

**COOK INLET HOUSING
DEVELOPMENT CORPORATION**
(A Component Unit of Cook Inlet Housing Authority)
Anchorage, Alaska

Consolidated Financial Statements,
Supplemental Information,
and Independent Auditor's Reports Thereon

December 31, 2022 and 2021



NEWHOUSE & VOGLER
Certified Public Accountants

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

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Independent Auditor's Report

Board of Directors

Cook Inlet Housing Development Corporation

Anchorage, Alaska

Ladies and Gentlemen:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Cook Inlet Housing Development Corporation and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cook Inlet Housing Development Corporation and its subsidiaries as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Mountain View Village V Limited Partnership, Coronado Park Limited Partnership, Grass Creek North I Limited Partnership, Grass Creek North II Limited Partnership, Creekside Village I Limited Partnership, Mountain View Village II Limited Partnership, Tyonek Terrace Limited Partnership, Strawberry Rose Limited Partnership, Kenaitze Pointe Limited Partnership, Mountain View Village I Limited Partnership, Mountain View Village III Limited Partnership, Inlet Breeze Limited Partnership, Elizabeth Place Limited Partnership, or Spenardian Square Limited Partnership which represents 96 percent, 85 percent, and 81 percent, respectively of the assets, net position, and revenues of Cook Inlet Housing Development Corporation. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Mountain View Village V Limited Partnership, Coronado Park Limited Partnership, Grass Creek North I Limited Partnership, Grass Creek North II Limited Partnership, Creekside Village I Limited Partnership, Mountain View Village II Limited Partnership, Tyonek Terrace Limited Partnership, Strawberry Rose Limited Partnership, Kenaitze Pointe Limited Partnership, Mountain View Village I Limited Partnership, Mountain View Village III Limited Partnership, Inlet Breeze Limited Partnership, Elizabeth Place Limited Partnership, and Spenardian Square Limited Partnership is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits 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 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 Cook Inlet Housing Development Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cook Inlet Housing Development Corporation's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 opinion. 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Cook Inlet Housing Development 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 consolidated financial statements.

Board of Directors
Cook Inlet Housing Development Corporation

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cook Inlet Housing Development 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Consolidating Statements of Financial Position, Statements of Activities, and Statements of Cash Flows, Schedule of Expenditures of Federal Awards, and Schedule of State Financial Assistance as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2023 on our consideration of Cook Inlet Housing Development 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 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 Cook Inlet Housing Development Corporation's internal control over financial reporting and compliance.



Anchorage, Alaska
June 6, 2023

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Consolidated Statements of Financial Position

As of December 31, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,765,906	3,401,630
Restricted cash	2,049,441	1,906,460
Investments	598,127	717,416
Accounts receivable, net	502,007	226,221
Total current assets	<u>5,915,481</u>	<u>6,251,727</u>
Noncurrent assets:		
Deposits and reserves	1,348,412	1,241,407
Tax credit monitoring fees, net	50,999	35,723
	<u>1,399,411</u>	<u>1,277,130</u>
Capital assets:		
Land	12,432,029	12,340,608
Land improvements	15,378,988	14,811,360
Buildings	146,456,092	135,859,265
Equipment	9,809,433	6,787,664
Alternative energy	2,105,673	2,042,747
Leasehold improvements	109,899	-
Right of use asset	1,103,234	-
Construction in progress	-	8,819,610
	<u>187,395,348</u>	<u>180,661,254</u>
Less accumulated depreciation	(55,489,783)	(50,074,168)
Total capital assets, net	<u>131,905,565</u>	<u>130,587,086</u>
 Total noncurrent assets	 <u>133,304,976</u>	 <u>131,864,216</u>
Total assets	<u>\$ 139,220,457</u>	<u>\$ 138,115,943</u>
Liabilities and Net Position		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 527,344	751,576
Accrued liabilities	1,283,755	2,070,327
Lease Liability - current portion	17,485	-
Construction retainage	-	1,420,134
Unearned rent revenue	206,337	760,005
Construction loans payable - current portion	7,454,255	5,779,997
Notes payable - current portion	620,614	547,108
Total current liabilities	<u>10,109,790</u>	<u>11,329,147</u>
Noncurrent liabilities:		
Accrued interest on notes payable	253,376	200,858
Accrued interest - partner	10,943,731	10,008,854
Lease Liability - net of current portion	1,122,354	-
Construction loans payable - net of current portion	-	3,303,458
Notes payable - net of current portion	25,028,514	25,621,403
Notes payable - partner	56,372,739	53,640,077
Trust and deposit liabilities	581,283	501,753
Total noncurrent liabilities	<u>94,301,997</u>	<u>93,276,403</u>
Total liabilities	<u>104,411,787</u>	<u>104,605,550</u>
Net Position		
Unrestricted	34,498,993	33,046,695
Restricted	309,677	463,698
Total net position	<u>34,808,670</u>	<u>33,510,393</u>
Total liabilities and net position	<u>\$ 139,220,457</u>	<u>\$ 138,115,943</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Consolidated Statements of Activities

Periods Ended December 31, 2022 and 2021

	2022	2021
Operating revenues:		
State of Alaska	\$ 930,180	907,320
Other federal grants	1,757,407	-
Rental income	7,665,065	6,720,465
Other Income	167,012	246,233
<i>Total operating revenues</i>	<u>10,519,664</u>	<u>7,874,018</u>
Operating expenses:		
Depreciation and amortization	5,534,237	4,507,345
Program assistance	1,913,197	907,730
Salaries and benefits	1,172,419	1,008,503
Utilities	1,170,465	1,206,952
Repairs and maintenance	1,615,975	1,115,491
Professional services	601,988	651,090
Property taxes	346,344	356,893
Insurance	291,295	266,828
Fees and licenses	147,782	176,691
Bad debt	92,087	25,308
Communications	85,431	53,827
Replacement reserves	60,396	32,252
Office and equipment lease	54,090	11,567
Supplies	14,209	13,545
Training and travel	10,697	13,604
Marketing and advertising	9,374	6,865
Incident loss	6,615	16,894
Resident services	508	444
Other	20,215	8,952
<i>Total operating expenses</i>	<u>13,147,324</u>	<u>10,380,781</u>
<i>Net operating earnings (loss)</i>	<u>(2,627,660)</u>	<u>(2,506,763)</u>
Nonoperating revenue (expense):		
Interest expense	(2,547,577)	(2,158,871)
Investment income	20,005	10,157
Change in fair value	(131,041)	97,048
<i>Total nonoperating expense, net</i>	<u>(2,658,613)</u>	<u>(2,051,666)</u>
<i>Net Income (loss) before capital contributions</i>	<u>(5,286,273)</u>	<u>(4,558,429)</u>
Capital contributions	6,584,550	4,170,506
<i>Total capital contributions</i>	<u>6,584,550</u>	<u>4,170,506</u>
<i>Increase (decrease) in net position</i>	<u>1,298,277</u>	<u>(387,923)</u>
Net position, beginning	33,510,393	33,898,316
Net position, ending	<u><u>\$ 34,808,670</u></u>	<u><u>33,510,393</u></u>

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Consolidated Statements of Cash Flows

Periods Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Receipts from grants	\$ 1,780,223	907,320
Receipts from others	658,068	1,280
Receipts from clients	7,239,746	7,517,247
Payments to vendors	(4,818,682)	(4,067,169)
Payments to others	(1,624,825)	(907,320)
Payments to employees	(907,134)	(1,112,555)
<i>Total cash flows from operating activities</i>	<u>2,327,396</u>	<u>2,338,803</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,485,211)	(14,033,012)
Investment in subsidiaries	(100)	-
Proceeds from issuance of debt	6,801,957	12,278,966
Proceeds from construction loans	-	3,303,458
Payments on construction loans	(5,791,848)	(3,594,521)
Contributions received from general partners	100	80,000
Contributions received from limited partners	6,584,450	4,110,506
Issuance of notes receivable	(87,400)	-
Principal payment on notes payable	(810,035)	(589,136)
Interest payment on debt	(1,560,180)	(1,314,812)
Syndication costs paid	-	(20,000)
Debt issuance costs paid	(5,500)	(384,652)
Tax credit monitoring fees paid	(20,000)	-
<i>Total cash flows from capital and related financing activities</i>	<u>(2,373,767)</u>	<u>(163,203)</u>
Cash flows from investing activities:		
Deposits to replacement reserves	(104,502)	(103,631)
Withdrawals from (deposits to) other reserves	(50)	(43)
Change in escrows	(2,453)	(13,249)
Developer fees paid	(347,620)	(362,400)
Proceeds from sale/maturities of investments	-	88,000
Purchase of investments	-	(18,000)
Interest and dividends from investments	8,253	174
<i>Total cash flows from investing activities</i>	<u>(446,372)</u>	<u>(409,149)</u>
Net change in cash and cash equivalents	(492,743)	1,766,451
Cash and cash equivalents, beginning of year	3,401,630	1,886,570
Restricted cash, beginning of year	<u>1,906,460</u>	<u>1,655,069</u>
Total cash and restricted cash, beginning of year	<u>5,308,090</u>	<u>3,541,639</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,815,347</u></u>	<u><u>5,308,090</u></u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 2,765,906</u>	<u>3,401,630</u>
<i>Restricted cash, end of year</i>	<u>2,049,441</u>	<u>1,906,460</u>
<i>Total cash and cash equivalents, end of year</i>	<u><u>\$ 4,815,347</u></u>	<u><u>5,308,090</u></u>

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Consolidated Statements of Cash Flows, continued

	2022	2021
Reconciliation of total operating loss to total cash flows from operating activities:		
Net operating loss	\$ (2,627,660)	(2,506,763)
Adjustments to reconcile net operating earnings to net cash flows from operating activities:		
Depreciation and amortization	5,534,237	4,507,345
Lease Amortization	36,605	-
Bad debt	92,087	25,308
(Increase) Decrease in accounts receivable	(354,111)	76,589
Increase (Decrease) in accounts payable	(219,084)	(83,589)
Increase (Decrease) in accrued liabilities	339,460	(219,050)
Increase (Decrease) in unearned revenue	(553,668)	529,284
Increase (Decrease) in trust liabilities	79,530	9,679
Net cash flows from operating activities	\$ 2,327,396	2,338,803
Supplemental non-cash disclosure:		
Dividends reinvested	\$ 11,751	\$ 9,983
Unrealized gain/(loss)	\$ (131,041)	\$ 97,048
Amortization of debt	\$ 62,047	\$ 46,959
Reduction in other liabilities - construction included in capital assets	\$ 551,033	\$ -
Decrease in debt issuance costs	\$ -	\$ 84,688
Accrued interest capitalized	\$ -	\$ 6,537
Developer fee capitalized	\$ -	\$ 482,572
Construction included in project development costs	\$ -	\$ 1,211,791
Accrued interest capitalized	\$ -	\$ 4,679

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 1 – DESCRIPTION OF ORGANIZATION

Organization

Cook Inlet Housing Development Corporation (CIHDC) (a nonprofit organization) was established in 1984 to carry out charitable activities directly and indirectly through the provision of housing, medical services to the elderly and needy, and such other charitable purposes as the Board of Commissioners may from time to time direct. CIHDC is a fully controlled component unit of Cook Inlet Housing Authority (CIHA); CIHDC activities are included in the consolidated CIHA financial statements.

The following summary of subsidiary companies are shown in order of creation:

CIHDC as Special Limited Partner and Investor Limited Partner:

Strawberry Rose Limited Partnership (SRLP) Prior to April 18, 2018, SRLP was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Related Direct SLP LLC, the Special Limited Partner, and RCC Credit Facility, LLC, the Investor Limited Partner. On April 18, 2018, Related Direct SLP LLC and RCC Credit Facility LLC withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. SRLP was formed on November 19, 2001 in the State of Alaska with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of SRLP respectively.

The partnership owns and operates Strawberry Village Cottages which is made up of 60 single family affordable units located in Anchorage, Alaska. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. Strawberry Village Cottages was put into service in three phases during September and October 2002 and January 2003. SRLP is a blended component unit of CIHA.

Kenaitze Pointe Limited Partnership (KPLP) Prior to April 18, 2018, KPLP was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Related Corporate Partners XXII SLP, L.P., the Special Limited Partner and Related Corporate Partners XXII, LP, the Investor Limited Partner. On April 18, 2018, Related Corporate Partners XXII SLP, LP and Related Corporate Partners XXII, LP withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. KPLP was formed on April 19, 2002 in the State of Alaska with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of KPLP respectively.

The partnership owns and operates Kenaitze Pointe Senior Facility, a 53 unit affordable senior housing rental facility located in Anchorage, Alaska. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. Kenaitze Pointe was put into service in September 2003. KPLP is a blended component unit of CIHA.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 1 – DESCRIPTION OF ORGANIZATION, *continued*

Tyonek Terrace Limited Partnership (TTLP) Prior to April 18, 2018, TTLP was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Related Direct SLP LLC, the Special Limited Partner, and RCC Credit Facility, LLC, the Investor Limited Partner. On April 18, 2018, Related Direct SLP LLC and RCC Credit Facility LLC withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. TTLP was formed on September 19, 2002, in the State of Alaska with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of TTLP respectively.

The partnership consists of a 40 unit apartment property located in Anchorage, Alaska for rent to income eligible senior citizens. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. The property was placed in service in September 2004. TTLP is a blended component unit of CIHA.

Mountain View Village I Limited Partnership (MVVI) Prior to April 18, 2018, MVVI was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Related Direct SLP LLC, the Special Limited Partner and RCC Credit Facility, LLC, the Investor Limited Partner. On April 18, 2019, Related Direct SLP LLC and RCC Credit Facility LLC withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. MVVI was formed on October 6, 2003, in the State of Alaska, with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of MVVI respectively.

The partnership owns and operates 16 multi-family units and 12 single family units in Anchorage, Alaska for affordable rentals for income-eligible families. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. The property was placed in service on October 1, 2004. MVVI is a blended component unit of CIHA.

Creekside Village I Limited Partnership (GCVLP) Prior to December 17, 2018, GCVLP was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Centerline SLP LLC, the Special Limited Partner, and Centerline Investor LP LLC, the Investor Limited Partner. As of December 17, 2018, Centerline SLP LLC and Centerline Investor LP LLC withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. GCVLP was formed October 9, 2003, in the State of Alaska, with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of GCVLP respectively.

The partnership owns and operates 80 multi-family units in Anchorage, Alaska for rent to income eligible families. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. The property was placed in service in phases beginning in February 2008, with completion in July 2008, in Anchorage, Alaska. GCVLP is a blended component unit of CIHA.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 1 – DESCRIPTION OF ORGANIZATION, *continued*

Mountain View Village II Limited Partnership (MVBII) Prior to April 18, 2018, MVBII was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Related Corporate Partners XXIX SLP, LP, the Special Limited Partner and Centerline Corporate Partners XXIX, LP, the Investor Limited Partner. On April 18, 2018, Related Corporate Partners XXIX SLP, LP and Related Corporate Partners XXIX, LP withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. MVBII was formed September 1, 2004, in the State of Alaska, with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of MVBII respectively, unless otherwise specified in the Limited Partnership Agreement. As of January 1, 2015, the Limited Partnership Agreement was amended to redistribute allocations of profits, losses and cash flows of operations in certain situations to the managing general partner (CIHA), special limited partner (CIHDC) and investing limited partner (CIHDC) as 25%, .01% and 74.99% respectively.

The partnership owns and operates 32 multi-family units and 15 single family units in Anchorage, Alaska for rent to income-eligible families. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. The property was placed in service on December 31, 2005. MVBII is a blended component unit of CIHA.

Mountain View Village III Limited Partnership (MVBIII) Prior to April 18, 2018, MVBIII was a partnership between Cook Inlet Housing Authority, the Managing General Partner, Related Direct SLP LLC, the Special Limited Partner, and RCC Credit Facility, LLC, the Investor Limited Partner. On April 18, 2018, Related Direct SLP LLC and RCC Credit Facility LLC withdrew from the partnership and CIHDC acquired the interest of the Special Limited Partner and the Investor Limited Partner. MVBIII was formed September 8, 2005, in the State of Alaska, with the specific purpose of developing, operating, and/or leasing property. As managing general partner and investing limited partner, CIHA and CIHDC have a 0.01% and a 99.99% interest in the profits, losses, and cash flows of operations of MVBIII respectively.

The partnership owns and operates 14 multi-family units and 24 single family units in Anchorage, Alaska for rent to income-eligible families. The development qualified for and was allocated low-income housing tax credits under Internal Revenue Service Code Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. The property was placed in service in phases during September 2006 through November 2006. MVBIII is a blended component unit of CIHA.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 1 – DESCRIPTION OF ORGANIZATION, continued

CIHDC as Owner or General Partner:

Coronado Park Limited Partnership (CPLP) is a partnership between Cook Inlet Housing Development Corporation, Managing General Partner, and R4 CPSV Acquisition LLC, Investor Limited Partner. CPLP was formed on January 24, 2013 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As managing general partner and investing limited partner, Cook Inlet Housing Development Corporation and R4 Capital LLC Investing Limited Partner have a .01% and a 99.99% interest in the profits, losses and cash flows of operation of CPLP, respectively.

The partnership owns and operates a 56 unit housing development located in Anchorage, Alaska available to income eligible senior citizens. CPLP is required to comply with Internal Revenue Service (IRS) Section 42, which regulates the use of the property as to occupant eligibility and unit gross rent. The property was placed in service in July 2014. CPLP is a blended component unit of CIHDC, which is a fully controlled subsidiary of Cook Inlet Housing Authority (CIHA).

Mountain View Village V Limited Partnership (MVVLP) is a partnership between Cook Inlet Housing Development Corporation, General Partner, and R4 MVV Acquisition LLC, Investor Limited Partner. MVVLP was formed on March 3, 2014 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As managing general partner and investing limited partner, Cook Inlet Housing Development Corporation and R4 MVV Acquisition LLC, have a .01% and a 99.99% interest in profits, losses and cash flows of operation of MVVLP respectively.

The partnership owns and operates 44 units of family housing on scattered sites in the Mountain View neighborhood of Anchorage, Alaska. The property was placed in service in phases beginning in December 2014 with completion in May 2015. MVVLP is a blended component unit of CIHDC, which is a fully controlled subsidiary of CIHA.

CIHDC Grass Creek LLC was established in 2015 and was formed solely to act as the General Partner in Grass Creek North I Limited Partnership. CIHDC Grass Creek LLC is a fully controlled subsidiary of CIHDC.

Grass Creek North I Limited Partnership (GCNI) is a partnership between CIHDC Grass Creek, LLC, General partner, and Wells Fargo Affordable Housing Community Development Corporation, Investor Limited Partner. GCNILP was formed on January 26, 2015 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As general partner and investor limited partner CIHDC Grass Creek, LLC and Wells Fargo Affordable Housing. Community Development Corporation have a .01% and a 99.99% interest in profits, losses and cash flows of operation of GCNILP respectively.

The partnership owns and operates 52 units of affordable family housing located in East Anchorage. The multi-building property qualified for and was allocated low-income housing tax credits under the Internal Revenue Service Code section 42, which regulates the use of the property as to occupant eligibility and unit gross rents. Development was completed and all buildings were placed in service between July and September 2016. GCNI is a blended component unit of CIHDC, which is a fully controlled subsidiary of CIHA.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 1 – DESCRIPTION OF ORGANIZATION, *continued*

Grass Creek North II Limited Partnership (GCNII) is a partnership among Cook Inlet Housing Development Corporation, General Partner, R4 GCN Acquisition LLC, Investor Limited Partner. GCNII LP was formed on June 9, 2017 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As managing general partner and investing limited partner, Cook Inlet Housing Development Corporation and R4 GCN Acquisition LLC, have a .01% and a 99.99% interest in profits, losses and cash flows of operation of GCNII respectively.

The partnership owns and operates 45 units of mixed income housing located in East Anchorage. The multi-building property qualified for and was allocated low-income housing tax credits under the Internal Revenue Service Code section 42, which regulates the use of the property as to occupant eligibility and unit gross rents. Development was completed in 2018. GCNII is a blended component unit of CIHDC, which is a fully controlled subsidiary of CIHA.

Elizabeth Place Limited Partnership (EPLP) is a partnership between CIHDC EP LLC, General Partner, and Key Community Development Corporation as Investor Limited Partner. EPLP was formed on June 8, 2018 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As general partner and investor limited partner, CIHDC EP LLC and Key Community Development Corporation have a .01% and 99.99% interest in profits, losses and cash flows of operation of EPLP respectively.

The partnership owns and operates 50 units of affordable family housing. The development qualified for and was allocated low-income housing tax credits under the Internal Revenue Service Code section 42, which regulates the use of the property as to occupant eligibility and unit gross rents. The property was placed in service in October 2019. EPLP is a blended component unit of CIHDC, which is a fully controlled subsidiary of CIHA.

CIHDC EP, LLC was established in 2018 and formed and was formed solely to act as the General Partner in Elizabeth Place Limited Partnership. CIHDC EP, LLC is a wholly owned subsidiary of CIHDC.

Inlet Breeze Limited Partnership (IBLP) is a partnership between Cook Inlet Housing Development Corporation, General Partner and R4 SASH Acquisition LLC, Investor Limited Partner. The Partnership was established February 6, 2020 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As managing general partner and investor limited partner, CIHDC and R4 SASH Acquisition LLC Investing have a .01% and a 99.99% interest in the profits, losses and cash flows of operation of IBLP, respectively.

The partnership owns and operates 50 apartment units of affordable housing. The development qualified for and was allocated low-income housing tax credits under the Internal Revenue Service Code section 42, which regulates the use of the property as to occupant eligibility and unit gross rents. The property was placed in service in December 2020. IBLP is a blended component unit of CIHDC, which is a fully controlled subsidiary of CIHA.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 1 – DESCRIPTION OF ORGANIZATION, *continued*

Spenardian Square Limited Partnership (SSLP) is a partnership between CIHDC, General Partner and R4 SPAK Acquisition LLC, Investor Limited Partner. The Partnership was established February 16, 2021 in the State of Alaska with the specific purpose of developing, operating and/or leasing property. As managing general partner and investor limited partner, CIHDC and R4 SPAK Acquisition LLC have a 0.01% and a 99.99% interest in the profits, losses and cash flows from operation of SSLP, respectively.

The partnership owns and operates Ch'bala Corners I, consisting of 48 Apartments for rent to income-eligible residents in Anchorage, Alaska. The development qualified for and was allocated low-income housing tax credits under the Internal Revenue Service Code section 42, which regulates the use of the property as to occupant eligibility and unit gross rents. The property was placed in service in July 2022. SSLP is a blended component unit of CIHDC, which is a fully controlled subsidiary of CIHA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of CIHDC have been prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the requirements of United States Generally Accepted Accounting Principles. Therefore, CIHDC reports its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

CIHDC's basic financial statements include the following reports: Consolidated Statements of Financial Position, Consolidated Statements of Activities, and Consolidated Statements of Cash Flows.

Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and deferred outflows and liabilities and deferred inflows, and disclosure of contingent assets and liabilities, at the date of the statements of financial position and activity for the related periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Consolidated Statements of Cash Flows, CIHDC considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Revenue Recognition

Contributions are recognized when the donor makes an unconditional pledge to give. Donor-restricted contributions are reported as increases to net assets with donor restrictions. When a restriction expires, either by passage of time or use, net assets with donor restrictions are reclassified to net assets without donor restrictions.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Income Taxes

CIHDC is exempt from federal and state income taxes under provisions of the IRS Code, Section 501(c)(3) and, accordingly, no provision for income taxes is included in the consolidated financial statements. CIHDC files information return IRS Form 990.

Under the provisions of Financial Accounting Standards Board (FASB) ASC 740-10, management is not aware of any uncertain tax positions taken related to the filing of Form 990. Tax years prior to 2016 are no longer subject to examination by federal or state taxing authorities.

Program Expenses

CIHDC considers all expenses to be program expenses as all administrative and supportive functions are performed by CIHA.

NOTE 3 – CASH AND INVESTMENTS

Cash consists of demand deposits and cash held in trust. The carrying amount of certain cash balances is restricted by federal regulation and other agreements. The bank balances and carrying amounts are shown below for the years indicated.

2022

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash in banks	\$ 2,073,048	2,137,126
Cash held with investment company	692,858	692,858
	<u>\$ 2,765,906</u>	<u>2,829,984</u>

2021

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash in banks	\$ 2,692,025	2,725,432
Cash held with investment company	709,605	709,605
	<u>\$ 3,401,630</u>	<u>3,435,037</u>

Custodial Risk

At December 31, 2022, CIHDC's carrying amount of cash was \$2,765,906 and the bank balance was \$2,829,984. At December 31, 2021, CIHDC's carrying amount of cash was \$3,401,630 and the bank balance was \$3,435,037. At December 31, 2022, CIHDC's restricted cash was \$2,049,441, and the bank balance was \$2,049,411. At December 31, 2021, CIHDC's restricted cash was \$1,906,460, and the bank balance was \$1,906,460. The bank balances are insured in their entirety by a combination of Security Investors Protection Corporation insurance, Federal Deposit Insurance Corporation (FDIC) insurance and a third-party collateralization agreement.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

*Notes to Financial Statements, continued***NOTE 3 – CASH AND INVESTMENTS, continued****Investment Balances**

The investment balances include money market funds which have been classified as cash within the financial statements. At December 31, 2022 and 2021, CIHDC had the following investment balances (at market value):

Investments Held at December 31, by investment type and rating		
Investment Type	2022	2021
US Treasuries and Agency Securities (Rating AA+)	\$ 349,227	433,958
Money Market Funds	692,858	709,605
Mortgage Backed Securities (Rating AA-)	188,480	211,523
Stock Index Funds	60,420	71,935
Subtotal all investment	1,290,985	1,427,021
Investments classified as cash	(692,858)	(709,605)
Total investments	<u>\$ 598,127</u>	<u>717,416</u>

Interest Rate Risk

CIHDC's investment policy does not limit investment maturities as a means of managing its exposure to losses in fair value arising from changing interest rates. The investments held by CIHDC have maturities for the years ended December 31, 2022 and 2021 shown in the table below:

Investment Maturities by year at December 31,		
	2022	2021
Less than 1 year	\$ 1,290,985	1,427,021
1-5 years	-	-
6-10 Years	-	-
More than 10 years	-	-
Subtotal all investments	1,290,985	1,427,021
Investments classified as cash	(692,858)	(709,605)
Total Investments	<u>\$ 598,127</u>	<u>717,416</u>

Foreign Currency Risk

CIHDC has no funds invested in foreign currency and, therefore, has no associated risk.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 4 – INVESTMENT IN LIMITED PARTNERSHIPS

CIHDC has investments in the following low income housing tax credit limited partnerships, Coronado Park Limited Partnership, Mountain View Village V Limited Partnership, Grass Creek North I Limited Partnership, Grass Creek North II Limited Partnership, Elizabeth Place Limited Partnership, Inlet Breeze Limited Partnership, and Spenardian Square Limited Partnership CIHDC provided a portion of the funds used in constructing these properties as a capital contribution. The value of the investment recorded in these properties is based on the amount of cash invested.

In 2018, CIHDC acquired the rights and interest of the Special Limited Partner and Investor Limited Partner of the following seven Low Income Housing Tax Credit (LIHTC) properties: Strawberry Rose Limited Partnership, Kenaitze Point Limited Partnership, Tyonek Terrace Limited Partnership, Mountain View Village I Limited Partnership, Mountain View Village II Limited Partnership, Mountain View Village III Limited Partnership, and Creekside Village I Limited Partnership. CIHDC acquired the rights and interest of the withdrawn investor limited partner and the withdrawn special limited partner through an executed amendment to the amended and restated agreement of limited partnership.

NOTE 5 – CAPITAL ASSETS

Acquisitions and dispositions of property, buildings, site improvements and equipment accounts at December 31, 2022 and 2021:

2022

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land	\$ 12,340,608	236,336	(144,915)	12,432,029
Construction in progress	8,819,610	-	(8,819,610)	-
<i>Total capital assets not being depreciated</i>	<u>21,160,218</u>	<u>236,336</u>	<u>(8,964,525)</u>	<u>12,432,029</u>
Other capital assets:				
Land improvements	14,811,360	567,628	-	15,378,988
Buildings and improvements	135,859,265	11,331,262	(734,435)	146,456,092
Equipment	6,787,664	3,021,769	-	9,809,433
Alternative energy	2,042,747	62,926	-	2,105,673
Leasehold improvements	-	109,899	-	109,899
Right of use asset	-	1,103,234	-	1,103,234
<i>Total other capital assets</i>	<u>159,501,036</u>	<u>16,196,718</u>	<u>(734,435)</u>	<u>174,963,319</u>
<i>Total capital assets</i>	<u>180,661,254</u>	<u>16,433,054</u>	<u>(9,698,960)</u>	<u>187,395,348</u>
Less accumulated depreciation/amortization for:				
Land improvements	(10,613,486)	(638,992)	-	(11,252,478)
Buildings and improvements	(34,536,643)	(3,530,042)	-	(38,066,685)
Equipment	(4,483,795)	(1,161,328)	-	(5,645,123)
Alternative energy	(440,244)	(83,060)	-	(523,304)
Leasehold Improvements	-	(2,193)	-	(2,193)
<i>Total accumulated depreciation amortization</i>	<u>(50,074,168)</u>	<u>(5,415,615)</u>	<u>-</u>	<u>(55,489,783)</u>
Total capital assets, net	\$ 130,587,086	11,017,439	(9,698,960)	131,905,565

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 5 – CAPITAL ASSETS, continued

2021	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not being depreciated:				
Land	\$ 11,891,608	449,000	-	12,340,608
Construction in progress	5,340,351	8,819,610	(5,340,351)	8,819,610
<i>Total capital assets not being depreciated</i>	<u>17,231,959</u>	<u>9,268,610</u>	<u>(5,340,351)</u>	<u>21,160,218</u>
Other capital assets:				
Land improvements	14,411,263	400,097	-	14,811,360
Buildings and improvements	125,535,924	10,323,341	-	135,859,265
Equipment	5,724,241	1,063,423	-	6,787,664
Alternative energy	1,948,729	94,018	-	2,042,747
<i>Total other capital assets</i>	<u>147,620,157</u>	<u>11,880,879</u>	<u>-</u>	<u>159,501,036</u>
<i>Total capital assets</i>	<u>164,852,116</u>	<u>21,149,489</u>	<u>(5,340,351)</u>	<u>180,661,254</u>
Less accumulated depreciation/amortization for:				
Land improvements	(9,949,146)	(664,340)	-	(10,613,486)
Buildings and improvements	(31,398,245)	(3,138,398)	-	(34,536,643)
Equipment	(3,910,795)	(573,000)	-	(4,483,795)
Alternative energy	(362,294)	(77,950)	-	(440,244)
<i>Total accumulated depreciation amortization</i>	<u>(45,620,480)</u>	<u>(4,453,688)</u>	<u>-</u>	<u>(50,074,168)</u>
Total capital assets, net	<u>\$ 119,231,636</u>	<u>16,695,801</u>	<u>(5,340,351)</u>	<u>130,587,086</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

CIHDC is fully controlled by CIHA. CIHDC has an agreement with CIHA for the provision of support functions including information technology, accounting, human resources, and administrative support.

CIHDC does not maintain capital assets as the company's activities are performed entirely through CIHA's offices and staff, utilizing CIHA property and equipment. In addition, CIHDC provided pass-through funding of \$1,906,174 and \$907,320 to CIHA during 2022 and 2021 respectively, no other financial activity occurred between CIHDC and CIHA for the years ended December 31, 2022 and 2021.

CIHDC contracted consulting services from Green Acres Development Advisory Services, a business owned and operated by an advisory board member. Total services amounted to \$17,847 and \$25,420 for the years ended December 31, 2022, and 2021, respectively.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

*Notes to Financial Statements, continued***NOTE 6 – RELATED PARTY TRANSACTIONS, continued**

Balances with CIHA consist of the following in 2022 and 2021:

	2022	2021
MWWLP		
Management fees	\$ 32,120	29,864
Accounts payable	23,381	15,023
Notes payable	1,595,464	1,595,464
Interest payable	116,553	99,896
	<u>\$ 1,767,518</u>	<u>1,740,247</u>
CPLP		
Management fees	\$ 35,124	33,627
Accounts payable	14,501	606,009
Notes payable	1,731,743	1,731,743
Interest payable	415,662	365,237
	<u>\$ 2,197,030</u>	<u>2,736,616</u>
GCN1		
Management fees	\$ 38,549	37,602
Accounts payable	136,051	7,047
Notes payable	3,590,613	3,590,613
Interest payable	314,699	259,424
	<u>\$ 4,079,912</u>	<u>3,894,686</u>
GCN2		
Management fees	\$ 36,061	38,354
Developer fees	168,680	168,680
Accounts payable	49,890	8,667
Notes payable	6,544,485	6,590,284
Interest payable	419,085	323,254
	<u>\$ 7,218,201</u>	<u>7,129,239</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 6 – RELATED PARTY TRANSACTIONS, continued

	2022	2021
EPLP		
Management fees	\$ 33,407	33,623
Ground Lease	29,142	-
Accounts payable	9,313	11,492
Notes payable	3,398,714	3,404,335
Interest payable	129,091	87,640
	<u>\$ 3,599,667</u>	<u>3,537,090</u>
IBLP		
Management fees	\$ 26,933	-
Developer fees	43,473	482,572
Accounts payable	6,280	15,236
Notes payable	2,292,556	1,454,768
Interest payable	20,320	6,779
	<u>\$ 2,389,562</u>	<u>1,959,355</u>
SSLP		
Management fees	\$ 12,673	-
Developer fees	320,422	-
Accounts payable	7,303	-
Notes payable	5,258,941	3,143,189
Interest payable	13,324	-
	<u>\$ 5,612,663</u>	<u>3,143,189</u>
SRLP		
Management fees	\$ 44,763	44,409
Accounts payable	8,871	14,124
Notes payable	2,169,999	2,344,381
Interest payable	1,754,136	1,638,357
	<u>\$ 3,977,769</u>	<u>4,041,271</u>
KPLP		
Management fees	\$ 31,057	30,256
Accounts payable	14,536	24,742
Notes payable	5,170,083	5,170,083
Interest payable	872,388	808,019
	<u>\$ 6,088,064</u>	<u>6,033,100</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

*Notes to Financial Statements, continued***NOTE 6 – RELATED PARTY TRANSACTIONS, continued**

	2022	2021
TTLP		
Management fees	\$ 23,184	18,460
Accounts payable	13,259	13,379
Notes payable	4,521,649	4,521,649
Interest payable	1,141,494	1,056,045
	<u>\$ 5,699,586</u>	<u>5,609,533</u>
MW I		
Management fees	\$ 18,557	18,843
Accounts payable	174,845	108,115
Notes payable	2,110,574	2,110,574
Interest payable	1,529,890	1,408,250
	<u>\$ 3,833,866</u>	<u>3,645,782</u>
MW II		
Management fees	\$ 33,276	32,031
Accounts payable	11,760	11,656
Notes payable	6,306,516	6,306,516
Interest payable	52,549	46,217
	<u>\$ 6,404,101</u>	<u>6,396,420</u>
MW III		
Management fees	\$ 28,720	27,452
Accounts payable	21,300	8,868
Notes payable	4,000,803	4,000,803
Interest payable	1,990,088	1,885,617
	<u>\$ 6,040,911</u>	<u>5,922,740</u>
GCVLP		
Management fees	\$ 45,481	44,875
Accounts payable	120,424	-
Notes payable	7,700,226	7,700,226
Interest payable	2,174,452	2,024,119
	<u>\$ 10,040,583</u>	<u>9,769,220</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 7 – LEASES

On October 12, 2018, the Elizabeth Place Limited Partnership entered into a ground lease agreement with the Authority that provides the Partnership with a right-of-use asset, which is the land upon which the buildings are located. The lease is for a term of seventy-five (75) years. The ground rent shall be \$17,485 per year beginning on May 15, 2021 (the "Rental Commencement Date") for the first ten years, \$34,000 per year effective as of the beginning of the tenth anniversary for a period of ten years, and \$62,000 per year effective as of the twentieth anniversary of the Rental Commencement Date for the remainder of the term. Rent payments shall be made solely from Cash Flow as defined in the Partnership Agreement. The lease does not contain any residual value guarantees or purchase agreements. Variable payments related to the lease are limited to Insurance on the property and property taxes.

The lease is categorized as a finance-type lease resulting in the recognition of a right of use asset and a lease liability. As of December 31, 2022 the lease liability was \$1,103,234, amortization of the right of use asset during the year totaled \$15,061 and is included in depreciation and amortization expense. The lease liability as of December 31, 2022 totaled \$1,139,839, and represents the present value of all remaining lease payments discounted using the incremental borrowing rate of 3.49%. Total interest expense on the lease totaled \$39,029 for the year ended December 31, 2022.

Total cash payments over the life of the lease are as follows:

2023	\$	17,485
2024		17,485
2025		17,485
2026		17,485
2027		17,485
2028-2032		120,455
2033-2037		170,000
2038-2042		226,000
2043-2047		310,000
2048-2052		310,000
2053-2093		2,567,833
Total Cash Payments		3,791,713
Total interest expense over the life of lease		(2,651,874)
Total Lease liability	\$	1,139,839

Anchorage, Alaska

NOTE 8 - LONG-TERM LIABILITIES

Promissory note of \$486,350 payable to AHFC; secured by the Project; bearing interest at 1.50% per annum; payable in annual installments up to the lesser of \$20,251 or 80% of available cash flow, applied first to interest; and maturing March 1, 2046. During the years ended December 31, 2022 and 2021, interest of \$6,530 and \$6,530, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest was \$17,430 and \$10,900, respectively.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Mountain View Village V

Promissory note of \$190,648 payable to CIHA; secured by the Project; bearing no interest during construction and a fixed interest rate of 1.00% per annum when the Project is completed; and maturing June 30, 2050. During the years ended December 31, 2022 and 2021, interest of \$1,906 and \$1,906, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest was \$14,478 and \$12,571, respectively.

	2022	2021
\$	190,648	190,648

Promissory note of \$924,273 payable to CIHA; secured by Project; bearing no interest during construction and a fixed interest rate of 1.00% per annum when the Project is completed; and maturing June 30, 2050. During the years ended December 31, 2022 and 2021, interest of \$9,243 and \$9,243, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest was \$70,194 and \$60,951, respectively.

	924,273	924,273
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Promissory note of \$350,000 payable to CIHA; secured by the Project; bearing no interest during construction and a fixed interest rate of 1.00% per annum when the Project is completed; and maturing June 30, 2050. During the years ended December 31, 2022 and 2021, interest of \$3,500 and \$3,500, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest was \$26,581 and \$23,081, respectively.

	350,000	350,000
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Promissory note of \$197,230; payable to CIHA; secured by the Project; bearing 1.50% and maturing May 27, 2030. During the years ended December 31, 2022 and 2021, interest of \$2,008 and \$1,978, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest was \$5,300 and \$3,293, respectively.

	130,543	130,543
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Mountain View Village V Total

\$	3,950,061	3,986,969
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Grass Creek North I

Promissory note of \$2,382,000 payable to AHFC; secured by the Project; bearing interest at 5.125% per annum; payable in monthly installments of principal and interest of \$12,969; maturing May 1, 2047. During the years ended December 31, 2022 and 2021, interest of \$112,017 and \$114,191, respectively, was incurred. As of December 31, 2022 and 2021, accrued interest was \$9,249 and \$9,434, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$167,372 and \$175,581 as of December 31, 2022 and 2021, respectively, and are related to the permanent loan. Amortization of debt issuance costs is \$8,209 and \$8,080 for the years ended December 31, 2022 and 2021, respectively, and is included in interest expense - first mortgage in the statements of operations.

\$	2,165,603	2,209,037
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Promissory note of \$350,000 payable to CIHA from available cash flow; secured by the Project; bearing interest at 2.00% per annum and matures December 31, 2047. During the years ended December 31, 2022 and 2021, interest of \$3,841 and \$3,913, respectively, was incurred. As of December 31, 2022 and 2021, accrued interest payable is \$6,093 and \$2,252, respectively.

	192,019	192,019
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Grass Creek North I

Promissory note of \$160,000 payable to CIHA from available cash flow; secured by the Project; bearing interest at 0% during construction and at 3.00% per annum commencing on January 1, 2017; maturing December 31, 2047. During the years ended December 31, 2022 and 2021, interest of \$4,800 and \$4,800, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest payable is \$28,800 and \$24,000, respectively.

	2022	2021
\$	160,000	160,000

Promissory note of \$1,154,478 payable to CIHA from available cash flow; secured by the Project; bearing interest at 0% during construction and at 3.00% per annum commencing on January 1, 2017; maturing December 31, 2047. During the years ended December 31, 2022 and 2021, interest of \$34,634 and \$34,634, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest payable is \$207,806 and \$173,172, respectively.

	1,154,478	1,154,478
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Promissory note of \$400,000 payable to CIHA from available cash flow; secured by the Project; bearing interest at 0% during construction and at 3.00% per annum commencing on January 1, 2017; maturing December 31, 2047. During the years ended December 31, 2022 and 2021, interest of \$12,000 and \$12,000, respectively, was incurred and expensed. As of December 31, 2022 and 2021, accrued interest payable is \$72,000 and \$60,000, respectively.

	400,000	400,000
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Promissory note of \$1,684,116 payable to CIHA from available cash flow; secured by the Project; bearing no interest and maturing December 31, 2047.

	1,684,116	1,684,116
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Grass Creek North I Total

\$	5,756,216	5,799,650
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Grass Creek North II

Promissory note of \$2,911,750 payable to Alaska Housing Finance Corporation; secured by the Project; bearing interest at 4.75% per annum, maturing July 1, 2049. For the years ended December 31, 2022 and 2021, interest of \$131,685 and \$134,027, respectively, were incurred. As of December 31, 2022 and 2021, accrued interest was \$10,882 and \$11,081, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$180,730 and \$188,891 as of December 31, 2022 and 2021, respectively, and are related to the first mortgage. Debt issuance costs on the above loan are being amortized using an imputed interest rate of 5.97%. Amortization of debt issuance costs was \$8,161 and \$8,045, respectively, and is included in interest expense – first mortgage in the statements of operations.

\$	2,749,025	2,799,409
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Promissory note of \$1,000,000 payable to CIHA; secured by the Project; bearing interest at 1% and payable annually from available cash flow; maturing June 30, 2052. For the years ended December 31, 2022 and 2021, interest expense was \$10,000 and \$10,000, respectively. As of December 31, 2022 and 2021, accrued interest was \$41,528 and \$31,528, respectively.

	1,000,000	1,000,000
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Grass Creek North II

Promissory note of \$1,401,186 payable to CIHA; secured by the Project; bearing interest at 0% during construction and 2.75% from the completion date of the Project; payable annually from available cash flow; maturing June 30, 2052. For the years ended December 31, 2022 and 2021, interest expense was \$38,533 and \$38,533, respectively. As of December 31, 2022 and 2021, accrued interest was \$167,083 and \$128,550, respectively.

	2022	2021
\$	1,401,186	1,401,186

Promissory note of \$1,194,196 payable to CIHA; secured by the Project; bearing interest at 0% during construction and 3% from the completion date of the Project; payable annually from available cash flow; maturing June 30, 2052. For the years ended December 31, 2022 and 2021, interest expense was \$35,826 and \$35,826, respectively. As of December 31, 2022 and 2021, accrued interest was \$155,345 and \$119,519, respectively.

	1,194,196	1,194,196
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Promissory note of \$854,490 payable to CIHA; funded from the proceeds CIHA received under the Native American Housing Assistance and Self- Determination Act ("NAHASDA"); secured by the Project; bearing interest at 0% during construction and 1% from the completion date of the Project; payable annually from available cash flow; maturing June 30, 2052. For the years ended December 31, 2022 and 2021, interest expense was \$8,545 and \$8,545, respectively. As of December 31, 2022 and 2021, accrued interest was \$37,052 and \$28,507, respectively.

	854,490	854,490
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Promissory note of \$350,000 payable to CIHA; secured by the Project; bearing interest at 0% during construction and 1% from the completion date of the Project; payable annually from available cash flow; maturing June 30, 2052. For the years ended December 31, 2022 and 2021, interest expense was \$3,500 and \$3,500, respectively. As of December 31, 2022 and 2021, accrued interest was \$15,176 and \$11,676, respectively.

	350,000	350,000
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Promissory note of \$750,000 payable to CIHA; secured by the Project; bearing no interest; payable annually from available cash flow; maturing June 30, 2052.

	750,000	750,000
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Promissory note of \$1,152,569 payable to CIHA; secured by the Project; bearing interest at 0.50% upon payment of the Rental Achievement Installation; payable annually from available cash flow; maturing April 26, 2033. For the years ended December 31, 2022 and 2021, interest expense was \$5,073 and \$5,221, respectively. As of December 31, 2022 and 2021, accrued interest was \$2,903 and \$3,474, respectively

	994,612	1,040,411
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Grass Creek North II Total

\$	9,293,509	9,389,692
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

	2022	2021
Elizabeth Place		
Promissory note of \$2,889,306 payable to Key Bank National Association; secured by the Project; bearing interest at 4.41% per annum; maturing April 12, 2041. During the years ended December 31, 2022 and 2021, interest expense was \$120,575 and \$123,345, respectively. As of December 31, 2022 and 2021, accrued interest was \$9,849 and \$10,394, respectively.		
Debt issuance costs, net of accumulated amortization, totaled \$210,268 and \$220,502 as of December 31, 2022 and 2021, respectively, and are related to the permanent loan. Amortization of debt issuance costs on the above loan for the years ended December 31, 2022 and 2021 was \$10,234 and \$6,127, respectively, and is included in interest expense - first mortgage on the statements of operations.	\$ 2,680,216	2,732,929
Promissory Note of \$471,794 payable to CIHA; secured by the Project; bearing 0% interest while in construction and 1.00% interest upon the completion of the Project; maturing October 11, 2033; and payable solely from Cash Flow. During the years ended December 31, 2022 and 2021, interest expense was \$4,695 and \$4,718, respectively. As of December 31, 2022 and 2021, accrued interest of \$1,942 and \$4,318, respectively, was due.	466,174	471,794
Promissory Note of \$725,048 payable to CIHA; secured by the Project; bearing 0% interest while in construction and 3.00% interest upon completion of the Project; maturing October 11, 2058; and payable solely from Cash Flow. During the years ended December 31, 2022 and 2021, interest expense was \$21,752 and \$21,751, respectively. As of December 31, 2022 and 2021, accrued interest of \$68,940 and \$47,188, respectively, was due.	725,048	725,048
Promissory Note of \$650,219 payable to CIHA; secured by the Project; bearing 0% interest while in construction and 1.00% interest upon completion of the Project; maturing October 11, 2058; and payable solely from cash flow. During the years ended December 31, 2022 and 2021, interest expense was \$6,502 and \$6,502, respectively. As of December 31, 2022 and 2021, accrued interest of \$20,608 and \$14,106 respectively, was due.	650,219	650,219
Promissory Note of \$260,000 payable to CIHA; secured by the Project; bearing 0% interest while in construction and 1.00% interest upon completion of the Project; maturing October 11, 2058; and payable solely from cash flow. During the years ended December 31, 2022 and 2021, interest expense was \$2,600 and \$2,600, respectively. As of December 31, 2022 and 2021, accrued interest of \$8,241 and \$5,641, respectively, was due.	260,000	260,000
Promissory Note of \$750,000 payable to CIHA; secured by the Project; bearing 0% interest while in construction and 1.00% interest upon completion of the Project; maturing October 11, 2058; and payable solely from cash flow. During the years ended December 31, 2022 and 2021, interest expense was \$7,500 and \$5,958, respectively. As of December 31, 2022 and 2021, accrued interest of \$13,458 and \$5,958, respectively, was due.	750,000	750,000

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Elizabeth Place

Promissory Note of \$547,273 payable to CIHA; secured by the Project; bearing 0% interest while in construction and 1.00% interest upon completion of the Project; maturing October 11, 2058; and payable solely from cash flow. During the years ended December 31, 2020 and 2021, interest expense was \$5,472 and \$5,473, respectively. As of December 31, 2022 and 2021, accrued interest of \$15,901 and \$10,429, respectively, was due.

Elizabeth Place Total

	2022	2021
	\$ 547,273	547,273
	\$ 6,078,930	6,137,263

Inlet Breeze

Promissory note of \$2,191,281 payable to Northrim Bank; secured by the Project; bearing 2.53% per annum beginning on May 18, 2020 with 14 monthly consecutive interest payments beginning June 18, 2020; 201 monthly consecutive principal and interest payments of \$8,734.95 each beginning August 18, 2021, and one principal and interest payment of \$1,176,225 on maturity date of May 18, 2038. For the years ended December 31, 2022 and 2021, interest of \$57,050 and \$46,021, respectively, was incurred, of which \$0 and \$46,021, respectively, was capitalized as cost of the rental property, and \$57,050 and \$0, respectively, was expensed. As of December 31, 2022 and 2021, accrued interest of \$1,938 and \$0, respectively, was due.

Debt issuance costs, net of accumulated amortization, totaled \$58,738 and \$64,831, respectively as of December 31, 2022 and 2021 and are related to the permanent loan. Amortization of debt issuance costs on the above loan for the years ended December 31, 2022 and 2021 of \$6,093 and \$0, respectively, is included in interest expense - first mortgage in the statements of operations.

\$ 2,121,375 2,171,083

Promissory Note of \$350,000 payable to CIHA; secured by the Project; bearing 2% simple interest, with semi-annual principal and interest payments in the amount of \$7,785.56; maturing May 1, 2038. For the years ended December 31, 2022 and 2021, interest of \$6,982 and \$6,631, respectively, was incurred of which \$0 and \$6,537, respectively, was capitalized as cost of the rental property and \$6,982 and \$94, respectively, was expensed. As of December 31, 2022 and 2021, accrued interest of \$1,732 and \$6,631, respectively, was due.

346,309 350,000

Promissory Note of \$165,000 payable to CIHA; secured by the Project; bearing no interest during construction and interest at 2% simple interest after completion of the Project, maturing May 1, 2060 and payable solely from cash flow. For the years ended December 31, 2022 and 2021, interest expense was \$3,300 and \$46, respectively. As of December 31, 2022 and 2021, accrued interest of \$3,346 and \$46, respectively, was due.

165,000 165,000

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

	2022	2021
Inlet Breeze		
Promissory Note of \$734,000 payable to CIHA; secured by the Project; bearing no interest during construction and interest at 1% after completion of the Project, maturing May 1, 2060 and; payable solely from cash flow. For the years ended December 31, 2022 and 2021, interest expense was \$7,340 and \$102, respectively. As of December 31, 2022 and 2021, accrued interest of \$7,442 and \$102, respectively, was due.	\$ 734,000	734,000
Promissory Note of \$750,000 payable to CIHA; secured by the Project; bearing no interest during construction and interest at 1% after completion of the Project, maturing May 1, 2060 and; payable solely from cash flow. For the years ended December 31, 2022 and 2021, interest expense was \$5,833 and \$0, respectively. As of December 31, 2022 and 2021, accrued interest of \$5,833 and \$0, respectively, was due.	750,000	-
Promissory Note of \$875,000 payable to CIHDC; secured by the Project; bearing no interest, maturing May 1, 2060 and; payable solely from cash flow.	875,000	787,500
Promissory Note of \$205,768 payable to the CIHA; secured by the Project; bearing no interest, maturing May 1, 2060 and; payable solely from cash flow.	205,768	205,768
Promissory Note of \$91,479 payable to CIHA; secured by the Project; bearing 6% interest upon receipt of the rental achievement installment, maturing May 1, 2060; and payable solely from cash flow. For the years ended December 31, 2022 and 2021, interest expense was \$1,968 and \$0, respectively. As of December 31, 2022 and 2021, accrued interest of \$1,968 and \$0, respectively, was due.	91,479	-
Inlet Breeze Total	\$ 5,288,931	4,415,372
Spenardian Square		
Promissory note of \$2,243,467 payable to Northrim Bank; secured by the Project; bearing 1.29% per annum with 14 monthly consecutive interest only payments beginning June 11, 2021; 201 monthly consecutive principal and interest payments of \$7,522 each beginning August 11, 2021, and one principal and interest payment of \$1,104,934 on maturity date of May 11, 2039. As of December 31, 2022 and 2021, interest of \$33,157 and \$17,123, respectively, was incurred, of which \$19,322 and \$17,123, respectively, was capitalized as cost of the rental property and \$13,835, and \$0, respectively, was expensed. As of December 31, 2022 and 2021, accrued interest of \$1,590 and \$0, respectively, was due.		
Debt issuance costs, net of accumulated amortization, totaled \$188,461 and \$200,232 as of December 31, 2022 and 2021, respectively, and are related to the permanent loan. Amortization of debt issuance costs on the above loan for the periods ended December 31, 2022 and 2021 of \$4,783 and \$0, respectively, are included in interest expense - first mortgage on the statements of operations.	\$ 2,218,104	2,243,467

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Spenardian Square

Promissory Note of \$146,465 payable to the Cook Inlet Lending Center, Inc.; secured by the Project; bearing 5.00% simple interest, maturing July 1, 2033 and; payable in annual payments of \$18,968 beginning July 1, 2023. As of December 31, 2022 and 2021, interest of \$7,323 and \$4,679, respectively, was incurred, of which \$0 and \$4,679, respectively, was capitalized as cost of the rental property and \$7,323, and \$0, respectively, was expensed. As of December 31, 2022 and 2021, accrued interest of \$12,002 and \$4,679, respectively, was due.

	2022	2021
	\$ 146,465	146,465

Promissory Note of \$627,244 payable CIHA; secured by the Project; bearing no interest during construction and interest at 2% simple interest after completion of the Project, maturing May 1, 2051, and payable solely from cash flow. For the periods ended December 31, 2022 and 2021, interest expense was \$5,332 and \$0, respectively. As of December 31, 2022 and 2021, accrued interest of \$5,332 and \$0, respectively, was due.

627,244	627,244
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Promissory Note of \$1,300,000 payable to CIHA; secured by the Project; bearing no interest during construction and interest at 1% after completion of the Project, maturing May 1, 2051, and payable solely from cash flow. For the periods ended December 31, 2022 and 2021, interest expense was \$5,525 and \$0, respectively. As of December 31, 2022 and 2021, accrued interest of \$5,525 and \$0, respectively, was due.

1,300,000	1,300,000
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Promissory Note of \$1,750,000 payable to CIHA; secured by the Project; bearing no interest, maturing May 1, 2051, and payable solely from cash flow.

1,750,000	907,320
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Promissory Note of \$1,063,494 payable to CIHA; secured by the Project; bearing no interest during construction and interest at 1% after completion of the Project, maturing May 1, 2051, and payable solely from cash flow. For the periods ended December 31, 2022 and 2021, interest expense was \$2,468 and \$0, respectively. As of December 31, 2022 and 2021, accrued interest of \$2,468 and \$0, respectively, was due.

1,063,494	-
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Promissory Note of \$162,160 payable to CIHA; secured by the Project; bearing no interest, maturing May 1, 2051, and payable solely from cash flow.

162,160	162,160
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Promissory Note of \$209,578 payable to CIHA; secured by the Project; bearing 6% upon receipt of the rental achievement installment, maturing April 2037 and payable solely from cash flow. As of December 31, 2022 and 2021, no interest was incurred.

209,578	-
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Spenardian Square Total

\$ 7,477,045	5,388,677
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

	2022	2021
Strawberry Rose Limited Partnership		
Promissory note of \$2,154,600 payable to AHFC; secured by a first deed of trust on the Project; bearing interest at 5.625%; payable in monthly installments of \$12,403.09 beginning January 1, 2021; maturing in 2050. During 2022 and 2021, interest expense was \$118,694 and \$120,339, respectively. As of December 31, 2022 and 2021, accrued interest was \$9,826 and \$9,967, respectively.		
Debt issuance costs, net of accumulated amortization, totaled \$32,888 and \$28,844 as of December 31, 2022 and 2021, respectively, and are related to the refinanced first mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 5.93%. Amortization of debt issuance costs is \$1,456 and \$1,046 for the years ended December 31, 2022 and 2021, respectively, and is included in interest expense - first mortgage on the statements of operations.	\$ 2,096,233	2,126,235
Promissory note of \$212,215 payable to CIHA; bearing interest at 4.80%; secured by a subordinated deed of trust on the Project; payable annually from available cash flow, maturing in 2033. During 2022 and 2021, interest expense was \$16,192 and \$15,450, respectively. As of December 31, 2022 and 2021, accrued interest was \$175,635 and \$159,443, respectively.	177,887	177,887
Promissory note of \$200,000 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing no interest; payable annually from available cash flow, maturing in 2033.	-	143,794
Promissory note of \$207,485 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing no interest; payable annually from available cash flow, maturing in 2033.	176,897	207,485
Promissory note of \$415,215 payable to CIHA; secured by the land; bearing interest at 5.05% compounded monthly; payable completely on maturity on June 29, 2033. During 2022 and 2021, interest expense was \$25,607 and \$24,349, respectively. As of December 31, 2022 and 2021, accrued interest was \$105,835 and \$80,228, respectively.	415,215	415,215
Promissory note of \$1,150,000 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing interest at 5.48%; payable annually from available cash flow, maturing in 2033. During 2022 and 2021, interest expense was \$63,020 and \$63,020, respectively. As of December 31, 2022 and 2021, accrued interest was \$1,244,646 and \$1,181,626, respectively.	1,150,000	1,150,000
Promissory note of \$200,000 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing 5.48% interest; payable annually from available cash flow, maturing on April 1, 2033. During 2022 and 2021, interest expense was \$10,960 and \$10,960, respectively. As of December 31, 2022 and 2021, accrued interest was \$228,021 and \$217,061, respectively.	200,000	200,000
Promissory note of \$50,000 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing no interest; payable annually from available cash flow, maturing upon the request of the lender.	50,000	50,000
Strawberry Rose Limited Partnership Total	\$ 4,266,232	4,470,616

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Kenaitze Point Limited Partnership

Promissory note of \$5,205,000 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing no interest; with amounts due above \$1,790,110 payable from proceeds of capital contributions, and \$3,325,785 payable annually from available cash flow, maturing in 2032.

Debt issuance costs, net of accumulated amortization, totaled \$7,189 and \$7,848 as of December 31, 2022 and 2021, respectively, and are related to the first mortgage. Amortization of debt issuance cost is \$659 and \$658 for the years ended December 31, 2022 and 2021 and is included in interest expense - mortgages and notes in the statements of operations.

	<u>2022</u>	<u>2021</u>
\$	3,325,785	3,325,785

Promissory note of \$591,320 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing interest at 4.60% compounded annually; payable annually from available cash flow; maturing in 2032. During 2022 and 2021, interest expense was \$64,370 and \$61,539, respectively. As of December 31, 2022 and 2021, accrued interest was \$872,389 and \$808,019, respectively.

	591,320	591,320
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Promissory note of \$777,978 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing no interest; payable annually from available cash flow, maturing in 2032.

	777,978	777,978
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Promissory note of \$475,000 payable to CIHA; secured by a subordinated deed of trust on the Project; bearing no interest; payable annually from available cash flow, maturing in 2032.

	475,000	475,000
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Kenaitze Point Limited Partnership Total

\$	<u>5,170,083</u>	<u>5,170,083</u>
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Tyonek Terrace Limited Partnership

Promissory note of \$3,587,400 payable to CIHA; secured by a deed of trust on the Project; bearing no interest during construction and 2.00% starting from the date of completion (September 1, 2004); payable annually from available cash flow; maturing in 2044. During 2022 and 2021, interest expense was \$64,316 and \$63,676, respectively. As of December 31, 2022 and 2021, accrued interest was \$715,567 and \$661,699, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$12,438 and \$13,012 as of December 31, 2022 and 2021, respectively, and are related to the first mortgage. Amortization of debt issuance costs were \$574 and \$574 for 2022 and 2021, respectively, and are included in interest expense - mortgage and notes payable.

\$	2,554,985	2,554,985
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Promissory note of \$330,000 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing interest at 4.36%; payable annually from available cash flow; maturing in 2044. During 2022 and 2021, interest expense was \$31,581 and \$30,262, respectively. As of December 31, 2022 and 2021, accrued interest was \$425,927 and \$394,346, respectively.

	330,000	330,000
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Promissory note of \$551,000 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2044.

	551,000	551,000
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Promissory note of \$761,700 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2044.

	761,700	761,700
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Tyonek Terrace Limited Partnership

Promissory note of \$323,964 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2045.

Tyonek Terrace Limited Partnership Total

	2022	2021
	<u>\$ 323,964</u>	<u>323,964</u>
	<u>\$ 4,521,649</u>	<u>4,521,649</u>

Mountain View Village I Limited Partnership

Promissory note of \$884,200 payable to Alaska Housing Finance Corporation; secured by a first deed of trust on the Project; bearing interest at 7.63%; payable in monthly installments of \$6,258, maturing in 2035. During 2022 and 2021, interest expense was \$47,921 and \$49,910, respectively. As of December 31, 2022 and 2021, accrued interest was \$3,914 and \$4,085, respectively.

Debt issuance costs, net of accumulated amortization, totaled \$11,217 and \$12,418 as of December 31, 2022 and 2021, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 7.96%. Amortization of debt issuance costs is \$1,201 and \$1,193 for the years ended December 31, 2022 and 2021, respectively, and are included in interest expense - first mortgage on the statements of operations.

\$ 615,924 642,931

Promissory note of \$442,100 payable to Alaska Housing Finance Corporation (AHFC Arbitrage loan); secured by a second deed of trust on the Project; bearing interest at 1.50%; payable annually from available cash flow, maturing in 2035. During 2022 and 2021, interest expense was \$4,683 and \$4,683, respectively. As of December 31, 2022 and 2021, accrued interest was \$18,598 and \$13,915, respectively.

312,219 312,219

Promissory note of \$2,839,010 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing interest at 1%; payable annually from available cash flow; maturing in 2044. During 2022 and 2021, interest expense was \$7,421 and \$7,347, respectively. As of December 31, 2022 and 2021, accrued interest was \$140,298 and \$132,877, respectively.

609,176 609,176

Promissory note of \$863,587 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing interest at 5.34% compounded annually; payable annually from available cash flow; maturing in 2044. During 2022 and 2021, interest expense was \$114,220 and \$108,430, respectively. As of December 31, 2022 and 2021, accrued interest was \$1,389,592 and \$1,275,372, respectively.

863,587 863,587

Promissory note of \$577,321 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow, maturing in 2044.

577,321 577,321

Funds provided to the Partnership under the Operating Deficit Guaranty in the amounts of \$90,000 in 2007, \$40,000 in 2011 and \$32,000 in 2013 bear no interest and are payable from available cash flow.

60,491 60,491

Mountain View Village I Limited Partnership Total

	<u>\$ 3,038,718</u>	<u>3,065,725</u>
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

Mountain View Village II Limited Partnership

Promissory note of \$1,720,500 payable to Alaska Housing Finance Corporation ("AHFC"); secured by a first deed of trust on the Project; bearing interest at 7.00% per annum; payable in monthly installments of \$11,447; maturing in 2036. For the years ended December 31, 2022 and 2021, interest of \$85,799 and \$89,275, respectively, was incurred. As of December 31, 2022 and 2021, accrued interest of \$7,011 and \$7,310, respectively, were payable.

Debt issuance costs, net of accumulated amortization, totaled \$17,627 and \$19,390 as of December 31, 2022 and 2021, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 7.25%. Amortization of debt issuance costs is \$1,763 and \$1,755 for the years ended December 31, 2022 and 2021, respectively, and are included in interest expense - first mortgage on the statements of operations.

	2022	2021
	\$ 1,201,909	1,253,169

Promissory note of \$860,200 payable to AHFC; secured by a second deed of trust on the Project; bearing interest at 1.50% from the date of completion; payable annually from available cash flow; maturing in 2036. For the years ended December 31, 2022 and 2021, interest of \$10,934 and \$10,934, respectively, was incurred. As of December 31, 2022 and 2021, accrued interest of \$72,706 and \$61,772, respectively, were payable.

	728,922	728,922
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Promissory note of \$283,359 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest during construction and 2% from the date of completion (June 30, 2006); payable annually from available cash flow; maturing in 2045. For the years ended December 31, 2022 and 2021, interest of \$6,332 and \$6,208, respectively, was incurred and \$52,550 and \$46,218 were payable at December 31, 2022 and 2021, respectively.

	270,370	270,370
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Promissory note of \$2,700,000 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2038.

	2,700,000	2,700,000
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Promissory note of \$250,000 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2038.

	250,000	250,000
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Promissory note of \$1,187,113 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2038.

	1,187,113	1,187,113
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Promissory note of \$1,200,000 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2038.

	1,200,000	1,200,000
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Promissory note of \$699,033 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2038.

	699,033	699,033
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Mountain View Village II Limited Partnership Total

	<u>\$ 8,237,347</u>	<u>8,288,607</u>
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Anchorage, Alaska

NOTE 8 - LONG-TERM LIABILITIES, continued

	2022	2021
Mountain View Village III Limited Partnership		
Promissory note of \$1,333,000 dated November 25, 2020 and payable to AHFC; secured by a first deed of trust on the Project; bearing interest at 5.50% per annum; payable in monthly installments of principal and interest of \$7,568.63; maturing December 1, 2050. During 2022 and 2021, interest expense was \$65,547 and \$66,896, respectively. As of December 31, 2022 and 2021, accrued interest was \$5,409 and \$5,524, respectively.		
Debt issuance costs, net of accumulated amortization, totaled \$36,979 and \$38,413 as of December 31, 2022 and 2021, respectively. Debt issuance costs on the above note are being amortized using an imputed interest rate of 5.78%. Amortization of debt issuance costs is \$1,434 and \$1,403 for the years ended December 31, 2022 and 2021, respectively.	\$ 1,180,118	1,205,279
Promissory note of \$2,729,803 payable to CIHA; funded from proceeds CIHA received under the Native American Housing Assistance and Self- Determination Act ("NAHASDA"); secured by a subordinate deed of trust on the Project; bearing simple interest at 5.00%; payable annually from available cash flow; maturing in 2047. During 2022 and 2021, interest expense was \$136,490 and \$136,490, respectively. As of December 31, 2022 and 2021, accrued interest of \$1,990,088 and \$1,885,617, respectively, were due.	2,729,803	2,729,803
Promissory note of \$1,271,000 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing in 2047.	1,271,000	1,271,000
Mountain View Village III Limited Partnership Total	\$ 5,180,921	5,206,082

Promissory note of \$3,786,500 payable to Alaska Housing Finance Corporation; secured by a first deed of trust; bearing interest at 7.50%; payable in monthly installments of \$26,476; maturing December 1, 2038. During the years ended December 31, 2022 and 2021, interest expense was \$224,779 and 231,474, respectively. As of December 31, 2022 and 2021, interest of \$18,463 and \$19,041, respectively, was due.

Debt issuance costs, net of accumulated amortization, totaled \$53,591 and \$57,816 as of December 31, 2022 and 2021, respectively, and are related to the first mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 7.78%. Amortization of debt issuance costs is \$4,225 and \$4,151 for the years ended December 31, 2022 and 2021, respectively, and is included in interest expense - first mortgage in the statements of operations.	\$	2,954.153	3,046.506
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COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 - LONG-TERM LIABILITIES, continued

	2022	2021
Creekside Village I Limited Partnership		
Promissory note of \$2,461,300 payable to Alaska Housing Finance Corporation; secured by a second deed of trust; bearing interest at 1.50%; payable annually from available cash flow; maturing December 1, 2038. During the years ended December 31, 2022 and 2021, interest expense was \$25,791 and \$26,468, respectively. As of December 31, 2022 and 2021, interest of \$10,634 and \$17,419, respectively, was due.	\$ 1,693,719	1,732,192
Promissory note of \$2,858,030 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing interest at 4.90%; payable annually from available cash flow; maturing September 1, 2048. During the years ended December 31, 2022 and 2021, interest expense was \$140,043 and \$140,043. As of December 31, 2022 and 2021, accrued interest of \$1,708,591 and \$1,587,825, respectively, was due.	2,858,030	2,858,030
Promissory note of \$1,722,519 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing interest at 2.00% through June 1, 2007 and at 0% thereafter; payable annually from available cash flow; maturing December 31, 2038. During the years ended December 31, 2022 and 2021, interest expense was \$0 and \$0, respectively. As of December 31, 2022 and 2021, accrued interest of \$7,576 and \$7,576, respectively, was due.	1,722,519	1,722,519
Promissory note of \$613,416 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing interest at 4.82%; payable annually from available cash flow; maturing December 31, 2038. During the years ended December 31, 2022 and 2021, interest expense was \$29,567 and \$29,567, respectively. As of December 31, 2022 and 2021, accrued interest of \$458,285 and \$428,718, respectively, was due.	613,416	613,416
Promissory note of \$2,506,261 payable to CIHA; secured by a subordinate deed of trust on the Project; bearing no interest; payable annually from available cash flow; maturing December 31, 2038.	2,506,261	2,506,261
Creekside Village I Limited Partnership Total	<u>\$ 12,348,098</u>	<u>12,478,924</u>
CIHDC Total	\$ 84,095,270	81,864,616
Less: Current Portion	(620,614)	(1,786,704)
Less: Debt issuance fees, net of amortization	(1,198,403)	(1,264,484)
Less: Eliminated Intercompany debt	(875,000)	(787,500)
Notes payable, net of current portion	<u>\$ 81,401,253</u>	<u>78,025,928</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 – LONG TERM LIABILITIES, *continued*

December 31,	PRINCIPAL	INTEREST	TOTAL
	\$		
2023	620,614	1,166,090	1,786,704
2024	660,975	1,125,727	1,786,702
2025	695,494	1,091,208	1,786,702
2026	731,800	1,054,901	1,786,702
2027	770,311	1,016,391	1,786,701
2028 - 2032	10,864,238	6,062,605	16,926,843
2033 - 2037	9,951,813	8,219,897	18,171,709
2038 - 2042	18,510,412	2,884,011	21,394,424
2043 - 2047	15,551,552	11,600,610	27,152,162
2048 - 2052	20,075,756	17,491,617	37,567,373
2053 - 2099	5,662,306	2,392,107	8,054,413
CIHDC Total	<u>\$ 84,095,270</u>	<u>54,105,166</u>	<u>138,200,436</u>
Less: Current portion	\$ (620,614)	-	(620,614)
Less: Debt issuance fees, net of amortization	(1,198,403)	-	(1,198,403)
Less: Eliminated intercompany debt	(875,000)	-	(875,000)
Notes payable, net of current portion	<u>\$ 81,401,253</u>	<u>54,105,166</u>	<u>135,506,418</u>

Construction Loans

Inlet Breeze

Promissory note of \$5,840,000 payable to Northrim Bank; secured by the Project; maturing May 18, 2022 with an interest rate of 30-Day LIBOR plus 2.00% (2.61% at December 31, 2021); with 23 consecutive interest payments beginning on June 18, 2020 and one final balloon payment due on the Maturity Date in the amount equal to the then unpaid principal and accrued and unpaid interest. For the years ended December 31, 2022 and 2021, interest of \$104,980 and \$81,011, respectively, was incurred, of which \$0 and \$81,011, respectively, was capitalized as cost of the rental property, and \$104,980 and \$0, respectively, was expensed. As of December 31, 2022 and 2021, accrued interest of \$0 and \$0, respectively, was due.

The construction loan was paid in full during 2022 using proceeds from capital contributions and the CIHA FHLB AHP permanent loan.

Debt issuance costs, net of accumulated amortization, totaled \$0 and \$11,852, respectively, as of December 31, 2022 and 2021 and are related to the construction loan. Amortization of debt issuance costs on the above loan for the years ended December 31, 2022 and 2021 of \$11,852 and \$0, respectively, is included in interest expense - other loans in the statements of operations.

Total Inlet Breeze Construction Loans

	<u>2022</u>	<u>2021</u>
	\$ -	5,791,849
	<u>\$ -</u>	<u>5,791,849</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 8 – LONG TERM LIABILITIES, *continued*

	<u>2022</u>	<u>2021</u>
Spenardian Square		
Promissory note in the face amount of \$7,500,000 payable to Northrim Bank; secured by the Project; with an interest rate of 2.75% and maturing July 11, 2023. During the periods ended December 31, 2022 and 2021, interest of \$304,238 and \$4,594, respectively, was incurred, of which \$100,189 and \$4,594, respectively, was capitalized as cost of the rental property and \$204,049 and \$0, respectively, was expensed. As of December 31, 2022 and 2021, accrued interest of \$28,900 and \$0, respectively, was due.		
The construction loan is expected to be paid in full prior to maturity using development cash on hand at December 31, 2022, and proceeds from the investor limited partner capital contributions receivable and the CIHA FHLB AHP permanent loan.		
Debt issuance costs, net of accumulated amortization, totaled \$44,947 and \$137,461 as of December 31, 2022 and 2021, respectively, and are related to the construction loan. Amortization of debt issuance costs on the above loan for the periods ended December 31, 2022 and 2021 of \$37,455 and \$0, respectively, are included in interest expense - other loans in the statements of operations.		
Total Spenardian Square Construction Loans	<u>\$ 7,499,202</u>	<u>3,440,919</u>
	<u>\$ 7,499,202</u>	<u>3,440,919</u>
Total Construction Loans	\$ 7,499,202	9,232,768
Less: Debt issuance fees, net of amortization	(44,947)	(149,313)
Total Construction Loans, net	<u>\$ 7,454,255</u>	<u>9,083,455</u>

NOTE 9 – SIGNIFICANT SOURCES OF REVENUE

CIHDC has routinely placed properties into service since 2015, transitioning to rental revenue as a primary source of revenue. Rental income was \$7,665,065 and \$6,720,465 which represents 98% and 96% of total revenue, excluding grant income, for the years ending December 31, 2022 and 2021.

NOTE 10 – CONTINGENT LIABILITIES

In connection with various federal and contract programs, CIHDC is obligated to administer related programs and spend grant monies in accordance with regulatory restrictions and is subject to audit by the granting agencies or contractors. In cases of noncompliance, the agencies involved may require CIHDC to refund program monies. CIHDC is unaware of any instances of significant noncompliance with those requirements. CIHDC is also contingently liable in connection with claims and contracts arising in the normal course of its business activities. CIHDC's management believes that the resolution of such matters will not have a material effect on the accompanying consolidated financial statements.

NOTE 11 – LOSS RECOVERIES

On November 30, 2018, Alaska experienced a high magnitude earthquake which affected the areas of several properties. Total cost to make the necessary repairs for the earthquake related damages at CPLP amounted to \$672,121, which were incurred during fiscal years ended December 31, 2018 and 2019. These costs were submitted to FEMA for reimbursement, and total FEMA reimbursements totaled \$630,868 at the end of 2022.

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Notes to Financial Statements, continued

NOTE 12 – RISK MANAGEMENT

CIHDC is exposed to various risks 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 mitigated by purchasing commercial insurance from independent third parties. There were no significant changes in insurance policy coverage during 2022 or 2021.

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has passed accounting standards updates with upcoming implementation dates. Management has not fully evaluated the potential effects of these updates. Actual impact has not yet been determined:

Standards Update 2023-01 – The objective of this Update is to better meet the information needs of financial statement users by enhancing accounting and financial reporting for lease. Under this statement, a common control arrangement determined to be a lease must be accounted for on a similar basis as unrelated party arrangements. Furthermore, the statement requires leasehold improvements under common control arrangements to be amortized over the useful life of the asset rather than the lease period as previously. The requirements of this Update are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

Standards Update 2023-02 – The objective of this Update is to better meet the information needs of financial statement users by enhancing accounting and financial reporting for equity investments. This statement expands the proportional amortization method to account for investments in all tax credit structures. The requirements of this Update are effective for reporting periods beginning after December 15, 2024. Earlier application is encouraged.

NOTE 14 – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. In preparing these consolidated financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 6, 2023, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Combining Statement of Financial Position

As of December 31, 2022

	CIHDC	MVV V	CPLP	GCN1	GCN2	EPLP	IBLP	SSLP	SRLP	KPLP	TTLP	MVV I	MVV II	MVV III	GCVLP	Total	Eliminating Entries	Combined Balance
Assets																		
Current assets:																		
Cash and cash equivalents	\$ 713,710	27,378	115,550	27,587	50,785	285,884	151,992	635,467	310,960	147,021	129,554	10,618	63,432	16,172	79,796	2,765,906	-	2,765,906
Restricted cash	-	286,054	314,338	303,357	219,117	299,237	41,764	136,138	53,852	116,937	107,891	21,892	41,395	29,524	77,945	2,049,441	-	2,049,441
Investments	598,127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	598,127	-	598,127
Accounts receivable, net	368,195	45,669	8,431	16,492	22,297	10,721	8,477	7,677	25,821	6,939	5,778	6,787	20,046	10,263	25,259	588,852	(86,845)	502,007
<i>Total current assets</i>	<u>1,680,032</u>	<u>359,101</u>	<u>438,319</u>	<u>347,436</u>	<u>292,199</u>	<u>595,842</u>	<u>202,233</u>	<u>779,282</u>	<u>390,633</u>	<u>270,897</u>	<u>243,223</u>	<u>39,297</u>	<u>124,873</u>	<u>55,959</u>	<u>183,000</u>	<u>6,002,326</u>	<u>(86,845)</u>	<u>5,915,481</u>
Noncurrent assets:																		
Investment in limited partnership	2,808,982	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,808,982	(2,808,982)	-
Deposits and reserves	-	90,863	119,558	103,062	69,622	43,864	26,678	8,002	133,274	-	-	132,765	71,891	155,160	393,673	1,348,412	-	1,348,412
Tax credit monitoring fees, net	-	4,944	4,389	6,222	7,389	8,111	9,556	9,944	-	-	-	-	-	-	444	50,999	-	50,999
Notes receivable - intercompany	875,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	875,000	(875,000)	-
	<u>3,683,982</u>	<u>95,807</u>	<u>123,947</u>	<u>109,284</u>	<u>77,011</u>	<u>51,975</u>	<u>36,234</u>	<u>17,946</u>	<u>133,274</u>	<u>-</u>	<u>-</u>	<u>132,765</u>	<u>71,891</u>	<u>155,160</u>	<u>394,117</u>	<u>5,083,393</u>	<u>(3,683,982)</u>	<u>1,399,411</u>
Capital assets:																		
Land	-	1,272,971	48,717	84,497	25,748	146,943	304,085	236,336	267,499	591,320	346,265	934,001	2,335,952	2,921,270	2,916,425	12,432,029	-	12,432,029
Land improvements	-	1,655,700	1,098,998	1,139,197	922,554	447,895	430,164	537,561	1,906,750	1,039,942	636,314	468,639	880,848	1,113,345	3,101,081	15,378,988	-	15,378,988
Buildings	-	9,611,340	13,858,785	14,392,572	11,261,994	10,007,128	9,588,906	11,331,262	7,826,791	8,891,498	7,946,315	5,756,840	8,665,398	8,380,693	18,936,570	146,456,092	-	146,456,092
Equipment	-	159,399	398,887	227,965	1,153,430	1,585,167	1,891,673	2,193,519	132,316	214,745	288,332	212,788	518,897	390,881	441,434	9,809,433	-	9,809,433
Alternative energy	-	152,646	575,207	865,138	160,969	194,769	94,018	62,926	-	-	-	-	-	-	-	2,105,673	-	2,105,673
Leasehold Improvements	-	-	-	-	-	109,899	-	-	-	-	-	-	-	-	-	109,899	-	109,899
Right of use asset	-	-	-	-	-	1,103,234	-	-	-	-	-	-	-	-	-	1,103,234	-	1,103,234
	-	12,852,056	15,980,594	16,709,369	13,524,695	13,595,035	12,308,846	14,361,604	10,133,356	10,737,505	9,217,226	7,372,268	12,401,095	12,806,189	25,395,510	187,395,348	-	187,395,348
Less accumulated depreciation	-	(2,950,030)	(4,125,319)	(3,259,877)	(2,620,472)	(1,917,590)	(650,496)	(407,764)	(5,970,085)	(5,509,217)	(4,537,235)	(3,286,610)	(5,092,955)	(4,884,968)	(10,277,165)	(55,489,783)	-	(55,489,783)
Total capital assets	-	9,902,026	11,855,275	13,449,492	10,904,223	11,677,445	11,658,350	13,953,840	4,163,271	5,228,288	4,679,991	4,085,658	7,308,140	7,921,221	15,118,345	131,905,565	-	131,905,565
<i>Total noncurrent assets</i>	<u>3,683,982</u>	<u>9,997,833</u>	<u>11,979,222</u>	<u>13,558,776</u>	<u>10,981,234</u>	<u>11,729,420</u>	<u>11,694,584</u>	<u>13,971,786</u>	<u>4,296,545</u>	<u>5,228,288</u>	<u>4,679,991</u>	<u>4,218,423</u>	<u>7,380,031</u>	<u>8,076,381</u>	<u>15,512,462</u>	<u>136,988,958</u>	<u>(3,683,982)</u>	<u>133,304,976</u>
<i>Total assets</i>	<u>\$ 5,364,014</u>	<u>10,356,934</u>	<u>12,417,541</u>	<u>13,906,212</u>	<u>11,273,433</u>	<u>12,325,262</u>	<u>11,896,817</u>	<u>14,751,068</u>	<u>4,687,178</u>	<u>5,499,185</u>	<u>4,923,214</u>	<u>4,257,720</u>	<u>7,504,904</u>	<u>8,132,340</u>	<u>15,695,462</u>	<u>142,991,284</u>	<u>(3,770,827)</u>	<u>139,220,457</u>
Liabilities and Net Position																		
Liabilities:																		
Current liabilities:																		
Accounts payable	\$ -	23,381	14,501	136,051	49,890	9,313	6,280	7,303	8,871	14,861	13,259	174,845	11,760	23,450	120,424	614,189	(86,845)	527,344
Accrued liabilities	283,099	11,812	23,194	47,020	187,685	43,655	60,363	428,809	20,452	22,485	13,026	35,244	47,304	23,859	35,748	1,283,755	-	1,283,755
Lease Liability - current portion	-	-	-	-	-	17,485	-	-	-	-	-	-	-	-	-	17,485	-	17,485
Unearned rent revenue	-	19,561	7,478	19,775	19,818	8,742	20,888	12,634	15,521	15,183	9,601	3,921	23,042	3,416	26,757	206,337	-	206,337
Construction loans payable	-	-	-	-	-	-	-	7,454,255	-	-	-	-	-	-	-	7,454,255	-	7,454,255
Notes payable - current portion	-	39,184	59,901	45,713	52,830	56,431	59,690	64,922	31,734	-	-	29,140	54,966	26,580	99,523	620,614	-	620,614
<i>Total current liabilities</i>	<u>283,099</u>	<u>93,938</u>	<u>105,074</u>	<u>248,559</u>	<u>310,223</u>	<u>135,626</u>	<u>147,221</u>	<u>7,967,923</u>	<u>76,578</u>	<u>52,529</u>	<u>35,886</u>	<u>243,150</u>	<u>137,072</u>	<u>77,305</u>	<u>282,452</u>	<u>10,196,635</u>	<u>(86,845)</u>	<u>10,109,790</u>
Noncurrent liabilities:																		
Accrued interest notes payable	-	27,026	5,379	9,249	10,882	9,849	1,938	42,492	9,826	-	-	22,512	79,717	5,409	29,097	253,376	-	253,376
Accrued interest - partner	-	116,553	415,662	314,699	419,085	129,091	20,320	13,324	1,754,136	872,388	1,141,494	1,529,890	52,549	1,990,088	2,174,452	10,943,731	-	10,943,731
Lease liability	-	-	-	-	-	1,122,354	-	-	-	-	-	-	-	-	-	1,122,354	-	1,122,354
Notes payable - net of current portion	-	2,154,640	1,635,753	1,952,518	2,515,465	2,413,518	2,002,947	1,964,721	2,031,611	-	-	887,785	1,858,238	1,116,559	4,494,759	25,028,514	-	25,028,514
Notes payable - partner, net	-	1,595,464	1,731,743	3,590,613	6,544,485	3,398,714	3,167,556	5,258,941	2,169,999	5,162,894	4,509,211	2,110,574	6,306,516	4,000,803	7,700,226	57,247,739	(875,000)	56,372,739
Trust and deposit liabilities	-	39,261	45,436	46,250	46,429	42,563	41,029	37,774	53,853	34,377	24,901	20,543	41,397	29,524	77,946	581,283	-	581,283
<i>Total noncurrent liabilities</i>	<u>-</u>	<u>3,932,944</u>	<u>3,833,973</u>	<u>5,913,329</u>	<u>9,536,346</u>	<u>7,116,089</u>	<u>5,233,790</u>	<u>7,317,252</u>	<u>6,019,425</u>	<u>6,069,659</u>	<u>5,675,606</u>	<u>4,571,304</u>	<u>8,338,417</u>	<u>7,142,383</u>	<u>14,476,480</u>	<u>95,176,997</u>	<u>(875,000)</u>	<u>94,301,997</u>
<i>Total liabilities</i>	<u>283,099</u>	<u>4,026,882</u>	<u>3,939,047</u>	<u>6,161,888</u>	<u>9,846,569</u>	<u>7,251,715</u>	<u>5,381,011</u>	<u>15,285,175</u>	<u>6,096,003</u>	<u>6,122,188</u>	<u>5,711,492</u>	<u>4,814,454</u>	<u>8,475,489</u>	<u>7,219,688</u>	<u>14,758,932</u>	<u>105,373,632</u>	<u>(961,845)</u>	<u>104,411,787</u>
Net Position																		
Net investment in capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Unrestricted	5,080,915	6,239,189	8,433,058	7,719,302	1,418,806	5,073,547	6,515,806	(534,107)	(1,436,767)	(623,003)	(788,278)	(571,422)	(970,585)	888,392	863,122	37,307,975	(2,808,982)	34,498,993
Restricted	-	90,863	45,436	25,022	8,058	-	-	-	27,942	-	-	14,688	-	24,260	73,408	309,677	-	309,677
<i>Total net position</i>	<u>5,080,915</u>	<u>6,330,052</u>	<u>8,478,494</u>	<u>7,744,324</u>	<u>1,426,864</u>	<u>5,073,547</u>	<u>6,515,806</u>	<u>(534,107)</u>	<u>(1,408,825)</u>	<u>(623,003)</u>	<u>(788,278)</u>	<u>(556,734)</u>	<u>(970,585)</u>	<u>912,652</u>	<u>936,530</u>	<u>37,617,652</u>	<u>(2,808,982)</u>	<u>34,808,670</u>
<i>Total liabilities and net position</i>	<u>\$ 5,364,014</u>	<u>10,356,934</u>	<u>12,417,541</u>	<u>13,906,212</u>	<u>11,273,433</u>	<u>12,325,262</u>	<u>11,896,817</u>	<u>14,751,068</u>	<u>4,687,178</u>	<u>5,499,185</u>	<u>4,923,214</u>	<u>4,257,720</u>	<u>7,504,904</u>	<u>8,132,340</u>	<u>15,695,462</u>	<u>142,991,284</u>	<u>(3,770,827)</u>	<u>139,220,457</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Combining Statement of Activities

Period Ended December 31, 2022

	CIHDC	MVV V	CPLP	GCN1	GCN2	EPLP	IBLP	SSLP	SRLP	KPLP	TTLP	MVV I	MVV II	MVV III	GCVLP	Total	Eliminating Entries	Combined Balance
Operating activities:																		
Revenues:																		
State of Alaska	\$ 930,180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	930,180	-	930,180
Other federal grants	1,063,494	-	626,015	-	-	-	67,898	-	-	-	-	-	-	-	-	1,757,407	-	1,757,407
Rental income	-	514,229	583,903	635,765	592,699	608,676	445,192	209,192	728,291	510,686	374,667	302,552	549,047	474,425	1,135,741	7,665,065	-	7,665,065
Management/developer fee	41,999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,999	(41,999)	-
Other income	-	22,946	9,696	10,511	9,155	40,740	115	1,929	18,523	9,756	12,113	9,202	7,267	12,863	2,196	167,012	-	167,012
<i>Total revenues</i>	<u>2,035,673</u>	<u>537,175</u>	<u>1,219,614</u>	<u>646,276</u>	<u>601,854</u>	<u>649,416</u>	<u>513,205</u>	<u>211,121</u>	<u>746,814</u>	<u>520,442</u>	<u>386,780</u>	<u>311,754</u>	<u>556,314</u>	<u>487,288</u>	<u>1,137,937</u>	<u>10,561,663</u>	<u>(41,999)</u>	<u>10,519,664</u>
Expenses:																		
Depreciation and amortization	-	365,167	451,482	479,242	589,006	617,957	668,885	450,058	198,672	231,909	206,551	146,022	221,977	222,265	685,044	5,534,237	-	5,534,237
Program assistance	1,906,174	-	-	-	937	-	-	-	-	-	-	-	5,751	335	-	1,913,197	-	1,913,197
Salaries and benefits	-	86,430	98,543	119,013	109,041	89,994	35,426	24,765	68,718	92,109	71,769	65,157	81,726	69,887	159,841	1,172,419	-	1,172,419
Utilities	-	73,309	87,126	122,942	115,130	51,955	46,191	31,645	89,401	132,839	76,518	53,775	85,340	42,782	161,512	1,170,465	-	1,170,465
Repairs and maintenance	-	111,163	112,382	227,039	110,462	70,764	37,680	25,474	103,672	135,040	105,686	115,807	141,126	84,240	235,440	1,615,975	-	1,615,975
Professional services	61,848	38,967	42,995	45,568	43,856	41,123	31,429	22,073	53,480	39,424	29,701	25,485	38,804	36,379	50,856	601,988	-	601,988
Property taxes	-	21,800	20,316	26,197	54,905	46,022	2,406	-	49,377	845	3,317	9,041	22,609	18,997	70,512	346,344	-	346,344
Insurance	-	22,955	21,489	22,944	21,141	24,302	16,064	7,236	30,023	23,046	10,141	10,529	20,295	20,791	40,339	291,295	-	291,295
Fees and licenses	620	8,124	8,374	11,137	7,262	8,169	8,424	5,465	10,485	10,918	6,702	6,579	6,465	84,722	6,335	189,781	(41,999)	147,782
Bad debt	-	23,412	-	14,035	13,790	5,989	-	-	5,216	1,154	5,026	6,253	3,568	-	13,644	92,087	-	92,087
Communications	-	2,397	5,318	14,565	9,694	9,927	5,126	3,853	4,443	8,047	7,041	2,006	2,479	3,102	7,433	85,431	-	85,431
Replacement reserves	-	-	-	-	-	-	-	-	-	55,893	-	4,503	-	-	-	60,396	-	60,396
Office and equipment lease	-	-	-	-	-	54,090	-	-	-	-	-	-	-	-	-	54,090	-	54,090
Supplies	-	633	766	1,950	428	581	1,757	1,374	1,260	1,564	525	320	390	980	1,681	14,209	-	14,209
Training and travel	-	1,028	714	834	693	764	100	192	775	928	649	587	1,116	1,014	1,303	10,697	-	10,697
Marketing and advertising	-	1,599	1,333	587	509	6	1,445	-	676	595	450	316	528	428	902	9,374	-	9,374
Incident loss	-	-	3,437	-	-	1,105	-	-	2,073	-	-	-	-	-	-	6,615	-	6,615
Resident services	-	18	23	284	19	21	-	-	25	22	16	12	19	16	33	508	-	508
Other	1,750	2,993	1,322	308	1,265	133	65	691	66	865	545	168	7,721	205	2,118	20,215	-	20,215
<i>Total operating expenses</i>	<u>1,970,392</u>	<u>759,995</u>	<u>855,620</u>	<u>1,086,645</u>	<u>1,078,138</u>	<u>1,022,902</u>	<u>854,998</u>	<u>572,826</u>	<u>618,362</u>	<u>735,198</u>	<u>524,637</u>	<u>446,560</u>	<u>639,914</u>	<u>586,143</u>	<u>1,436,993</u>	<u>13,189,323</u>	<u>(41,999)</u>	<u>13,147,324</u>
<i>Net operating income (loss)</i>	<u>65,281</u>	<u>(222,820)</u>	<u>363,994</u>	<u>(440,369)</u>	<u>(476,284)</u>	<u>(373,486)</u>	<u>(341,793)</u>	<u>(361,705)</u>	<u>128,452</u>	<u>(214,756)</u>	<u>(137,857)</u>	<u>(134,806)</u>	<u>(83,600)</u>	<u>(98,855)</u>	<u>(299,056)</u>	<u>(2,627,660)</u>	<u>-</u>	<u>(2,627,660)</u>
Nonoperating activities:																		
Interest expense	-	(139,368)	(118,409)	(167,292)	(233,161)	(169,096)	(187,452)	(238,531)	(234,473)	(64,370)	(95,898)	(174,245)	(103,065)	(202,037)	(420,180)	(2,547,577)	-	(2,547,577)
Investment income	20,005	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,005	-	20,005
Change in fair value	(2,219,270)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,219,270)	2,088,229	(131,041)
<i>Total nonoperating activities</i>	<u>(2,199,265)</u>	<u>(139,368)</u>	<u>(118,409)</u>	<u>(167,292)</u>	<u>(233,161)</u>	<u>(169,096)</u>	<u>(187,452)</u>	<u>(238,531)</u>	<u>(234,473)</u>	<u>(64,370)</u>	<u>(95,898)</u>	<u>(174,245)</u>	<u>(103,065)</u>	<u>(202,037)</u>	<u>(420,180)</u>	<u>(4,746,842)</u>	<u>2,088,229</u>	<u>(2,658,613)</u>
<i>Net income (loss) before capital contributions</i>	<u>(2,133,984)</u>	<u>(362,188)</u>	<u>245,585</u>	<u>(607,661)</u>	<u>(709,445)</u>	<u>(542,582)</u>	<u>(529,245)</u>	<u>(600,236)</u>	<u>(106,021)</u>	<u>(279,126)</u>	<u>(233,755)</u>	<u>(309,051)</u>	<u>(186,665)</u>	<u>(300,892)</u>	<u>(719,236)</u>	<u>(7,374,502)</u>	<u>2,088,229</u>	<u>(5,286,273)</u>
Capital contributions	-	-	-	-	-	221,264	6,363,286	100	-	-	-	-	-	-	-	6,584,650	(100)	6,584,550
<i>Change in net position</i>	<u>(2,133,984)</u>	<u>(362,188)</u>	<u>245,585</u>	<u>(607,661)</u>	<u>(709,445)</u>	<u>(321,318)</u>	<u>5,834,041</u>	<u>(600,136)</u>	<u>(106,021)</u>	<u>(279,126)</u>	<u>(233,755)</u>	<u>(309,051)</u>	<u>(186,665)</u>	<u>(300,892)</u>	<u>(719,236)</u>	<u>(789,852)</u>	<u>2,088,129</u>	<u>1,298,277</u>
Net position, beginning of year	7,214,899	6,692,240	8,232,909	8,351,985	2,136,309	5,394,865	681,765	66,029	(1,302,804)	(343,877)	(554,523)	(247,683)	(783,920)	1,213,544	1,655,766	38,407,504	(4,897,111)	33,510,393
<i>Net position, end of year</i>	<u>\$ 5,080,915</u>	<u>6,330,052</u>	<u>8,478,494</u>	<u>7,744,324</u>	<u>1,426,864</u>	<u>5,073,547</u>	<u>6,515,806</u>	<u>(534,107)</u>	<u>(1,408,825)</u>	<u>(623,003)</u>	<u>(788,278)</u>	<u>(556,734)</u>	<u>(970,585)</u>	<u>912,652</u>	<u>936,530</u>	<u>37,617,652</u>	<u>(2,808,982)</u>	<u>34,808,670</u>

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Combining Statement of Cash Flows

Period Ended December 31, 2022

	CIHDC	MVV V	CPLP	GCN1	GCN2	EPLP	IBLP	SSLP	SRLP	KPLP	TTLP	MVV I	MVV II	MVV III	GCVLP	Total	Eliminating Entries	Combined Balance
Cash flows from operating activities:																		
Receipts from grants	\$ 1,712,325	-	-	-	-	-	67,898	-	-	-	-	-	-	-	-	1,780,223	-	1,780,223
Receipts from others	-	198	634,193	3,289	145	18,999	25	40	567	53	36	219	27	79	198	658,068	-	658,068
Receipts from clients	36,852	470,505	562,891	563,740	536,818	597,442	498,782	253,812	646,084	517,583	370,903	253,948	494,799	433,275	1,039,164	7,276,598	(36,852)	7,239,746
Payments to vendors	(62,468)	(340,380)	(878,818)	(400,076)	(368,521)	(245,580)	(143,462)	(91,008)	(351,337)	(405,067)	(238,871)	(182,339)	(336,802)	(281,814)	(528,991)	(4,855,534)	36,852	(4,818,682)
Payments to others	(1,624,825)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,624,825)	-	(1,624,825)
Payments to employees	-	(65,343)	(116,023)	(36,336)	(64,091)	(105,754)	(29,485)	(15,957)	(60,176)	(104,130)	(65,114)	(36,918)	(70,716)	(51,961)	(85,130)	(907,134)	-	(907,134)
<i>Total cash flows from operating activities</i>	<u>61,884</u>	<u>64,980</u>	<u>202,243</u>	<u>130,617</u>	<u>104,351</u>	<u>265,107</u>	<u>393,758</u>	<u>146,887</u>	<u>235,138</u>	<u>8,439</u>	<u>66,954</u>	<u>34,910</u>	<u>87,308</u>	<u>99,579</u>	<u>425,241</u>	<u>2,327,396</u>	<u>-</u>	<u>2,327,396</u>
Cash flows from capital and related financing activities:																		
Acquisition and construction of capital assets	-	-	-	-	-	(147,211)	(1,271,150)	(6,066,850)	-	-	-	-	-	-	-	(7,485,211)	-	(7,485,211)
Investment in subsidiaries	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(100)	-	(100)
Proceeds from issuance of debt	-	-	-	-	-	-	837,500	5,964,457	-	-	-	-	-	-	-	6,801,957	-	6,801,957
Payments on construction loans	-	-	-	-	-	-	(5,791,848)	-	-	-	-	-	-	-	-	(5,791,848)	-	(5,791,848)
Contributions received from general partners	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	100	-	100
Contributions received from limited partners	-	-	-	-	-	221,264	6,363,186	-	-	-	-	-	-	-	-	6,584,450	-	6,584,450
Issuance of notes receivable	(87,500)	-	-	-	-	-	100	-	-	-	-	-	-	-	-	(87,400)	-	(87,400)
Principal payment on notes payable	-	(36,908)	(57,777)	(43,434)	(96,183)	(58,333)	(53,399)	(25,363)	(204,384)	-	-	(27,007)	(51,260)	(25,161)	(130,826)	(810,035)	-	(810,035)
Interest payment on debt	-	(116,367)	(68,161)	(112,202)	(137,529)	(128,191)	(171,972)	(187,394)	(118,835)	-	(10,448)	(48,092)	(86,099)	(97,681)	(277,209)	(1,560,180)	-	(1,560,180)
Debt issuance costs paid	-	-	-	-	-	-	-	-	(5,500)	-	-	-	-	-	-	(5,500)	-	(5,500)
Tax credit monitoring fees paid	-	-	-	-	-	-	(10,000)	(10,000)	-	-	-	-	-	-	-	(20,000)	-	(20,000)
<i>Total cash flows from capital and related financing activities</i>	<u>(87,600)</u>	<u>(153,275)</u>	<u>(125,938)</u>	<u>(155,636)</u>	<u>(233,712)</u>	<u>(112,471)</u>	<u>(97,583)</u>	<u>(325,050)</u>	<u>(328,719)</u>	<u>-</u>	<u>(10,448)</u>	<u>(75,099)</u>	<u>(137,359)</u>	<u>(122,842)</u>	<u>(408,035)</u>	<u>(2,373,767)</u>	<u>-</u>	<u>(2,373,767)</u>
Cash flows from investing activities:																		
Deposits to replacement reserves, net	-	14,119	(85)	(6,418)	(18,035)	(15,914)	(20,011)	(8,002)	(24,061)	-	-	13,378	(23)	(15,252)	(24,198)	(104,502)	-	(104,502)
Withdrawals from (deposits to) other reserves, net	-	-	-	-	-	-	-	-	-	-	-	(23)	-	(27)	-	(50)	-	(50)
Change in escrows	-	2,565	-	1,588	20,147	-	-	-	8,241	-	-	(2,538)	(7,427)	(743)	(24,286)	(2,453)	-	(2,453)
Developer fees paid	-	-	-	-	-	-	(347,620)	-	-	-	-	-	-	-	-	(347,620)	-	(347,620)
Interest and dividends from investments	8,253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,253	-	8,253
<i>Total cash flows from investing activities</i>	<u>8,253</u>	<u>16,684</u>	<u>(85)</u>	<u>(4,830)</u>	<u>2,112</u>	<u>(15,914)</u>	<u>(367,631)</u>	<u>(8,002)</u>	<u>(15,820)</u>	<u>-</u>	<u>-</u>	<u>10,817</u>	<u>(7,450)</u>	<u>(16,022)</u>	<u>(48,484)</u>	<u>(446,372)</u>	<u>-</u>	<u>(446,372)</u>
Net change in cash and cash equivalents	(17,463)	(71,611)	76,220	(29,849)	(127,249)	136,722	(71,456)	(186,165)	(109,401)	8,439	56,506	(29,372)	(57,501)	(39,285)	(31,278)	(492,743)	-	(492,743)
Cash and cash equivalents, beginning of year	731,173	93,500	33,597	56,535	177,913	142,659	265,212	957,770	418,269	104,609	88,464	39,086	121,789	56,607	114,447	3,401,630	-	3,401,630
Restricted cash, beginning of year	-	291,543	320,071	304,258	219,238	305,740	-	-	55,944	150,910	92,475	22,796	40,539	28,374	74,572	1,906,460	-	1,906,460
Total cash and restricted cash, beginning of year	<u>731,173</u>	<u>385,043</u>	<u>353,668</u>	<u>360,793</u>	<u>397,151</u>	<u>448,399</u>	<u>265,212</u>	<u>957,770</u>	<u>474,213</u>	<u>255,519</u>	<u>180,939</u>	<u>61,882</u>	<u>162,328</u>	<u>84,981</u>	<u>189,019</u>	<u>5,308,090</u>	<u>-</u>	<u>5,308,090</u>
Cash and cash equivalents, end of year	\$ <u>713,710</u>	<u>313,432</u>	<u>429,888</u>	<u>330,944</u>	<u>269,902</u>	<u>585,121</u>	<u>193,756</u>	<u>771,605</u>	<u>364,812</u>	<u>263,958</u>	<u>237,445</u>	<u>32,510</u>	<u>104,827</u>	<u>45,696</u>	<u>157,741</u>	<u>4,815,347</u>	<u>-</u>	<u>4,815,347</u>
Cash and cash equivalents, end of year	\$ 713,710	27,378	115,550	27,587	50,785	285,884	151,992	635,467	310,960	147,021	129,554	10,618	63,432	16,172	79,796	2,765,906	-	2,765,906
Restricted cash, end of year	-	286,054	314,338	303,357	219,117	299,237	41,764	136,138	53,852	116,937	107,891	21,892	41,395	29,524	77,945	2,049,441	-	2,049,441
Total ending cash and restricted cash	<u>\$ 713,710</u>	<u>313,432</u>	<u>429,888</u>	<u>330,944</u>	<u>269,902</u>	<u>585,121</u>	<u>193,756</u>	<u>771,605</u>	<u>364,812</u>	<u>263,958</u>	<u>237,445</u>	<u>32,510</u>	<u>104,827</u>	<u>45,696</u>	<u>157,741</u>	<u>4,815,347</u>	<u>-</u>	<u>4,815,347</u>
Reconciliation of total operating loss to total cash flows from operating activities:																		
Net operating income (loss)	\$ 65,281	(222,820)	363,994	(440,369)	(476,284)	(373,486)	(341,793)	(361,705)	128,452	(214,756)	(137,857)	(134,806)	(83,600)	(98,855)	(299,056)	(2,627,660)	-	(2,627,660)
Adjustments to reconcile net operating earnings to total cash flows from operating activities:																		
Depreciation and amortization	-	365,167	451,482	479,242	589,006	617,957	668,885	450,058	198,672	231,909	206,551	146,022	221,977	222,265	685,044	5,534,237	-	5,534,237
Lease amortization	-	-	-	-	-	36,605	-	-	-	-	-	-	-	-	-	36,605	-	36,605
Bad debt	-	23,412	-	14,035	13,790	5,989	-	-	5,216	1,154	5,026	6,253	3,568	-	13,644	92,087	-	92,087
(Increase) Decrease in accounts receivable	(286,496)	(15,464)	4,813	(21,590)	(7,076)	(761)	(8,417)	(7,677)	12,898	(155)	(5,558)	(11,957)	(3,114)	(2,907)	(19,559)	(373,020)	18,909	(354,111)
Increase (Decrease) in accounts payable	-	8,360	(591,909)	129,004	40,023	(2,179)	6,280	7,303	(5,253)	(15,432)	(120)	66,730	104	14,582	123,423	(219,084)	-	(219,084)
Increase (Decrease) in accrued liabilities	283,099	(14,231)	3,034	26,099	2,352	12,198	6,886	8,500	(3,099)	7,460	6,748	7,173	2,914	14,185	(4,949)	358,369	(18,909)	339,460
Increase (Decrease) in unearned revenue	-	(79,950)	(28,610)	(55,608)	(56,129)	(28,300)	20,888	12,634	(99,656)	(5,407)	(10,281)	(42,251)	(55,398)	(49,961)	(75,639)	(553,668)	-	(553,668)
Increase (Decrease) in trust liabilities	-	506	(561)	(196)	(1,331)	(2,916)	41,029	37,774	(2,092)	3,666	2,445	(2,254)	857	270	2,333	79,530	-	79,530
Net cash flows from operating activities	<u>\$ 61,884</u>	<u>64,980</u>	<u>202,243</u>	<u>130,617</u>	<u>104,351</u>	<u>265,107</u>	<u>393,758</u>	<u>146,887</u>	<u>235,138</u>	<u>8,439</u>	<u>66,954</u>	<u>34,910</u>	<u>87,308</u>	<u>99,579</u>	<u>425,241</u>	<u>2,327,396</u>	<u>-</u>	<u>2,327,396</u>
Supplemental noncash disclosure:																		
Dividends reinvested	\$ 11,751	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,751	-	11,751
Unrealized gain/(loss)	\$ (2,219,270)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,219,270)	2,088,229	(131,041)
Amortization of debt	\$ -	-	-	-	-	-	-	62,047	-	-	-	-	-	-	-	62,047	-	62,047
Reduction in other liabilities - construction included in capital assets	\$ -	-	-	-	-	-	21,033	530,000	-	-	-	-	-	-	-	551,033	-	551,033

FEDERAL SINGLE AUDIT REPORTS

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Schedule of Expenditures of Federal Financial Awards

Year Ended December 31, 2022

<u>Federal Grant Title</u>	<u>Grant Year</u>	<u>Award Number</u>	<u>AL Number</u>	<u>Total Award Amount</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Housing and Urban Development (HUD):						
Housing Trust Fund, pass-through from Alaska Housing Finance Corporation (AHFC)	2021	GOL-21-CHD-1	14.275	\$ 1,063,494	\$ 1,063,494	\$ 1,063,494
<i>Total U.S. Department of Housing and Urban Development (HUD):</i>				<u>1,063,494</u>	<u>1,063,494</u>	<u>1,063,494</u>
Total Federal Awards				<u>\$ 1,063,494</u>	<u>\$ 1,063,494</u>	<u>\$ 1,063,494</u>

* Indicates a major program for compliance audit purposes

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Notes to the Schedule of Expenditures of Federal Financial Awards

Year Ended December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Cook Inlet Housing Development Corporation (CIHDC) under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of CIHDC, it is not intended to and does not present the financial position, changes in net position, or cash flows of CIHDC.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – FEDERAL INDIRECT RATE

CIHDC has elected not to use the 10-percent de-minimus indirect cost rate, as allowed under the Uniform Guidance.



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

Board of Directors

Cook Inlet Housing Development Corporation

Anchorage, Alaska

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Cook Inlet Housing Development Corporation, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 6, 2023.

Internal Control over Financial Reporting

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

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

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

Board of Directors
Cook Inlet Housing Development Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cook Inlet Housing Development Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Anchorage, Alaska
June 6, 2023



Newhouse & Vogler

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Report on Compliance for Each Major Program and on Report on Internal Control over Compliance in Accordance with Uniform Guidance

Independent Auditor's Report

Board of Directors

Cook Inlet Housing Development Corporation

Anchorage, Alaska

Ladies and Gentlemen:

Report on Compliance for Each Major Federal Program

We have audited Cook Inlet Housing Development Corporation's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect² on each of [Entity Name]'s major federal programs for the year ended December 31, 2022. Cook Inlet Housing Development Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Cook Inlet Housing Development Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cook Inlet Housing Development Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Cook Inlet Housing Development Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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



Anchorage, Alaska
June 6, 2023

COOK INLET HOUSING DEVELOPMENT CORPORATION

Anchorage, Alaska

Summary of Audit Results

Year Ended December 31, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor report issued:		Unmodified
Material weakness in internal control over financial reporting identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency not considered a material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Noncompliance related to the financial statements identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Type of auditor report issued on compliance over major programs:		Unmodified
Material weakness in internal control over major programs identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency not considered a material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Audit findings that are required to be reported in accordance with Title 2 U.S. CFR Part 200, Uniform Guidance?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of Major Federal Programs

<u>ALN</u>	<u>Name of Federal Program or Cluster of Programs</u>
14.275	HUD – GOAL

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Section II – Financial Statement Findings, required to be reported in accordance with Governmental Auditing Standards

CIHDC did not have any findings that relate to the financial statements that are required to be reported in accordance with GAGAS.

Section III – Federal Award Findings and Questioned Costs

CIHDC did not have any findings or questioned costs related to federal awards for the year ended December 31, 2022.

Cook Inlet Housing Development Corporation

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Summary Schedule of Prior Audit Findings

Year Ended December 31, 2022

Cook Inlet Housing Development Corporation did not have any findings for the year ended December 31, 2021.

STATE SINGLE AUDIT REPORTS

COOK INLET HOUSING DEVELOPMENT CORPORATION
Anchorage, Alaska

Schedule of State Financial Assistance

Year ended December 31, 2022

Granting Agency	Award Number	Award Amount	Total Expenditures	Passed Through to Subrecipients
Alaska Housing Finance Corporation (AHFC):				
GOAL Grant	GOL-20-CHD-1	\$ 875,000	\$ 87,500	\$ -
GOAL Grant*	GOL-21-CHD-1	<u>1,750,000</u>	<u>842,680</u>	<u>842,680</u>
<i>Total AHFC</i>		<u>2,625,000</u>	<u>930,180</u>	<u>842,680</u>
Total State Awards		<u>\$ 2,625,000</u>	<u>\$ 930,180</u>	<u>\$ 842,680</u>

* Denotes major state program

See accompanying notes and independent auditor's report.

COOK INLET HOUSING DEVELOPMENT CORPORATION

Notes to Schedule of State Financial Assistance

Year Ended December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of state financial assistance (the Schedule) includes the state financial assistance of CIHDC for the year ended December 31, 2022. The information in the Schedule is presented in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The expenditures reported in the Schedule are reported on the modified accrued basis of accounting. Because the Schedule presents only a selected portion of the operations of CIHDC, it is not intended to and does not present the financial position, changes in net position or cash flows of CIHDC.



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Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits

Independent Auditor's Report

Board of Directors

Cook Inlet Housing Development Corporation

Anchorage, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Cook Inlet Housing Development Corporation's compliance with the types of compliance requirements identified as subject to audit in State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Cook Inlet Housing Development Corporation's major state programs for the year ended December 31, 2022. Cook Inlet Housing Development Corporation's major state programs are identified on the Schedule of State Financial Assistance. In our opinion, Cook Inlet Housing Development Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Cook Inlet Housing Development Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Cook Inlet Housing Development Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cook Inlet Housing Development Corporation's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cook Inlet Housing Development Corporation's compliance based on our audit. 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, Government Auditing Standards, and State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cook Inlet Housing Development Corporation's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Cook Inlet Housing Development Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Cook Inlet Housing Development Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Cook Inlet Housing Development Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Board of Directors
Cook Inlet Housing Development Corporation

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of State Financial Assistance Required by the State of Alaska

We have audited the financial statements of Cook Inlet Housing Development Corporation as of and for the year ended December 31, 2022, and have issued our report thereon dated June 6, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the State of Alaska and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



Anchorage, Alaska
June 6, 2023

COOK INLET HOUSING DEVELOPMENT CORPORATION

State Schedule of Findings and Questioned Costs

Year Ended December 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor report issued:			Unmodified
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes <u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes <u> X </u>	No
Noncompliance material to financial statements?	_____	Yes <u> X </u>	No

State Financial Assistance

Type of auditor report issued on compliance for major programs:			Unmodified
Internal control over major programs:			
Material weakness(es) identified?	_____	Yes <u> X </u>	No
Significant deficiency(ies) identified?	_____	Yes <u> X </u>	No

Dollar threshold used to distinguish a state major program:		\$ 75,000
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SECTION II – FINANCIAL STATEMENT FINDINGS

Cook Inlet Housing Development Corporation did not have any findings that relate to the financial statements for the year ended December 31, 2022.

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

Cook Inlet Housing Development Corporation did not have any findings or questioned costs related to the state awards.

Cook Inlet Housing Development Corporation

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State Summary Schedule of Prior Audit Findings

Year Ended December 31, 2022

Cook Inlet Housing Development Corporation did not have any findings or questioned cost related to the State of Alaska for the year ended December 31, 2021.