	212.97%	245.29%

Information in this table is presented based on the Plan measurement date. For June 30, 2023, the plan measurement date is June 30, 2022.

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

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

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

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.

- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2023	2022	2021	2020	2019
Contractually required contributions	\$ 623	\$ 1,609	\$ 1,712	\$ 1,520	\$ 1,434
Contributions in relation to the contractually required contributions	623	1,609	1,712	1,520	1,434
Contribution deficiency (excess)	-	-	-	-	-
The Corporation's covered employee payroll	21,649	21,489	20,850	20,890	20,775
Contributions as a percentage of covered-employee payroll	2.88%	7.49%	8.21%	7.28%	6.90%

	2018	2017
Contractually required contributions	\$ 1,287	\$ 1,689
Contributions in relation to the contractually required contributions	1,287	1,689
Contribution deficiency (excess)	-	-
The Corporation's covered employee payroll	20,629	21,133
Contributions as a percentage of covered-employee payroll	6.24%	7.99%

This table reports the Corporation's OPEB contributions to SOA during fiscal year 2023. These contributions are reported as a deferred outflow of resources on the June 30, 2023 basic financial statements.

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

Defined Benefit - Retiree Medical Plan is reporting no changes in benefit terms from the prior measurement period.

Defined Contribution Pension Plans (Retiree Medical Plan and Occupational Death & Disability Plan) are reporting the following changes in benefit terms from the prior measurement period:

- Updated non-Medicare eligible dependent coverage premiums to reflect subsidy when the member is Medicare-eligible.
- Updated factors used to adjust the defined benefit plan costs to reflect adopted Defined Contribution Retiree Medical plan design.

See accompanying independent auditor's report.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

COMBINED - ALL FUNDS

As of June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Assets					
Current					
Cash	\$ 27,707	\$ -	\$ -	\$ -	\$ -
Investments	596,696	35,301	15,586	5,286	18,841
Lease receivable	-	-	-	-	-
Accrued interest receivable	6,792	2,102	2,404	191	428
Inter-fund due (to)/from	(82,900)	7,264	9,185	1,202	1,994
Mortgage loans, notes and other loans	9,026	20,138	22,137	2,043	4,829
Other assets	1,517	-	-	-	-
Intergovernmental receivable	98	-	-	-	-
Total current	558,936	64,805	49,312	8,722	26,092
Non current					
Investments	9,928	10,000	12,163	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	247,113	651,163	715,744	66,042	156,149
Capital assets - non-depreciable	2,483	-	-	-	-
Capital assets - depreciable, net	11,002	-	-	-	-
Other assets	2,230	-	-	-	905
OPEB asset	14,102	-	-	-	-
Total non current	286,858	661,163	727,907	66,042	157,054
Total assets	845,794	725,968	777,219	74,764	183,146
Deferred Outflow Of Resources	7,437	42,611	-	-	1,783
Liabilities					
Current					
Bonds payable	-	14,865	16,230	2,885	7,435
Short term debt	128,476	-	-	-	-
Accrued interest payable	-	1,243	1,685	94	199
Other liabilities	16,637	202	214	19	45
Intergovernmental payable	-	-	-	-	-
Total current	145,113	16,310	18,129	2,998	7,679
Non current					
Bonds payable	-	430,123	621,622	38,908	54,410
Other liabilities	2,240	-	-	-	-
Derivative instrument - interest rate swaps	-	37,231	-	-	1,782
Pension liability	35,286	-	-	-	-
Total non current	37,526	467,354	621,622	38,908	56,192
Total liabilities	182,639	483,664	639,751	41,906	63,871
Deferred Inflow Of Resources	1,180	-	-	-	-
Net Position					
Net investment in capital assets	13,485	-	-	-	-
Restricted by bond resolutions	-	284,915	137,468	32,858	121,058
Restricted by contractual or statutory agreements	109,004	-	-	-	-
Unrestricted or (deficit)	546,923	-	-	-	-
Total net position	\$ 669,412	\$ 284,915	\$ 137,468	\$ 32,858	\$ 121,058

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 166	\$ 52,332	\$ 80,205
76,089	4,906	752,705
2,536	3,456	5,992
4,557	190	16,664
11,822	51,433	-
37,875	1,389	97,437
-	15,388	16,905
-	12,042	12,140
133,045	141,136	982,048
-	-	32,091
12,820	-	12,820
-	-	-
1,224,625	70,970	3,131,806
-	18,259	20,742
-	39,798	50,800
4,915	335	8,385
-	-	14,102
1,242,360	129,362	3,270,746
1,375,405	270,498	4,252,794
19,722	-	71,553
59,140	-	100,555
-	-	128,476
4,118	-	7,339
369	94,547	112,033
166	396	562
63,793	94,943	348,965
1,101,665	-	2,246,728
-	496	2,736
-	-	39,013
-	-	35,286
1,101,665	496	2,323,763
1,165,458	95,439	2,672,728
18,853	3,336	23,369
-	58,057	71,542
-	-	576,299
-	130,983	239,987
210,816	(17,317)	740,422
\$ 210,816	\$ 171,723	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**ADMINISTRATIVE FUND**

As of June 30, 2023

(in thousands of dollars)

Schedule 2

	Administrative Fund
Assets	
Current	
Cash	\$ 27,707
Investments	596,696
Lease receivable	-
Accrued interest receivable	6,792
Inter-fund due (to)/from	(82,900)
Mortgage loans, notes and other loans	9,026
Other assets	1,517
Intergovernmental receivable	98
Total current	558,936
Non current	
Investments	9,928
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	247,113
Capital assets - non-depreciable	2,483
Capital assets - depreciable, net	11,002
Other assets	2,230
OPEB asset	14,102
Total non current	286,858
Total assets	845,794
Deferred Outflow Of Resources	7,437
Liabilities	
Current	
Bonds payable	-
Short term debt	128,476
Accrued interest payable	-
Other liabilities	16,637
Intergovernmental payable	-
Total current	145,113
Non current	
Bonds payable	-
Other liabilities	2,240
Derivative instrument - interest rate swaps	-
Pension liability	35,286
Total non current	37,526
Total liabilities	182,639
Deferred Inflow Of Resources	1,180
Net Position	
Net investment in capital assets	13,485
Restricted by bond resolutions	-
Restricted by contractual or statutory agreements	109,004
Unrestricted or (deficit)	546,923
Total net position	\$ 669,412

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

HOME MORTGAGE REVENUE BONDS

As of June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	3,605	2,998	2,801	3,376	4,647
Lease receivable	-	-	-	-	-
Accrued interest receivable	185	203	182	274	267
Inter-fund due (to)/from	598	557	376	1,242	1,070
Mortgage loans, notes and other loans	1,838	2,044	1,941	2,745	3,239
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total current	6,226	5,802	5,300	7,637	9,223
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	59,443	66,101	62,766	88,760	104,726
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	59,443	66,101	62,766	88,760	104,726
Total assets	65,669	71,903	68,066	96,397	113,949
Deferred Outflow Of Resources	135	6,648	6,647	7,938	7,105
Liabilities					
Current					
Bonds payable	-	2,145	2,145	2,555	2,670
Short term debt	-	-	-	-	-
Accrued interest payable	57	178	178	213	206
Other liabilities	19	22	19	29	30
Intergovernmental payable	-	-	-	-	-
Total current	76	2,345	2,342	2,797	2,906
Non current					
Bonds payable	25,293	61,215	61,215	72,925	69,830
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	135	5,714	5,713	6,793	6,306
Pension liability	-	-	-	-	-
Total non current	25,428	66,929	66,928	79,718	76,136
Total liabilities	25,504	69,274	69,270	82,515	79,042
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	40,300	9,277	5,443	21,820	42,012
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 40,300	\$ 9,277	\$ 5,443	\$ 21,820	\$ 42,012

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ -	\$ -	\$ -
4,705	13,169	35,301
-	-	-
360	631	2,102
980	2,441	7,264
3,586	4,745	20,138
-	-	-
-	-	-
9,631	20,986	64,805
-	10,000	10,000
-	-	-
-	-	-
115,942	153,425	651,163
-	-	-
-	-	-
-	-	-
-	-	-
115,942	163,425	661,163
125,573	184,411	725,968
7,105	7,033	42,611
2,670	2,680	14,865
-	-	-
206	205	1,243
37	46	202
-	-	-
2,913	2,931	16,310
69,830	69,815	430,123
-	-	-
6,306	6,264	37,231
-	-	-
76,136	76,079	467,354
79,049	79,010	483,664
-	-	-
-	-	-
53,629	112,434	284,915
-	-	-
-	-	-
\$ 53,629	\$ 112,434	\$ 284,915

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

GENERAL MORTGAGE REVENUE BONDS

As of June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Assets					
Current					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	578	2,016	2,425	8,340	1,682
Lease receivable	-	-	-	-	-
Accrued interest receivable	137	193	339	818	530
Inter-fund due (to)/from	703	699	1,405	3,780	2,100
Mortgage loans, notes and other loans	1,769	1,960	3,677	6,707	5,379
Other assets	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-
Total current	3,187	4,868	7,846	19,645	9,691
Non current					
Investments	-	-	-	12,163	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	57,192	63,371	118,894	216,857	173,906
Capital assets - non-depreciable	-	-	-	-	-
Capital assets - depreciable, net	-	-	-	-	-
Other assets	-	-	-	-	-
OPEB asset	-	-	-	-	-
Total non current	57,192	63,371	118,894	229,020	173,906
Total assets	60,379	68,239	126,740	248,665	183,597
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	4,470	1,980	3,750	3,960	840
Short term debt	-	-	-	-	-
Accrued interest payable	86	205	265	431	351
Other liabilities	15	19	35	61	56
Intergovernmental payable	-	-	-	-	-
Total current	4,571	2,204	4,050	4,452	1,247
Non current					
Bonds payable	36,211	59,478	108,941	193,966	134,119
Other liabilities	-	-	-	-	-
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	36,211	59,478	108,941	193,966	134,119
Total liabilities	40,782	61,682	112,991	198,418	135,366
Deferred Inflow Of Resources	-	-	-	-	-
Net Position					
Net investment in capital assets	-	-	-	-	-
Restricted by bond resolutions	19,597	6,557	13,749	50,247	48,231
Restricted by contractual or statutory agreements	-	-	-	-	-
Unrestricted or (deficit)	-	-	-	-	-
Total net position	\$ 19,597	\$ 6,557	\$ 13,749	\$ 50,247	\$ 48,231

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total June 30, 2023	
\$	-	\$	-
	545		15,586
	-		-
	387		2,404
	498		9,185
	2,645		22,137
	-		-
	-		-
	4,075		49,312
	-		12,163
	-		-
	-		-
	85,524		715,744
	-		-
	-		-
	-		-
	-		-
	85,524		727,907
	89,599		777,219
	-		-
	-		-
	1,230		16,230
	-		-
	347		1,685
	28		214
	-		-
	1,605		18,129
	88,907		621,622
	-		-
	-		-
	-		-
	88,907		621,622
	90,512		639,751
	-		-
	-		-
	-		-
	-		-
	(913)		137,468
	-		-
	-		-
\$	(913)	\$	137,468

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

As of June 30, 2023

(in thousands of dollars)

Schedule 5

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Assets			
Current			
Cash	\$ -	\$ -	\$ -
Investments	1,765	3,521	5,286
Lease receivable	-	-	-
Accrued interest receivable	83	108	191
Inter-fund due (to)/from	344	858	1,202
Mortgage loans, notes and other loans	886	1,157	2,043
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total current	3,078	5,644	8,722
Non current			
Investments	-	-	-
Lease receivable	-	-	-
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	28,639	37,403	66,042
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	-	-
OPEB asset	-	-	-
Total non current	28,639	37,403	66,042
Total assets	31,717	43,047	74,764
Deferred Outflow Of Resources	-	-	-
Liabilities			
Current			
Bonds payable	2,045	840	2,885
Short term debt	-	-	-
Accrued interest payable	53	41	94
Other liabilities	8	11	19
Intergovernmental payable	-	-	-
Total current	2,106	892	2,998
Non current			
Bonds payable	23,990	14,918	38,908
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension liability	-	-	-
Total non current	23,990	14,918	38,908
Total liabilities	26,096	15,810	41,906
Deferred Inflow Of Resources	-	-	-
Net Position			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	5,621	27,237	32,858
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	-	-
Total net position	\$ 5,621	\$ 27,237	\$ 32,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION**GOVERNMENTAL PURPOSE BONDS**

As of June 30, 2023

(in thousands of dollars)

Schedule 6

	Governmental Purpose Bonds 2001 A & B
Assets	
Current	
Cash	\$ -
Investments	18,841
Lease receivable	-
Accrued interest receivable	428
Inter-fund due (to)/from	1,994
Mortgage loans, notes and other loans	4,829
Other assets	-
Intergovernmental receivable	-
Total current	26,092
Non current	
Investments	-
Lease receivable	-
Inter-fund due (to)/from	-
Mortgage loans, notes and other loans	156,149
Capital assets - non-depreciable	-
Capital assets - depreciable, net	-
Other assets	905
OPEB asset	-
Total non current	157,054
Total assets	183,146
Deferred Outflow Of Resources	1,783
Liabilities	
Current	
Bonds payable	7,435
Short term debt	-
Accrued interest payable	199
Other liabilities	45
Intergovernmental payable	-
Total current	7,679
Non current	
Bonds payable	54,410
Other liabilities	-
Derivative instrument - interest rate swaps	1,782
Pension liability	-
Total non current	56,192
Total liabilities	63,871
Deferred Inflow Of Resources	-
Net Position	
Net investment in capital assets	-
Restricted by bond resolutions	121,058
Restricted by contractual or statutory agreements	-
Unrestricted or (deficit)	-
Total net position	\$ 121,058

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

STATE CAPITAL PROJECT BONDS

As of June 30, 2023

(in thousands of dollars)

Schedule 7

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Assets			
Current			
Cash	\$ -	\$ 166	\$ 166
Investments	-	76,089	76,089
Lease receivable	-	2,536	2,536
Accrued interest receivable	-	4,557	4,557
Inter-fund due (to)/from	-	11,822	11,822
Mortgage loans, notes and other loans	-	37,875	37,875
Other assets	-	-	-
Intergovernmental receivable	-	-	-
Total current	-	133,045	133,045
Non current			
Investments	-	-	-
Lease receivable	-	12,820	12,820
Inter-fund due (to)/from	-	-	-
Mortgage loans, notes and other loans	-	1,224,625	1,224,625
Capital assets - non-depreciable	-	-	-
Capital assets - depreciable, net	-	-	-
Other assets	-	4,915	4,915
OPEB asset	-	-	-
Total non current	-	1,242,360	1,242,360
Total assets	-	1,375,405	1,375,405
Deferred Outflow Of Resources	-	19,722	19,722
Liabilities			
Current			
Bonds payable	-	59,140	59,140
Short term debt	-	-	-
Accrued interest payable	-	4,118	4,118
Other liabilities	-	369	369
Intergovernmental payable	-	166	166
Total current	-	63,793	63,793
Non current			
Bonds payable	-	1,101,665	1,101,665
Other liabilities	-	-	-
Derivative instrument - interest rate swaps	-	-	-
Pension liability	-	-	-
Total non current	-	1,101,665	1,101,665
Total liabilities	-	1,165,458	1,165,458
Deferred Inflow Of Resources	-	18,853	18,853
Net Position			
Net investment in capital assets	-	-	-
Restricted by bond resolutions	-	-	-
Restricted by contractual or statutory agreements	-	-	-
Unrestricted or (deficit)	-	210,816	210,816
Total net position	\$ -	\$ 210,816	\$ 210,816

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF NET POSITION

OTHER PROGRAM FUNDS

As of June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Assets					
Current					
Cash	\$ 17,552	\$ 13,297	\$ -	\$ -	\$ 30,849
Investments	-	-	1,235	3,671	4,906
Lease receivable	83	-	-	-	83
Accrued interest receivable	-	-	28	93	121
Inter-fund due (to)/from	(1,906)	(710)	51	488	(2,077)
Mortgage loans, notes and other loans	-	-	368	988	1,356
Other assets	1,175	150	-	-	1,325
Intergovernmental receivable	912	(3)	-	-	909
Total current	17,816	12,734	1,682	5,240	37,472
Non current					
Investments	-	-	-	-	-
Lease receivable	-	-	-	-	-
Inter-fund due (to)/from	-	-	-	-	-
Mortgage loans, notes and other loans	-	-	11,907	31,948	43,855
Capital assets - non-depreciable	12,389	1,130	-	-	13,519
Capital assets - depreciable, net	29,759	9,870	-	-	39,629
Other assets	22	8	-	-	30
OPEB asset	-	-	-	-	-
Total non current	42,170	11,008	11,907	31,948	97,033
Total assets	59,986	23,742	13,589	37,188	134,505
Deferred Outflow Of Resources	-	-	-	-	-
Liabilities					
Current					
Bonds payable	-	-	-	-	-
Short term debt	-	-	-	-	-
Accrued interest payable	-	-	-	-	-
Other liabilities	960	230	4	8	1,202
Intergovernmental payable	395	1	-	-	396
Total current	1,355	231	4	8	1,598
Non current					
Bonds payable	-	-	-	-	-
Other liabilities	6	3	-	-	9
Derivative instrument - interest rate swaps	-	-	-	-	-
Pension liability	-	-	-	-	-
Total non current	6	3	-	-	9
Total liabilities	1,361	234	4	8	1,607
Deferred Inflow Of Resources	74	-	-	-	74
Net Position					
Net investment in capital assets	42,148	11,000	-	-	53,148
Restricted by bond resolutions	-	-	-	-	-
Restricted by contractual or statutory agreements	17,386	12,710	13,585	37,180	80,861
Unrestricted or (deficit)	(983)	(202)	-	-	(1,185)
Total net position	\$ 58,551	\$ 23,508	\$ 13,585	\$ 37,180	\$ 132,824

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ 768	\$ 6,630	\$ 3	\$ 4,659	\$ 12,060	\$ 9,423	\$ 52,332
-	-	-	-	-	-	4,906
-	-	-	-	-	3,373	3,456
-	-	-	-	-	69	190
(241)	(10,276)	(10,525)	74,664	53,622	(112)	51,433
-	-	33	-	33	-	1,389
643	659	4,721	7,955	13,978	85	15,388
1,545	30	9,370	186	11,131	2	12,042
2,715	(2,957)	3,602	87,464	90,824	12,840	141,136
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,423	-	1,423	(1,423)	-
-	-	967	-	967	26,148	70,970
-	-	-	-	-	4,740	18,259
-	169	-	-	169	-	39,798
-	304	-	-	304	1	335
-	-	-	-	-	-	-
-	473	2,390	-	2,863	29,466	129,362
2,715	(2,484)	5,992	87,464	93,687	42,306	270,498
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,385	53	89,302	92,740	605	94,547
-	-	-	-	-	-	396
-	3,385	53	89,302	92,740	605	94,943
-	-	-	-	-	-	-
-	267	-	-	267	220	496
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	267	-	-	267	220	496
-	3,652	53	89,302	93,007	825	95,439
-	-	-	-	-	3,262	3,336
-	169	-	-	169	4,740	58,057
-	-	-	-	-	-	-
4,386	4,589	7,608	17	16,600	33,522	130,983
(1,671)	(10,894)	(1,669)	(1,855)	(16,089)	(43)	(17,317)
\$ 2,715	\$ (6,136)	\$ 5,939	\$ (1,838)	\$ 680	\$ 38,219	\$ 171,723

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Operating Revenues					
Mortgage and loan revenue	\$ 12,967	\$ 24,811	\$ 24,694	\$ 2,514	\$ 5,148
Investment interest	20,158	1,785	2,490	243	857
Net change in the fair value of investments	2,864	135	24	10	54
Net change of hedge termination	-	-	-	-	-
Total investment revenue	23,022	1,920	2,514	253	911
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	9	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	1,664	-	-	-	75
Total operating revenues	37,662	26,731	27,208	2,767	6,134
Operating expenses					
Interest	4,260	15,853	13,699	1,060	2,834
Mortgage and loan costs	2,915	2,542	2,519	240	567
Bond financing expenses	685	1,538	806	4	230
Provision for loan loss	(282)	(207)	689	(29)	(193)
Operations and administration	11,001	1,139	1,350	95	282
Rental housing operating expenses	-	-	-	-	-
Grant expense	6	-	-	-	-
Total operating expenses	18,585	20,865	19,063	1,370	3,720
Operating income (loss)	19,077	5,866	8,145	1,397	2,414
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	-
Interfund receipts (payments) for operations	(7,974)	1,860	4,503	1,159	(25,047)
Change in net position	3,056	7,726	12,648	2,556	(22,633)
Net position at beginning of year	666,356	277,189	124,820	30,302	143,691
Net position at end of period	\$ 669,412	\$ 284,915	\$ 137,468	\$ 32,858	\$ 121,058

See accompanying notes to the financial statements.

Combined State Capital Project Bonds	Combined Other Programs	Total June 30, 2023
\$ 56,160	\$ 1,601	\$ 127,895
9,818	611	35,962
71	-	3,158
281	-	281
10,170	611	39,401
-	143,957	143,957
-	12,700	12,700
-	11,500	11,509
-	3	3
-	1,423	3,162
66,330	171,795	338,627
42,147	-	79,853
3,572	146	12,501
1,571	-	4,834
1,562	100	1,640
1,609	32,298	47,774
-	17,175	17,175
-	138,008	138,014
50,461	187,727	301,791
15,869	(15,932)	36,836
-	-	(8,047)
2,545	22,954	-
18,414	7,022	28,789
192,402	164,701	1,599,461
\$ 210,816	\$ 171,723	\$ 1,628,250

ALASKA HOUSING FINANCE CORPORATION

Schedule 10

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**ADMINISTRATIVE FUND**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund
Operating Revenues	
Mortgage and loan revenue	\$ 12,967
Investment interest	20,158
Net change in the fair value of investments	2,864
Net change of hedge termination	-
Total investment revenue	<u>23,022</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	9
Gain on disposal of capital assets	-
Other revenue	1,664
Total operating revenues	<u>37,662</u>
Operating expenses	
Interest	4,260
Mortgage and loan costs	2,915
Bond financing expenses	685
Provision for loan loss	(282)
Operations and administration	11,001
Rental housing operating expenses	-
Grant expense	6
Total operating expenses	<u>18,585</u>
Operating income (loss)	<u>19,077</u>
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	(8,047)
Interfund receipts (payments) for operations	<u>(7,974)</u>
Change in net position	3,056
Net position at beginning of year	<u>666,356</u>
Net position at end of period	<u>\$ 669,412</u>

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Operating Revenues					
Mortgage and loan revenue	\$ 2,566	\$ 2,591	\$ 2,477	\$ 3,372	\$ 3,747
Investment interest	129	145	122	183	197
Net change in the fair value of investments	14	13	11	12	17
Net change of hedge termination	-	-	-	-	-
Total investment revenue	143	158	133	195	214
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,709	2,749	2,610	3,567	3,961
Operating expenses					
Interest	923	2,261	2,347	2,606	2,573
Mortgage and loan costs	265	265	246	352	390
Bond financing expenses	88	226	213	266	252
Provision for loan loss	(41)	(16)	(21)	(20)	(28)
Operations and administration	163	122	110	146	161
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	1,398	2,858	2,895	3,350	3,348
Operating income (loss)	1,311	(109)	(285)	217	613
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(403)	477	313	574	280
Change in net position	908	368	28	791	893
Net position at beginning of year	39,392	8,909	5,415	21,029	41,119
Net position at end of period	\$ 40,300	\$ 9,277	\$ 5,443	\$ 21,820	\$ 42,012

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 4,167	\$ 5,891	\$ 24,811
206	803	1,785
19	49	135
-	-	-
225	852	1,920
-	-	-
-	-	-
-	-	-
-	-	-
4,392	6,743	26,731
2,573	2,570	15,853
423	601	2,542
252	241	1,538
(22)	(59)	(207)
175	262	1,139
-	-	-
-	-	-
3,401	3,615	20,865
991	3,128	5,866
-	-	-
583	36	1,860
1,574	3,164	7,726
52,055	109,270	277,189
\$ 53,629	\$ 112,434	\$ 284,915

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Operating Revenues					
Mortgage and loan revenue	\$ 2,028	\$ 2,798	\$ 4,500	\$ 7,302	\$ 6,190
Investment interest	132	169	278	993	428
Net change in the fair value of investments	(1)	-	-	26	(1)
Net change of hedge termination	-	-	-	-	-
Total investment revenue	131	169	278	1,019	427
Grant revenue	-	-	-	-	-
Housing rental subsidies	-	-	-	-	-
Rental revenue	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	-	-	-	-	-
Total operating revenues	2,159	2,967	4,778	8,321	6,617
Operating expenses					
Interest	1,010	1,979	2,618	3,361	2,589
Mortgage and loan costs	219	261	449	772	676
Bond financing expenses	3	4	8	14	62
Provision for loan loss	(45)	(78)	(30)	(59)	10
Operations and administration	131	156	263	427	268
Rental housing operating expenses	-	-	-	-	-
Grant expense	-	-	-	-	-
Total operating expenses	1,318	2,322	3,308	4,515	3,605
Operating income (loss)	841	645	1,470	3,806	3,012
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	(1,279)	(1,230)	(2,822)	12,290	(3,172)
Change in net position	(438)	(585)	(1,352)	16,096	(160)
Net position at beginning of year	20,035	7,142	15,101	34,151	48,391
Net position at end of period	\$ 19,597	\$ 6,557	\$ 13,749	\$ 50,247	\$ 48,231

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 C		Total June 30, 2023	
\$	1,876	\$	24,694
	490		2,490
	-		24
	-		-
	490		2,514
	-		-
	-		-
	-		-
	-		-
	2,366		27,208
	2,142		13,699
	142		2,519
	715		806
	891		689
	105		1,350
	-		-
	-		-
	3,995		19,063
	(1,629)		8,145
	-		-
	716		4,503
	(913)		12,648
	-		124,820
\$	(913)	\$	137,468

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

Schedule 13

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Operating Revenues			
Mortgage and loan revenue	\$ 1,000	\$ 1,514	\$ 2,514
Investment interest	80	163	243
Net change in the fair value of investments	-	10	10
Net change of hedge termination	-	-	-
Total investment revenue	80	173	253
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain on disposal of capital assets	-	-	-
Other revenue	-	-	-
Total operating revenues	1,080	1,687	2,767
Operating expenses			
Interest	652	408	1,060
Mortgage and loan costs	93	147	240
Bond financing expenses	2	2	4
Provision for loan loss	(29)	-	(29)
Operations and administration	37	58	95
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total operating expenses	755	615	1,370
Operating income (loss)	325	1,072	1,397
Non-operating expenses and transfers			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	42	1,117	1,159
Change in net position	367	2,189	2,556
Net position at beginning of year	5,254	25,048	30,302
Net position at end of period	\$ 5,621	\$ 27,237	\$ 32,858

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

Schedule 14

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Operating Revenues	
Mortgage and loan revenue	\$ 5,148
Investment interest	857
Net change in the fair value of investments	54
Net change of hedge termination	-
Total investment revenue	<u>911</u>
Grant revenue	-
Housing rental subsidies	-
Rental revenue	-
Gain on disposal of capital assets	-
Other revenue	75
Total operating revenues	<u>6,134</u>
Operating expenses	
Interest	2,834
Mortgage and loan costs	567
Bond financing expenses	230
Provision for loan loss	(193)
Operations and administration	282
Rental housing operating expenses	-
Grant expense	-
Total operating expenses	<u>3,720</u>
Operating income (loss)	<u>2,414</u>
Non-operating expenses and transfers	
Contributions to State of Alaska or State agencies	-
Interfund receipts (payments) for operations	(25,047)
Change in net position	<u>(22,633)</u>
Net position at beginning of year	<u>143,691</u>
Net position at end of period	<u>\$ 121,058</u>

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION
Schedule 15

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Operating Revenues			
Mortgage and loan revenue	\$ 15	\$ 56,145	\$ 56,160
Investment interest	-	9,818	9,818
Net change in the fair value of investments	-	71	71
Net change of hedge termination	281	-	281
Total investment revenue	281	9,889	10,170
Grant revenue	-	-	-
Housing rental subsidies	-	-	-
Rental revenue	-	-	-
Gain on disposal of capital assets	-	-	-
Other revenue	-	-	-
Total operating revenues	296	66,034	66,330
Operating expenses			
Interest	241	41,906	42,147
Mortgage and loan costs	1	3,571	3,572
Bond financing expenses	-	1,571	1,571
Provision for loan loss	(49)	1,611	1,562
Operations and administration	1	1,608	1,609
Rental housing operating expenses	-	-	-
Grant expense	-	-	-
Total operating expenses	194	50,267	50,461
Operating income (loss)	102	15,767	15,869
Non-operating expenses and transfers			
Contributions to State of Alaska or State agencies	-	-	-
Interfund receipts (payments) for operations	(1,970)	4,515	2,545
Change in net position	(1,868)	20,282	18,414
Net position at beginning of year	1,868	190,534	192,402
Net position at end of period	\$ -	\$ 210,816	\$ 210,816

See accompanying notes to the financial statements.

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ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Operating Revenues					
Mortgage and loan revenue	\$ -	\$ -	\$ 239	\$ 1,220	\$ 1,459
Investment interest	233	199	45	123	600
Net change in the fair value of investments	-	-	-	-	-
Net change of hedge termination	-	-	-	-	-
Total investment revenue	233	199	45	123	600
Grant revenue	4,087	-	-	-	4,087
Housing rental subsidies	10,323	2,377	-	-	12,700
Rental revenue	9,047	2,453	-	-	11,500
Gain on disposal of capital assets	-	-	-	-	-
Other revenue	18	-	-	-	18
Total operating revenues	23,708	5,029	284	1,343	30,364
Operating expenses					
Interest	-	-	-	-	-
Mortgage and loan costs	-	-	29	117	146
Bond financing expenses	-	-	-	-	-
Provision for loan loss	-	-	17	37	54
Operations and administration	13,446	3,296	20	56	16,818
Rental housing operating expenses	14,137	3,010	-	-	17,147
Grant expense	-	-	-	-	-
Total operating expenses	27,583	6,306	66	210	34,165
Operating income (loss)	(3,875)	(1,277)	218	1,133	(3,801)
Non-operating expenses and transfers					
Contributions to State of Alaska or State agencies	-	-	-	-	-
Interfund receipts (payments) for operations	2,412	739	30	(220)	2,961
Change in net position	(1,463)	(538)	248	913	(840)
Net position at beginning of year	60,014	24,046	13,337	36,267	133,664
Net position at end of period	\$ 58,551	\$ 23,508	\$ 13,585	\$ 37,180	\$ 132,824

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142	\$ 1,601
-	2	-	5	7	4	611
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2	-	5	7	4	611
5,965	37,415	19,726	63,764	126,870	13,000	143,957
-	-	-	-	-	-	12,700
-	-	-	-	-	-	11,500
-	3	-	-	3	-	3
-	5	728	4	737	668	1,423
5,965	37,425	20,454	63,773	127,617	13,814	171,795
-	-	-	-	-	-	-
-	-	-	-	-	-	146
-	-	-	-	-	-	-
-	-	35	-	35	11	100
2,452	6,265	3,396	3,175	15,288	192	32,298
4	21	-	-	25	3	17,175
6,693	35,285	33,585	62,445	138,008	-	138,008
9,149	41,571	37,016	65,620	153,356	206	187,727
(3,184)	(4,146)	(16,562)	(1,847)	(25,739)	13,608	(15,932)
-	-	-	-	-	-	-
3,071	217	16,635	(5)	19,918	75	22,954
(113)	(3,929)	73	(1,852)	(5,821)	13,683	7,022
2,828	(2,207)	5,866	14	6,501	24,536	164,701
\$ 2,715	\$ (6,136)	\$ 5,939	\$ (1,838)	\$ 680	\$ 38,219	\$ 171,723

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 8,751	\$ 22,756	\$ 22,279	\$ 2,362	\$ 4,637
Principal receipts on mortgages and loans	15,940	66,938	65,515	8,872	18,632
Disbursements to fund mortgages and loans	(497,181)	-	-	-	-
Receipts (payments) for interfund loan transfers	389,596	(43,712)	(135,329)	(5,331)	(24,995)
Mortgage and loan proceeds receipts	414,480	-	-	-	-
Mortgage and loan proceeds paid to trust funds	(426,376)	-	-	-	-
Payroll-related disbursements	(23,138)	-	-	-	-
Payments for goods and services	(7,055)	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	(92,134)	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	5,731	-	-	-	-
Net cash receipts (disbursements)	(211,386)	45,982	(47,535)	5,903	(1,726)
Non-capital financing activities					
Proceeds from bond issuance	-	-	90,501	-	-
Principal paid on bonds	-	(16,515)	(31,760)	(4,605)	(7,135)
Payment of bond issuance costs	(578)	-	(497)	-	-
Interest paid on bonds	(253)	(15,343)	(18,482)	(1,210)	(2,365)
Proceeds from short-term debt issuance	559,836	-	-	-	-
Payment of short term debt	(585,138)	-	-	-	-
Contributions to State of Alaska or State agencies	(8,047)	-	-	-	-
Transfers from (to) other funds	97,543	9,026	(4,221)	1,038	-
Net cash receipts (disbursements)	63,363	(22,832)	35,541	(4,777)	(9,500)
Capital financing activities					
Acquisition of capital assets	(181)	-	-	-	-
Proceeds from the disposal of capital assets	3	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Proceeds from direct financing leases	-	-	-	-	-
Net cash receipts (disbursements)	(178)	-	-	-	-
Investing activities					
Purchase of investments	(7,299,217)	(140,800)	(142,394)	(17,608)	(52,104)
Proceeds from maturity of investments	7,425,253	116,066	152,318	16,250	62,490
Interest received from investments	19,074	1,584	2,070	232	840
Net cash receipts (disbursements)	145,110	(23,150)	11,994	(1,126)	11,226
Net Increase (decrease) in cash	(3,091)	-	-	-	-
Cash at beginning of year	30,798	-	-	-	-
Cash at end of period	\$ 27,707	\$ -	\$ -	\$ -	\$ -

Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2023
\$	52,645	\$ 1,337	\$ 114,767
	127,069	4,854	307,820
	-	-	(497,181)
	(169,490)	(10,739)	-
	-	-	414,480
	-	-	(426,376)
	-	(15,494)	(38,632)
	-	(20,440)	(27,495)
	-	40,546	40,546
	-	30,092	30,092
	-	(34,427)	(34,427)
	-	92,134	-
	-	(105,880)	(105,880)
	17	14,177	19,925
	10,241	(3,840)	(202,361)
	106,744	-	197,245
	(48,932)	-	(108,947)
	(244)	-	(1,319)
	(45,000)	-	(82,653)
	-	-	559,836
	-	-	(585,138)
	-	-	(8,047)
	(103,386)	-	-
	(90,818)	-	(29,023)
	-	(2,612)	(2,793)
	-	3	6
	(3,278)	-	(3,278)
	(292)	-	(292)
	3,304	-	3,304
	(266)	(2,609)	(3,053)
	(621,097)	(6,411)	(8,279,631)
	696,606	10,802	8,479,785
	5,351	606	29,757
	80,860	4,997	229,911
	17	(1,452)	(4,526)
	149	53,784	84,731
\$	166	\$ 52,332	\$ 80,205

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

COMBINED - ALL FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund	Combined Home Mortgage Revenue Bonds	Combined General Mortgage Revenue Bonds	Combined Collateralized Veterans Mortgage Bonds	Combined Governmental Purpose Bonds
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 19,077	\$ 5,866	\$ 8,145	\$ 1,397	\$ 2,414
<i>Adjustments:</i>					
Depreciation expense	1,047	-	-	-	-
Provision for loan loss	(282)	(207)	689	(29)	(193)
Net change in the fair value of investments	(2,864)	(135)	(24)	(10)	(54)
Interfund receipts (payments) for operations	(7,974)	1,860	4,503	1,159	(25,047)
Interest received from investments	(19,074)	(1,584)	(2,070)	(232)	(840)
Interest paid on bonds and capital notes	253	15,343	18,482	1,210	2,365
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	(10,149)	20,528	(68,117)	2,883	19,078
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)	4,311	(9,143)	(475)	551
Net operating cash receipts (disbursements)	\$ (211,386)	\$ 45,982	\$ (47,535)	\$ 5,903	\$ (1,726)

See accompanying notes to the financial statements.

Combined State Capital Project Bonds		Combined Other Programs	Total June 30, 2023
\$ 15,869		\$ (15,932)	\$ 36,836
-		5,440	6,487
1,562		100	1,640
(71)		-	(3,158)
2,545		22,954	-
(5,351)		(606)	(29,757)
45,292		-	82,945
(156,905)		(18,401)	(211,083)
107,300		2,605	(86,271)
\$ 10,241		\$ (3,840)	\$ (202,361)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**ADMINISTRATIVE FUND**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Administrative Fund
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 8,751
Principal receipts on mortgages and loans	15,940
Disbursements to fund mortgages and loans	(497,181)
Receipts (payments) for interfund loan transfers	389,596
Mortgage and loan proceeds receipts	414,480
Mortgage and loan proceeds paid to trust funds	(426,376)
Payroll-related disbursements	(23,138)
Payments for goods and services	(7,055)
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	(92,134)
Grant payments to other agencies	-
Other operating cash receipts (payments)	5,731
Net cash receipts (disbursements)	(211,386)
Non-capital financing activities	
Proceeds from bond issuance	-
Principal paid on bonds	-
Payment of bond issuance costs	(578)
Interest paid on bonds	(253)
Proceeds from short-term debt issuance	559,836
Payment of short term debt	(585,138)
Contributions to State of Alaska or State agencies	(8,047)
Transfers from (to) other funds	97,543
Net cash receipts (disbursements)	63,363
Capital financing activities	
Acquisition of capital assets	(181)
Proceeds from the disposal of capital assets	3
Interest paid on capital notes	-
Net cash receipts (disbursements)	(178)
Investing activities	
Purchase of investments	(7,299,217)
Proceeds from maturity of investments	7,425,253
Interest received from investments	19,074
Net cash receipts (disbursements)	145,110
Net Increase (decrease) in cash	(3,091)
Cash at beginning of year	30,798
Cash at end of period	\$ 27,707

	Administrative Fund
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 19,077
<i>Adjustments:</i>	
Depreciation expense	1,047
Provision for loan loss	(282)
Net change in the fair value of investments	(2,864)
Interfund receipts (payments) for operations	(7,974)
Interest received from investments	(19,074)
Interest paid on bonds and capital notes	253
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	(10,149)
Net increase (decrease) in assets, liabilities, and deferred resources	(191,420)
Net operating cash receipts (disbursements)	\$ (211,386)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 2,354	\$ 2,364	\$ 2,295	\$ 3,087	\$ 3,425
Principal receipts on mortgages and loans	7,033	6,651	4,851	9,824	9,571
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(2,758)	(4,386)	(2,597)	(7,674)	(6,400)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	6,629	4,629	4,549	5,237	6,596
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(2,350)	(2,045)	(2,045)	(2,440)	(2,545)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(723)	(2,201)	(2,287)	(2,530)	(2,534)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	(675)	102	101	120	115
Net cash receipts (disbursements)	(3,748)	(4,144)	(4,231)	(4,850)	(4,964)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(13,225)	(12,263)	(10,026)	(16,431)	(18,031)
Proceeds from maturity of investments	10,217	11,630	9,585	15,862	16,201
Interest received from investments	127	148	123	182	198
Net cash receipts (disbursements)	(2,881)	(485)	(318)	(387)	(1,632)
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 3,837	\$ 5,394	\$ 22,756
11,029	17,979	66,938
-	-	-
(8,219)	(11,678)	(43,712)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
6,647	11,695	45,982
-	-	-
(2,545)	(2,545)	(16,515)
-	-	-
(2,534)	(2,534)	(15,343)
-	-	-
-	-	-
-	-	-
112	9,151	9,026
(4,967)	4,072	(22,832)
-	-	-
-	-	-
-	-	-
-	-	-
(19,740)	(51,084)	(140,800)
17,851	34,720	116,066
209	597	1,584
(1,680)	(15,767)	(23,150)
-	-	-
-	-	-
\$ -	\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
HOME MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Home Mortgage Revenue Bonds 2002 A	Home Mortgage Revenue Bonds 2007 A	Home Mortgage Revenue Bonds 2007 B	Home Mortgage Revenue Bonds 2007 D	Home Mortgage Revenue Bonds 2009 A
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ 1,311	\$ (109)	\$ (285)	\$ 217	\$ 613
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	(41)	(16)	(21)	(20)	(28)
Net change in the fair value of investments	(14)	(13)	(11)	(12)	(17)
Interfund receipts (payments) for operations	(403)	477	313	574	280
Interest received from investments	(127)	(148)	(123)	(182)	(198)
Interest paid on bonds and capital notes	723	2,201	2,287	2,530	2,534
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	4,068	1,613	2,113	1,996	2,774
Net increase (decrease) in assets, liabilities, and deferred resources	1,112	624	276	134	638
Net operating cash receipts (disbursements)	\$ 6,629	\$ 4,629	\$ 4,549	\$ 5,237	\$ 6,596

See accompanying notes to the financial statements.

Home Mortgage Revenue Bonds 2009 B	Home Mortgage Revenue Bonds 2009 D	Total June 30, 2023
\$ 991	\$ 3,128	\$ 5,866
-	-	-
(22)	(59)	(207)
(19)	(49)	(135)
583	36	1,860
(209)	(597)	(1,584)
2,534	2,534	15,343
2,156	5,808	20,528
633	894	4,311
\$ 6,647	\$ 11,695	\$ 45,982

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B	General Mortgage Revenue Bonds II 2022 A & B
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ 1,847	\$ 2,606	\$ 4,120	\$ 6,647	\$ 5,566
Principal receipts on mortgages and loans	7,258	9,924	13,040	20,337	14,285
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	(3,097)	(1,077)	(9,987)	(15,775)	(15,513)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	-	-	-	-	-
Payments for goods and services	-	-	-	-	-
Receipts from externally funded programs	-	-	-	-	-
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	-	-	-	-	-
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	-	-	-	-	-
Net cash receipts (disbursements)	6,008	11,453	7,173	11,209	4,338
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	(6,055)	(7,970)	(5,080)	(10,120)	(2,220)
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	(1,132)	(2,643)	(3,286)	(5,332)	(4,245)
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	(3)	(9)	(5)	13,929	(8)
Net cash receipts (disbursements)	(7,190)	(10,622)	(8,371)	(1,523)	(6,473)
Capital financing activities					
Acquisition of capital assets	-	-	-	-	-
Principal paid on capital notes	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Investing activities					
Purchase of investments	(9,968)	(15,257)	(20,344)	(52,960)	(21,912)
Proceeds from maturity of investments	11,022	14,262	21,284	42,559	23,662
Interest received from investments	128	164	258	715	385
Net cash receipts (disbursements)	1,182	(831)	1,198	(9,686)	2,135
Net Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of year	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

General Mortgage Revenue Bonds II 2022 C	Total June 30, 2023
\$ 1,493	\$ 22,279
671	65,515
-	-
(89,880)	(135,329)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(87,716)	(47,535)
90,501	90,501
(315)	(31,760)
(497)	(497)
(1,844)	(18,482)
-	-
-	-
-	-
(18,125)	(4,221)
69,720	35,541
-	-
-	-
-	-
-	-
(21,953)	(142,394)
39,529	152,318
420	2,070
17,996	11,994
-	-
-	-
\$ -	\$ -

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

GENERAL MORTGAGE REVENUE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	General Mortgage Revenue Bonds II 2012 A & B	General Mortgage Revenue Bonds II 2016 A	General Mortgage Revenue Bonds II 2018 A & B	General Mortgage Revenue Bonds II 2019 A & B	General Mortgage Revenue Bonds II 2020 A & B
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ -	\$ 841	\$ 645	\$ 1,470	\$ 3,806
<i>Adjustments:</i>					
Depreciation expense	-	-	-	-	-
Provision for loan loss	-	(45)	(78)	(30)	(59)
Net change in the fair value of investments	-	1	-	-	(26)
Interfund receipts (payments) for operations	-	(1,279)	(1,230)	(2,822)	12,290
Interest received from investments	-	(128)	(164)	(258)	(715)
Interest paid on bonds and capital notes	-	1,132	2,643	3,286	5,332
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	4,432	7,764	2,981	5,852
Net increase (decrease) in assets, liabilities, and deferred resources	-	1,054	1,873	2,546	(15,271)
Net operating cash receipts (disbursements)	\$ -	\$ 6,008	\$ 11,453	\$ 7,173	\$ 11,209

See accompanying notes to the financial statements.

General Mortgage Revenue Bonds II 2022 A & B	General Mortgage Revenue Bonds II 2022 C	Total June 30, 2023
\$ 3,012	\$ (1,629)	\$ 8,145
-	-	-
10	891	689
1	-	(24)
(3,172)	716	4,503
(385)	(420)	(2,070)
4,245	1,844	18,482
(977)	(88,169)	(68,117)
1,604	(949)	(9,143)
\$ 4,338	\$ (87,716)	\$ (47,535)

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS
COLLATERALIZED VETERANS MORTGAGE BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Cash Flows			
Operating activities			
Interest income on mortgages and loans	\$ 927	\$ 1,435	\$ 2,362
Principal receipts on mortgages and loans	3,962	4,910	8,872
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	(873)	(4,458)	(5,331)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts from externally funded programs	-	-	-
Receipts from Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	-	-
Net cash receipts (disbursements)	4,016	1,887	5,903
Non-capital financing activities			
Proceeds from bond issuance	-	-	-
Principal paid on bonds	(2,015)	(2,590)	(4,605)
Payment of bond issuance costs	-	-	-
Interest paid on bonds	(654)	(556)	(1,210)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Contributions to State of Alaska or State agencies	-	-	-
Transfers from (to) other funds	(2)	1,040	1,038
Net cash receipts (disbursements)	(2,671)	(2,106)	(4,777)
Capital financing activities			
Acquisition of capital assets	-	-	-
Principal paid on capital notes	-	-	-
Interest paid on capital notes	-	-	-
Net cash receipts (disbursements)	-	-	-
Investing activities			
Purchase of investments	(4,975)	(12,633)	(17,608)
Proceeds from maturity of investments	3,556	12,694	16,250
Interest received from investments	74	158	232
Net cash receipts (disbursements)	(1,345)	219	(1,126)
Net Increase (decrease) in cash	-	-	-
Cash at beginning of year	-	-	-
Cash at end of period	\$ -	\$ -	\$ -

	Collateralized Bonds, 2016 1st & 2nd Series	Collateralized Bonds, 2019 1st & 2nd Series	Total June 30, 2023
Reconciliation			
Operating income (loss) to net cash			
Operating income (loss)	\$ 325	\$ 1,072	\$ 1,397
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(29)	-	(29)
Net change in the fair value of investments	-	(10)	(10)
Interfund receipts (payments) for operations	42	1,117	1,159
Interest received from investments	(74)	(158)	(232)
Interest paid on bonds and capital notes	654	556	1,210
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	2,886	(3)	2,883
Net increase (decrease) in assets, liabilities, and deferred resources	212	(687)	(475)
Net operating cash receipts (disbursements)	\$ 4,016	\$ 1,887	\$ 5,903

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**GOVERNMENTAL PURPOSE BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Governmental Purpose Bonds 2001 A & B
Cash Flows	
Operating activities	
Interest income on mortgages and loans	\$ 4,637
Principal receipts on mortgages and loans	18,632
Disbursements to fund mortgages and loans	-
Receipts (payments) for interfund loan transfers	(24,995)
Mortgage and loan proceeds receipts	-
Mortgage and loan proceeds paid to trust funds	-
Payroll-related disbursements	-
Payments for goods and services	-
Receipts from externally funded programs	-
Receipts from Federal HAP subsidies	-
Payments for Federal HAP subsidies	-
Interfund receipts (payments)	-
Grant payments to other agencies	-
Other operating cash receipts (payments)	-
Net cash receipts (disbursements)	(1,726)
Non-capital financing activities	
Proceeds from bond issuance	-
Principal paid on bonds	(7,135)
Payment of bond issuance costs	-
Interest paid on bonds	(2,365)
Proceeds from short-term debt issuance	-
Payment of short term debt	-
Contributions to State of Alaska or State agencies	-
Transfers from (to) other funds	-
Net cash receipts (disbursements)	(9,500)
Capital financing activities	
Acquisition of capital assets	-
Principal paid on capital notes	-
Interest paid on capital notes	-
Net cash receipts (disbursements)	-
Investing activities	
Purchase of investments	(52,104)
Proceeds from maturity of investments	62,490
Interest received from investments	840
Net cash receipts (disbursements)	11,226
Net Increase (decrease) in cash	-
Cash at beginning of year	-
Cash at end of period	\$ -

	Governmental Purpose Bonds 2001 A & B
Reconciliation	
Operating income (loss) to net cash	
Operating income (loss)	\$ 2,414
<i>Adjustments:</i>	
Depreciation expense	-
Provision for loan loss	(193)
Net change in the fair value of investments	(54)
Interfund receipts (payments) for operations	(25,047)
Interest received from investments	(840)
Interest paid on bonds and capital notes	2,365
<i>Change in assets, liabilities and deferred resources:</i>	
Net (increase) decrease in mortgages and loans	19,078
Net increase (decrease) in assets, liabilities, and deferred resources	551
Net operating cash receipts (disbursements)	\$ (1,726)

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

STATE CAPITAL PROJECT BONDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Cash Flows			
Operating activities			
Interest income on mortgages and loans	\$ 24	\$ 52,621	\$ 52,645
Principal receipts on mortgages and loans	51	127,018	127,069
Disbursements to fund mortgages and loans	-	-	-
Receipts (payments) for interfund loan transfers	-	(169,490)	(169,490)
Mortgage and loan proceeds receipts	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-
Payroll-related disbursements	-	-	-
Payments for goods and services	-	-	-
Receipts from externally funded programs	-	-	-
Receipts from Federal HAP subsidies	-	-	-
Payments for Federal HAP subsidies	-	-	-
Interfund receipts (payments)	-	-	-
Grant payments to other agencies	-	-	-
Other operating cash receipts (payments)	-	17	17
Net cash receipts (disbursements)	75	10,166	10,241
Non-capital financing activities			
Proceeds from bond issuance	-	106,744	106,744
Principal paid on bonds	(247)	(48,685)	(48,932)
Payment of bond issuance costs	-	(244)	(244)
Interest paid on bonds	(21)	(44,979)	(45,000)
Proceeds from short-term debt issuance	-	-	-
Payment of short term debt	-	-	-
Contributions to State of Alaska or State agencies	-	-	-
Transfers from (to) other funds	3,008	(106,394)	(103,386)
Net cash receipts (disbursements)	2,740	(93,558)	(90,818)
Capital financing activities			
Principal paid on capital notes	(3,278)	-	(3,278)
Interest paid on capital notes	(292)	-	(292)
Proceeds from direct financing leases	-	3,304	3,304
Net cash receipts (disbursements)	(3,570)	3,304	(266)
Investing activities			
Purchase of investments	(106)	(620,991)	(621,097)
Proceeds from maturity of investments	861	695,745	696,606
Interest received from investments	-	5,351	5,351
Net cash receipts (disbursements)	755	80,105	80,860
Net Increase (decrease) in cash	-	17	17
Cash at beginning of year	-	149	149
Cash at end of period	\$ -	\$ 166	\$ 166

ALASKA HOUSING FINANCE CORPORATION

Schedule 23

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**STATE CAPITAL PROJECT BONDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	State Capital Project Bonds	State Capital Project Bonds II	Total June 30, 2023
Reconciliation			
Operating income (loss) to net cash			
Operating income (loss)	\$ 102	\$ 15,767	\$ 15,869
<i>Adjustments:</i>			
Depreciation expense	-	-	-
Provision for loan loss	(49)	1,611	1,562
Net change in the fair value of investments	-	(71)	(71)
Interfund receipts (payments) for operations	(1,970)	4,515	2,545
Interest received from investments	-	(5,351)	(5,351)
Interest paid on bonds and capital notes	313	44,979	45,292
<i>Change in assets, liabilities and deferred resources:</i>			
Net (increase) decrease in mortgages and loans	4,853	(161,758)	(156,905)
Net increase (decrease) in assets, liabilities, and deferred resources	(3,174)	110,474	107,300
Net operating cash receipts (disbursements)	\$ 75	\$ 10,166	\$ 10,241

See accompanying notes to the financial statements.

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS

OTHER PROGRAM FUNDS

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Cash Flows					
Operating activities					
Interest income on mortgages and loans	\$ -	\$ -	\$ 213	\$ 1,124	\$ 1,337
Principal receipts on mortgages and loans	-	-	1,070	3,784	4,854
Disbursements to fund mortgages and loans	-	-	-	-	-
Receipts (payments) for interfund loan transfers	-	-	(2,726)	(8,013)	(10,739)
Mortgage and loan proceeds receipts	-	-	-	-	-
Mortgage and loan proceeds paid to trust funds	-	-	-	-	-
Payroll-related disbursements	(7,895)	(1,851)	-	-	(9,746)
Payments for goods and services	(13,010)	(2,786)	-	-	(15,796)
Receipts from externally funded programs	13,347	2,392	-	-	15,739
Receipts from Federal HAP subsidies	-	-	-	-	-
Payments for Federal HAP subsidies	-	-	-	-	-
Interfund receipts (payments)	1,172	(45)	-	-	1,127
Grant payments to other agencies	-	-	-	-	-
Other operating cash receipts (payments)	8,411	2,410	-	-	10,821
Net cash receipts (disbursements)	2,025	120	(1,443)	(3,105)	(2,403)
Non-capital financing activities					
Proceeds from bond issuance	-	-	-	-	-
Principal paid on bonds	-	-	-	-	-
Payment of bond issuance costs	-	-	-	-	-
Interest paid on bonds	-	-	-	-	-
Proceeds from short-term debt issuance	-	-	-	-	-
Payment of short term debt	-	-	-	-	-
Contributions to State of Alaska or State agencies	-	-	-	-	-
Transfers from (to) other funds	-	-	-	-	-
Net cash receipts (disbursements)	-	-	-	-	-
Capital financing activities					
Acquisition of capital assets	(2,487)	-	-	-	(2,487)
Proceeds from the disposal of capital assets	-	-	-	-	-
Interest paid on capital notes	-	-	-	-	-
Net cash receipts (disbursements)	(2,487)	-	-	-	(2,487)
Investing activities					
Purchase of investments	-	-	(1,326)	(5,085)	(6,411)
Proceeds from maturity of investments	-	-	2,726	8,076	10,802
Interest received from investments	237	200	43	114	594
Net cash receipts (disbursements)	237	200	1,443	3,105	4,985
Net Increase (decrease) in cash	(225)	320	-	-	95
Cash at beginning of year	17,777	12,977	-	-	30,754
Cash at end of period	\$ 17,552	\$ 13,297	\$ -	\$ -	\$ 30,849

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,337
-	-	-	-	-	-	4,854
-	-	-	-	-	-	-
-	-	-	-	-	-	(10,739)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(73)	(4,154)	(812)	(591)	(5,630)	(118)	(15,494)
(416)	(823)	(743)	(2,586)	(4,568)	(76)	(20,440)
4,840	7,346	12,621	-	24,807	-	40,546
-	30,092	-	-	30,092	-	30,092
-	(34,427)	-	-	(34,427)	-	(34,427)
2,185	4,188	23,959	62,198	92,530	(1,523)	92,134
(6,748)	(858)	(35,445)	(62,829)	(105,880)	-	(105,880)
-	5	420	4	429	2,927	14,177
(212)	1,369	-	(3,804)	(2,647)	1,210	(3,840)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(125)	-	-	(125)	-	(2,612)
-	3	-	-	3	-	3
-	-	-	-	-	-	-
-	(122)	-	-	(122)	-	(2,609)
-	-	-	-	-	-	(6,411)
-	-	-	-	-	-	10,802
-	2	-	5	7	5	606
-	2	-	5	7	5	4,997
(212)	1,249	-	(3,799)	(2,762)	1,215	(1,452)
980	5,381	3	8,458	14,822	8,208	53,784
\$ 768	\$ 6,630	\$ 3	\$ 4,659	\$ 12,060	\$ 9,423	\$ 52,332

ALASKA HOUSING FINANCE CORPORATION

(A Component Unit of the State of Alaska)

STATEMENT OF CASH FLOWS**OTHER PROGRAM FUNDS**

For the Year Ended June 30, 2023

(in thousands of dollars)

	Low Rent Program	Market Rate Rental Housing Program	Home Ownership Fund	Senior Housing Revolving Loan Fund	Other Funds or Programs Subtotal
Reconciliation					
Operating income (loss) to net cash					
Operating income (loss)	\$ (3,875)	\$ (1,277)	\$ 218	\$ 1,133	\$ (3,801)
<i>Adjustments:</i>					
Depreciation expense	4,176	1,183	-	-	5,359
Provision for loan loss	-	-	17	37	54
Net change in the fair value of investments	-	-	-	-	-
Interfund receipts (payments) for operations	2,412	739	30	(220)	2,961
Interest received from investments	(237)	(200)	(43)	(114)	(594)
Interest paid on bonds and capital notes	-	-	-	-	-
<i>Change in assets, liabilities and deferred resources:</i>					
Net (increase) decrease in mortgages and loans	-	-	(1,634)	(3,670)	(5,304)
Net increase (decrease) in assets, liabilities, and deferred resources	(451)	(325)	(31)	(271)	(1,078)
Net operating cash receipts (disbursements)	\$ 2,025	\$ 120	\$ (1,443)	\$ (3,105)	\$ (2,403)

See accompanying notes to the financial statements.

Energy Programs	Section 8 Voucher Programs	Other Grants	COVID-19 Grants	Grant Programs Subtotal	Alaska Corporation for Affordable Housing	Total June 30, 2023
\$ (3,184)	\$ (4,146)	\$ (16,562)	\$ (1,847)	\$ (25,739)	\$ 13,608	\$ (15,932)
-	81	-	-	81	-	5,440
-	-	35	-	35	11	100
-	-	-	-	-	-	-
3,071	217	16,635	(5)	19,918	75	22,954
-	(2)	-	(5)	(7)	(5)	(606)
-	-	-	-	-	-	-
-	-	34	-	34	(13,131)	(18,401)
(99)	5,219	(142)	(1,947)	3,031	652	2,605
\$ (212)	\$ 1,369	\$ -	\$ (3,804)	\$ (2,647)	\$ 1,210	\$ (3,840)

Other Information

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

	2023	2022	2021	2020	2019
Assets					
Cash	\$ 80,205	\$ 84,731	\$ 108,769	\$ 73,772	\$ 74,259
Investments	784,796	981,786	1,033,065	871,387	562,671
Accrued interest receivable	16,664	14,791	14,850	16,183	15,831
Mortgage loans, notes and other loans	3,229,243	3,018,160	2,995,561	3,256,290	3,342,961
Net investment in direct financing lease	-	-	20,287	22,468	24,780
Capital assets, net	71,542	75,158	81,177	87,061	94,036
Other assets	70,344	66,358	38,510	21,455	21,255
Total Assets	4,252,794	4,240,984	4,292,219	4,348,616	4,135,793
Deferred Outflow of Resources	71,553	111,512	210,255	261,327	186,739
Liabilities					
Bonds and notes payable	2,347,283	2,277,492	2,366,206	2,572,813	2,461,125
Short term debt	128,476	149,771	130,697	115,366	49,469
Accrued interest payable	7,339	6,013	6,681	7,257	8,388
Other liabilities	150,617	202,682	211,197	70,401	70,059
Derivative instrument - interest rate swaps	39,013	73,728	168,250	234,281	158,349
Total Liabilities	2,672,728	2,709,686	2,883,031	3,000,118	2,747,390
Deferred Inflow of Resources	23,369	43,349	3,512	2,861	3,719
Total Net Position	\$ 1,628,250	\$ 1,599,461	\$ 1,615,931	\$ 1,606,964	\$ 1,571,423
Operating Revenues					
Mortgage and loans revenue	\$ 127,895	\$ 120,874	\$ 132,258	\$ 147,068	\$ 146,042
Investment interest	35,962	3,440	5,669	13,031	17,404
Net change in fair value of investments	3,158	820	(2,158)	1,922	(838)
Net change of hedge termination	281	875	579	(177)	(278)
Total Investment Revenue	39,401	5,135	4,090	14,776	16,288
Externally funded programs	156,657	283,006	154,023	76,113	77,143
Rental	11,509	11,280	11,219	11,512	11,926
Other	3,165	4,347	4,490	1,607	4,634
Total Operating Revenues	338,627	424,642	306,080	251,076	256,033
Operating Expenses					
Interest	79,853	60,780	70,987	81,137	76,831
Mortgage and loan costs	12,501	11,767	11,342	14,763	12,034
Operations and administration	47,774	48,911	50,360	40,958	44,781
Financing expenses	4,834	4,923	6,033	5,163	6,054
Provision for loan loss	1,640	485	(2,761)	(6,639)	(5,740)
Housing grants and subsidies	138,014	276,268	143,129	63,800	72,198
Rental housing operating expenses	17,175	19,274	17,012	16,353	15,042
Total Operating Expenses	301,791	422,408	296,102	215,535	221,200
Operating Income (Loss)	36,836	2,234	9,978	35,541	34,833
Non-Operating & Special Item					
Contribution to State or State agency	(8,047)	(933)	(1,011)	-	(2,106)
Change in Net Position	\$ 28,789	\$ 1,301	\$ 8,967	\$ 35,541	\$ 32,727

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Alaska Housing Finance Corporation
4300 Boniface Parkway
Anchorage, AK 99504

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alaska (the “State”) and a record of proceedings relating to the issuance of \$75,000,000 aggregate principal amount of Collateralized Bonds (Veterans Mortgage Program), 2024 First Series (the “2024 Bonds”) of the Alaska Housing Finance Corporation (the “Corporation”), a public corporation and government instrumentality of the State created by and existing under Alaska Statutes 18.55 and 18.56, as amended (the “Act”).

In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

The 2024 Bonds are authorized and issued pursuant to the Act and a resolution of the Corporation adopted April 24, 2024, and are issued pursuant to the Indenture authorized by said resolution by and between the Corporation and U.S. Bank Trust National Association, as predecessor trustee, dated as of October 1, 1999, as amended, and the 2024 First Series Supplemental Indenture, by and between the Corporation and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”) dated as of July 1, 2024, executed pursuant to said Indenture (together, the “Indenture”).

The 2024 Bonds mature and are subject to redemption as provided in the Indenture.

Capitalized terms used herein and not defined herein are used as defined in the Indenture.

Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the 2024 Bonds in order for interest on the 2024 Bonds not to be included in gross income for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The Corporation has covenanted that it will comply with such requirements and that it will do all things necessary to ensure that interest on the 2024 Bonds will be, and remain, not included in gross income for federal income tax purposes, under Section 103 of the Code. We have examined the program documentation adopted by the Corporation, which, in our opinion, establishes procedures and covenants under which, if followed, such requirements can be met. In rendering this opinion, we have assumed compliance with, and enforcement of, the provisions of such program procedures and covenants.

As to any facts material to our opinion, we have relied upon various statements and representations of officers and other representatives of the Corporation including without limitation those contained in the Indenture, the Corporation’s Certificate as to matters affecting the tax-exempt status of the 2024 Bonds, the Corporation’s Regulations and Program Materials and the certified proceedings and other certifications of public officials and certifications by officers of the Corporation furnished to us (which are material to the opinion expressed below) without undertaking to verify the same by independent investigation.

Subject to the foregoing, we are of the opinion that:

1. Under the Constitution and laws of the State of Alaska (the “State”), the Corporation has been duly created, organized, and validly exists as a public corporation and government instrumentality in good standing under the laws of the State, performing an essential public function with full corporate power and authority under the Act, among other things, to enter into, and to perform its obligations under the terms and conditions of, the Indenture.
2. The Indenture has been duly authorized, executed and delivered, is in full force and effect, and is valid and binding upon the Corporation and enforceable in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting creditors’ rights generally from time to time in effect).
3. The 2024 Bonds have been duly and validly authorized, sold and issued by the Corporation in accordance with the Indenture and Constitution and laws of the State, including the Act and, pursuant to the Act, are issued by a public corporation and government instrumentality of the State for an essential public and governmental purpose.
4. The 2024 Bonds are valid and legally binding general obligations of the Corporation for the payment of which, in accordance with their terms, the full faith and credit of the Corporation have been legally and validly pledged.
5. The 2024 Bonds are valid and legally binding general obligations of the State of Alaska for the payment of which, in accordance with their terms, the full faith and credit of the State have been legally and validly pledged, are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the equal benefit, protection, and security of the provisions, covenants, and agreements of the Indenture.
6. The 2024 Bonds are secured by a pledge in the manner and to the extent set forth in the Indenture. The Indenture creates a valid pledge of and lien on all funds established by the Indenture and moneys and securities therein which the Indenture purports to create, to the extent and on the terms provided therein.
7. Under existing laws, regulations, rulings and judicial decisions, interest on the 2024 Bonds is excluded from gross income for federal income tax purposes.
8. Interest on the 2024 Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax imposed on individuals under the Code. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.
9. Under existing laws, interest on the 2024 Bonds is free from taxation of every kind by the State, and by municipalities and all other political subdivisions of the State (except that no opinion is expressed as to such exemption from State estate and inheritance taxes and taxes of transfers by or in anticipation of death).
10. Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken, upon the advice or with the opinion of counsel. Except to the extent of our concurrence therewith, we express no opinion as to any 2024 Bond, or the interest thereon, if any change occurs or action is taken upon the advice or approval of other counsel.

Sincerely,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by the Alaska Housing Finance Corporation (the “Corporation”) in connection with the issuance of \$75,000,000 aggregate principal amount of its Collateralized Bonds (Veterans Mortgage Program) 2024 First Series (the “Bonds”). The Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of October 1, 1999, as amended (the “Master Indenture”), and a 2024 First Series Supplemental Indenture thereto, by and between the Corporation and the Trustee dated as of July 1, 2024 (the “Supplemental Indenture”) (together with the Master Indenture, the “Indenture”). The Corporation covenants and agrees with the registered owners and the beneficial owners of the Bonds as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Corporation for the sole and exclusive benefit of the registered owners and beneficial owners of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Corporation pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Fiscal Year” shall mean any twelve-month period ending on June 30 or on such other date as the Corporation may designate from time to time.

“Listed Events” shall mean any of the events listed in Section 5 of this Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Bonds, dated July 9, 2024.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports. The Corporation shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Certificate. The Annual Report shall be provided not later than 180 days after the Fiscal Year to which it relates. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Corporation may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date. The Corporation shall, in a timely manner, file notice with the MSRB of any failure to file an Annual Report by the date specified in

this Section 3. Such notice shall be in the form attached as Exhibit A to this Certificate, subject to Section 9 of this Certificate.

SECTION 4. Content of Annual Reports. The Corporation's Annual Report shall include (i) the Corporation's audited financial statements for the Fiscal Year ended on the previous June 30, prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such Fiscal Year, (ii) an update of the financial information and operating data contained in the Official Statement under the caption "The Corporation," (iii) the amount and type of the investments (and cash) in the accounts and subaccounts established in the Indenture, (iv) the outstanding principal balances of each maturity of the Bonds and the sinking fund installment amounts, as applicable, and (v) financial information and operating data with respect to any other series of Bonds.

If not provided as part of the Annual Report by the date required (as described above under "Provision of Annual Reports"), the Corporation shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Bonds or any other bonds of the Corporation;
2. Non-payment related defaults under the Indenture and any supplemental indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes for the Bonds;

12. Bankruptcy, insolvency, receivership or similar event[†] of the Corporation;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation[‡] of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Corporation, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Corporation, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the Corporation shall file a notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

SECTION 6. Termination of Reporting Obligation. The Corporation's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Corporation may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Corporation under this Certificate, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate if the following conditions are met:

- (a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the Corporation or the type of business conducted thereby;

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation.

[‡] For the purposes of the events identified in Paragraphs (15) and (16) above, the term "financial obligation" means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) The Certificate, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds as determined either by a party unaffiliated with the Corporation (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the Indenture.

The Corporation shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the type of financial information or operating data provided pursuant to this Certificate, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. Except as described in this paragraph, the provisions of this Certificate will create no rights in any other person or entity. The obligation of the Corporation to comply with the provisions of this Certificate are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Bonds, or by the Trustee on behalf of the registered owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Certificate in the event of any failure of the Corporation or the Trustee to comply with this Certificate shall be an action to compel performance.

SECTION 11. Governing Law. This Certificate shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Certificate shall be instituted in a court of competent jurisdiction in the State, provided that, to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Corporation, and the registered owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____
BRYAN D. BUTCHER
Chief Executive Officer/Executive Director

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the "Corporation")

Name of Bond Issue: \$_____ Collateralized Bonds (Veterans Mortgage Program),
2024 First Series.

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Corporation has not provided an Annual Report with respect to the above-named bond issue as required by the certificate of the Corporation.

Dated: _____

ALASKA HOUSING FINANCE CORPORATION

By: _____

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Agreement”) is executed and delivered by the State of Alaska, acting by and through its State Bond Committee (the “State”) in connection with the issuance of \$75,000,000 aggregate principal amount of Collateralized Bonds (Veterans Mortgage Program) 2024 First Series (the “Bonds”). The Bonds are being issued pursuant to an Indenture by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), dated as of October 1, 1999, as amended, and a 2024 First Series Supplemental Indenture thereto, by and between the Corporation and the Trustee, dated as of July 1, 2024 (collectively referred to herein as the “Indenture”). The State guarantees payment of principal of and interest on the Bonds. The State and the Trustee covenant and agree with the registered owners and beneficial owners of the Bonds as follows:

SECTION 1. Purpose of the Agreement. This Agreement is being executed and delivered by the State for the sole and exclusive benefit of the registered owners and beneficial owners of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Agreement.

“Fiscal Year” shall mean the fiscal year of the State (currently the 12-month period ending June 30, as such fiscal year may be changed from time to time as required by State law).

“Listed Events” shall mean any of the events listed in Section 5 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Official Statement” shall mean the Corporation’s final Official Statement with respect to the Bonds, dated July 9, 2024.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

SECTION 3. Provision of Annual Reports.

(a) The State shall provide to the MSRB an Annual Report for the preceding Fiscal Year (commencing with the Fiscal Year ending June 30, 2024) which is consistent with the requirements of Section 4 of this Agreement. The Annual Report shall be provided not later than March 31 of each year the Bonds are outstanding, commencing March 31, 2025. The State may adjust the Report Date if the State changes its Fiscal Year, by providing written notice of the change of Fiscal Year and the new Report Date to the MSRB; provided that the new Report Date shall be nine months after the end of the new Fiscal Year, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new

Fiscal Year shall not exceed one year in duration. At the same time the Annual Report is provided to the MSRB, the State shall provide the Annual Report to the Trustee. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that the audited financial statements of the State may be submitted separately from the balance of the Annual Report, and later than the date required for the filing of the Annual Report if not available by that date.

(b) If, within 15 Business Days after the date specified in subsection (a) for providing the Annual Report to the MSRB, the Trustee has not received a copy of the Annual Report, the Trustee shall contact the State to determine if the State is in compliance with subsection (a).

(c) If the Trustee is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Trustee shall send a notice to the MSRB in substantially the form attached as Exhibit A to this Agreement, subject to Section 9 of this Agreement.

SECTION 4. Content of Annual Reports. The State's Annual Report shall be substantially in the form of the Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2023, and the Alaska Public Debt 2023 - 2024 report (together, the "Annual Report"). The Annual Report shall contain historical operating data and financial information of the type contained in Appendix A to the Official Statement. The financial statements of the State contained in the Annual Report will be prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board, if available, or unaudited financial statements for such year as in effect from time to time.

If not provided as part of the Annual Report by the date required (as described under "Provisions of Annual Reports"), the State shall provide audited financial statements, when and if available, to the MSRB.

Any or all of the items listed above may be incorporated by specific reference to other documents (i) available to the public on the MSRB Internet Web Site or (ii) filed with the SEC.

SECTION 5. Reporting of Significant Events.

This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies on the Bonds or any other bonds of the State;
2. Non-payment related defaults under the Indenture and any supplemental indenture, if material;
3. Unscheduled draws on debt service reserve reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other

material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes for the Bonds;
12. Bankruptcy, insolvency, receivership or similar event[†] of the State;
13. The consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation[‡] of the State, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the State, any of which reflect financial difficulties.

Upon the occurrence of a Listed Event, the State shall as soon as possible file notice of such occurrence with the MSRB and the Trustee in a timely manner not in excess of ten (10) business days after the occurrence of such Listed Event. Each notice of a Listed Event hereunder shall indicate that it is a notice of a Listed Event.

Notwithstanding the foregoing, no notice of a Listed Event need be given by the State if notice has theretofore been given by the Corporation.

[†] Note to Paragraph 12: For the purposes of the event identified in Paragraph 12 above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the State.

[‡] For the purposes of the events identified in Paragraphs (15) and (16) above, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

SECTION 6. Termination of Reporting Obligation. The State's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The State may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the State under this Agreement, and revoke or modify any such designation.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the State may amend this Agreement if the following conditions are met:

(a) The amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof or a change in the identity, nature or status of the State or the type of business conducted thereby;

(b) The Agreement, as amended, would have complied with the requirements of the Rule at the time of the issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the beneficial owners of the Bonds as determined either by a party unaffiliated with the State (such as Bond Counsel) or by approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the Indenture.

The State shall deliver a copy of any such amendment to the MSRB.

To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first annual financial information provided thereafter will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 9. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 10. Default. Except as described in this paragraph, the provisions of this Agreement will create no rights in any other person or entity. The obligation of the State to comply with the provisions of this Agreement are enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data, and notices, by any beneficial owner of Outstanding Bonds, or by the Trustee on behalf of the registered owners of Outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information, and operating data so provided, by the Trustee on behalf of the registered owners of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the State or the Trustee to comply with this Agreement shall be an action to compel performance.

SECTION 11. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alaska, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State, provided that, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Corporation, the State, and the registered owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____

STATE OF ALASKA

By: _____

Deputy Commissioner
Department of Revenue

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
as Trustee

By _____

Vice President

Exhibit A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Alaska Housing Finance Corporation (the “Corporation”)

Name of Bond Issue: \$_____ Collateralized Bonds (Veterans Mortgage Program),
2024 First Series

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that _____ as
required by the agreement between the State and the Trustee.

Dated: _____

STATE OF ALASKA

By: _____