

NEW ISSUE
FULL BOOK-ENTRY

S&P Global Ratings Rating: "SP-1+"
(See the caption "RATING" herein)

In the opinion of K&L Gates LLP, Note Counsel, assuming compliance with certain covenants of the Municipality, interest on the Notes is excludable from gross income for federal income tax purposes under existing law. Interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. However, interest on the Notes is taken into account in determining "adjusted financial statement income" of certain corporations for purposes of computing the alternative minimum tax imposed on "applicable corporations" for tax years beginning after December 31, 2022. Interest on the Notes is not included in taxable income for purposes of the Alaska income tax imposed on corporations. See "TAX MATTERS" herein for a discussion of the opinion of Note Counsel.



MUNICIPALITY OF ANCHORAGE, ALASKA

\$125,000,000

2023 General Obligation Tax Anticipation Notes

Dated: Date of Delivery

Due: December 15, 2023

The 2023 General Obligation Tax Anticipation Notes (the "Notes") will be issued as fully registered notes and, when issued, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Notes. Individual purchases of interests in the Notes will be made in book-entry form only, in the principal amount of \$25,000 or any integral multiple thereof. Purchasers of such interests will not receive certificates representing their interests in the Notes. Principal of and interest on the Notes are payable directly to DTC by U.S. Bank Trust Company, National Association, as authenticating paying agent and registrar ("Registrar") for the Notes. Principal of and interest on the Notes is payable at maturity. Upon receipt of payments of principal and interest, DTC will in turn remit such principal and interest to the DTC Participants (as such term is defined herein) for subsequent disbursement to the purchasers of beneficial interests in the Notes, as described in APPENDIX D—Book-Entry Only System.

The Notes are not subject to redemption prior to their scheduled maturity.

The Notes are general obligations of the Municipality of Anchorage, Alaska (the "Municipality"), and the full faith, credit and taxing power of the Municipality are pledged for the payment of the principal of and interest on the Notes when due. The Municipality has irrevocably pledged and covenanted to levy and collect taxes upon all taxable property within the Municipality, without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Notes when due.

MATURITY, AMOUNT, INTEREST RATE AND YIELD

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> [†]
12/15/23	\$125,000,000	4.250%	2.750%	033162LE6

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

The Notes are offered when, as and if issued and are subject to the approving legal opinion of K&L Gates LLP of Seattle, Washington, Note Counsel, as to validity and the exemption of interest thereon from federal income taxation. It is expected that the Notes will be available for delivery through the facilities of DTC in New York, New York, by Fast Automated Securities Transfer (FAST) on or about April 6, 2023.

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Dated: March 29, 2023

No dealer, broker, salesperson or other person has been authorized to give any information or make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities offered hereby shall under any circumstances create an implication that there has been no change in the affairs of the Municipality, or any party described herein, since the date hereof.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Notes.

UPON ISSUANCE, THE NOTES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED ON THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE NOTES FOR SALE. THE NOTE ORDINANCE WILL NOT BE QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED.

This Official Statement is submitted by the Municipality in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information set forth herein has been furnished by the Municipality and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in affairs of the Municipality since the date hereof. This Official Statement including any supplement or amendment hereto, is intended to be deposited with one or more repositories.

BDO USA, LLP, the Municipality's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. BDO USA, LLP also has not performed any procedures relating to this Official Statement.

Certain statements contained in this Official Statement do not reflect historical facts but are forecast, projections, estimates or other "forward-looking statements." The words "estimate," "project," "anticipate," "expect," "intend," "believe," "forecast," "assume" and similar expressions are intended to identify forward-looking statements. Such forecast, projections, estimates and other forward-looking statements are not intended as representations of fact or guarantees of results. Any such forward-looking statements are subject to variety of risks and uncertainties that may cause actual results or performance to differ materially from those that have been forecasted, estimated or projected. These forward-looking statements speak only as of the date of this Official Statement. The delivery of this Official Statement does not impose upon the Municipality any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Municipality's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

MUNICIPALITY OF ANCHORAGE

MAYOR

Dave Bronson

MUNICIPAL ASSEMBLY

Suzanne LaFrance, Chair

Christopher Constant – Vice Chair

Kevin Cross

Robin Dern

Kameron Perez-Verdia

Pete Petersen

Austin Quinn-Davidson

Felix Rivera

Randy Sulte

Joey Sweet

Daniel Volland

Meg Zaletel

Barbara A. Jones, Municipal Clerk

ADMINISTRATION

Kent Kohlhase, Acting Municipal Manager

Grant Yutzenka, Chief Fiscal Officer

Anne Helzer, Acting Municipal Attorney

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Seattle, Washington

*This inactive textual reference to the Municipality website is contact information provided only for convenience. This reference is not a hyperlink and, by this reference, the website is not incorporated into this Official Statement.

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OFFICIAL STATEMENT

Relating to

MUNICIPALITY OF ANCHORAGE, ALASKA

\$125,000,000

2023 General Obligation Tax Anticipation Notes

INTRODUCTION

General

This Official Statement, including the cover hereof and the appendices hereto, was prepared to provide information relating to the Municipality of Anchorage, Alaska (the “Municipality”), and the Municipality’s \$125,000,000 principal amount of 2023 General Obligation Tax Anticipation Notes, referred to herein as the “Notes.”

The information within this Official Statement has been compiled from official and other sources considered reliable and, while not guaranteed as to accuracy, is believed to be correct. Any statements herein involving estimates, projections or forecasts are to be construed as such rather than as statements of fact or representations that such estimates, projections or forecasts will be realized.

All of the summaries of, or references to, provisions of statutes of the State of Alaska (the “State”), ordinances, resolutions and the Home Rule Charter (the “Municipal Charter”) of the Municipality and other documents contained herein are made subject to the complete provisions thereof and do not purport to be complete statements of such provisions, copies of which are available for inspection at the office of the Municipality upon request. Certain financial information regarding the Municipality has been taken or derived from the audited financial statements and other financial reports of the Municipality. Reference should be made to the audited financial statements and other financial reports, and their accompanying notes, for additional information. Copies thereof are available for inspection at the office of the Municipality upon request. A copy of the audited financial statements of the Municipality as of and for the year ended December 31, 2021, with an Independent Auditors’ Report, appears as Appendix A hereto. BDO USA, LLP has been engaged to perform the audit of the Municipality’s December 31, 2022, financial statements. BDO USA, LLP has not performed any procedures relating to this Official Statement.

Summaries of, or references to, provisions of the Internal Revenue Code of 1986, as amended (the “Code”), contained herein are made subject to the complete provisions thereof and do not purport to be complete statements thereof. Capitalized terms which are not defined herein shall have the same meanings as set forth in the hereinafter defined Note Ordinance (see “Authority for Issuance of the Notes” below).

Authority for Issuance of the Notes

The Notes are issued pursuant to Article XV of the Municipal Charter. The sale of the Notes is further authorized by Ordinance No. 2023-28, passed by the Assembly on March 22, 2023 (the “Note Ordinance”). The Note Ordinance set forth certain details of the Notes and authorized the Chief Fiscal Officer of the Municipality to cause the Notes to be sold by competitive public sale or by private placement to a financial institution.

Purpose of the Notes

The proceeds from the sale of the Notes will be used to provide funds to pay the ongoing expenses of the Municipality until sufficient funds from the receipt of 2023 ad valorem property taxes and from other revenue sources are available.

Security for the Notes

The Notes are valid and legally binding general obligations of the Municipality, and the full faith, credit and taxing power of the Municipality are pledged for the payment of the principal of and interest on the Notes as the same shall become due. The Municipality has irrevocably pledged and covenanted with the owners of the Notes that it will levy and collect taxes upon all taxable property within the Municipality, without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Notes when due. See “FINANCIAL INFORMATION.”

DESCRIPTION OF THE NOTES

The Notes will be issued as fully registered notes under a book-entry system, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), acting as depository for the Notes. Individual purchases of the Notes will be made in the principal amount of \$25,000, or integral multiples thereof within a single maturity and will be in book-entry form only.

Interest on and principal of the Notes is due and payable on December 15, 2023. U.S. Bank Trust Company, National Association, as paying agent, registrar and authenticating agent (the “Registrar”) will make the principal and interest payment to Cede & Co. which, in turn, will disburse the principal and interest payment to its participants (the “DTC Participants”) in accordance with DTC policies. Payments by such DTC Participants to the beneficial owners of the Notes (the “Beneficial Owners”) will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such DTC Participants and not of DTC, the Registrar or the Municipality. See “APPENDIX D—BOOK-ENTRY ONLY SYSTEM.”

Redemption

The Notes are not subject to redemption by or on behalf of the Municipality prior to their scheduled maturity.

SOURCES AND USES OF FUNDS FOR THE NOTES

Set forth in the following table is a summary of the application of Note proceeds associated with the execution and delivery of the Notes.

<u>Sources of Funds:</u>	
Principal Amount of Notes	\$125,000,000
Premium	<u>1,272,500</u>
Total Sources of Funds:	<u>\$126,272,500</u>
 <u>Uses of Funds:</u>	
Deposit to General Fund	\$126,046,250
Issuance Expenses ⁽¹⁾	<u>226,250</u>
Total Uses of Funds:	<u>\$126,272,500</u>

(1) Includes underwriter’s discount and other fees and expenses.

GENERAL STATE ASSISTANCE

Through the 1980s and 1990s, and in 2003, 2005, and 2006, the State of Alaska shared a portion of its resource revenues with local communities. This was accomplished through established municipal assistance/revenue sharing programs. Anchorage’s annual share was used to support vital general government services and to help hold

down local property taxes. The Municipality of Anchorage continues to advocate for reinstatement of a sustainable State revenue sharing program.

MUNICIPALITY OF ANCHORAGE

In 1975, the citizens of the Anchorage area ratified a Home Rule Charter for a unified municipal government. Under the Municipal Charter, the City of Anchorage, incorporated in 1920, the Greater Anchorage Area Borough, incorporated in 1964, and two small, incorporated communities, Girdwood and Glen Alps, were dissolved as of September 15, 1975, and the Municipality became their legal successor. The area of the Municipality is coterminous with the area of the former Greater Anchorage Area Borough and totals approximately 1,944 square miles. The Municipality is Alaska's most populous city and the state's chief commercial center. The Municipality encompasses the urban core and Joint Base Elmendorf Richardson ("JBER"). The Municipality is at the terminus of the Cook Inlet, on a peninsula formed by the Knik Arm to the north and the Turnagain Arm to the south. The Municipality is situated on a broad plain at the head of Cook Inlet in Southcentral Alaska.

Organization

The chief executive officer of the Municipality is the Mayor, who is elected at large to a three-year term and who may not serve more than two consecutive terms. Subject to confirmation by the Assembly, the Mayor appoints the Municipal Manager, the Municipal Attorney, the Chief Fiscal Officer and all heads of municipal departments. The Mayor may participate, but may not vote, in meetings of the Assembly. The Mayor may veto ordinances passed by the Assembly, and veto, strike or reduce budget or appropriation measure line items. A minimum of eight of the eleven members of the Assembly must vote to override a veto by the Mayor.

The legislative power of the Municipality is vested in the Assembly comprised of 11 members, elected by district, to three-year terms and who may not serve more than three consecutive terms. The presiding officer of the Assembly is the Chairperson, who is elected annually from and by the membership of the Assembly. The Assembly appoints the Municipal Clerk.

Municipal services are provided through geographic service areas. Each service area is treated as an individual taxing unit although only the Municipality can levy taxes. Certain services of the Municipality -- education, planning and zoning, health services, animal control, environmental quality, taxing and assessing, emergency medical service and public transportation -- are provided area-wide. The ad valorem tax rate for these services is uniform throughout the Municipality. In addition, geographic service areas consisting of only part of the area within the Municipality have been created for such purposes as fire protection, police protection, road maintenance, parks and recreation, building safety, etc. As a result, the total tax rate applicable to any given parcel of property is the sum of the Municipality wide levy rates plus the rates for the special purpose service areas within which that parcel is located.

Pursuant to the Municipal Charter, the Municipality owns and operates a number of utilities as enterprise funds. These utilities include the Refuse Collection Utility, Solid Waste Disposal Utility, Water Utility, and Wastewater Utility, (referred to as Anchorage Water & Wastewater Utility). The utilities finance capital expansion, in part, with the proceeds of bonds, primarily revenue bonds, and the debt service on which is paid by the users of the respective utilities. The Municipality also owns and operates the Port of Alaska and Merrill Field, the municipal airport.

Administrative Officers

Dave Bronson, Mayor

Mr. Bronson commenced his term as Mayor on July 1, 2021. He was an Active Duty Air Force Pilot from 1981 to 1990, US Air Force Reserves Plans Officer from 1992 to 1993, and an Alaska ANG Maintenance Officer and Pilot from 1993 to 2005 while balancing a commercial airline pilot career from 1990 to 2020. Mayor Bronson earned his Bachelor of Science Degree in Agricultural Economics from the University of Wisconsin.

Kent Kohlhasse, Acting Municipal Manager

Mr. Kohlhasse was appointed as Acting Municipal Manager effective December 19, 2022. Mr. Kohlhasse joined the Municipality in April 2013 as the Private Development Manager, where he worked directly with developers and engineers to guide the design and construction of subdivisions and related public improvements. At the Municipality, Mr. Kohlhasse advanced in roles with increasing responsibilities, and in September 2019, advanced to serve in the role of the Director of Project Management and Engineering. Prior to joining the Municipality, Mr. Kohlhasse served for twenty years at the U.S. Forest Service, Chugach National Forest in engineering roles. Mr. Kohlhasse has over twenty-nine years' experience in engineering and management, as project engineer, team leader, engineering program manager, department director, and executive level leader. Mr. Kohlhasse is registered as a civil engineer in the State of Alaska since 1998.

Anne Helzer, Acting Municipal Attorney

Ms. Helzer was appointed Acting Municipal Attorney for the Municipality on February 13, 2023. Ms. Helzer is licensed to practice law in both New York State (2004) and in Alaska since 2009. Ms. Helzer is the founder and owner of Helzer Law LLC, a private law firm in Anchorage established in 2011, where she has represented hundreds of Alaskans in various business and personal legal matters. Ms. Helzer holds a bachelor's degree in Literature from Thomas More College, a master's degree in Education from the University of Bridgeport, and a Juris Doctorate in Law from Regent University. She is admitted to all Alaska Courts including U.S. District Court (Alaska) where she was admitted to practice in 2017. Ms. Helzer served five years as a Hearing Officer for the State of Alaska and as Chair of the Alaska Public Offices Commission. She is the attorney member for the State of Alaska Victims of Violent Crimes Compensation Board. She is a certified mediator for the Alaska Court System, a graduate of the Police Citizen's Academy in Anchorage and a volunteer for numerous local organizations. Ms. Helzer currently supervises the attorneys in the Civil Division and oversees a broad range of legal matters for the Municipality.

Grant Yutrzeuka, Chief Fiscal Officer

Mr. Yutrzeuka joined the Anchorage Water & Wastewater Utility ("AWWU") in February 2019, where he served as the Chief Financial Officer and then the Assistant General Manager. He was appointed the Municipality's Acting Chief Fiscal Officer on September 19, 2022 and confirmed as Chief Fiscal Officer on January 10, 2023. Mr. Yutrzeuka also served as Chief Information Office/Division Manager at the Municipal Light & Power (ML&P) electric utility previously owned by the Municipality. He has been involved with utility management in both the public and private sectors for over 15 years. He has experience in long-range planning, regulatory affairs, operations, technology as well as accounting and finance. Mr. Yutrzeuka holds a Bachelor in Business Administration with an emphasis in Accounting.

Ross Risvold, Director of Public Finance

Mr. Risvold joined the Municipality in October 2004. He has more than forty years of financial management experience in both the public and private sectors. His experience includes fourteen years at the Alaska Housing Finance Corporation ("AHFC") where as a Finance Officer he was responsible for managing the daily operations of the Corporation's portfolios of trusted and unrestricted assets. Mr. Risvold was also involved in the design and maintenance of methods of capital acquisition in the domestic and international short and long-term capital markets with debt securities offered publicly as well as privately placed. Mr. Risvold also worked in the telecommunications industry for Sprint PCS for four years where his roles included fraud identification and investigation, auditing, compliance, consulting and training. He earned an MBA in Finance from the University of Minnesota and a B.S. from the University of Wyoming.

Jessie Wei, Municipal Debt Officer

Ms. Wei joined the Municipality in April 2011 as the Payroll Specialist for the Public Transportation Department where she then advanced to serve as the Fiscal Manager. She managed a professional team of four overseeing the financial, grants and administrative functions for the department. In September 2017, she joined the

Public Finance and Investments Division as the Financial Analyst, and gained extensive exposure to the management of Municipal investment and debt portfolios. On May 1, 2019, she began a new role serving as the Municipal Debt Officer. Prior to working for the Municipality, Ms. Wei worked for the Australia and New Zealand Banking Group (ANZ) in Melbourne, Australia for two and a half years. At ANZ she served in several roles in the Institutional and Commercial Banking sectors where she gained broad exposure to a wide-range of banking and custodial services. Ms. Wei earned a B.Com (Finance Specialization) and B.A. (Psychology) from the University of Melbourne, Australia.

Chris Richardson, Cash Management & Investments Officer

Mr. Richardson has served as the Cash Management and Investment Officer for the Municipality since May 2014. He is responsible for the Municipality's general cash pool investments, including management of the internally invested portfolio and oversight of the three externally managed portfolios that comprise the Municipal Cash Pool. He has worked for the Municipality since 2001, previously serving as Plant Accounting Supervisor at the Anchorage Water and Wastewater Utility, where he was responsible for managing the capital accounting section of the Utility, including direct supervision of two professional level staff members and preparation of standalone financial statements. Prior to this, Mr. Richardson served as Investment Accountant within the Public Finance & Investments Division of the Municipality, where his duties included daily accounting for investment transactions, monthly allocation of investment income across Municipal funds, and preparation of the GASB 40 cash and investment footnote disclosures for the Municipality's annual comprehensive financial report. He has also served as Infrastructure Accountant, Reconciliation Accountant, and Cash Receipt Technician for the Municipality. He earned a BA in Accounting from Alaska Pacific University in 2007 and an MBA in Finance, also from Alaska Pacific University, in 2010.

Environmental, Social and Governance Standards

Environmental

The Municipality has been working to implement the Anchorage Climate Action Plan since its adoption in May 2019. This community driven Plan focuses heavily on climate adaptation and mitigation for internal local government operations.

Recent Municipality of Anchorage highlights include:

- The Municipality continues to upgrade lights to LEDs citywide, reducing energy use by an average of 40%. The Municipality has upgraded over 12,000 streetlights, saving an estimated \$780,000 annually. In 2020, the Maintenance and Operations Department completed lighting retrofits in numerous buildings across the city.
- The Municipality is the first local government to establish a Commercial Property Assessed Clean Energy (C-PACE) Program in Alaska. C-PACE is a creative financing program which allows owners of commercial buildings to take out a long-term loan through a private lender for a clean energy project and pay it back through a voluntary special assessment on their property tax bill.
- In the fall of 2020, the Municipality updated Title 23, the Municipality's building code, including the adoption of the International Energy Conservation Code 2018 Edition.
- The Municipality has installed over 400 solar panels totaling 144 kW across eight of its facilities and has improved the solar permitting process. With collected landfill gas, Solid Waste Services generates enough to power over 60,000 Anchorage homes in a year.
- The Solid Waste Services Department has incorporated an electric box truck into its fleet. It is awaiting the arrival of two new electric heavy duty trucks, and beginning in 2022, there is a new heavy duty electric vehicle charging station located at the new Central Transfer Station for charging three electric vehicles.

- The Anchorage Police Department purchased 20 new hybrid electric vehicles which are expected to use 45% less fuel per year.

- Solid Waste Services is designing a new Central Transfer Station which is expected to open in Spring 2023 and will provide additional recycling and waste diversion options that save residents money in the long-term by extending the life of the Anchorage Regional Landfill. It is also working to expand the composting program.

- The Anchorage Office of Emergency Management is updating its All Hazards Mitigation Plan to incorporate climate projections and better recognize resiliency opportunities.

- The Port of Alaska Modernization project is being built with 4’ of extra height to account for sea level rise.

Social and Governance

The Municipality is working on increasing equity, encouraging social diversity and working on becoming even more socially responsible by having a Chief Equity Officer. It is the responsibility of the Chief Equity Officer to develop, support, and implement equity policies and practices in municipal government that builds diversity, equity, and inclusion. The Chief Equity Officer is also responsible for proactively working in the community to advance racial equity, focusing on eliminating inequities and increasing wellbeing and success for all residents.

Labor Relations

Labor Organizations

The Municipality had 2,570 employees, excluding School District personnel, as of February 22, 2023.

Employees of the Municipality are represented by the labor organizations shown in the following table. Management of the Municipality believes its relations with employees in the past have been satisfactory. There have been no work stoppages or strikes by general government employees of the Municipality in the last five years.

Labor Organization	Expiration	Employees⁽¹⁾
Anchorage Municipal Employees Association	12/31/25	444
Anchorage Police Department Employees Association	12/31/24	533
International Association of Fire Fighters	06/30/25	394
International Brotherhood of Electrical Workers (“IBEW”)	06/30/24	56
IBEW / Technicians	12/31/24	63
International Union of Operating Engineers	06/30/26	142
Public Employees Local 71	06/30/24	65
Plumbers and Pipefitters	06/30/22 ⁽²⁾	142
Teamsters	12/31/22 ⁽²⁾	125
Non-Represented / Executive & Assembly Employees	N/A	606

Source: Municipality of Anchorage

(1) Membership shows hired personnel as of February 22, 2023.

(2) Contract currently under negotiation.

Retirement Plans, Other Post-Employment Benefits and Related Unfunded Liabilities

Retirement Plans

Permanent employees of the Municipality participate in one of the following retirement plans, all of which are subject to regular actuarial review:

Alaska Public Employees Retirement System

Anchorage Police and Fire Retirement Plan I, II or III
International Brotherhood of Electrical Workers Pension Plan
International Union of Operating Engineers Local 302

All pension and post-employment healthcare benefit obligations of the Municipality are included on the government-wide, proprietary, or fiduciary financial statements. See the Municipality's Financial Statements, dated December 31, 2021, Note 13.

Other Post-Employment Benefits

Other Post-Employment Benefits ("OPEB") are post-employment benefits that an employee will begin to receive at the start of retirement. These do not include pension benefits paid to the retired employee. OPEB that an employee can be compensated for are life insurance premiums, healthcare premiums and deferred compensation arrangements. The Municipality has several Retirement Plans, including closed retirement plans, which include OPEB.

Related Unfunded Liabilities

Information on plans and unfunded liabilities related to post-employment benefits can be found in the Municipality's Financial Statements, dated December 31, 2021, Note 14.

Insurance

Property Insurance

The Municipality maintains replacement cost "all-risk" insurance on all of its properties through a policy with FM Global. The deductible per occurrence is \$100,000 and the maximum payment per occurrence is \$500,000,000. The total property covered, including property of the Municipality (consolidated to obtain cost efficiency), is currently in excess of \$4.0 billion. Certain perils are not covered by the Municipality's policy, including earthquake. Earthquake coverage is deemed to be not cost-effective given the expense, high deductibles and low policy limits of such coverage. The large dollar value and disbursement of these assets throughout the Municipality make this type of coverage not cost effective.

Liability Insurance

The Municipality also maintains commercial coverage for torts and workers compensation claims. The first layer of the excess liability coverage, over the Municipality's \$3,000,000 self-insured retention, is provided by Allied World Insurance Co. in the amount of \$1,000,000 per occurrence; the second layer of excess insurance of \$4,000,000 per occurrence is also provided by Allied World Insurance Co.; the third layer of excess insurance of \$5,000,000 is provided by Upland Specialty; the fourth layer of \$5,000,000 per occurrence is provided by Gemini Insurance Company; the fifth layer of \$10,000,000 per occurrence is provided by Navigators Specialty Insurance; the sixth layer of \$5,000,000 per occurrence is provided by Hallmark; the seventh layer of \$5,000,000 per occurrence is provided by Lexington; and the eighth layer of \$5,000,000 per occurrence is provided by Landmark American, for a total of \$40,000,000 excess liability coverage over self-insured retention. The Municipality's workers compensation policy is provided by Midwest Employer's Casualty and provides statutory limits over the \$3,000,000 per occurrence self-insured retention.

The Municipality also maintains a stand alone liability policy for cyber security incidents with Allied World Insurance Co. The policy has a \$5,000,000 aggregate limit of coverage with a \$500,000 deductible.

The Municipality maintains a self insurance fund in order to pay known and actuarially anticipated claims. The amount retained in the self insurance fund is determined by the Municipality's risk manager as advised annually by external insurance consultants. The most recent study completed in 2023 (using 2022 data compiled in 2023), by Willis Towers Watson, set forth Low, Expected and High loss amounts. The self insurance reserve is maintained at

a level adequate to meet workers compensation, general liability, and auto liability claims with a Low of \$26,946,789 and a High of \$43,869,794. The Expected loss amount has been estimated to be \$34,602,707.

Response to COVID-19

The COVID-19 pandemic has affected communities across the globe, including the State and the Municipality. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency. On March 11, 2020, Alaska's Governor declared a public health disaster emergency under State law as a result of COVID-19. On March 12, 2020, the Municipality issued a Proclamation of Emergency pursuant to Anchorage Municipal Code Section 3.80.040 caused by COVID-19. The State Governor issued a series of health mandates which were subsequently rescinded.

The State issued four health advisories on February 14, 2021, which remain in effect until rescinded. All other prior health orders, health alerts, and health mandates issued by the State have expired, been superseded, or rescinded and are no longer valid.

The pandemic has had a significant impact on the Municipality and its operations, and the Municipality has taken various steps to mitigate its impact. The Municipality is currently reviewing potential revenue impacts on its funds and on operations. The Municipality has implemented and will continue to explore several avenues in response to projected revenue impacts. The Municipality has also adopted a series of Emergency Ordinances using interfund loans to provide financial resources for labor, supplies, and other expenditures required to address municipal response to COVID-19. The Municipality is continuously pursuing FEMA reimbursements for the COVID-19 related expenses. As of February 23, 2023, a total \$128.2 million interfund loans have been authorized for COVID-19 response, and of this amount, \$126.5 million has been expended, and \$47.5 million has been reimbursed by FEMA.

The Municipality has received and expects to continue to receive Federal and State support related to COVID-19 relief. The Municipality was allocated and received a total of \$156,713,566 in CARES Act funds, \$35,431,860 in Emergency Rental Assistance Program (ERA No. 1) funds, and \$103,317,366 in American Rescue Plan Act ("ARPA") funds. Additionally, the Municipality was awarded \$26,928,213 in Emergency Rental Assistance Program ("ERA 2") funds, of which \$18,849,750 has been received as of December 31, 2022. Additionally, a CARES award for Transportation: operating assistance and security in the amount of \$20,038,144 was awarded to the Municipality. This brings total Federal assistance related to COVID-19 relief received to \$314,312,541. The funds were allocated to relief, response and support efforts in the community. They have been divided into the following priority areas: public health and safety; housing and homelessness; economic stimulus; family support; community investments; and direct municipal response. As of December 31, 2022, a total of \$293,433,848 of combined CARES Act funds, ERA funds and ARPA funds have been expended.

While the full impact of the COVID-19 pandemic on the Municipality and the regional economy is currently uncertain, the Municipality currently believes that these measures will help mitigate its anticipated revenue shortfall. The Municipality, however, cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses of the Municipality. The Municipality's response has been guided by Center for Disease Control guidelines and recommendations. The Municipality has received and expended over \$200 million in federal funds in its effort to keep the Municipality's citizens safe. The Municipality has made additional qualified expenditures to address COVID issues for which it expects reimbursement from FEMA. No assurances can be given with respect to the timing of these reimbursements. The Municipality will continue to monitor the evolving situation and respond as needed. See "CERTAIN INVESTMENT CONSIDERATIONS—COVID-19 and other Public Health Pandemics or Outbreaks."

FINANCIAL INFORMATION

Local Taxation

The principal source of local tax revenue to the Municipality is *ad valorem* real and personal property taxation.

Assessed Valuation

Under State law, the Municipal Assessor is required to assess all taxable property, except certain types of oil and gas properties which are assessed by the State (see “FINANCIAL INFORMATION—Debt and Tax Limitations”), at full and true market value, with certain minor exceptions. Owners of real property are notified of their individual assessments in March, and owners of personal property are notified of their timely and involuntary individual assessments in September, respectively, of each year.

The total taxable value of the Municipality grew from \$31,714,746,885 in 2012 to \$36,977,730,959 (projected, subject to change) for 2023. See the table in the following subsection “Property Tax Collection Record,” for the assessed valuations of the Municipality for each year from 2012 to 2023. For a discussion of specific economic factors affecting the Municipality, see “APPENDIX B - GENERAL AND ECONOMIC INFORMATION RELATING TO THE MUNICIPALITY OF ANCHORAGE.”

Property Tax Collection Record

The following table sets forth the General Fund property tax levy and collection record of the Municipality for 2012 through 2023. Included are the amount and percentage of each year’s levy collected by December 31 of the year of the levy, and the amount of collections on levies of prior years during such year, as reported by the Municipality. The first half of the tax levy on real property is due June 15 and the second half is due August 15 each year. Personal property assessed valuations and taxes are handled on supplemental rolls subsequent to the establishment of the real property roll. Delinquent taxes are subject to a penalty charge of 10% on the amount of the tax plus interest at 8.5% per annum (State law allows a maximum penalty of 20% and a maximum interest rate of 15%). Property is also subject to foreclosure and sale for delinquent taxes. Under State law, delinquent property owners may, within ten years and before the sale by the Municipality, repurchase their property.

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Tax Collection Record - Municipality of Anchorage

Year	Assessed Valuation	Highest Tax	General Fund Tax Levy ⁽²⁾	Year of Levy		Total Collections to Date	
		Millage Rate ⁽¹⁾		Amount Collected	Percent Collected	Collections in Subsequent Years	Percent Collected
2023 ⁽⁴⁾	\$36,977,730,959	N/A	N/A	N/A	N/A	N/A	N/A
2022 ⁽³⁾	36,237,162,319	17.05	\$596,983,547	N/A	N/A	N/A	N/A
2021	34,507,531,448	18.22	612,657,619	\$604,667,663	98.7%	\$4,057,001	99.4%
2020	34,757,230,502	17.31	582,020,226	580,524,073	99.7	3,606,855	100.4
2019	34,663,903,288	16.50	553,797,033	553,652,783	100.0	2,802,884	100.5
2018	34,234,694,147	16.49	548,728,375	546,992,455	99.7	3,175,524	100.3
2017	35,832,394,546	16.19	551,213,820	554,594,217	100.6	3,762,798	101.3
2016	35,956,000,268	15.21	527,288,610	523,466,132	99.3	3,752,403	100.0
2015	35,038,444,975	15.14	506,632,643	503,903,026	99.5	2,708,659	100.0
2014	33,672,370,182	15.37	503,962,630	500,594,375	99.3	3,359,911	100.0
2013	32,328,660,949	15.71	489,910,228	484,545,683	98.9	5,359,466	100.0
2012	31,714,746,885	15.67	480,422,072	476,715,333	99.2	3,702,960	100.0

Source: Municipality of Anchorage, Treasury, Property Appraisal, and Controller Division

- (1) The total tax rate applicable to any given parcel is the sum of the Municipality-wide levy rates plus the rates for special-purpose service areas within which that location is included (see "THE MUNICIPALITY OF ANCHORAGE—Organization"). The millage rates shown are for the area that had the highest total millage in each year.
- (2) The General Fund Tax Levy is the amount of taxes due from real and personal property taxes which pay for City and Anchorage School District services. This includes all property subject to taxation. The allocation of this levy is dependent on the tax district and the assessed value of the real and personal property.
- (3) 2022 Assessed Values on March 17, 2022 from the 2022 Revised Budget Book.
- (4) 2023 Projections from the Assessor's Office as of August 25, 2022.

Major Taxpayers

The 10 largest taxpayers within the Municipality, shown in the following table, account for approximately 3.71% (\$1,348,423,381) of the Municipality's 2022 assessed valuation.

Ten Largest Taxpayers – Municipality of Anchorage 2022

Taxpayer	Type of Business	2022 Assessed Valuation*	Percentage of Total Assessed Valuation
Weidner Apartments	Apartments	\$ 285,639,800	0.79%
Calais Co. Inc.	Real Estate	188,916,600	0.52
Doyon Utilities	Utilities	157,292,886	0.43
GCI Communications Corp.	Communications	119,723,146	0.33
Fred Meyer Stores Inc.	Retail	117,522,781	0.32
Galen Hospital Alaska Inc.	Health Care	114,082,000	0.31
700 G. Street LLC	Real Estate	94,287,700	0.26
Sisters of Providence	Health Care	93,361,406	0.26
Enstar Natural Gas Company	Utility	90,857,946	0.25
United Parcel Service	Delivery	86,739,116	0.24
Total		\$1,348,423,381	3.71%

Source: Municipality of Anchorage, Property Appraisal Division

* 2022 Principal Property Tax Payers Table, includes real and personal property.

Outstanding General Obligation General Purpose Bonds

The following table lists the outstanding General Obligation General Purpose Bonds issued by the Municipality as of December 31, 2022.

Outstanding Bonds	Date of Issue	Date of Final Maturity	Outstanding Principal
2014 G.O. General Purpose, Series A	11/06/14	09/01/25	\$ 5,575,000
2014 G.O. General Purpose, Series B	11/06/14	09/01/25	27,150,000
2015 G.O. General Purpose, Series A	11/19/15	09/01/35	18,590,000
2015 G.O. General Purpose, Series B	11/19/15	09/01/27	37,320,000
2016 G.O. General Purpose, Series A	12/07/16	09/01/36	20,150,000
2018 G.O. General Purpose, Series A	06/14/18	09/01/38	52,110,000
2018 G.O. General Purpose, Series B	06/14/18	09/01/23	7,140,000
2019 G.O. General Purpose, Series A	10/01/19	04/01/39	30,595,000
2019 G.O. General Purpose, Series B	10/01/19	04/01/30	23,250,000
2020 G.O. General Purpose, Series A	08/19/20	04/01/40	41,995,000
2020 G.O. General Purpose, Series B	08/19/20	04/01/28	1,355,000
2020 G.O. General Purpose, Series C	08/19/20	08/01/34	41,965,000
2020 G.O. General Purpose, Series D	11/04/20	04/01/31	12,800,000
2021 G.O. General Purpose, Series A	12/16/21	09/01/41	45,245,000
2021 G.O. General Purpose, Series B	12/16/21	09/01/33	25,030,000
2022 G.O. General Purpose, Series A	12/15/22	09/01/42	76,350,000
Total			<u>\$466,620,000</u>

Source: Municipality of Anchorage, Public Finance

Other Debt of the Municipality

The following are revenue and special obligations of the Municipality and are not general obligations of the Municipality.

Long-Term Revenue Bonds

The following table lists the revenue debt of the Municipality outstanding as of December 31, 2022.

Type of Issue	Outstanding Principal
AMBBA Revenue Bonds, 2014 Refunding Bonds	\$ 2,645,000
Port of Alaska Revenue Bonds	65,095,000
Solid Waste Revenue Bonds	109,755,000
Water Revenue Bonds	86,745,000
Wastewater Revenue Bonds	60,430,000
Total	<u>\$ 324,670,000</u>

Source: Municipality of Anchorage, Public Finance

Other Long-Term Obligations

The following table lists other long-term obligations of the Municipality and the principal amounts outstanding as of December 31, 2022.

Purpose	Final Installment	Outstanding Principal
ADWF Loans – Water Utility	2041	\$ 98,601,654
ACWF Loans – Wastewater Utility	2041	89,063,070
ACWF Loans – Solid Waste	2034	7,718,865
Total		\$ 195,383,589

Source: Municipality of Anchorage, Public Finance

In addition, the Municipality has outstanding its Certificates of Participation, 2017 Series A (Taxable) (the “COPs”) and the Anchorage Community Development Authority Lease/Leaseback, 2018 (Taxable) (the “ACDA Lease/Leaseback”).

The COPs are collateralized with a Facility Lease & Trust Agreement and a Ground Lease that serve as the agreements for this transaction. The Municipality leased four land parcels (Loussac Library, Fire Station #1, Fire Station #3 and the APD Training Center/Diamond Data Center) to a trustee for an upfront payment of \$58,675,000, which represented the proceeds of the sale of the COPs. The proceeds of the COPs were used to make a contribution to the Anchorage Police and Fire Retirement System plans. Payments by the Municipality are made from the general funds of the Municipality. The COPs have a final maturity of July 1, 2032.

The Anchorage Community and Development Authority (ACDA) is an authority that was created by the Municipality. ACDA entered into a lease and lease back arrangement in order to acquire a building in downtown Anchorage. The ACDA Lease/Leaseback transaction is collateralized with a Facility Lease & Trust Agreement and a Ground Lease that serve as the agreements for this transaction. The Municipality leased two ACDA land parcels (B Street Garage and a surface parking lot on 3rd Avenue) to a trustee for an upfront payment of \$14,432,000 which was used to acquire an office building. The building is currently leased to the Municipality for use by the Anchorage Police Department. The Municipality makes lease payments to ACDA which in turn are used to pay ACDA’s lease payments to KeyBank. The final payment is due in 2038.

Short-Term Borrowing Program (STBP) and Intermediate Term Borrowing Program (ITBP)

The following table lists the STBP and ITBP debt of the Municipality outstanding as of December 31, 2022.

Type of Issue	Outstanding Principal ⁽¹⁾
Master Lease Debt	\$ 22,648,919
Port of Alaska Revolving Loan, 2013 Series A/STBP	40,000,000
Solid Waste Services Revenue Note, 2019 Series A/STBP	9,703,565
Wastewater Revenue Refunding Bond, 2017 Series A and 2022 Series A/ITBP	28,718,953
Water Revenue Refunding Bond, 2017 Series A and 2022 Series A/ITBP	24,452,512
Wastewater Subordinate Revolving Loan Program/STBP	1,000
Water Subordinate Revolving Loan Program/STBP	1,000
Total	\$ 125,525,949

Source: Municipality of Anchorage, Public Finance

(1) Unaudited.

Authorized But Unissued General Obligation Bonds

As of December 31, 2022, the Municipality has authorized but not issued \$69,170,000 of general obligation general purpose bonds and \$35,000,000 of general obligation school bonds.

Future Sales of General Obligations

The Municipality reasonably expects to issue all currently authorized but unissued General Obligation Bonds by December 31, 2024.

Basis of Accounting

The Municipality uses the modified accrual basis of accounting for its various governmental funds. The modified accrual basis of accounting is a method of accounting in which revenues are recorded in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available. The major sources not considered susceptible to accrual include State shared revenues, federal impact aid and revenues from licenses and permits. All other revenue sources are considered susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for un-matured interest on long-term debt and certain other expenditures. Agency fund transactions are also recorded on the modified accrual basis of accounting.

The Municipality uses the accrual basis of accounting for its proprietary funds and pension trust funds. Proprietary funds include the various enterprise and the internal service funds. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

Municipality of Anchorage Funds

The governmental services of the Municipality are either provided throughout the Municipality “area-wide” or within lesser geographic service areas created to receive one or more governmental services. The following “SUMMARY STATEMENT OF REVENUES AND EXPENDITURES” includes an Area Wide Fund and the Funds for the geographic service areas combined to reflect in the General Fund, on the modified accrual basis, the total general governmental financial activity of the Municipality.

The Municipality receives revenues from the State and the federal government through the state municipal assistance program, state and federal revenue sharing programs, the State Public School Foundation program and other programs for payment of School District operating expenses and state payments for school bond debt service. Since a substantial portion of the state’s revenue comes from oil and gas production in the form of royalties and taxes, significant reductions in the price of crude oil or decreases in production materially reduce State revenues and, together with federal budgetary constraints, may impact the level at which these State programs are funded.

Depending upon the purposes for which the bonds were issued, debt service on general obligation bonds is paid from taxes received by the General Fund, from road and sewer assessments, and for school bonds, certain State funds. For example, in 2022, debt service on general obligation general purpose bonds (other than school district bonds) totaled \$55,037,882. Additionally, \$1,762,500 in Tax Anticipation Note interest was paid in 2022.

**Summary Statement of Revenues and Expenditures
General Fund
Municipality of Anchorage**

	2017	2018	2019	2020	2021
Revenues:					
Taxes	\$ 609,209,648	\$ 613,920,868	\$ 627,052,679	\$ 637,651,528	\$ 684,513,042
Intergovernmental	18,674,647	18,552,433	19,923,910	19,880,369	20,968,276
Licenses and Permits	9,680,014	9,088,153	9,261,229	9,874,923	9,290,280
Fines and Forfeitures	5,766,814	6,373,135	7,267,853	6,250,956	7,360,948
Charges for Services	22,934,386	23,011,669	23,141,261	21,894,674	20,969,819
Other Revenues	<u>11,829,867</u>	<u>8,387,272</u>	<u>13,311,290</u>	<u>10,486,111</u>	<u>16,650,859</u>
Total Revenues	<u>\$ 678,095,376</u>	<u>\$ 679,333,530</u>	<u>\$ 699,958,222</u>	<u>\$ 706,038,561</u>	<u>\$ 759,753,224</u>
Expenditures:					
General Government	\$ 24,591,965	\$ 22,974,265	\$ 25,664,867	\$ 29,766,092	\$ 27,931,411
Public Safety	248,818,804	244,487,057	259,323,123	188,637,881	311,261,390
Public Services	127,604,425	129,747,264	134,528,618	151,662,696	158,826,425
Non-departmental					
Transfers and					
Contributions (Net)	35,020,452	28,130,496	33,010,276	32,985,873	56,691,790
School Appropriations	<u>247,307,425</u>	<u>247,093,515</u>	<u>247,221,383</u>	<u>269,915,069</u>	<u>293,429,596</u>
Total Expenditures	<u>\$ 683,343,071</u>	<u>\$ 672,432,597</u>	<u>\$ 699,748,267</u>	<u>\$ 672,967,611</u>	<u>\$ 848,140,612</u>
Excess (Deficiency) of					
Revenues Over					
Expenditures and					
Transfers	\$ (5,247,695)	\$ 6,900,933	\$ 209,955	\$ 33,070,950	\$ (88,387,388)
Beginning Fund Balance	<u>65,058,827</u>	<u>59,811,132</u>	<u>66,712,065</u>	<u>66,922,020</u>	<u>99,992,970</u>
Ending Fund Balance	<u><u>\$ 59,811,132</u></u>	<u><u>\$ 66,712,065</u></u>	<u><u>\$ 66,922,020</u></u>	<u><u>\$ 99,992,970</u></u>	<u><u>\$ 11,605,582</u></u>

Source: Municipality of Anchorage, Annual Comprehensive Financial Reports Required Supplementary Information – Budgetary Comparison Schedule with Expenditures by Function for the General Fund

Fund Balance Policy

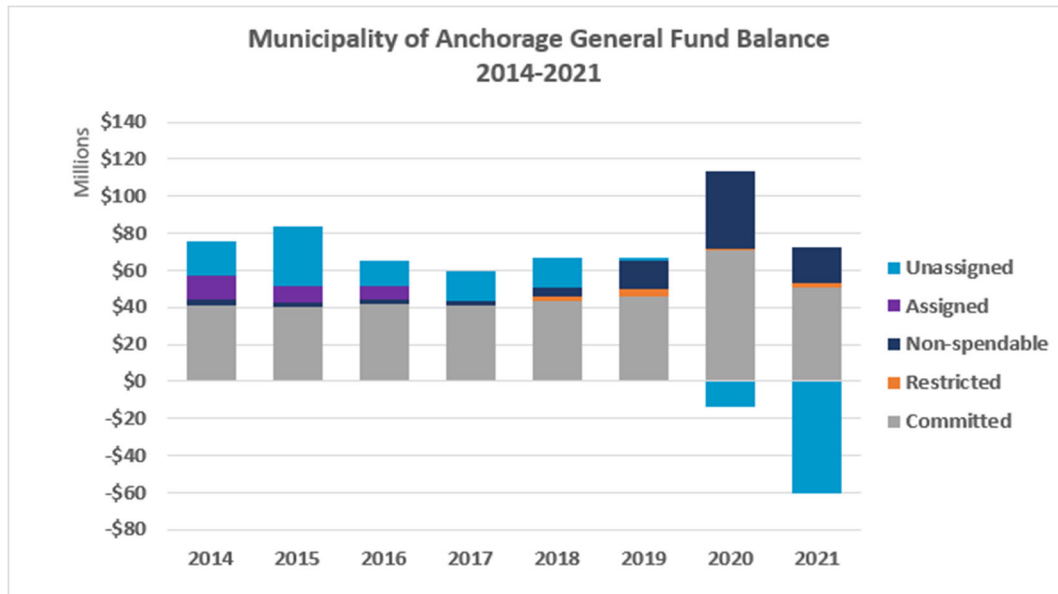
The Municipality’s current Fund Balance Policy is delineated in Assembly Resolution No. 2015-84 and is as follows.

1. It is the policy of the Municipality to prepare and manage five major governmental operating fund budgets so as to maintain an unrestricted general fund balance in an amount equal to 10% of current year expenditures as a bond rating designation that will become committed fund balance.

2. It is the policy of the Municipality to prepare and manage its non-major governmental operating funds (limited and rural service areas and other) budgets so as to maintain an unrestricted fund balance of 8.25% of current year expenditures as a bond rating designation that will become committed fund balance.

3. It is the policy of the Municipality to prepare and manage budgets so as to maintain unrestricted fund balances in its five major governmental operating funds in an amount between 2.0% and 3.0% of current year expenditures as a working capital reserve that will become part of unassigned fund balance.

4. Expenditures are defined as total expenditures reported in the Annual Comprehensive Financial Report (“CAFR”) Statement of Revenues, Expenditures, and Changes in Fund Balance General Fund and shall be reduced by contributions to education, ‘on-behalf’ payments made on-behalf of the Municipality by the State of Alaska directly to PERS, and expenditures to the Municipality’s Police and Fire Medical Trust Fund 713000.



Source: Annual Comprehensive Financial Reports of the Municipality of Anchorage, Note 15

Other Funds

In addition to the General Fund, the Municipality maintains Special Revenue Funds to account for revenues derived from specific sources to finance special functions or activities (principally funds received from the State for School District operating expenses), Capital Project Funds to account for general governmental capital improvements, Self Insurance Funds to account for funding and expenditures relating to the self insurance program (automobile liability and general liability is fully self insured up to \$3,000,000 per claim with excess covered by private carriers; worker’s compensation is fully self insured to \$3,000,000 per claim with excess covered by private carriers), the Equipment Maintenance Fund to account for vehicle maintenance and repair, Trust and Agency Funds to account primarily for Pension Trust and Employee Benefit Funds, to account for debt service payments on certain general long-term obligations, and Enterprise Funds to account for the enterprise operations of the Municipality: Water, Wastewater, Refuse Collection, Port, Airport, Solid Waste Disposal, Anchorage Community Development Authority (a component unit), and CIVICVentures (a component unit).

Debt and Tax Limitations

Neither State law nor the Municipal Code imposes any debt limit on the Municipality, although State law and the Municipal Charter require general obligation bond issues, except refunding bonds, to be authorized by a majority vote of the electorate voting on the question. There is no limitation on the rate or amount of taxes that may be levied for debt service on general obligation bonds of the Municipality.

Taxes levied by a local government in the State for purposes other than debt service on general obligation bonds are limited by State statute (AS 29.45.090) to an amount equal to 3.0% of the assessed valuation of taxable property. In addition, the Municipality may not levy taxes for purposes other than debt service on general obligation bonds in excess of the lesser of (a) an amount equal to \$1,500 for each person residing within the Municipality or (b) an amount that is the result of the mill rate of the Municipality applied to a value equal to 375% of the average per capita assessed valuation of all taxable property in the State multiplied by the number of residents within the Municipality. Due to the Charter tax limitations discussed in the following paragraph and the size and diversification of its tax base, the impact of (AS 29.45.090) is not anticipated to affect the Municipality of Anchorage anytime in the foreseeable future.

The Municipal Charter provides that the total amount of municipal tax that can be levied during a fiscal year by the Municipality may not exceed the total amount approved by the Assembly for the preceding year by more than a percentage determined by adding the average percentage increase in the Federal Consumer Price Index for

Anchorage for the five preceding fiscal years plus the average percentage growth or loss in the population of Anchorage over the preceding five fiscal years as determined by the Alaska Department of Community and Regional Affairs.

The tax limitation contained in the Municipal Charter does not apply to:

1. Taxes on new construction or property improvements which occur during the current fiscal year.
2. Taxes required to fund additional services mandated by voter-approved ballot issues.
3. Special taxes authorized by voter-approved ballot issues.
4. Taxes required to fund the costs of judgments entered against the Municipality.
5. Taxes required to pay principal or interest on bonds, including revenue bonds.
6. Taxes required to fund the cost of an emergency ordinance enacted pursuant to the Municipal Charter.

Any tax increases that result from exceptions (1) through (3) set forth above are added to the base amount used to calculate the tax limit for the following year.

The Assembly approved an ordinance on November 7, 2017, authorizing the imposition of an excise tax on motor fuel, effective March 1, 2018. Since this tax is subject to the Municipal Charter limitations, this tax constitutes a shift of some property tax revenues to motor fuel tax revenues.

At the Spring 2020 election, voters approved a five percent Alcoholic Beverages Retail Sales Tax. Retailers began assessing this tax on February 1, 2021. Revenues from the tax are earmarked to be spent on public safety, prevention of child abuse, sexual assault and domestic violence and substance abuse prevention, treatment programs and assistance for the homeless. This tax is added to the base amount used to calculate the tax limit the following year.

2023-2028 General Government Capital Improvement Budget and Program

The Municipality's six-year capital program for general government (not including the Anchorage School District) addresses capital infrastructure needs such as roadways, public safety vehicles and equipment, fire stations, parks, trails, recreational facilities and public transportation. The 2023 Capital Improvement Budget ("CIB") focuses on the Municipality's immediate capital needs, while the 2024-2028 Capital Improvement Program ("CIP") addresses longer-term capital needs. Funding of the CIP is generated from a number of sources, including general obligation bonds, State capital grants, federal grants and other sources.

Since 1994, State capital grant funding in support of municipally-owned assets has fluctuated from \$1 million to \$64 million per year. Fluctuations in State grant funding generally reflect the variability of oil royalty revenue available to the State in any year. The Municipality considers the level of State funding likely to be available each year and adjusts its State funding requests accordingly.

In addition to the Municipality's capital program, the State of Alaska performs significant roadway infrastructure improvements in Anchorage on major roads and highways owned by the State.

Cash Management

On July 21, 2009, the Municipal Assembly approved an ordinance updating the Anchorage Municipal Code regarding Investment Guidelines for Municipal Funds. Those guidelines can be found on the web at www.municode.com/library (the inclusion of this hyperlink is not intended to incorporate the information found at that website into this Official Statement), and search for "Anchorage Municipal Code Section 6.50.030 (D)."

The Municipality historically has used a pooled cash system allowing flexibility in cash management. Certain accounts, such as debt service reserves, have been maintained separately from the pooled system and third party trustees hold funds and investments. Beginning in 2002, the Municipality has placed the proceeds from the sale of bonds in separate accounts held by a registrar. These funds are then requisitioned as needed to facilitate the

tracking of such proceeds and the earnings thereon for several purposes including post debt issuance compliance requirements. The Municipality's investment policies are applied except where an agreement, contract or other formal document supersedes them.

On June 1, 2007 the Public Finance & Investments Division of the Municipality began operation of the Municipal Cash Pool (MCP). The MCP is an aggregate of three Duration Portfolios, each separately managed by an external money manager on behalf of the Municipality. Each Duration Portfolio has a separate set of Investment Guidelines, a targeted duration and a performance benchmark with respect to a specific investment industry index. Certain funds of the Municipality, including bond proceeds, debt service funds and debt service reserve funds, remain invested by internal staff under specific Investment Guidelines and credit criteria. The MCP is comprised of three portfolios, the Strategic Reserve Portfolio, the Contingency Portfolio and the Working Capital Portfolio. Annually, the Public Finance & Investments Division in collaboration with the Municipality's independent investment advisor, Callan LLC, reviews and considers rebalancing the three portfolios of the MCP. As of December 31, 2022, the MCP's value was \$573.3 million.

The Municipality internally manages a portfolio of capital monies for bonds, Restricted Municipal Funds, and day to day operations, including cash and small assets of the Anchorage School District. As of December 31, 2022, the value of this internally managed portfolio was \$157.6 million.

Public Finance & Investment Division routinely and proactively monitors the performance of all municipal investments, including the MCP and excluding pension and the Municipality trust related funds. The Municipality uses best practices to manage all of its investment funds.

Asset Retirement Obligation Investment Fund

The Municipality sold its Municipal Light and Power Utility to Chugach Electric Association Incorporated (Chugach) on October 30, 2020. As part of that sale transaction, the Municipality was obligated to deliver the Asset Retirement Obligation (ARO) Investment Fund to Chugach, established to accumulate sufficient funds to satisfy the Municipality's share of the liability for dismantling, removal and remediation of certain property owned by the Municipal Light and Power Utility.

Anchorage Regional Landfill Closure and Post-Closure Investment Fund

On December 20, 2016, the Municipal Assembly approved an ordinance establishing the Anchorage Regional Landfill ("ARL") Closure & Post-Closure Investment Fund. The purpose of the ARL Investment Fund is to accumulate sufficient funds to satisfy the Municipality's liability for closure and post-closure care of the Anchorage Regional Landfill owned by the Municipality's Solid Waste Services disposal and collection utility. The ARL Investment Fund market value as of December 31, 2022 was \$16.9 million.

MOA Trust Fund

The MOA Trust Fund was created in May 1999 after Anchorage voters approved the sale of Anchorage Telephone Utility. The investment objective of the Trust is to maintain the purchasing power of the Corpus and to maximize rates of return over time by utilizing a balanced investment approach, investing in both equity, fixed income instruments and other permitted investment alternatives, within prudent levels of risk. Since inception, the fund has paid cumulative dividends to the Municipality of Anchorage totaling \$188.8 million through December 31, 2022. On December 31, 2022, the Fund had a market value of approximately \$381.1 million.

Component Units

Component units (as described in NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES to 2021 Financial Statements of the Municipality contained in Appendix A hereto) other than the School District and the Anchorage Community Development Authority have no formally adopted investment policies. The Anchorage Community Development Authority's investment policies and revenue bond indenture agreements require that bond moneys be limited to certain types of investments. The School District may invest through either direct investments

or the Municipality. School Board policy requires that direct investments in demand and time deposits in excess of Federal Deposit Insurance Company insured amounts be collateralized with United States of America government-guaranteed securities and other types of investments be obligations of, or guaranteed by, the United States of America.

CASH FLOW AND INTERFUND BORROWING

Cash Flow Statement for 2022

The table on the following page shows the actual General Fund Cash Flow Summary for 2022.

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GENERAL FUND CASH FLOW SUMMARY FOR 2022

Municipality of Anchorage Cash Report
 General Funds (100000-199999)
 Preliminary through December 31, 2022 (unaudited)
 (in thousands)

	Actual 2022-1	Actual 2022-2	Actual 2022-3	Actual 2022-4	Actual 2022-5	Actual 2022-6	Actual 2022-7	Actual 2022-8	Actual 2022-9	Actual 2022-10	Actual 2022-11	Preliminary 2022-12	2022 Total
Beginning Balance	\$ 99,196	\$ 42,155	\$ 15,999	\$ 83,130	\$ 2,631	\$ (64,240)	\$ (127,694)	\$ 146,918	\$ 177,468	\$ 265,432	\$ 324,800	\$ 320,732	\$ 99,196
Receipts:													
Property Taxes	2,518	751	1,398	851	1,419	9,718	277,094	47,798	106,129	112,303	28,925	12,584	601,489
Auto & Fuel Excise Taxes	1,064	884	211	1,796	2,512	1,466	2,158	2,973	1,283	2,011	1,652	4,015	22,026
Tobacco & Marijuana Taxes	1,731	2,567	(781)	2,482	2,789	1,708	2,485	2,581	2,694	2,077	1,997	2,171	24,500
Hotel/Motel & Rental Vehicle Taxes	1,685	1,246	(2,598)	1,587	2,686	1,946	3,247	5,213	235	4,658	1,341	3,263	24,510
Licenses & Permits	836	763	1,186	1,310	1,047	946	969	1,045	704	742	727	645	10,920
Fines & Forfeitures	364	259	285	398	338	412	351	449	3,406	2,042	441	280	9,023
Revenue from Other Governments	-	20	306	76	-	-	(5)	1,249	-	111	23,820	1,909	27,486
Municipal Assistance	-	-	-	-	-	-	-	-	-	7,233	-	-	7,233
Charges for Services	2,176	1,957	1,454	1,691	2,620	1,850	1,191	1,813	25,818	2,228	(22,376)	1,995	22,418
Contributions from Other Funds	11,580	72	-	110	-	-	32	4,070	3	1,345	90	8,429	25,731
Other Cost Recoveries	50	15	226	24	65	49	231	31	284	148	65	84	1,271
Other Revenue	146	95	970	233	437	141	288	200	382	106	114	1,787	4,897
MUSA/MESA	(3)	3	-	-	-	683	19,073	-	-	32	-	-	19,787
Assessments in Lieu of Taxes	-	-	110	-	-	2,644	9,416	445	-	-	-	-	12,615
Receivables Decrease (Increase)	34,736	(1,898)	6,766	1,205	14,467	(1,950)	(3,454)	(2,099)	(4,723)	(3,237)	478	(6,558)	33,733
Investment Revenues	(752)	(235)	(403)	(816)	(28)	(317)	(1,857)	(919)	(1,981)	880	2,524	1	(3,903)
TANS Receipt			150,816										150,816
Total Receipts	56,133	6,497	159,946	10,947	28,351	19,296	311,218	64,846	134,235	132,681	39,799	30,604	994,554
Disbursements:													
Salaries & Benefits	23,436	23,969	24,296	22,347	35,639	23,931	23,919	23,193	22,104	34,427	26,430	27,868	311,558
Services & Supplies	8,532	7,917	13,519	8,997	7,300	10,234	9,012	12,852	11,101	11,458	7,965	12,514	121,403
Transfers to ASD	48,865	-	48,865	48,865	46,568	48,865	-	-	-	-	-	46,168	288,198
Contributions to Others	886	617	1,087	161	6,353	295	4,613	124	69	688	8,350	9,109	32,353
Debt Service	120	314	5,193	8,985	-	166	-	2,347	9,529	29,418	-	10	56,082
Net Charges/IGC's (to) from Other Funds	1,163	971	1,198	620	1,317	1,257	1,038	743	1,062	1,038	1,213	(2,400)	9,219
Payables Decrease (Increase)	30,172	(1,135)	(1,343)	1,469	(1,955)	(1,997)	(1,975)	(4,962)	2,406	(3,716)	(92)	(18,734)	(1,864)
TANS Redemption												151,763	151,763
Total Disbursements	113,174	32,653	92,815	91,445	95,222	82,750	36,606	34,296	46,271	73,314	43,867	226,297	968,711
Ending Balance	\$ 42,155	\$ 15,999	\$ 83,130	\$ 2,631	\$ (64,240)	\$ (127,694)	\$ 146,918	\$ 177,468	\$ 265,432	\$ 324,800	\$ 320,732	\$ 125,039	\$ 125,039

Projected Cash Flow Statement for 2023

The table on the following page shows the projected General Fund Cash Flow Summary for 2023.

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PROJECTED CASH FLOW FOR 2023

Municipality of Anchorage Cash Report General Funds (101000-170000) 2023 Activity - Projected (in thousands)

	Preliminary 2023-1	Estimate 2023-2	Estimate 2023-3	Estimate 2023-4	Estimate 2023-5	Estimate 2023-6	Estimate 2023-7	Estimate 2023-8	Estimate 2023-9	Estimate 2023-10	Estimate 2023-11	Estimate 2023-12	2023 Total
Beginning Balance	\$ 125,039	\$ 46,030	\$ 19,398	\$ (55,638)	\$ (6,706)	\$ (40,428)	\$ 168,530	\$ 213,709	\$ 417,102	\$ 366,395	\$ 366,589	\$ 356,647	\$ 125,039
Receipts:													
Property Taxes	4	1,733	2,722	2,374	31,406	290,879	41,194	223,309	9,840	14,347	3,725	1,866	623,400
Auto & Fuel Excise Taxes	(283)	694	2,087	1,745	1,859	2,379	3,736	2,266	1,403	2,280	2,078	3,042	23,285
Tobacco & Marijuana Taxes	2,087	2,458	2,085	2,162	2,011	2,567	2,111	2,895	2,481	2,143	2,197	2,352	27,549
Hotel/Motel & Rental Vehicle Taxes	250	1,036	345	2,114	1,231	444	5,154	3,795	363	8,008	5,657	145	28,542
Licenses & Permits	643	531	629	1,011	1,020	887	1,189	1,054	841	904	569	609	9,887
Fines & Forfeitures	230	219	278	280	284	345	320	339	283	1,240	3,079	211	7,109
Revenue from Other Governments	-	357	161	245	-	355	42	1,052	24	869	151	125	3,380
Municipal Assistance	-	50	-	-	-	-	-	-	-	-	1,688	-	1,738
Charges for Services	934	1,737	834	1,719	1,590	3,083	1,709	2,313	1,195	2,429	1,903	2,620	22,066
Contributions from Other Funds	-	-	6,453	3,097	2,662	4,217	73	798	2,076	982	-	63	20,420
Other Cost Recoveries	14	64	1,031	156	83	132	11	67	157	107	627	264	2,712
Other Revenue	176	124	555	90	248	250	321	105	71	197	177	2,168	4,481
MUSA/MESA	-	-	-	-	-	251	19,363	2	-	342	-	1	19,959
Assessments in Lieu of Taxes	-	-	-	-	4,501	2,242	4,983	500	29	453	-	87	12,795
Receivables Decrease (Increase)	947	-	-	-	-	-	-	-	-	-	-	(947)	-
Investment Revenues	1,341	159	67	(193)	(23)	(140)	584	741	1,445	1,269	1,270	1,235	7,755
TANS Receipt				126,273									126,273
Total Receipts	6,345	9,162	17,247	141,072	46,871	307,889	80,791	239,234	20,207	35,570	23,121	13,841	941,351
Disbursements:													
Salaries & Benefits	27,154	23,282	23,282	23,282	23,282	34,923	23,282	23,282	23,282	23,282	23,282	40,744	312,360
Services & Supplies	8,685	8,107	14,786	15,138	11,078	14,957	10,570	10,434	8,891	10,522	8,184	14,006	135,359
Transfers to ASD	46,168	-	46,168	46,168	46,168	46,168	-	-	-	-	-	47,553	278,394
Contributions to Others	492	1,911	420	640	611	2,627	429	18	409	3	1,538	7,047	16,146
Debt Service	188	2,012	7,836	6,265	-	17	50	2,213	38,352	1,832	78	166	59,008
Net Charges/GC's (to) from Other Funds	730	482	(208)	645	(545)	239	1,280	(106)	(20)	(262)	(19)	9,194	11,410
Payables Decrease (Increase)	1,937	-	-	-	-	-	-	-	-	-	-	(1,937)	-
TANS Redemption												128,674	128,674
Total Disbursements	85,354	35,794	92,284	92,139	80,594	98,931	35,612	35,841	70,914	35,376	33,063	245,449	941,351
Ending Balance	\$ 46,030	\$ 19,398	\$ (55,638)	\$ (6,706)	\$ (40,428)	\$ 168,530	\$ 213,709	\$ 417,102	\$ 366,395	\$ 366,589	\$ 356,647	\$ 125,039	\$ 125,039

MUNICIPALITY OF ANCHORAGE GENERAL OBLIGATION DEBT SERVICE SCHEDULES

Combined Annual Debt Service Requirements

The table on the following page shows the combined annual debt service requirements, including scheduled mandatory redemption of term bonds, for all outstanding general obligation bonds of the Municipality at December 31, 2022.

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**MUNICIPALITY OF ANCHORAGE
GENERAL OBLIGATION BONDS**

COMBINED ANNUAL NET DEBT SERVICE REQUIREMENTS - SHOWING STATE PROPOSED STATE DEBT REIMBURSEMENT

As Of December 31, 2022

1	2	3	4	5	6	7	8	9	10	11	12	13
*	<u>GENERAL PURPOSE BONDS</u>				<u>SCHOOL BONDS</u>					<u>TOTAL ALL</u>		
Fiscal Year	Principal Outstanding*	Principal Payment	Interest Payment	Gross Debt Service	Principal Outstanding*	Principal Payment	Interest Payment	Gross Debt Service	**SOA Scheduled Reimbursement For Debt Service	Total Net Debt Service	Combined Total Net Requirements	Without SOA Combined Total Requirements
2023	\$ 466,620,000	\$ 44,930,000	\$ 18,100,553	\$ 63,030,553	\$ 432,745,000	\$ 46,480,000	\$ 15,582,854	\$ 62,062,854	(\$26,060,807)	\$ 36,002,046	\$ 99,032,600	\$ 125,093,407
2024	421,690,000	38,505,000	17,035,400	55,540,400	386,265,000	38,495,000	13,896,375	52,391,375	(20,312,105)	32,079,270	87,619,670	107,931,775
2025	383,185,000	36,215,000	15,271,180	51,486,180	347,770,000	29,905,000	12,291,172	42,196,172	(14,245,702)	27,950,470	79,436,650	93,682,352
2026	346,970,000	30,675,000	13,591,747	44,266,747	317,865,000	31,095,000	11,005,495	42,100,495	(13,535,335)	28,565,161	72,831,908	86,367,242
2027	316,295,000	32,040,000	12,232,958	44,272,958	286,770,000	28,795,000	9,897,747	38,692,747	(12,175,020)	26,517,727	70,790,685	82,965,705
2028	284,255,000	28,950,000	10,803,341	39,753,341	257,975,000	24,720,000	8,767,823	33,487,823	(9,261,115)	24,226,708	63,980,049	73,241,164
2029	255,305,000	25,330,000	9,827,399	35,157,399	233,255,000	23,575,000	8,024,127	31,599,127	(8,504,566)	23,094,561	58,251,960	66,756,526
2030	229,975,000	26,345,000	8,818,540	35,163,540	209,680,000	24,340,000	7,272,315	31,612,315	(8,508,455)	23,103,861	58,267,401	66,775,856
2031	203,630,000	23,785,000	7,845,520	31,630,520	185,340,000	23,900,000	6,502,079	30,402,079	(7,766,193)	22,635,885	54,266,405	62,032,599
2032	179,845,000	22,920,000	6,951,339	29,871,339	161,440,000	24,700,000	5,710,319	30,410,319	(7,767,155)	22,643,164	52,514,503	60,281,658
2033	156,925,000	21,830,000	6,114,409	27,944,409	136,740,000	24,515,000	4,891,135	29,406,135	(7,160,705)	22,245,430	50,189,839	57,350,544
2034	135,095,000	22,760,000	5,344,301	28,104,301	112,225,000	22,550,000	4,072,156	26,622,156	(5,250,968)	21,371,188	49,475,489	54,726,457
2035	112,335,000	20,880,000	4,472,113	25,352,113	89,675,000	19,215,000	3,212,675	22,427,675	(2,694,818)	19,732,857	45,084,970	47,779,788
2036	91,455,000	17,930,000	3,641,119	21,571,119	70,460,000	14,545,000	2,406,100	16,951,100	(700,045)	16,251,055	37,822,174	38,522,219
2037	73,525,000	16,730,000	2,868,325	19,598,325	55,915,000	13,545,000	1,855,950	15,400,950	(535,595)	14,865,355	34,463,680	34,999,275
2038	56,795,000	17,460,000	2,144,025	19,604,025	42,370,000	14,035,000	1,379,050	15,414,050	(536,189)	14,877,861	34,481,886	35,018,075
2039	39,335,000	13,430,000	1,410,325	14,840,325	28,335,000	11,785,000	880,853	12,665,853	(448,106)	12,217,747	27,058,072	27,506,178
2040	25,905,000	11,495,000	960,075	12,455,075	16,550,000	9,540,000	537,303	10,077,303	(395,440)	9,681,863	22,136,938	22,532,378
2041	14,410,000	8,790,000	576,400	9,366,400	7,010,000	5,510,000	280,400	5,790,400	(203,689)	5,586,711	14,953,111	15,156,800
2042	5,620,000	5,620,000	224,800	5,844,800	1,500,000	1,500,000	60,000	1,560,000	(203,324)	1,356,676	7,201,476	7,404,800
2043	-	-	-	-	-	-	-	-	0	-	-	-
Totals	\$ 466,620,000	\$ 448,233,870	\$ 148,233,870	\$ 614,853,870	\$ 432,745,000	\$ 46,480,000	\$ 118,525,929	\$ 551,270,929	(\$146,265,331)	\$ 405,005,597	\$ 1,019,859,467	\$ 1,166,124,798

Notes:

* Fiscal Year as at beginning of the calendar year. Debt service does not change during the year unless new debt is issued or debt is refinanced.

** The State of Alaska in the past has represented that they will pay approximately 26.5% of the debt service on the Anchorage General Obligation Schools Bonds for the remaining life of the bonds.

The Anchorage School District applies to the State for the reimbursement on an annual basis; however, the reimbursement is subject to annual legislative appropriation and governor approval.

For the State fiscal year ending June 30, 2023, the State of Alaska will reimburse 100% of the eligible debt service, which equates to approximately 45.1% of the overall Schools Debt Service for the fiscal year.

For the State fiscal year ending June 30, 2024 the governor has proposed a payment at 100% of the eligible debt service payments.

LITIGATION AND CLAIMS

There is no controversy or litigation of any nature now pending or, to the knowledge of the Municipality, threatened to restrain or enjoin the sale, issuance, execution or delivery of the Notes or affecting the validity of the Notes or any proceedings of the Municipality taken with respect to the sale or issuance thereof, or the pledge or application of any moneys or security provided for the payment of the Notes, or the existence or powers of the Municipality. Lawsuits and other claims incidental to the ordinary course of operations of the Municipality are largely covered by the Municipality's self-insurance funds and insurance purchased from private insurers and will not have a materially adverse effect upon the financial position of the Municipality in the opinion of the Municipality's management and, with respect to litigation, the Municipal Attorney.

Upon delivery of the Notes, the Municipality will furnish a certificate, in form satisfactory to Note Counsel, to the effect that, among other things, there is no litigation pending in any court to restrain or enjoin the issuance or delivery of the Notes or in any way contesting the validity or enforceability of the Notes.

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Notes should consider the matters set forth below as well as other information contained in this Official Statement in evaluating an investment in the Notes. This section does not purport to be a comprehensive list or description of all potential risks which, if realized, could adversely affect the payment or the value of the Notes. The order of presentation of these factors below is not intended to create any implication as to the relative importance of any one risk factor over another.

Seismic, Volcanic, Wildfires and Climate Change

The State contains many regions of seismic activity, with frequent small earthquakes and occasionally moderate and larger earthquakes. A 1964 earthquake with its epicenter in southcentral Alaska measuring 9.2 on the Richter scale was the most powerful earthquake recorded in North American history, and the second most powerful in world history, causing over 130 deaths. Certain soil types and property located in certain areas of the State could become subject to liquefaction and could result in landslides following a major earthquake and any aftershocks. Areas of the State also could experience the effects of a tsunami following a major earthquake.

The State contains many active volcanoes. A volcanic eruption could result in landslides and releases of gas and ash that can interfere with air travel, a principal mode of transportation in the State.

Areas of the State have experienced drought conditions and increased wildfire activity. Warmer and drier summer conditions increase the risk of wildfires that may threaten the health, economy, and environment of the State and Municipality by creating unhealthy air quality levels, threatening infrastructure, businesses, and residences, destroying natural resources, and damaging wildlife habitat.

Climate change poses potential risks to the State and Municipality and their finances and operations. Extreme weather events can result in droughts, wildfires, floods, and other natural disasters. Climate change may also affect population migration and shifts in economic activities such as agriculture, fishing, and construction of facilities and roads on permafrost and ice. No assurance can be given that climate change will not have a material adverse effect on the finances and operations of the State and Municipality.

COVID-19 and other Public Health Pandemics or Outbreaks

Pandemics and health emergencies may adversely impact the Municipality and its revenues, expenses and financial condition. As discussed herein, the COVID-19 pandemic is affecting the entire world, including the State and Municipality. The impact that the COVID-19 pandemic is having and will have on commerce, financial markets, the State, Municipality and region is significant, and the nature of the impact is likely to evolve over the next several years. The Municipality has provided the information contained in this Official Statement to describe some of the impacts that the COVID-19 pandemic and related orders have had on the Municipality's finances and operations, and to describe some of the actions that the Municipality is taking in response. The Municipality cannot

predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the State and regional economy or on the other revenues and expenses of the Municipality. The COVID-19 outbreak is ongoing, and its dynamic nature leads to many uncertainties, including (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) travel restrictions; (vii) the impact of the outbreak on the local or global economy; (viii) whether and to what extent the State Governor may order additional public health measures; and (ix) the impact of the outbreak and actions taken in response to the outbreak on Municipality revenues, expenses, and financial condition. Prospective investors should assume that the restrictions and limitations instituted related to COVID-19 may continue, and the current upheaval to the national and global economies may continue and/or be exacerbated, at least over the near term, and the recovery may be prolonged.

Cybersecurity

The Municipality relies on a complex technology environment to conduct its operations. A cybersecurity breach could damage the systems and cause material disruption to operations and services. The cost to remedy such damage or protect against future attacks could be substantial. Security breaches could expose the Municipality to litigation and other legal risks, which could cause the Municipality to incur costs related to legal or regulatory claims.

Bankruptcy

The enforceability of the rights and remedies of the Note holders may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and equitable principles relating to or affecting the enforcement of creditors' rights generally. Municipalities in the State of Alaska are not currently authorized by state law to file for voluntary bankruptcy under Chapter 9 of the United States Bankruptcy Code. Potential purchasers of the Notes should consult their own attorneys and advisors in assessing the risk and the likelihood of recovery in the event the Municipality becomes a debtor in a bankruptcy case prior to the time the Notes are paid in full.

Limitations on Remedies

Any remedies available to the owners of the Notes upon the occurrence of an event of default under the Note Ordinance are in many respects dependent upon judicial actions, which are in turn often subject to discretion and delay and could be both expensive and time-consuming to obtain. If the Municipality fails to comply with its covenants under the Note Ordinance or to pay principal of or interest on the Notes, there can be no assurance that available remedies will be adequate to fully protect the interests of the owners of the Notes.

In addition to the limitations on remedies contained in the Note Ordinance, the rights and obligations under the Notes and the Note Ordinance may be limited by and are subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

MUNICIPAL UTILITY SERVICE ASSESSMENTS

Under the Anchorage Municipal Code, the Municipality has established a system of municipal utility service assessments (MUSA) in order to require municipal enterprise activities (the municipal water and wastewater utility, solid waste disposal utility and refuse collection utility) to make payments in lieu of taxes to the Municipality in support of general government. MUSA is calculated by applying the millage rate established annually for each service area by the Assembly to the net classified plant in service as of January 1 of the current year of each utility, located in that service area. The established millage rate is that rate assessed other owners of real, personal and business property in each service area.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”), the Municipality has agreed in the Note Ordinance to provide or cause to be provided each year to the Municipal Securities Rulemaking Board (“MSRB”), the following annual financial information and operating data for the prior fiscal year (commencing with the fiscal year ended December 31, 2023):

- Annual financial statements prepared in accordance with generally accepted accounting principles as prescribed by the Government Accounting Standards Board (or its successor) from time to time, generally of the type included in this Official Statement as Appendix A, “2021 Financial Statements of the Municipality,” including the notes thereto and the statistical data included in the Annual Comprehensive Financial Report of the Municipality for the year.

Such annual information and operating data described above will be available not later than nine months after the end of the fiscal year. The Municipality may adjust such date if the Municipality changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to the MSRB. In lieu of providing such annual financial information and operating data, the Municipality may cross-reference to other documents available to the public on the MSRB’s internet website.

Such annual information may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided above; provided that any audited financial statements may be submitted separately from the balance of the annual information and later than the nine months after the end of the fiscal year if such audited financial statements are not available by such date.

The Municipality further agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Notes not in excess of ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material or events affecting the tax status of the Notes;
7. Modifications to the rights of Note owners, if material;
8. Optional, contingent or unscheduled Note calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing the repayment of the Notes, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Municipality;
13. The consummation of a merger, consolidation, or acquisition of the Municipality or the sale of all or substantially all of the assets of the Municipality, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement to undertake such an actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of the trustee, if material.
15. Incurrence of a financial obligation of the Municipality, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Municipality, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Municipality, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The Municipality has established post issuance compliance procedures that include, *inter alia*, reporting obligations with respect to its undertakings under the Rule.

Solely for purposes of information, but without intending to modify this undertaking, the Municipality advises that there is no property securing the repayment of the Notes. The Municipality shall promptly determine whether the events in which a materiality determination is permitted per SEC Rule 15c2-12 described above are material.

The Municipality agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described above on or prior to the date set forth above.

Until otherwise designated by the MSRB or the Securities and Exchange Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB’s Electronic Municipal Market Access system (“EMMA”), currently located at www.emma.msrb.org (which is not incorporated into this Official Statement by reference). All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

The Municipality’s obligations to provide annual financial information and notices of material events (the “Undertaking”) will terminate upon the defeasance, prior redemption, or payment in full of all of the Notes. The Undertaking, or any provision thereof, will be null and void if the Municipality (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the Undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Notes; and (2) notifies the MSRB of such opinion and the cancellation of the Undertaking. Notwithstanding any other provision of the Note Ordinance, the Municipality may amend the Undertaking and any provision of the Undertaking may be waived with an approving opinion of nationally recognized bond counsel.

In the event of any amendment or waiver of a provision of the Undertaking the Municipality will describe such amendment in the next Annual Report, and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, or the presentation) of financial information or operating data being presented by the Municipality. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a material event, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

The right of a beneficial owner of a Note to enforce the provisions of the Undertaking will be limited to a right to obtain specific enforcement of the Municipality’s obligations thereunder, and any failure by the Municipality to comply with the provisions of the Undertaking shall not be a default with respect to the Notes under the Note Ordinance.

On July 27, 2018, the Municipality filed a Notice of Failure to File Information as Required on EMMA stating that the Municipality’s 2017 CAFR and the 2017 Financial Statements for Anchorage Water Utility, Anchorage Wastewater Utility (AWWU), Port of Alaska and Anchorage Municipal Light and Power (ML&P) would be available after July 28, 2018, which is the date of the contractual requirement for such filings. As reported

in the notice, the delay in filing the audited 2017 CAFR and associated 2017 Financial Statements was due to a major municipal wide implementation of a new financial software system. On July 27, 2018, the Municipality also filed its unaudited financial statements, including footnotes that were currently available as of that date. The Municipality filed supplemental notices on October 30, 2018 and December 18, 2018 regarding the timing of the audited 2017 CAFR and associated Financial Statements for fiscal year ended December 31, 2017. The Municipality has filed the 2017 CAFR and associated Financial Statements and operating data on December 20, 2018, January 24, 2019 and February 1, 2019. In July 2019, the Municipality became aware that the 2017 CAFR was not linked to the CUSIP numbers for the Municipality's Certificates of Participation, 2017 Series A (Taxable) (the "COPs"). On July 2, 2019, the Municipality uploaded its 2017 CAFR to the CUSIP numbers for the COPs and filed a notice of failure to file information timely. In August 2019, the Municipality became aware that the CAFR for the School District for the fiscal year ended June 30, 2018 was not filed to the CUSIP numbers for the Municipality's 2018 General Obligations Bonds. On August 27, 2019, the Municipality uploaded the School District CAFR for the fiscal year ended June 30, 2018 to the 2018 General Obligation Bonds CUSIP numbers and filed a notice of failure to file information timely.

With respect to filing of listed events, the Municipality did not file certain notices of listed events relating to changes in ratings of one or more outstanding series of bonds, due to rating changes of bond insurers insuring such bonds; and the Municipality did not file certain notices of rating changes attributable to general recalibrations of ratings by certain rating agencies for certain of its outstanding bonds. The Municipality did not file information regarding amendments to four loan agreements for AWWU in a timely manner. On August 30, 2019, the Municipality filed the amendments and a notice of failure to provide event filing information as required. The Municipality did not file information regarding a property schedule under its Amended and Restated Master Lease Agreement in a timely manner. On April 30, 2021, the Municipality filed the property schedule and a notice of failure to provide event filing information as required.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Notes are subject to the approval of K&L Gates LLP, of Seattle, Washington, Note Counsel to the Municipality. A copy of the form of Note Counsel's opinion is attached as Appendix C hereto.

TAX MATTERS

General

In the opinion of Note Counsel, interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals.

Under the Inflation Reduction Act signed into law by President Biden on August 16, 2022, certain large corporations are subject to a 15 percent alternative minimum tax measured based on book income reported to stockholders. Accordingly, for taxable years beginning after December 31, 2022, interest on the Bonds is taken into account in determining the "adjusted financial statement income" of certain corporations for purposes of computing the alternative minimum tax imposed on "applicable corporations."

Interest on the Notes is not included in taxable income for purposes of the Alaska income tax imposed on corporations.

Federal income tax law contains a number of requirements that apply to the Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds of the Notes and the facilities financed with proceeds of the Notes and certain other matters. The Municipality has covenanted to comply with all applicable requirements.

Note Counsel's opinion is subject to the condition that the Municipality comply with the above-referenced covenants and, in addition, will rely on representations by the Municipality and its advisors with respect to matters

solely within the knowledge of the Municipality and its advisors, respectively, which Note Counsel has not independently verified. If the Municipality fails to comply with such covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Notes could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes, regardless of the date on which the event causing taxability occurs.

Except as expressly stated above, Note Counsel expresses no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Notes. Owners of the Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Notes, which may include tax issued associated with original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Notes. Note Counsel expresses no opinion regarding any collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences.

Payments of interest on tax-exempt obligations, such as the Notes, are in many cases required to be reported to the Internal Revenue Service (the “IRS”). Additionally, backup withholding may apply to any such payments to any owner who is not an “exempt recipient” and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Note Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Notes to be subject, directly or indirectly, to federal income taxation. From time to time, legislation is proposed that, if enacted, could alter the federal income tax consequences described herein or otherwise prevent owners of the Notes from realizing the full current benefit of the tax status of the interest on the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal legislation, as to which Note Counsel expresses no view.

Note Counsel’s opinion is not a guarantee of result and is not binding on the IRS; rather, the opinion represents Note Counsel’s legal judgment based on its review of existing law and in reliance on the representations made to Note Counsel and the Municipality’s compliance with its covenants. The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Note Counsel cannot predict whether the IRS will commence an audit of the Notes. Owners of the Notes are advised that, if the IRS does audit the Notes, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Municipality as the taxpayer, and the owners of the Notes may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the Notes until the audit is concluded, regardless of the ultimate outcome.

Premium

An amount equal to the excess of the purchase price of a Note over its stated redemption price at maturity constitutes premium on that Note. A purchaser of a Note must amortize any premium over that Note’s term using constant yield principles, based on the Note’s yield to maturity. As premium is amortized, the purchaser’s basis in the Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Note prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of Notes at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the

determination and treatment of premium for federal income tax purposes and the state and local tax consequences of owning such Notes.

RATING

S&P Global Ratings has assigned a rating of “SP-1+” to the Notes. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

COMPETITIVE SALE

The Notes were awarded pursuant to electronic competitive bidding held via *PARITY*® on March 29, 2023 to J.P. Morgan Securities LLC (the “Underwriter”). The Notes are being purchased for an aggregate price of \$126,226,250 (equal to the par amount of the Notes, plus a premium of \$1,272,500, minus an Underwriter’s discount of \$46,250).

FINANCIAL ADVISOR

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

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

EXECUTION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been authorized by the Municipality.

THE MUNICIPALITY OF ANCHORAGE

By _____ /s/ Grant Yutrzenka
Chief Fiscal Officer

APPENDIX A

FINANCIAL STATEMENTS

THE MUNICIPALITY OF ANCHORAGE, ALASKA

2021

The Financial Statements include Management's Discussion and Analysis, the Basic Financial Statements, Notes to the financial statements and Required Supplementary Information.

MUNICIPALITY OF ANCHORAGE, ALASKA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2021

**Dave Bronson
Mayor**

**Prepared by:
Controller's Division**

**Grant Yutrzenka
Acting Chief Fiscal Officer**

**Mollie Morrison
Controller- Retired**

**Pamela Ellis
Assistant Controller**

**Kelly Rueff
Senior Finance Officer**

MUNICIPALITY OF ANCHORAGE, ALASKA

Annual Comprehensive Financial Report

December 31, 2021

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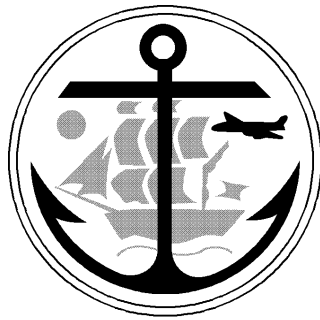
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Municipality of Anchorage

Office of the Chief Fiscal Officer

September 30, 2022

To the Honorable Mayor, Members of the Assembly, and
Citizens of the Municipality of Anchorage:

Transmittal of the Annual Comprehensive Financial Report.

The Annual Comprehensive Financial Report (ACFR) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2021, is hereby submitted in accordance with Anchorage Home Rule Charter and Anchorage Municipal Code. These laws require an annual report on financial and administrative activities with an independent audit of all municipal accounts by a certified public accountant. BDO USA, LLP performed the independent audit in accordance with generally accepted auditing standards. Management is responsible for the accuracy, completeness and fairness of the presentation including all disclosures.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Municipality's MD&A can be found in the Financial Section of the ACFR immediately following the report of the independent auditors.

As a recipient of federal grant awards, the Municipality is required to undergo an audit 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, the audit requirements of Title 2 of the U.S Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and associated OMB *Compliance Supplement*. The independent auditor's report on compliance for each major federal program as well as the report on internal control over compliance with applicable laws and regulations and the report on schedule of expenditures of federal awards will be included in a separately issued audit. A schedule of findings and questioned costs will also be included in that separately issued audit.

As a recipient of State of Alaska (State) grant awards, the Municipality is also required to undergo an audit in accordance with the provisions of Alaska State Regulation 2 AAC 45.010 and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Additionally, the audit of compliance was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. The independent auditor's report on compliance for each major state program as well as a report on internal control over compliance with applicable laws and regulations and a report on the schedule of State Financial Assistance Schedule is included in a separately issued audit. A schedule of findings and questioned costs will also be included in that separately issued audit.

BDO USA, LLP was retained to perform both the financial and the compliance audits of Federal and State financial assistance programs for the year ended December 31, 2021. BDO USA, LLP audited all 2021 financial records. BDO USA, LLP reports are included in the financial section of the ACFR and in both financial assistance reports.

Profile of the Municipality of Anchorage

The City of Anchorage was originally incorporated in 1920 and unified with the Greater Anchorage Area Borough in 1975 to create the Municipality of Anchorage. The Municipality is located in the southcentral part of the State of Alaska. It encompasses a geographic area of approximately 1,958 square miles and serves a population of 289,697.

The Municipality is operated under a strong mayor form of Government. The Mayor is elected at large for a three-year term but may not serve more than two consecutive terms. The Mayor is responsible for appointing the Chief of Staff, the Municipal Manager, the Municipal Attorney, the Chief Fiscal Officer, and heads of all departments. Additionally, the Mayor is responsible for running the day to day governmental activities. The Assembly, which consists of twelve members, serves as the legislative branch. Assembly members are elected by district. They serve three-year staggered terms but cannot serve more than three consecutive terms. The Assembly is responsible for approving ordinances, municipal contracts, budgets, and certain appointments. A compilation of municipal ordinances can be reviewed online in the Anchorage Municipal Code at www.muni.org.

The Municipality provides a full range of services. Certain services such as education, planning and zoning, health services, animal control, environmental quality, taxing and assessing, emergency medical services and public transportation are provided on an area-wide basis. Other services are provided on a geographic basis such as fire protection, police protection, road maintenance, parks and recreation, building safety and others. These are referred to as special purpose service areas.

The Assembly and Administration are responsible for, and committed to establishing and maintaining an internal control structure designed to provide reasonable assurance that the Municipality's assets are protected from loss, theft or misuse, and that adequate accounting records are maintained for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefit likely to be derived and that valuation of costs and benefits requires the use of estimates and judgments.

The Assembly approves operating budgets and appropriations of direct costs at the department level, and revenues, direct costs, and indirect costs at the fund level. During the year, the Assembly may approve supplemental appropriations to increase or decrease the budget or to transfer all or part of any unencumbered balance from one appropriation to another. The Assembly, by ordinance, may authorize a contract, lease or other obligation requiring financing from future appropriations. The Mayor may transfer all or part of an unencumbered balance between categories within an appropriation. No obligation involving the expenditure of money may be made unless the Chief Fiscal Officer has certified that the funds required have been appropriated and/or are available for that purpose.

The accounting records are maintained on a budgetary basis whereby encumbrances are recorded for budgetary control. However, year-end financial statements present actual amounts in conformity with accounting principles generally accepted in the United States of America which excludes encumbrances.

The financial reporting entity includes the four component units for which the Municipality is financially accountable. This includes CIVICVentures, the Anchorage School District (ASD), Anchorage Community Development Authority (ACDA) and Alaska Center for the Performing Arts, Inc. (ACPA). Additional information on all four of these component units can be found in Note 1(A) of the notes to the financial statements.

The Municipality owns and operates several utilities and other enterprise activities including water, wastewater, hydropower, refuse collection, solid waste disposal, port, and the Municipal airport. The Municipality contracts for management of its sports arenas, performing arts center, convention centers, ice arenas, golf courses and equestrian center.

Additional information regarding the Municipality's government, services, current events, economic indicators and other statistics is located on its municipal web site at www.muni.org.

Global Pandemic

During 2021, the Municipality's emergency orders regarding COVID-19 pandemic response expired and mask mandates for the community were rescinded. The Municipality continues to facilitate disease prevention, public access to vaccines and testing. The Municipality continues to provide information and monitoring of case counts and hospitalizations and provide guidance for citizens regarding treatment and transmission mitigation protocols.

The full impact of the COVID-19 outbreak and recovery continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Municipality's financial condition, liquidity, and future results of operations. Municipal management continues to assess the effects of the pandemic on the Municipality's ongoing operations, workforce, suppliers, customers, constituents, and overall financial condition.

Revenues from room tax, and rental vehicle tax collections have rebounded in 2021 from their levels in 2020, as business and leisure travelers are returning to the city. Real property tax collections are also up, and the new Alcoholic Beverages Retail Sales Tax collections are higher than expected.

Federal Funds Available for Pandemic Relief

On March 27, 2020, the President signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. In December 2020, the "Consolidated Appropriations Act" was signed, extending the period of availability for CARES Act funds, and providing funds for renter and utility customer relief (ERA). In March 2021, the American Rescue Plan Act (ARPA) was enacted, providing more funds for State and local governments. During 2020 and 2021, the Municipality has received \$161 million in CARES Act funds, \$54.3 million in ERA funds, and \$52 million in ARPA funds. The Municipality is expending the funds primarily for COVID response activities, rental and utility relief for individuals, and relief for businesses affected by the pandemic.

Local Economy and Outlook

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Municipality operates.

The Municipality has an approximate population of 289,697 which represents an increase of less than 1 percent from the prior year. As the largest city in Alaska, the Municipality is home to approximately 40 percent of the State's residents.

The Anchorage School District had 43,390 students enrolled for the 2020-2021 academic year, an increase of 4.9 percent from the prior year. The Municipality is also home to the University of Alaska Anchorage, a State operated university, and the Alaska Pacific University, a tribal university.

Unemployment in the Municipality decreased in 2021. The average unemployment rate in 2021 was 5.6 percent, a decrease from 7.4 percent in 2020. The 2021 rate was on par with the national average and was lower than the 6.4 percent average for the State of Alaska in 2021. In May 2022, Anchorage saw an increase of 5,100 jobs over May 2021. The number of single-family homes sold year-to-date has decreased by 11 percent and the average sale price in 2022 has increased by 7.1 percent. With national inflation at nearly 19 percent and Anchorage inflation reaching 7.5 percent, interest rates and retail prices will likely increase during 2022.

The top five companies posting jobs in May 2022 are Providence Health and Services, Anchorage School District, Municipality of Anchorage, Humana, and Southcentral Foundation.

The Anchorage job market has continued a strong rebound from 2020 and 2021. Most industry sectors are seeing moderate to significant growth over last year. There is a bright outlook for tourism, transportation, construction, and professional and business services.

The tourism sector is a major economic driver for the Municipality. The Municipality offers a central location within the state, available transportation infrastructure and abundant recreational opportunities. In addition to Anchorage's

regional sport fishing and tourism destinations, visitors often use Anchorage as the gateway to other Alaska destinations.

The tourism sector was one of the hardest hit in 2020 due to the pandemic. The sector lost 9,900 jobs through May of 2020 compared with May of 2019. All cruise lines cancelled their summer port calls in Anchorage for 2019, airline passenger flights were significantly curtailed during 2020.

2021 was the year of the return of the independent travelers to Alaska and Anchorage. 2022 continues the strong return of tourism, including tours and cruise ships. Room tax revenues for the Municipality have increased significantly over 2020 and significantly over budgeted amounts.

Service providing jobs increased by 4,300 jobs between May of 2021 and May of 2022, with more jobs added as the summer tourism season has progressed.

Transportation is another major sector in the Municipality. Transportation gained 1,000 jobs in 2021. Strong cargo volumes and improved visitor numbers have brought employment for this sector to higher than pre-pandemic levels. Three major components of that sector are the Ted Stevens Anchorage International Airport, the Alaska Railroad, and the municipal owned Port of Alaska.

The Ted Stevens Anchorage International Airport is among the top five airports in the world for cargo throughput. It is number two in the U.S. for landed weight of cargo aircraft. International and Domestic cargo landed weight cargo increased in 2021 by 14 percent over 2020. Number of passengers (enplanements) were up by 93 percent over 2020.

The State-owned Alaska Railroad also transports freight and passengers. During 2020, passenger service was severely curtailed. Annual ridership went from 522,000 passengers in 2019 to 32,000 in 2020. Due to the return of the independent traveler in 2021, ridership climbed to 200,000, 40 percent of 2019's passenger count. Freight tonnage remained flat from 2020, however, freight revenue showed year over year growth of \$3.8 million.

The Port of Alaska (the Port) is ice free year around and is served by two major maritime carriers, TOTE, Inc. and Matson, Inc. In addition to the maritime carriers, petroleum and cement operators enjoy use of the Port year around as well. The Port serves 90 percent of the State of Alaska's population and handles 50 percent of all freight shipped into Alaska by all modes. It is one of 23 strategic Ports nationwide deploying equipment and supplies internationally to and from five military installations. The Port brought in 5 million tons in 2021, 280,000 tons more than 2020. Petroleum shipments increased 10.2 percent, likely in part due to increased air cargo traffic at Anchorage International Airport and military operations. Container volume incurred a small increase of less than 1 percent, and dry bulk goods experienced a slight decline of 14,000 tons.

The Port is currently undergoing a modernization project where aging terminals are being replaced with new, state of the art terminals. Phase 1 is the construction of a new petroleum and cement terminal (PCT), and construction is nearing completion and is scheduled to be ready for service in late September 2022. The Port of Alaska Modernization Program work continues to move forward with the 2022 solicitation of bids and planned 2023 construction work for the North Extension Stabilization Step 1 (NES1) Design/Build. September 2022 will also see ground-breaking activities for the Port of Alaska administration building replacement already under contract and scheduled to completed in late 2023. In addition to NES1 and the administration building construction, design and engineering work continues to replace and modernize the Port of Alaska cargo docks in future years. Funding for the PCT project was provided with a combination of State of Alaska grants, MARAD grants and revenue bonds supported by Port revenue earned through increased tariff rates and funding for the future work in 2022 and 2023 is supported by a revenue bond initiative approved by the Anchorage Assembly.

The Port of Alaska continued operations throughout the pandemic in 2020 and 2021 that shut down other industries, keeping Anchorage and a large portion of the state supplied with essential goods.

Several development projects related to transportation are likely to have a positive impact over the next several years. Northern Pacific Airlines is offering Anchorage as a stopover for passengers flying to and from Asia, adding about 50 jobs. A feasibility study for ANC's Anchorage Pacific Air-to-Sea Service (ANC PASS) was completed in 2021. ANC PASS would see cargo flown from Asia to Anchorage and shipped on to Tacoma via the Port of Alaska.

The initiative, taking advantage of Anchorage's strategic location, comes in response to global shipping bottlenecks which have caused significant delays in waterborne transportation. Major transportation infrastructure development projects together could create thousands of short-term construction-related jobs and hundreds of permanent operations jobs. Five major air cargo storage and logistics projects at ANC, totaling \$1 billion in investment, are in various stages of planning and construction.

Construction employment within the Municipality increased in 2022 by approximately 700 jobs, bringing average employment to 8,100 jobs, a 9.5 percent increase over May of last year. The Infrastructure and Jobs Act is expected to bring \$5 billion in more funding for highway, airport, water, and wastewater treatment projects, among others. Total building permit applications were 2,048 in 2021, compared to 2,928 in 2020. The Municipality had a reduction of (\$362) million in assessed value for commercial properties offset by an increase of \$344 million in assessed value for residential properties in 2021. Significant projects permitted during 2021 include Providence Medical Group Midtown Clinic, and Covenant House of Alaska Expansion and Renovation Project. 2022 projects begun or planned include the Key Bank building on 5th Avenue, FedEx ramp expansion at the Anchorage International Airport, Supportive Housing for Homeless Elders, Block 41 Redevelopment, Block 96 Flats, Anchorage Water and Wastewater Utility's King Street Warm Vehicle Storage Building, and expansion and replacement of Girdwood Health Clinic.

Professional and business services saw an increase of 1,000 jobs, an increase of 6 percent over last year. The federal Infrastructure and Jobs Act is increasing demand for engineering, architecture, environmental and other professional services. The Act is expected to inject \$5 billion in infrastructure funding into the economy over five years. Increased oil prices and increased federal funding have contributed to increased State capital budgets.

Health care employment continues to be an important part of the service producing industry for 2021, even though this sector lost 500 jobs in the Municipality during 2021. The health care sector in the Municipality accounted for approximately 20,500 jobs, on average, in 2021.

The COVID-19 pandemic had a profound effect on healthcare during 2020, as elective procedures were halted for a time and medical office visits declined. The sector lost jobs for the first time in years, losing 1,800 jobs from May 2019 to May 2020. Outpatient services and hospital employment added back jobs in 2021, although the sector is continuing to experience labor shortages as the pandemic wears on and some have left the healthcare industry for good.

Within the state, the Municipality has some of the most advanced medical facilities making it the healthcare hub of Alaska. With improvements in new technologies here, residents do not have to travel out of state for care. Rather they can access services locally. As well, several new facilities opened in 2018, 2019, and 2020 to address those needs. It is anticipated that health care services will continue to expand as the Municipality's senior population has been growing for decades. In 2000, roughly 14,000 people were above the age of 65, in 2019, that number was 33,000. For 2021, the population of people above the age of 65 was 37,355.

Relevant Financial Policies

The Municipality's Assembly-approved Fund Balance Policy was established by Resolution No. 2015-84. The Municipality's general fund is comprised of five major sub-funds and thirty-eight nonmajor sub-funds. The Fund Balance Policy consists of three policies.

First, it is the policy of the Municipality to prepare and manage five major general fund sub-fund budgets so as to maintain an unrestricted general fund balance in an amount equal to 10 percent of current year expenditures as a bond rating set aside designation that will become committed fund balance.

Second, it is the policy of the Municipality to prepare and manage its nonmajor general fund operating sub-funds (limited service areas and rural service areas) budgets so as to maintain an unrestricted fund balance of 8.25 percent of current year expenditures as a bond rating set aside designation that will become committed fund balance.

Third, it is the policy of the Municipality to prepare and manage budgets so as to maintain unrestricted fund balances in its five major sub-funds in an amount between 2 percent and 3 percent of current year expenditures as a working capital reserve set aside that will become part of the unassigned fund balance. The limited service areas and rural

With regards to expenditures, they are defined as total expenditures reported in the ACFR's Statement of Revenues, Expenditures, and Changes in Fund Balance, General Fund and shall be reduced by contributions to education and by on-behalf payments made on-behalf of the Municipality by the State of Alaska directly to the Public Employees Retirement System (PERS).

Long-term Financial Planning

The Municipality has no legal debt limit mandated by Municipal Charter, Municipal Code or State Statute. The Municipality continues to maintain credit ratings on all outstanding debt. Current long-term Municipality general obligation bond ratings are AA+ by Standard and Poor's (S&P) with a negative outlook and AA+ by Fitch Ratings (Fitch) with a stable outlook. Revenue bond covenants stipulating debt service coverage requirements were met in 2021.

The Municipality's percentage of net general obligation debt to assessed valuation and bonded debt per capita are useful indicators to citizens and investors of Anchorage's debt position. The percentage of net direct general obligation debt, exclusive of ASD debt, to assessed valuation was 1.38 percent as of December 31, 2021 and the net direct general obligation debt per capita was \$1,638. The respective amounts as of December 31, 2020 were 1.33 percent and \$1,595. When ASD debt is included, net direct general obligation debt to assessed value as of December 31, 2021 is 2.69 percent (2.59 percent in 2020) and the net direct general obligation debt per capita is \$3,199 (\$3,120 in 2020).

In April 2022, the voters of the Municipality approved the issuance of \$43,225,000 in general obligation bonds. The bonds will be for various projects including roads and drainage, public safety, fire protection, transit and parks and recreation. New debt is to be issued in the fourth quarter of 2022. It is not known how much will be issued. Additional information on prior bonds that have been authorized but not issued, can be found in Note 10(F) of the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Municipality of Anchorage for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's standards and we will be submitting it to the GFOA to determine its eligibility for another certificate.

This report would not have been accomplished without the dedicated efforts of the entire staff of the Controller Division and employees' cooperation from throughout the Municipality who provided detailed information, other support, and assistance in this effort. To all of you, we are grateful.

Respectfully submitted,



Grant Yutzenka
Chief Fiscal Officer (Acting)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Municipality of Anchorage
Alaska**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

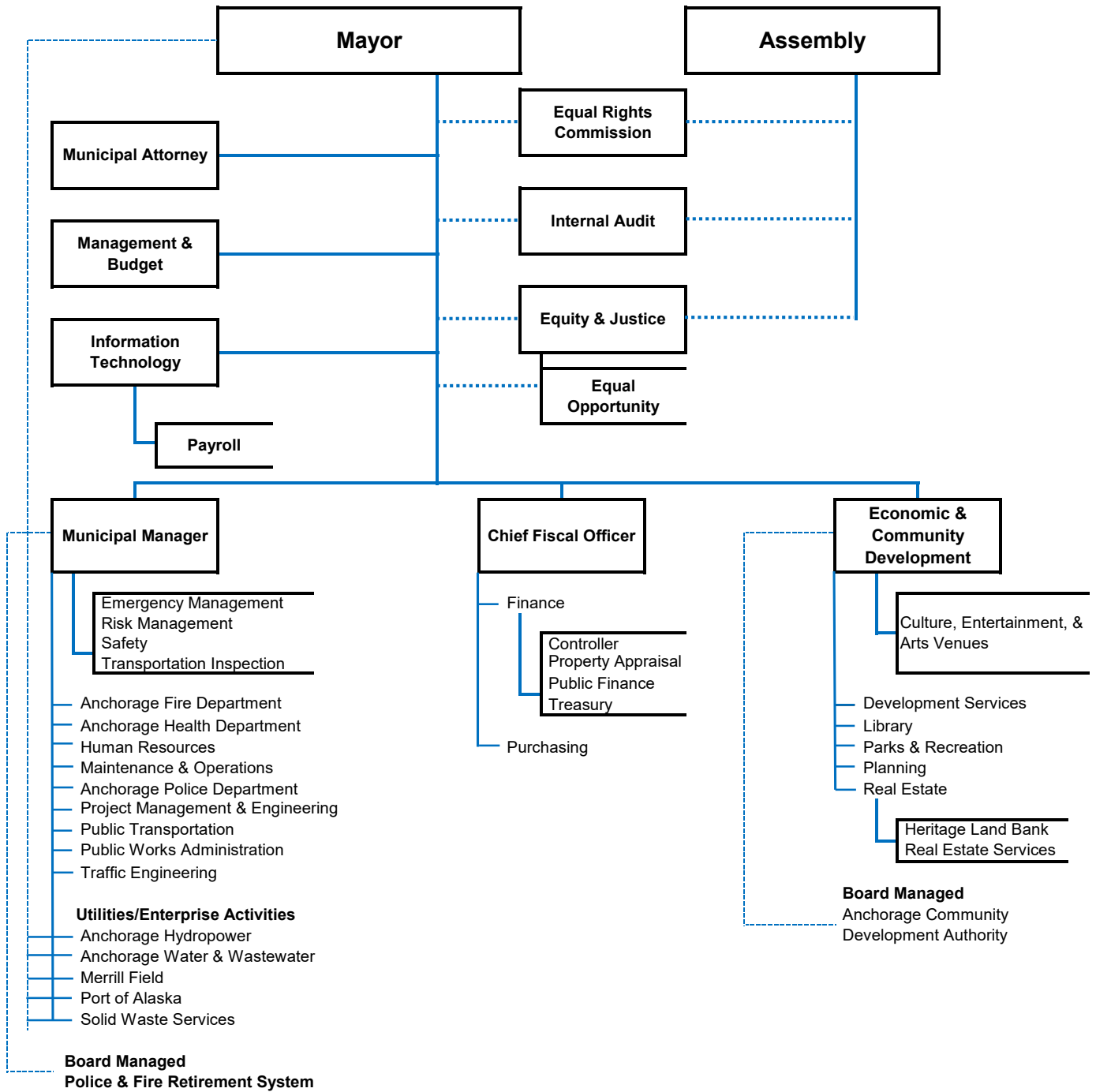
December 31, 2020

Christopher P. Morill

Executive Director/CEO



MUNICIPALITY OF ANCHORAGE



MUNICIPALITY OF ANCHORAGE

PRINCIPAL OFFICIALS

ASSEMBLY

The legislative power of Anchorage is vested in an twelve member elected assembly. The Assembly, by Charter, is required to meet twice each month. The body meets on Tuesdays in the Assembly Chambers at 3600 Denali Street (Z.J. Loussac Library). Numerous special meetings and work sessions are scheduled throughout the year. The following citizens were elected to serve on the Assembly.

Suzanne LaFrance, Chair
Christopher Constant, Vice Chair

Jamie Allard	Kameron Perez-Verdia
Forrest Dunbar	Pete Petersen
Daniel Volland	Randy Sulte
Felix Rivera	Meg Zaletel
Kevin Cross	Austin Quinn-Davidson

Barbara A. Jones, Municipal Clerk

ADMINISTRATION

Dave Bronson, Mayor

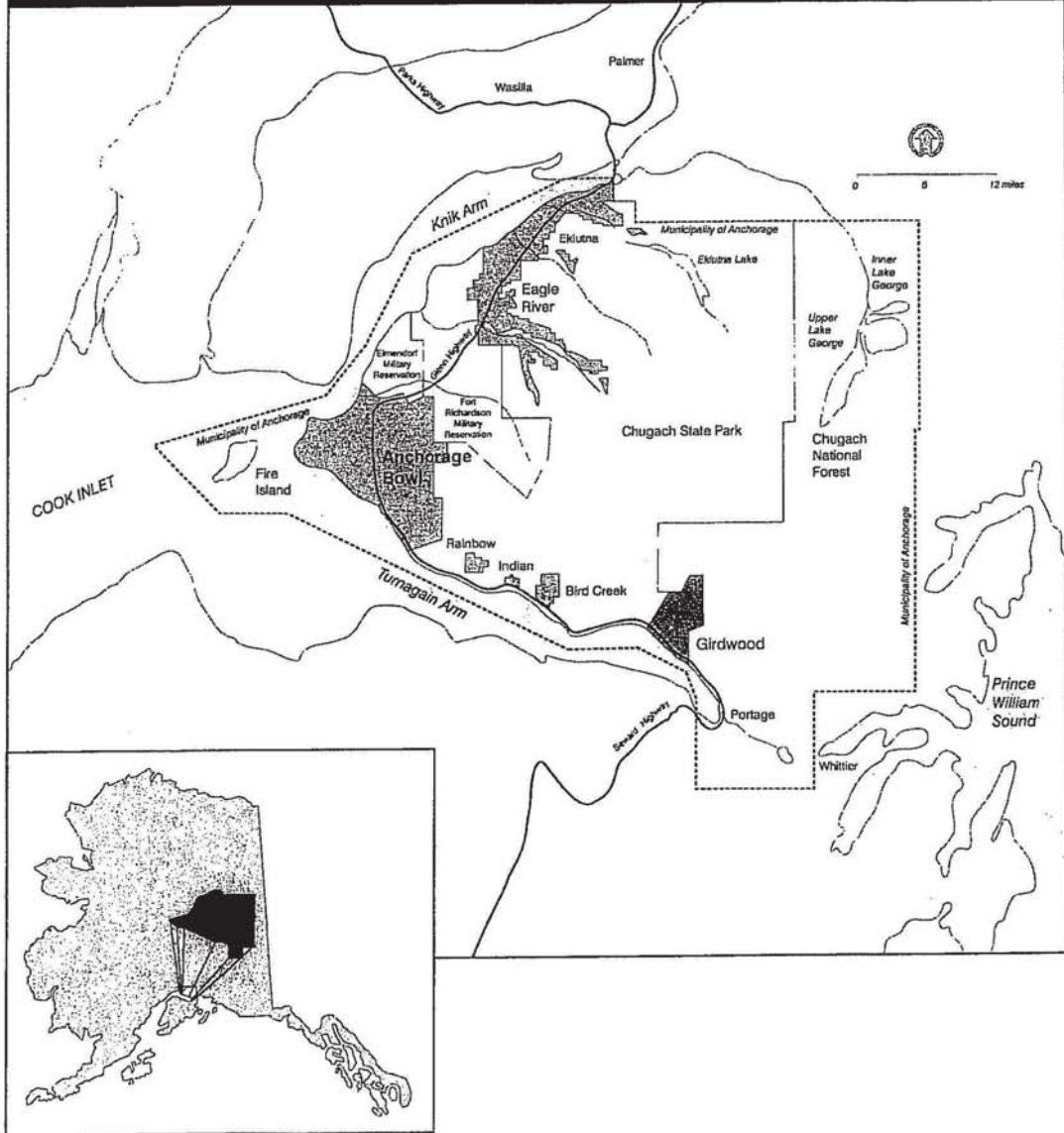
Adam Trombley, Chief of Staff

Amy Demboski, Municipal Manager

Blair Christensen, Acting Municipal Attorney

Grant Yutrzenka, Acting Chief Fiscal Officer

Municipality of Anchorage Vicinity Map





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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

Honorable Mayor and
Members of the Assembly
Municipality of Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Municipality of Anchorage's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality of Anchorage and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality of Anchorage's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality of Anchorage's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality of Anchorage's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison schedule, condition rating of the Municipality of Anchorage's road network, and pension and other postemployment benefit schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality of Anchorage's basic financial statements. The accompanying supplementary budgetary comparison schedules and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary budgetary comparison schedules and the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022 on our consideration of the Municipality of Anchorage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality of Anchorage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality of Anchorage's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
September 30, 2022

MUNICIPALITY OF ANCHORAGE MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Municipality of Anchorage (Municipality), we offer readers of the Municipality's Annual Comprehensive Financial Report (ACFR), this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All monetary amounts are in thousands of dollars, unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Municipality exceeded its liabilities and deferred inflows of resources at the end of 2021 with reported net position of \$3.8 billion.
- The Municipality's total net position for the primary government increased by \$54.5 million or approximately 1.47 percent for 2021. The increase is the net result of an increase in governmental activities net position of \$7.6 million and an increase in business-type activities net position of \$46.9 million.
- During the year, the governmental activities generated \$985.8 million in revenues not including transfers from, which was offset by expenses of \$1 billion, not including transfers to.
- During the year, the business-type activities generated \$232.7 million in revenues not including transfers from or special item, that was offset by expenses of \$150.8 million, not including transfers to.
- As of December 31, 2021, the Municipality's governmental funds reported a combined ending fund balance of \$623.5 million, a decrease of \$22.1 million. Of the fund balance, \$22.6 million is nonspendable, \$566.6 million is restricted, \$81.4 million is committed, \$14.5 million is assigned and a deficit of (\$61.6) million is unassigned. Included in the committed fund balances are \$50.2 million in bond rating set asides, as required by the rating agencies. The bond rating set asides are required to ensure that the Municipality has sufficient fund balance to make debt service payments on general obligation debt. Due to the unassigned deficit, the Municipality did not meet its commitment for the bond rating set aside in 2021.
- The Roads and Drainage Capital Project Fund did not meet the quantitative eligibility criteria to be reported as a major fund but because of its significance to the Municipality's taxpayers, it has been included as a major fund for 2021.
- The Municipality's total capital assets (net of accumulated depreciation) on December 31, 2021 was \$5.0 billion.
- The Municipality's total long-term debt on December 31, 2021 was \$1.3 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Municipality's basic financial statements. The Municipality's basic financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the basic financial statements, and 4) required supplementary information. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Municipality's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all the Municipality's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Municipality is improving or deteriorating.

The statement of activities presents information showing how the Municipality's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event gives rise and when the

change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement on an accrual basis, with related cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the Municipality that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Municipality include general government, fire and police services, health and human services, economic and community development, public transportation, public works, education, maintenance and operations of roads and facilities, and debt service. Governmental activities also include information from CIVICVentures, a blended component unit. The business-type activities of the Municipality include water and wastewater services, hydroelectric generation, port services, Municipal airport services, solid waste disposal services, and refuse collection services.

The government-wide financial statements include not only the Municipality itself, but also the following discretely presented component units for which the Municipality is fiscally accountable: the Anchorage School District (ASD), Anchorage Community Development Authority (ACDA), and the Alaska Center for the Performing Arts (ACPA). Financial information for these discrete component units is reported separately from the financial information presented for the primary government itself. CIVICVentures, although legally separate, functions for all practical purposes as an integral part of the primary government and therefore has been included with the primary government as a blended component unit.

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the local government, reporting the Municipality's operations in more detail than the government-wide statements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. All the funds of the Municipality can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Municipality maintains twenty-six individual governmental funds for reporting purposes. For managerial purposes, several sub-funds are used for each of the reporting funds to further segregate activity based on the source of the funding for the activities. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, the MOA Trust Fund, and the Roads and Drainage Capital Project Fund, which are considered to be major funds in accordance with GASB Statement No. 34. Information from the other twenty-three governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Municipality adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, Debt Service Funds, and Permanent Funds. The Assembly approves operating budgets and appropriations of direct costs at the department level, and revenues, direct costs and indirect costs at the fund and sub fund level. In addition to the General Fund budgetary comparison schedule by function, two budgetary comparison schedules at the department level and at the fund and sub fund level have been added as additional supplementary information to demonstrate compliance with this budget. There are no Special Revenue Funds which require the preparation of a budgetary comparison schedule for inclusion in the Required Supplementary Information section; however, budgetary comparison schedules are prepared for certain Special Revenue, Debt Service, and Permanent Funds, which are

presented in the nonmajor combining statements section of the ACFR. The Municipality also adopts a General Government Capital Improvements budget under the same approval process as the General Government's Operating Budget.

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Municipality maintains two different types of proprietary funds - enterprise funds and internal service funds. Proprietary funds use the economic resources measurement focus and the accrual basis of accounting.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses enterprise funds to account for its electric services, water services and wastewater services; hydroelectric generation; port services; Municipal airport services; solid waste disposal services; and refuse collection services.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Municipality's various functions. The Municipality uses internal service funds to account for equipment and vehicle operations and maintenance; risk management, medical and dental self-insurance, and unemployment compensation activities; and information technology services. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements, except for the portion allocated to enterprise funds.

The proprietary fund financial statements provide separate information for the water services; wastewater services; and port services; all of which are major enterprise funds of the Municipality. Information from the other five proprietary enterprise funds are combined into a single, aggregated presentation as nonmajor funds of the Municipality. Individual fund data for each of these nonmajor proprietary enterprise funds is provided in the form of combining statements elsewhere in this report. All proprietary internal service funds are combined into a single, aggregated presentation on the proprietary fund financial statements. Individual fund data for each of these internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as the retirement pensions and retiree medical plans for police and fire employees, in which the Municipality acts solely as a trustee. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Municipality's own programs. The basis of accounting used for fiduciary funds is the same as that which is used for proprietary funds.

Notes to the Basic Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Municipality's disclosure of information relating to the General Fund's budgetary comparison schedule, its paved road infrastructure network (accounted for under the modified approach), schedules for its various pension plans, and schedules for other post-employment benefit plans.

Supplementary Information

In addition to the required supplementary information elements, the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds and fiduciary funds are presented as additional supplementary information immediately following the required supplementary information. Budgetary comparison schedules for certain special revenue, debt service and permanent funds are also presented in this section. A summary of selected statistical information is also provided.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed statement of net position for December 31, 2021 compared to the prior year (reference Table A-1).

Table A-1
Municipality's Net Position
(in thousands)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,085,640	\$ 896,937	\$ 400,634	\$ 384,349	\$ 1,486,274	\$ 1,281,286
Capital assets	3,425,709	3,435,662	1,616,082	1,512,827	5,041,791	4,948,489
Total assets	4,511,349	4,332,599	2,016,716	1,897,176	6,528,065	6,229,775
Deferred outflows of resources	44,491	66,718	6,738	10,309	51,229	77,027
Total deferred outflows of resources	44,491	66,718	6,738	10,309	51,229	77,027
Long-term liabilities	1,050,049	1,160,599	674,810	615,474	1,724,859	1,776,073
Other liabilities	306,446	259,646	49,057	52,711	355,503	312,357
Total liabilities	1,356,495	1,420,245	723,867	668,185	2,080,362	2,088,430
Deferred inflows of resources	268,030	55,320	474,225	460,825	742,255	516,145
Total deferred inflows of resources	268,030	55,320	474,225	460,825	742,255	516,145
Net investment in capital assets	2,861,866	2,863,993	696,239	647,840	3,558,105	3,511,833
Restricted	566,721	522,189	29,080	44,884	595,801	567,073
Unrestricted (Deficit)	(497,272)	(462,430)	100,043	85,751	(397,229)	(376,679)
Total net position	\$ 2,931,315	\$ 2,923,752	\$ 825,362	\$ 778,475	\$ 3,756,677	\$ 3,702,227

Overall Analysis

On December 31, 2021, the Municipality's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$3.8 billion. Total net position increased \$54.5 million or 1.47 percent.

The largest portion of the Municipality's net position, \$3.6 billion (95 percent) reflects its investment in capital assets less any outstanding capital debt and capital liabilities used to acquire those assets. The Municipality's capital assets are used to provide services to its citizen; consequently, they are not available for future spending. Although the investment in capital assets is reported net of capital debt and capital liabilities, it should be noted that the resources needed to repay these obligations must be provided from other sources since the capital assets themselves cannot be used to liquidate these obligations.

Restricted net position in the amount of \$595.8 million represents those assets that the Municipality holds that are required to be spent for a specific purpose by outside sources and/or enabling legislation. Of this total, the Municipality reported \$23.9 million restricted net position for the acquisition and construction of capital assets, \$5.1 million restricted for operations, \$41.6 million for the Police and Fire Retiree Medical Liability prefunding, \$19.7 million restricted for debt service, \$3.6 million for interim rate reserve requirement, \$9.7 million for proceeds from the Electric Utility sale, \$12 million restricted for grant activity, \$8.8 million for the proceeds of alcoholic beverages retail sales taxes, \$2.1 million for E911 Surcharge, \$21 million restricted for convention center operating reserve, and \$448.1 million representing the investment balance in the MOA Trust Fund.

The remaining balance of unrestricted net position may be used for the Municipality's ongoing obligations to citizens and creditors. For 2021, the unrestricted net deficit was (\$397.2) million. This deficit is primarily due to the net pension and net other post-employment benefits (OPEB) liabilities reported in accordance with GASB Statement No. 68- Accounting and Reporting for Pensions and GASB Statement No. 75- Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The net pension and net OPEB liabilities are actuarially calculated by the State of Alaska, the Police and Fire Pension Trust and the Police and Fire Retiree Medical Trust. The liabilities were significant enough to keep the unrestricted net position of the Municipality in a deficit position.

At the end of the current fiscal year, the Municipality was able to report positive balances in all three categories of net position for the business-type activities only. For the primary government and the governmental activities, the Municipality reported positive balances in net investment in capital assets and restricted net position only. Unrestricted reported a deficit balance for governmental activities and the primary government. This continues to be due to the impact of reporting net pension and net OPEB liabilities required to be reported in accordance with GASB standards as noted above, and unfunded COVID-19 expenditures reported in governmental funds and governmental activities.

Governmental Activities

The governmental activities total net position increased \$7.6 million or 0.3 percent. The largest increase is due to investments in the MOA Trust Fund, offset by transfers out of the Trust, increasing both restricted net position and overall net position by \$30 million. Current and other assets, including cash and investments held in the central treasury, increased over the prior year, as did the net OPEB assets. This increase in net position is offset by the decreases in the net pension and net OPEB liabilities and increases in related deferred inflows of resources, and an increase of \$17.5 million in due to component unit (ASD) for property taxes collected on their behalf.

Net investment in capital assets decreased by \$2.1 million or 0.07 percent. While capital assets decreased by \$10 million, capital debt and capital liabilities associated with those capital assets decreased by \$7.9 million.

Restricted net position increased \$44.5 million or 8.5 percent. This net increase is due to the following changes: investment earnings in the MOA Trust Fund of \$30 million, restricted for operations of \$1.5 million, restricted collections of alcoholic beverages sales taxes of \$8.8 million, restricted for convention center operating reserve of \$2.6 million, restricted for E911 surcharge revenue of \$0.8 million, restricted for the police and fire retiree medical liability of \$2 million, restricted for acquisition and construction of \$0.2 million, offset by a decrease in restricted for debt service of \$0.6 million and grant restrictions of \$0.8 million.

Unrestricted net position (deficit) is the remaining total net position that is not classified as either net investment in capital assets or restricted net position. Any change to unrestricted net position (deficit) is the reflection of changes in the other two categories. Activities that are not restricted in nature also have an effect on unrestricted net position (deficit). An example of that is general revenues earned in excess of governmental expenses and transfers that are not supported by a dedicated, restricted revenue stream. In 2021, the unrestricted net deficit increased by \$34.8 million or 7.5 percent. This increase in unrestricted net deficit is mainly due to a \$31.2 million increase in unfunded COVID-19 response expenses, offset by reductions in the other net position categories.

Business-type Activities

The business-type activities total net position increased \$46.9 million or 6 percent. Net investment in capital assets reported an increase of \$48.4 million or 7.5 percent. Increases to construction work in progress and distribution and production assets, net of depreciation in the Utilities were \$105 million. Debt related to capital assets increased by \$72 million due to clean water and drinking water revolving loans issued by the Water and Wastewater Utilities, and draws on long-term notes issued by the Port, the Refuse and Disposal Utilities in 2021. The remainder of the change in net investment in capital assets is related to annual depreciation of assets and debt service payments made during the year.

Restricted net position decreased \$15.8 million or 35.2 percent due to \$18.9 million reduction in restrictions for debt service in the Water and Wastewater Utilities and the Port Fund, a \$3.7 million decrease in investment in excess of liability restricted for postclosure of the landfill in the Disposal Utility, and a \$6.5 million decrease in restrictions for acquisition and construction in the Water and Wastewater Utilities and Port Fund; offset by a \$9.7 million increase in restriction for proceeds from sale of the Electric Utility, and \$3.6 million restricted for interim escrow in the Water and Wastewater Utilities.

Unrestricted net position is the remaining total net position that is not classified as either net investment in capital assets or restricted net position. Any change to unrestricted net position is the reflection of changes in the other two categories. In 2021, unrestricted net position increased by \$14.3 million or 16.7 percent. The primary reason for this is the overall positive change in net position and the decreases in restrictions already noted.

Statement of Activities

The statement of activities can be used to determine if Municipality services are operating efficiently or if they are too reliant on general revenues. It can also be a good indicator of which functions the Municipality spends most of its resources. The following table reflects the condensed statement of activities of the Municipality for 2021 compared to the prior year and indicates the changes in net position for governmental and business-type activities (reference Table A-2).

Table A-2
Municipality's Changes in Net Position
(in thousands)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 52,677	\$ 52,058	\$ 192,847	\$ 305,153	\$ 245,524	\$ 357,211
Operating grants & contributions	149,004	207,394	184	1,726	149,188	209,120
Capital grants & contributions	6,595	19,056	36,083	51,910	42,678	70,966
General revenues:						
Property taxes	612,858	587,740	-	-	612,858	587,740
Other taxes	113,134	66,430	-	-	113,134	66,430
Grants and entitlements not restricted to specific programs	1,716	375	-	-	1,716	375
Investment earnings (loss)	49,824	41,017	3,585	15,438	53,409	56,455
Total revenues	<u>\$ 985,808</u>	<u>\$ 974,070</u>	<u>\$ 232,699</u>	<u>\$ 374,227</u>	<u>\$ 1,218,507</u>	<u>\$ 1,348,297</u>
Expenses:						
General government	29,330	42,803	-	-	29,330	42,803
Fire services	107,393	142,705	-	-	107,393	142,705
Police services	131,969	169,314	-	-	131,969	169,314
Health and human services	130,779	81,180	-	-	130,779	81,180
Economic and community dev.	181,821	159,027	-	-	181,821	159,027
Public transportation	35,049	35,519	-	-	35,049	35,519
Public works	51,399	50,789	-	-	51,399	50,789
Maintenance and operations	37,999	40,095	-	-	37,999	40,095
Education	293,430	269,957	-	-	293,430	269,957
Interest	14,516	14,152	-	-	14,516	14,152
Electric	-	-	937	126,193	937	126,193
Water	-	-	43,184	44,764	43,184	44,764
Wastewater	-	-	44,817	48,086	44,817	48,086
Port	-	-	21,571	20,052	21,571	20,052
Refuse	-	-	11,258	11,146	11,258	11,146
Solid waste	-	-	22,705	25,432	22,705	25,432
Municipal airport	-	-	5,908	5,179	5,908	5,179
Anchorage hydropower	-	-	447	64	447	64
Total expenses	<u>1,013,685</u>	<u>1,005,541</u>	<u>150,827</u>	<u>280,916</u>	<u>1,164,512</u>	<u>1,286,457</u>
Change in net position prior to transfers and special item	(27,877)	(31,471)	81,872	93,311	53,995	61,840
Transfers	35,440	293,837	(35,440)	(293,837)	-	-
Special item - (see Note 23)	-	-	455	6,357	455	6,357
Change in net position	<u>7,563</u>	<u>262,366</u>	<u>46,887</u>	<u>(194,169)</u>	<u>54,450</u>	<u>68,197</u>
Beginning net position	<u>2,923,752</u>	<u>2,661,386</u>	<u>778,475</u>	<u>972,644</u>	<u>3,702,227</u>	<u>3,634,030</u>
Ending net position	<u>\$ 2,931,315</u>	<u>\$ 2,923,752</u>	<u>\$ 825,362</u>	<u>\$ 778,475</u>	<u>\$ 3,756,677</u>	<u>\$ 3,702,227</u>

Overall Analysis

The Municipality's total net position of \$3.8 billion increased \$54.5 million or 1.47 percent as reported in the statement of activities. This increase consists of a \$7.6 million increase in governmental activities and a \$46.9 million increase in business-type activities. Total revenues were down by \$129.8 million, a net of a \$70.1 million increase in general revenues and a \$199.9 million decrease in charges for services and grants. The decrease in charges for services is mostly attributable to the loss of electric revenues due to the sale of the Electric Utility in the fourth quarter of 2020. Total expenses were down by \$121.9 million, also due primarily to the sale of the Electric Utility and the resulting decreases in the pension and OPEB liabilities.

Governmental Activities

Governmental activities increased the Municipality's net position by \$7.6 million or 0.3 percent. As mentioned in the analysis of changes in the statement of net position, this increase was due in large part to the sale of the assets of

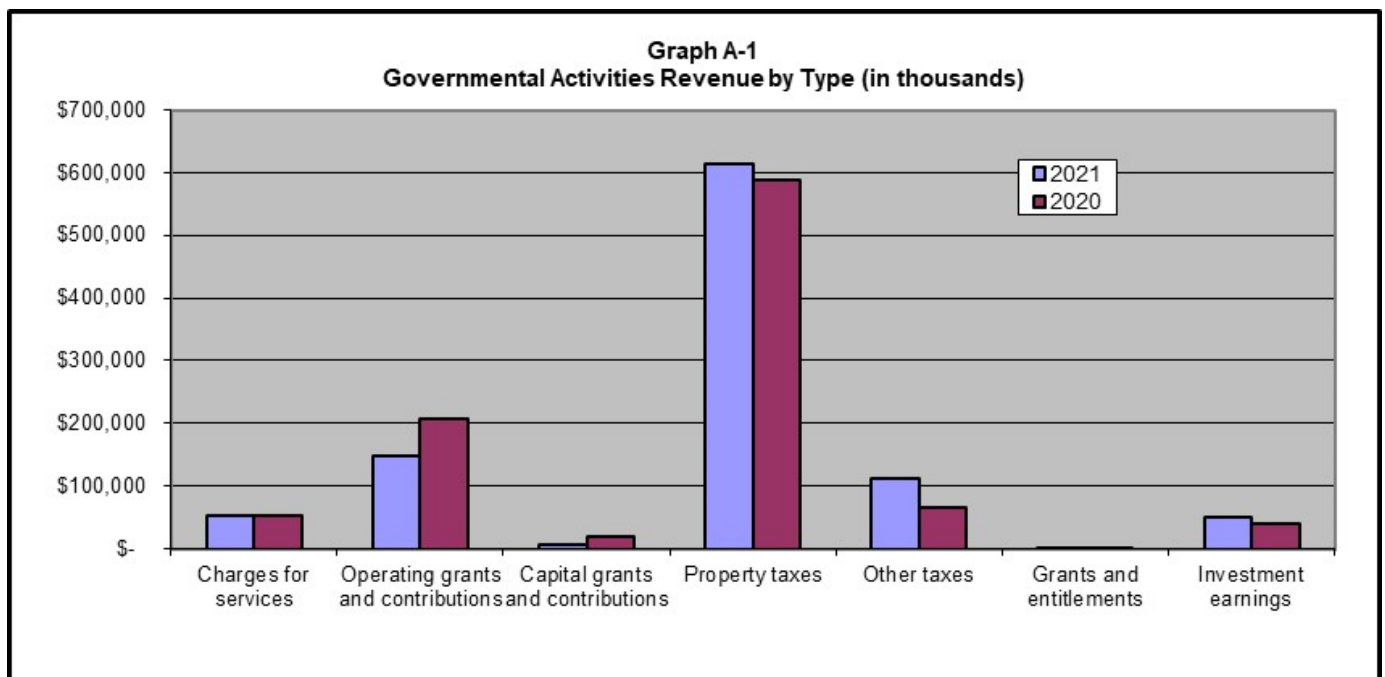
the Electric Utility in the fourth quarter of 2020, which resulted in a significant increase in the investment assets in the MOA Trust Fund led to increased investment revenues.

Total governmental activity revenues were \$985.8 million, excluding transfers. Revenues increased \$11.7 million or 1.2 percent over the prior year. Property taxes, the Municipality’s largest single revenue source, increased 4.3 percent, and other taxes increased 70.3 percent, primarily due to the return of tourism, business travel, and people leaving their homes for dining and entertainment. In 2021, a new alcoholic beverages retail sales tax which brought in \$14 million in new revenues. The Municipality’s portion of hotel and motel taxes increased 116 percent over 2020. Investment earnings overall increased 21.5 percent. Operating grants and contributions decreased 28.2 percent, and Capital Grants and Contributions decreased 65.4 percent. The Municipality received and spent large Coronavirus Aid, Relief, and Economic Security (CARES) Act grants in 2020, and there are still COVID-19 federal and state grants that the Municipality is receiving in 2021 and 2022, such as American Rescue Plan Act (ARPA) and Emergency Rental Assistance (ERA) funds.

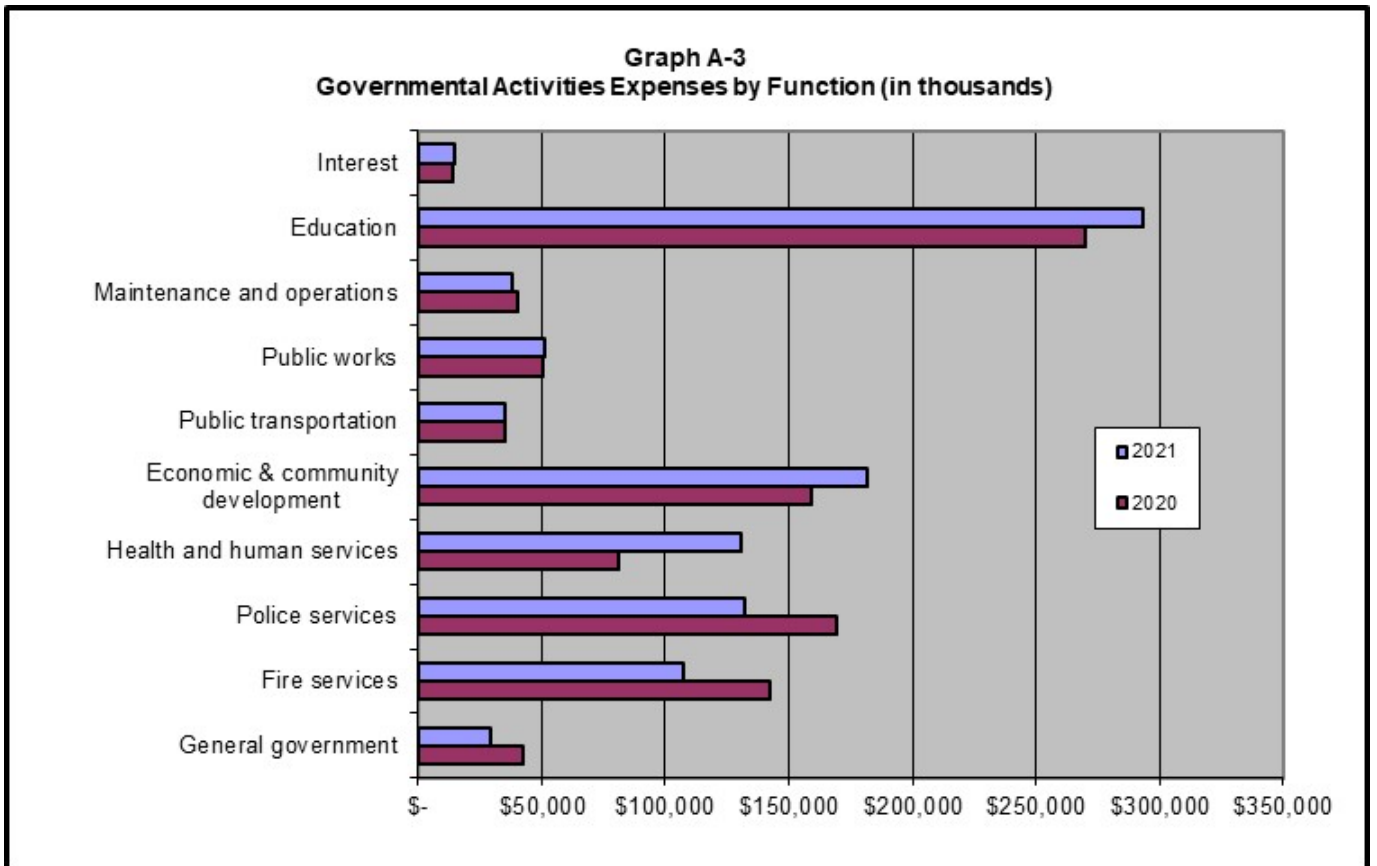
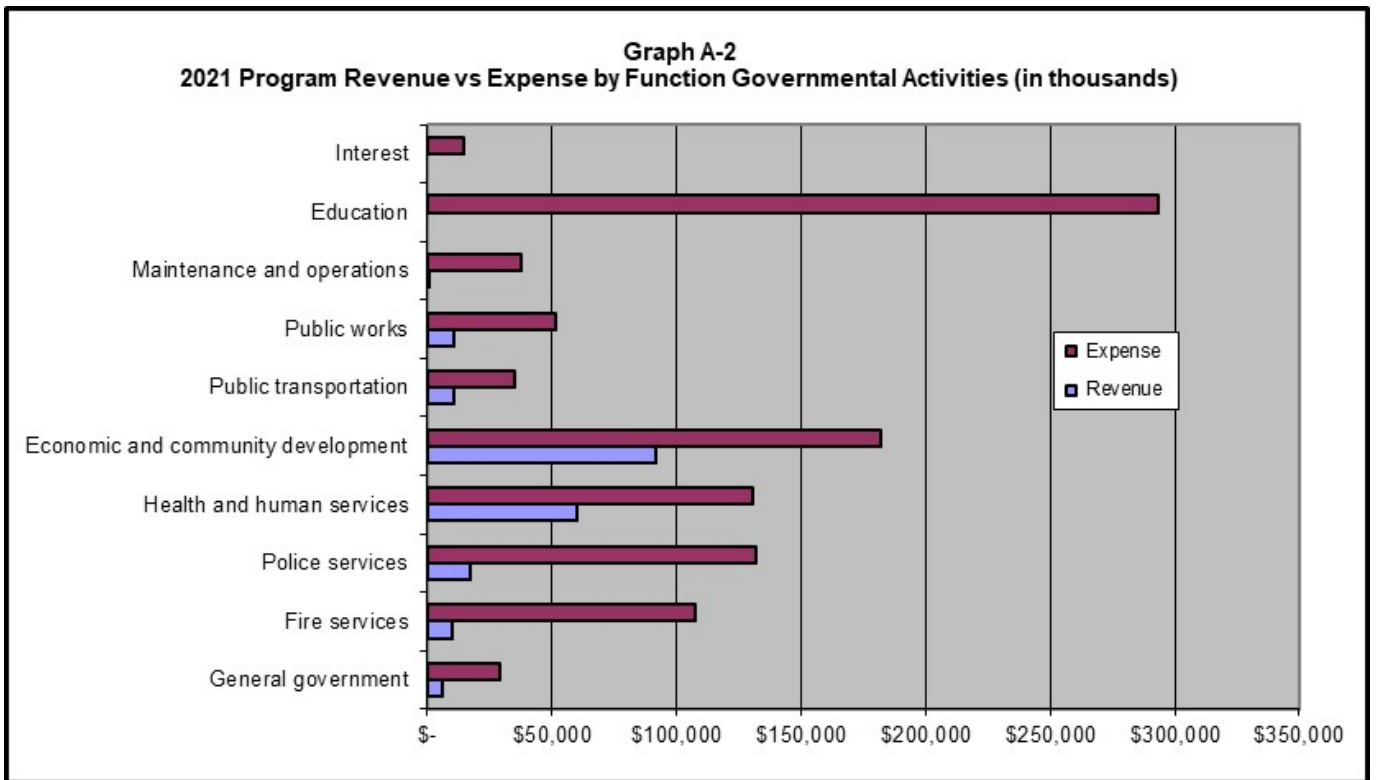
Total governmental activity expenses in 2021 were \$1 billion, excluding transfers, an increase of 0.81 percent. Out of the total expenses, \$208.3 million was paid either by those directly benefiting from the programs or by other governments and organizations that subsidize certain programs with grants and contributions. The remaining net expense (total expenses less program revenues) of \$805.4 million was the cost of governmental services paid for by the Municipality’s taxpayers.

Education, Economic and Community Development, Health and Human Services, Police Services, and Fire Services functional expense categories yielded the largest total expenses of \$293.4 million, \$181.8 million, \$130.8 million, \$132 million, and \$107.4 million, respectively. Health and Human Services expenses increased by \$49.6 million, or 61.1 percent, Education expenses increased \$23.5 million, or 8.7 percent. Police Services and Fire Services expenses were down by \$37.3 million and 22.1 percent, and \$35.3 million and 24.7 percent, respectively. Police and Fire Services expenses were significantly elevated in 2020 due to the Municipality’s response to the pandemic emergency, while in 2021 those expenses were more comparable to pre-pandemic levels. Health and Human Services accounted for a large portion of the continued pandemic response in 2021 and accounted for most of the unfunded COVID-19 response expenses in 2020 and 2021. Economic and Community Development expenses were increased by 14.3 percent because many of the programs funded with ARPA and ERA were in that category. Many of the funds the Municipality received from the federal and state agencies for COVID relief went to social service organizations, businesses and individuals affected by the pandemic and emergency lockdown orders. General Government, which decreased by 31.5 percent, Public Transportation, Public Works, Maintenance and Operations expenses were either slightly lower in 2021 or flat compared to 2020.

The first graph compares the Municipality’s governmental activities program and general revenues by type for 2021 and 2020.



The second graph compares the Municipality's 2021 governmental activities program revenues vs expenses by function. The third graph compares the Municipality's governmental activities expenses by function for 2021 and 2020.



Business-type Activities

Business-type activities increased the Municipality's net position by \$46.9 million from current operations, a 6 percent increase over the prior year. Key elements of the change in net position are as follows:

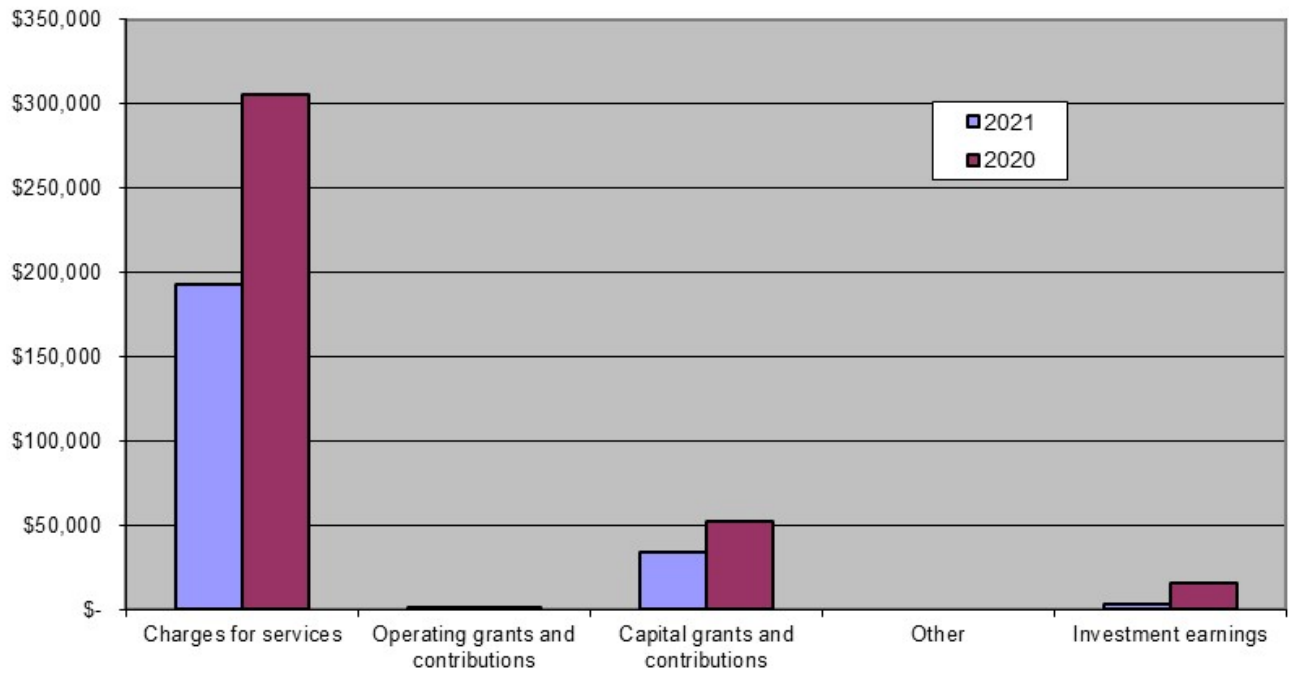
- The Water Utility operating income increased by \$2.3 million from 2020, due to increased commercially metered revenue and an 8 percent rate increase effective April 1, 2021, and a decrease in the combined pension and OPEB expenses of \$2.4 million.
- The Wastewater Utility operating income increased by \$8.4 million, or 60 percent from 2020, primarily due to an increase in recurring rates and increases in residential and commercial usage. The operating income was also positively affected by decreases in administrative and general expenses due mainly to a decrease in the combined pension and OPEB expenses of \$3.5 million.
- The Port reported capital contributions of \$25.6 million from state and federal grants, a decrease of \$21.4 million from the prior year. Overall Port expenses increased by \$1.3 million over 2020.
- The Refuse Utility operating income increased by \$0.7 million over the prior year. Revenues from customers and operating expenses both slightly increased over 2020.
- The Disposal Utility operating income increased by \$3.8 million from 2020 due to an increase in revenue from customers and a decrease in the change in the landfill closure liability. The Solid Waste Utility also recognized \$5.1 million in capital contributions from FEMA obligations related to damage caused by the earthquake which occurred in November 2018.
- Municipal Airport reported operating grants and capital contributions of \$7 million from federal grant revenues, including CARES funds, an increase of \$3.8 million over 2020.
- The Electric Utility ceased operations as a Municipal utility on October 30, 2020, when CEA took over operations and acquired the assets of the utility. In 2021, the disposal of the Electric Utility resulted in a reduction in net position of \$9.4 million. Most of that decrease is attributable to transfers to governmental activities.
- Anchorage Hydropower began operations on October 30, 2020 with the Municipality's 53.3 percent share in the Eklutna Hydroelectric Project. Its operating income for the first full year of operation in 2021 was \$1.6 million. The overall change in net position was an increase of \$1.3 million.

Total business-type revenues were \$232.7 million, excluding transfers and special item. Overall revenues decreased \$141.5 million or 37.8 percent. The largest portion of that was the decrease of \$125.8 million in the Electric Utility revenues, due to ceased operations and sale of that utility in 2020. Operating revenues were up in the Port, the Water Utility, the Wastewater Utility, and nonmajor enterprise funds by \$0.9 million, \$2.3 million, \$4.8 million, and \$4 million, respectively. Investment earnings were down in all business-type activities by \$11.9 million, primarily due to market activity. A gain on disposal of operations special item of \$455,318 was reported in the Electric Utility as a result of continued closing down of the operations from the 2020 sale.

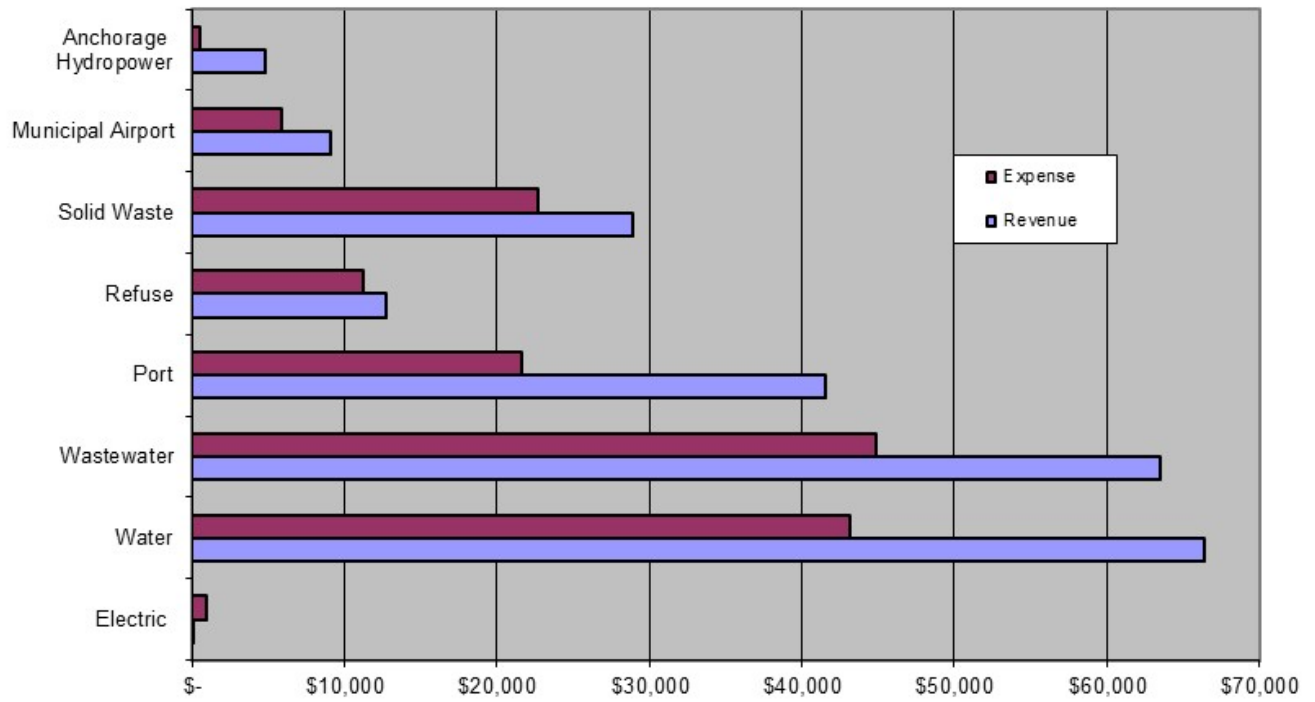
Total business-type expenses were \$150.8 million, down 46.3 percent from the prior year. The Electric Utility had a decrease in expenses of \$125.3 million from operations (including depreciation), as operations ceased on October 30, 2020. The Port's expenses from operations increased \$1.5 million. The Water Utility's operating expenses decreased by \$1.6 million, primarily due to a swing in pension and OPEB expenses from positive in 2020 to negative in 2021. The Wastewater Utility's operating expenses decreased \$3.2 million, with a significant decrease in pension and OPEB expense offset by small increases in other categories of operating expenses.

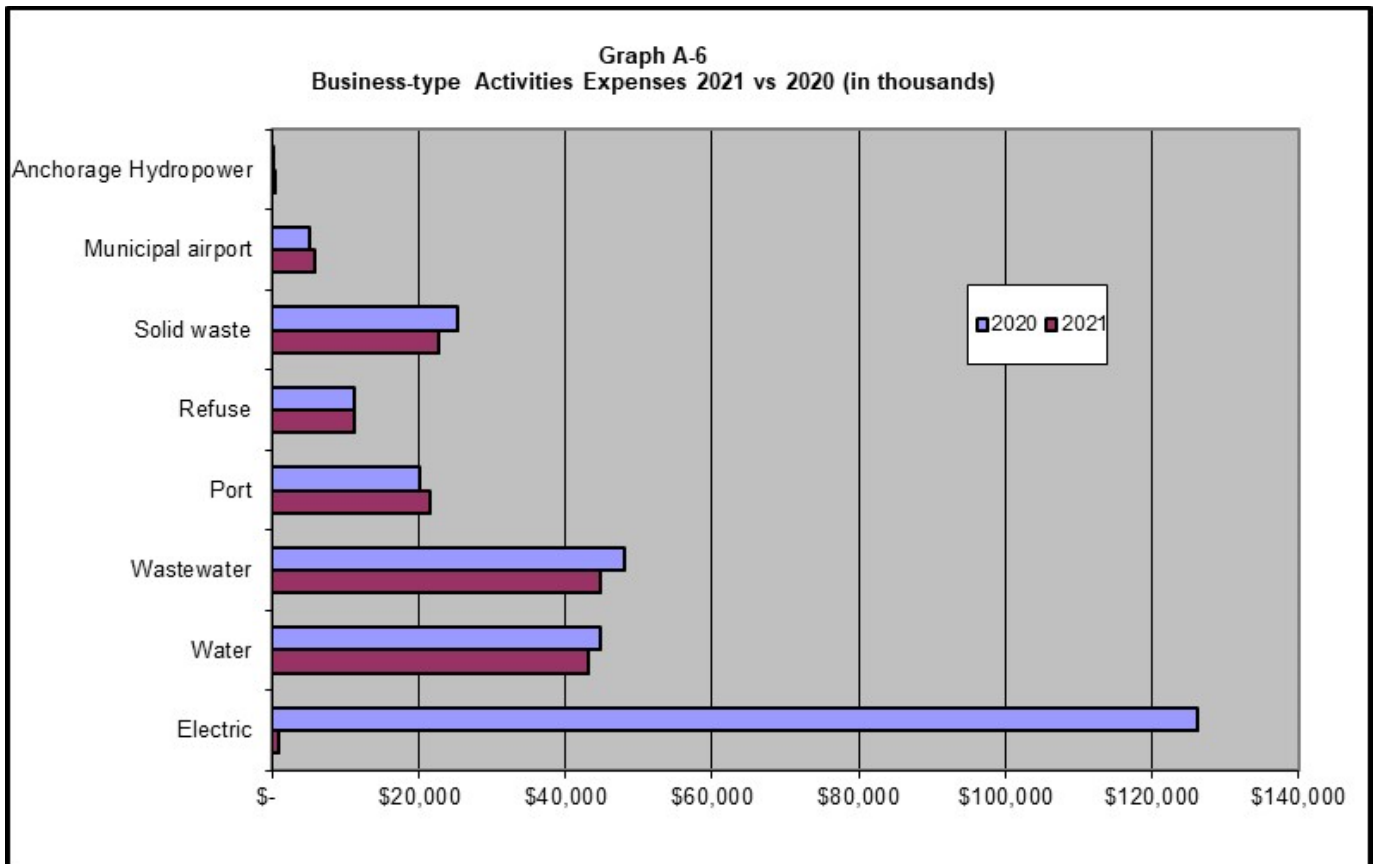
The first graph compares the Municipality's business-type activities program and general revenues by type for 2021 and 2020. The second graph compares the Municipality's 2021 business-type activities revenues vs expenses by function. The third graph compares the Municipality's business-type activities expenses for 2021 and 2020.

Graph A-4
Business-type Activities Revenue by Type (in thousands)



Graph A-5
2021 Program Revenue vs Expense by Function Business-type Activities (in thousands)





FUND LEVEL FINANCIAL ANALYSIS

As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance related, budgetary, and legal requirements. The following is a brief discussion of financial highlights of the Municipality's governmental and proprietary funds.

Governmental Funds

The focus of the Municipality's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Municipality's financial requirements.

As of December 31, 2021, the Municipality's governmental funds reported a combined ending fund balance of \$623.5 million, a decrease of \$22.1 million in comparison to the prior year. The composition of the total fund balance is as follows: \$22.6 million is non-spendable as it relates to prepaid expenses, inventories, long-term loans receivable, and advances to other funds; \$566.6 million is restricted due to legal obligations from outside parties and enabling legislation; \$81.4 million is committed for bond-rating and through other actions of the Municipal Assembly, \$14.5 million is assigned, and a resulting deficit of (\$61.6) million as unassigned.

The following funds are the Municipality's major funds:

The General Fund is the primary operational fund for the Municipality. On December 31, 2021, the General Fund reported total fund balance of \$11.6 million, a decrease of \$88.4 million from the prior year. The deficiency of revenues over expenditures was \$87.6 million, a decrease of \$89.8 million from 2020. Revenues from property taxes, marijuana taxes, hotel and motel taxes, motor vehicle taxes, and fuel products taxes all increased during 2021, exhibiting the Municipality's revenue recovery from the pandemic lockdown in 2020. Expenditures in all governmental functions except for general government, public works, and maintenance and operations of roads and facilities were significantly higher in 2021 than 2020. Most notably, health and human services expenditures were 113.9 percent higher than in 2020. Although this category of expenditures has been higher since 2020 in response to the pandemic, in 2021 \$31.2 million in unfunded COVID-19 response expenditures were reported in this category. Similarly, other financing uses increased by \$22.7 million, primarily due to \$32.7 million in transfers from the General Fund to nonmajor special revenue funds for unfunded COVID-19 response expenditures reported in those funds in 2020.

In measuring the General Fund's liquidity, one may compare both the combination of committed, assigned, and unassigned fund balance and the total fund balance to total expenditures. On December 31, 2021, combined committed, assigned, and unassigned fund balance (deficit) represents (1.1) percent of total General Fund expenditures and total General Fund fund balance represents 1.4 percent of the same amount. We also compared unassigned fund deficit as a percentage of total General Fund expenditures, which yielded (7.2) percent.

The MOA Trust Fund accounts for the endowment fund authorized by voters of the Municipality. The MOA Trust Fund reported total fund balance of \$448.1 million for 2021 as restricted fund balance, an increase of \$30 million over 2020. Proceeds from the sale of the Electric Utility increased the investment balance and correspondingly the fund balance in the MOA Trust Fund in 2020. Investment income from the MOA Trust Fund was \$46.8 million in 2021, an increase of \$15.5 million from 2020, resulting from the additional principal investment balance and a favorable market. In 2021, the MOA Trust Fund distributed the annual dividend to the General Fund in the amount of \$18.8 million in accordance with Anchorage Municipal Code (AMC) 6.50.060, an increased dividend of \$4.8 million over 2020.

The Roads and Drainage Capital Project Fund did not meet the major fund eligibility requirements in 2021, however, it is reported as a major fund due to its significance to the Municipality's taxpayers. The Roads and Drainage Capital Project Fund reported a total fund balance of \$3 million compared to \$3.3 million in 2020, a decrease in fund balance of \$0.3 million. Capital outlay expenditures were \$45.4 million, an increase of \$5.2 million over 2020. Intergovernmental revenues were \$0.5 million, a \$0.5 million decrease from 2020. General obligation bonds were issued at a premium in 2021 of \$40.6 million.

Proprietary Funds

The Municipality's proprietary funds provide information using the same basis of accounting found in the government-wide financial statements. Internal service funds, although proprietary, do not report major funds, and therefore are not included in the following discussion.

On December 31, 2021, the net position for the enterprise funds increased by \$46.9 million.

The following are the Municipality's major enterprise funds:

- The Water Utility's net position increased by \$14.1 million or 7.6 percent over the prior year. Operating revenues increased by \$2.3 million between 2021 and 2020 due to increased commercial metered revenue and an 8 percent rate increase effective April 1, 2021. Nonoperating revenues decreased by \$1.6 million due to a \$0.2 million decrease in pension and OPEB on-behalf revenue, a decrease in investment income of \$1.6, offset by an increase of \$0.2 million in miscellaneous nonoperating revenue. Total expenses decreased by \$1.7 million in 2021 when compared to 2020, with operating expenses decreasing by \$1.6 million, and nonoperating expenses decreasing by \$0.1 million. The decrease in operating expenses was significantly impacted by the decrease in administrative and general expenses of \$2.6 million. This decrease was mostly attributable to a swing in the net impact of pension and OPEB expenses, negative \$2.4 million in 2021 versus a positive \$1.1 million in 2020. Other operations expenses decreased by \$0.4 million, offset by an increase of \$1.3 million in depreciation expense.
- The Wastewater Utility's net position increased by \$11.5 million or 9.7 percent over the prior year. Operating revenues increased by \$4.8 million, primarily due to an increase in recurring rates and increases in residential and commercial usage. Nonoperating revenues decreased \$2.2 million, due decreases in investment income. Pension and OPEB on-behalf revenue decreased by \$1.1 million. Total expenses decreased by \$3.1 million, with operating expenses decreasing by \$3.5 million. Administrative and general expense decreased by \$4.5 million, which included a decrease in pension and OPEB expenses of \$3.5 million. Other operating expenses increased by \$0.3 million and depreciation expenses increased by \$0.6 million. Nonoperating expenses increased by \$0.4 million primarily due to an increase in interest and fees on loans and bonds resulting from deferred payment of 2021 Alaska Clean Water Fund loans.
- The Port's total net position increased by \$18.4 million or 7.1 percent over the prior year due to capital contributions exceeding the operating loss and transfers. Operating revenues increased \$0.9 million due primarily to the volume of business, and nonoperating revenues decreased \$0.5 million due to unfavorable investment income and net pension and OPEB on-behalf revenue being negative in 2021. Capital contributions were reduced by \$21.4 million in 2021. Operating expenses increased by \$1.3 million in 2021 due to an increase in labor costs and interdepartmental costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Municipality adopted its 2021 General Fund operating budget in December 2020, which included projected revenue sources to support spending. By April 2021, the 2020 year-end financial audit was still in progress. An estimate provided by the Controller Division of 2020 fund balance was used in the first quarter amendment process, which resulted in the 2021 revised budget approved in April 2021. The revised budget served as the basis for calculating the property tax revenue requirements and fund balance reserves. The mill rates were set, and taxes were levied for general purposes and all service areas.

ASD's annual operating budget for its July 1 through June 30 fiscal year also had been approved by April 2021 and its mill rate also was set and taxes were levied based on its property tax requirements for the 2021 calendar year. This was reflected in the General Fund operating budget as a \$293.4 million contribution to ASD for property taxes collected on their behalf by the general government.

Analysis between the original budgeted revenues and other financing sources and expenditures and other financing uses and the final amended budgeted revenues and other financing sources and expenditures and other financing uses yielded an increase of \$628.9 million for revenues and other financing sources and \$379 million for expenditures and other financing uses. Significant differences are summarized as follows:

Property taxes revenue of \$612.7 million assessed for the Municipality and ASD accounted for 97.4 percent of the difference for revenue. The education contribution to ASD of \$293.4 million accounted for 77.4 percent of the difference for expenditures.

The remaining differences totaled \$16.2 million in revenues and other financing sources and \$85.65 million in expenditures and other financing uses. The major components of those differences are:

- Increase in transfers from other funds budget of \$9 million for contributed support to general government from the Electric Utility unrestricted cash.
- Increase of \$0.9 million in budget for Hotel/Motel room tax due to expectations of increased tourism.
- Increase in budget for claims and judgements of \$1.1 million due to successful claim against vendor.
- Increase in transfers from other funds of \$0.9 million from the MOA Trust Fund for annual dividend to general government.
- Increase in budget for other financing sources of \$1.7 million for the proceeds received for the master lease issued to purchase the Computer Aided Mass Appraisal (CAMA) system.
- Increase of \$0.5 million for anticipated Tax Anticipation Notes premium.
- Increase in budget for transfers from other funds of \$1.4 million for MUSA/MESA payments from the Utilities.
- Increase in budget for Police Services for \$1.5 million for APD IT systems upgrade.
- Increase in budget for Police Services for \$2.7 million for 2021 Academy.
- Increase in Health and Human Services budget of \$31.4 million for unfunded COVID-19 expenditures.
- Increase in budget for transfers to other funds of \$32 million for unfunded COVID-19 expenditures from prior year.
- Increase in Economic and Community Development budget of \$10.5 million for COVID-19 relief for small business, rent and utility payment relief.

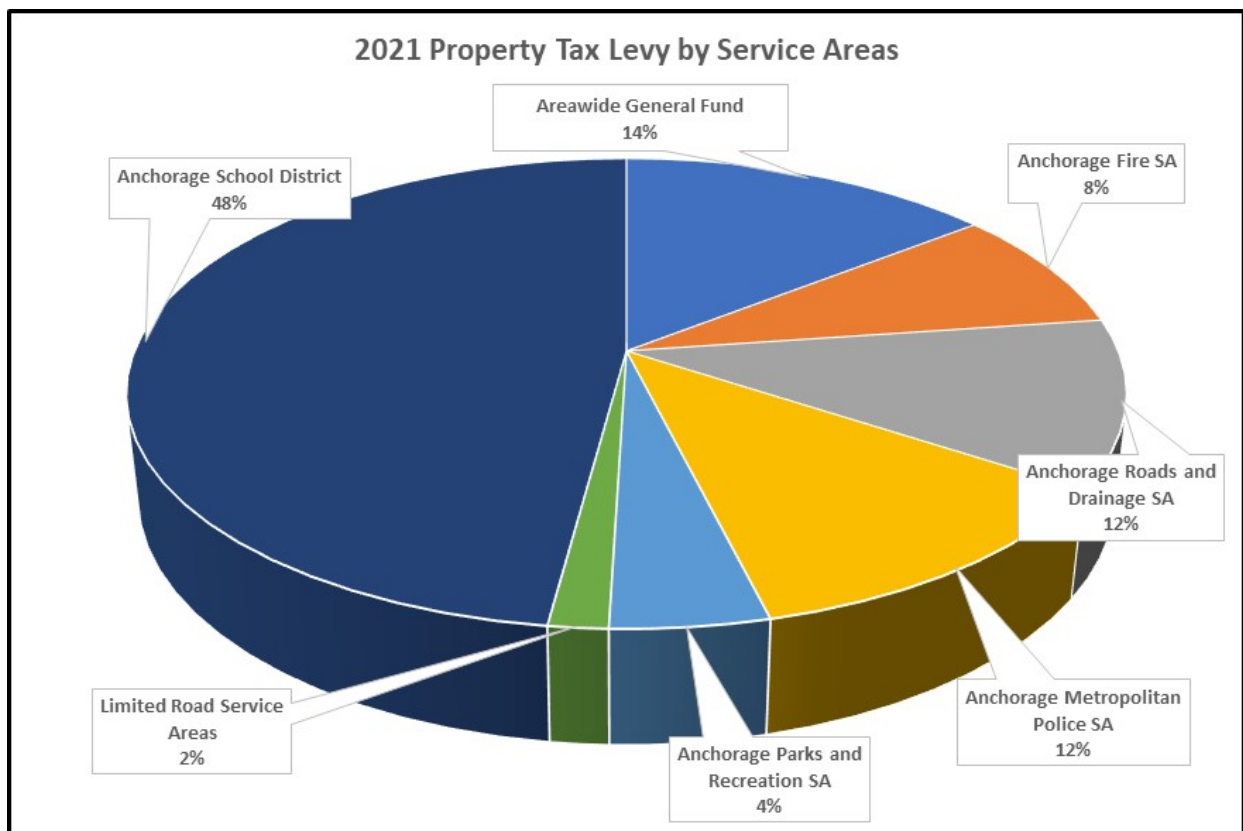
Net actual revenues in the General Fund were \$0.9 million above the final amended budget. Major differences between final amended budget and actual revenues were:

- Taxes and assessments were \$4.5 million over budget, primarily due to an increase in collections of hotel/motel room tax by \$2.4 million, motor vehicle rental tax by \$2.3 million, assessments by \$0.8 million, and marijuana tax by \$0.3 million offset by decreases in real and personal property taxes by \$0.3 million, auto and fuel taxes by \$0.6 million, and tobacco tax by \$0.4 million. Both business and leisure travelers returned to the city in 2021, explaining the increases in room tax and rental vehicle tax collections.
- Charges for Services were \$2.4 million under budget due to less use of municipal facilities than anticipated. Ambulance service fees collected were \$1.2 million less than budgeted. Collections of ambulance service fees have been reduced during the pandemic due to the stress on citizens caused by job losses and difficulty paying basic necessities such as shelter costs.
- Investment Loss was \$3.6 million under the final budget due to volatility in the investment market during the year.
- All other revenues were \$2.4 million over budget due to the economy beginning to improve in 2021 compared to 2020. Licenses and permit revenues were over budget due to increases in business activity in 2021.

Actual expenditures were \$17.3 million less than the final amended budget, taking into account that the Municipality does not budget for payments made by the State of Alaska to the Public Employees Retirement System on behalf of the Municipality, which was \$15.7 million in 2021.

The differences between final amended budget and actual expenditures were:

- General Government was \$2.7 million below budget. Labor was \$1.4 million under budget due to vacancies. Professional services were \$1.5 million under budget.
- Police Services were \$2.3 million below budget due to a number of factors: Labor costs were \$1 million under budget due to vacancies, offset by an increase in overtime and annual leave taken or cashed out. Professional services for the Areawide Police IT System Special Levy were \$1.5 million under budget due to timing of the costs incurred.
- Health and Human Services were \$3 million below budget. Labor was \$0.9 million below budget due to vacancies and the use of COVID-19 grant funds for some personnel costs. Professional services were \$2.6 million below budget, offset by \$0.5 million over budget in contributions to non-profit organizations due to changes in contracts with non-profit organizations.
- Economic and Community Development was \$5.2 million below budget for 2021. Labor was under budget by \$1.5 million due to organizational change and vacancies. Intergovernmental services were under budget by \$1.3 million. Repair and maintenance services were under budget by \$0.5 million. Public Utility Services were under budget by \$7.9 million. Professional services and donations to non-profit organizations were over budget by \$6 million.
- Maintenance and Operations was \$1.9 million below budget for 2021. Position vacancies throughout the year accounted for \$1.9 million difference with the labor budget for the year.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 and 2020, the Municipality had invested \$5,041,791,041 and \$4,948,489,840 in a broad range of capital assets, including police and fire equipment, buildings, land, infrastructure, and software (reference Table A-3). More detailed information about the Municipality’s capital assets is presented in Note 5- Capital Assets in the basic financial statements.

Table A-3
Municipality of Anchorage's Capital Assets
(net of accumulated depreciation, in thousands)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,271,284	\$ 1,267,473	\$ 91,988	\$ 92,049	\$ 1,363,272	\$ 1,359,522
Buildings and building improvements	276,846	288,440	366,438	368,102	643,284	656,542
Art	21,903	21,499	-	-	21,903	21,499
Equipment	42,384	40,713	-	-	42,384	40,713
Distribution and collection systems	-	-	879,620	874,759	879,620	874,759
Infrastructure	1,749,987	1,742,210	-	-	1,749,987	1,742,210
Intangible ERP	46,351	54,385	-	-	46,351	54,385
Construction work-in-progress	16,954	20,942	278,036	177,917	294,990	198,859
Total	<u>\$ 3,425,709</u>	<u>\$ 3,435,662</u>	<u>\$ 1,616,082</u>	<u>\$ 1,512,827</u>	<u>\$ 5,041,791</u>	<u>\$ 4,948,489</u>

In 2021, total governmental activities capital asset net of depreciation decreased by \$10 million. Most of the decrease resulted from the depreciation of assets being greater than capital acquisitions. Land increased by \$3.8 million due to new purchases in 2021. Construction work in progress decreased by \$4 million. Infrastructure assets increased by \$16.6 million from roads and storm drains. Buildings, improvements, art, and equipment decreased by \$9.7 million, offset by \$16.6 million increase in depreciation of existing assets.

Business-type activities capital assets net of depreciation increased by \$103.3 million during 2021, primarily due to construction and purchases being greater than depreciation. Buildings and improvements increased by \$11.7 million, Distribution and Collection systems increased by \$37.8 million and construction work in progress had additions of \$100.1 million. Increases were offset by total increase in depreciation of \$46.3 million.

Governmental activities major fund, Roads and Drainage Capital Project Fund, had contractual commitments for capital construction in the amount of \$20.2 million on December 31, 2021. Business-type activities major funds Water Utility, Wastewater Utility, and Port had contractual commitments for capital construction in the amount of \$13.5 million, \$9.9 million, and \$0.7 million, respectively.

Infrastructure Modified Approach

The Municipality manages its paved road network using its Pavement Management Plan and accounts for it using the modified approach. In 2020, the Municipality contracted with Applied Research Associates, Inc. to conduct a Road Surface Profilometer (RSP) survey. The pavement measurement was analyzed to determine the International Roughness Index (IRI) and rutting values for each pavement section in the network. It is the Municipality's policy to maintain 60 percent or more of the total paved road miles in good or better condition. Condition assessments are updated every three years.

A comparison of estimated to actual maintenance and preservation expense is presented in the Required Supplementary Information. During 2021, actual road infrastructure maintenance and preservation expense was 32 percent under the estimated amount.

A condition assessment was performed in 2020 and indicated approximately 79.4 percent of total paved roads as being in good or better condition. This assessment result decreased from the assessment results of 88.2 percent received during the 2017 assessment. The current assessment exceeds the Municipality's plan to maintain 60 percent of total paved roads in good or better condition. The next scheduled assessment is in 2023.

Long-term Debt

On December 31, 2021, the Municipality had \$1,259,939,083 in debt outstanding, an increase of 5.9 percent from 2020 debt outstanding of \$1,189,789,176 (reference Table A-4). More detailed information about the Municipality's long-term debt liabilities is presented in Note 10- Long-term Obligations in the basic financial statements.

Table A-4
Municipality of Anchorage's Outstanding Debt
(in thousands)

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 476,603	\$ 463,375	\$ -	\$ -	\$ 476,603	\$ 463,375
Revenue bonds	3,109	3,301	260,491	269,806	263,600	273,107
CIVICVentures revenue bonds	84,786	87,790	-	-	84,786	87,790
Certificates of Participation bonds	48,820	52,515	-	-	48,820	52,515
Capital leases	26,697	35,025	-	-	26,697	35,025
Long-term contracts	-	-	359,433	277,977	359,433	277,977
Total	\$ 640,015	\$ 642,006	\$ 619,924	\$ 547,783	\$ 1,259,939	\$ 1,189,789

In 2021, the Municipality issued \$45.25 million in General Obligation Bonds to fund capital projects and \$25.6 million in General Obligation Refunding Bonds, at a combined premium of \$9.9 million. The Water Utility, Wastewater Utility, and Disposal Utility issued \$21.9 million in State of Alaska Clean Water and Drinking Loans in 2021. The Port issued \$40 million from a revolving credit agreement for the Port Modernization Project. The Refuse and Solid Waste Utilities issued \$35.3 million in commercial bank loans.

The Municipality's general obligation bonds are rated AA+ by Standard & Poor's and AA+ by Fitch.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Municipal population increased less than percent¹ from the 2020 census to the 2021 estimate. The 2021 annual average unemployment rate was 5.6¹ percent for Anchorage Municipality, 6.4¹ percent for the entire state, and the national average was 5.8 percent².

The Municipality's Tax Limit allows for an increase in property taxes to be collected based on inflation, population, new construction and other factors such as debt service, operations and maintenance costs of voter-approved projects, and legal judgments and settlements. In 2022, property tax revenue represents 57³ percent of the funding sources for the General Government Operating Budget; non-property taxes and program generated revenue account for 37³ percent; intra-governmental charges outside of general government 5³ percent; and 1³ percent from fund balance.

The 2022 revised General Government Operating Budget is \$553,379,505³, which is \$7.3 million less than the 2021 revised budget of \$546,104,345⁴. Property taxes required to support the 2022 approved budget are \$320.6³ million compared to \$319.2⁴ million in 2021.

The Municipal Utilities and enterprise activities 2022 approved operating and capital budgets total \$156,815,168⁵ and \$30,675,000⁵, respectively. The 2022 General Government Capital Improvement Budget is \$70,941,000⁶.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

COVID-19 Pandemic

During 2021, the Municipality's emergency orders regarding COVID-19 pandemic response expired and mask mandates for the community were rescinded. The Municipality continues to facilitate disease prevention, public access to vaccines and testing. The Municipality continues to provide information and monitoring of case counts and hospitalizations and provide guidance for citizens regarding treatment and transmission mitigation protocols.

The full impact of the COVID-19 outbreak and recovery continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Municipality's financial condition, liquidity, and

¹ State of Alaska, Department of Labor and Workforce Development

² United States Department of Labor, Bureau of Labor Statistics

³ AR 2022-98(S), As Amended

⁴ AR 2021-94

⁵ AO 2021-98, As Amended

⁶ AO 2021-97, As Amended

future results of operations. Municipal management continues to assess the effects of the pandemic on the Municipality's ongoing operations, workforce, suppliers, customers, constituents, and overall financial condition.

Revenues from room tax, and rental vehicle tax have rebounded from 2021 collections, as business and leisure travelers are returning to the city. Real property tax collections are also up, and the new Alcoholic Beverages Retail Sales Tax collections are higher than expected.

Federal Funds Available for Pandemic Relief

On March 27, 2020, the President signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. In December 2020, the "Consolidated Appropriations Act" was signed, extending the period of availability for CARES Act funds, and providing funds for renter and utility customer relief (ERA). In March 2021, the American Rescue Plan Act (ARPA) was enacted, providing more funds for State and local governments. The Municipality has received \$161 million in CARES Act funds, \$54.3 million in ERA funds, and \$51.7 million in ARPA funds. The Municipality is expending the funds primarily for COVID-19 response activities, rental and utility relief for individuals, and relief for businesses affected by the pandemic. See Note 23 for additional information.

Sale of the Electric Utility

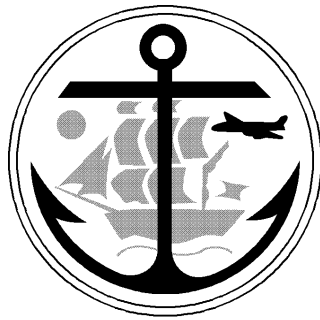
On April 3, 2018, Anchorage voters approved an amendment to the Anchorage Municipal Charter authorizing the Municipality to sell the Electric Utility to CEA by Municipal ordinance, to be approved no later than December 31, 2018. The Anchorage Assembly approved the sale on December 4, 2018.

On May 28, 2020, the RCA issued an order addressing the acquisition dockets and approving the sale if the parties agree to modify the transaction as required in the final order. All parties agreed to the modifications and the RCA terminated the dividend restriction imposed on the Electric Utility, allowing disbursement of the Electric Utility's assets as contemplated by the transaction. See Note 18C for additional details.

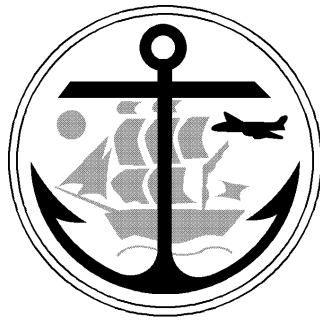
The transfer of the assets of the Electric Utility to CEA occurred on October 30, 2020. On November 11, 2021, the Municipality and CEA reached a final agreement on disputed items and on December 8, 2021, the Municipality received payment in complete and final settlement of all claims, issues, and disputes.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Municipality's finances and to demonstrate our accountability for the monies we receive. If you have questions about this report or need additional financial information, please contact the Municipality of Anchorage, Controller Division, 632 W. 6th Avenue, P.O. Box 196650, Anchorage, AK 99519-6650.



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MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
December 31, 2021

Primary Government			
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash	\$ 83,433	\$ 6,525	\$ 89,958
Cash and investments in central treasury	274,513,186	117,161,523	391,674,709
Equity in bond and grant capital acquisition and construction pool	7,985,123	13,353,371	21,338,494
Investments	-	-	-
Accrued interest on investments	1,481,904	562,978	2,044,882
Interest receivable	-	81,953	81,953
Receivables (net of allowance for uncollectibles)	35,278,711	16,740,314	52,019,025
Reserved for equity in general cash pool - bond and loan obligations	-	15,675,837	15,675,837
Due from primary government	-	-	-
Due from component unit	27,130	-	27,130
Internal balances	5,108,069	(5,108,069)	-
Intergovernmental receivables	33,551,000	1,018,656	34,569,656
Inventories	1,611,262	3,372,602	4,983,864
Prepaid items and deposits	5,186,324	684,195	5,870,519
Restricted assets:			
Escrow for LED lighting project	-	-	-
Investments	503,620,544	-	503,620,544
Investments in Angel Fund programs	4,146,700	-	4,146,700
Investments held for debt service	-	671,299	671,299
Intergovernmental receivables	-	5,170,488	5,170,488
Interim rate escrow investment	-	3,633,013	3,633,013
Equity in bond and grant capital acquisition and construction pool	-	28,745,187	28,745,187
Investments from proceeds of Electric Utility sale	-	9,695,221	9,695,221
Total current assets	872,593,386	211,465,093	1,084,058,479
Noncurrent assets:			
Receivable- installment sale of Electric Utility	-	101,946,124	101,946,124
Receivables (net of allowance for uncollectibles)	-	392,704	392,704
Unamortized debt expense	-	577,592	577,592
Unbilled special assessments	-	1,760,200	1,760,200
Regulatory and other assets	-	4,136,987	4,136,987
Assets held for resale	4,888,761	242,093	5,130,854
Net OPEB asset	204,557,482	25,131,575	229,689,057
Internal balances	(1,712,393)	1,712,393	-
Loans receivable, net	3,666,227	-	3,666,227
Investment, art collection	-	-	-
Restricted assets:			
Restricted equity in general cash pool- customer deposits	-	271,473	271,473
Restricted deposits	-	-	-
Cash legal settlement set aside	-	1,950,000	1,950,000
Landfill postclosure cash reserve	-	19,351,367	19,351,367
Endowment fund	-	-	-
Investments for operations	-	3,000,000	3,000,000
Investments held for debt service	-	5,021,836	5,021,836
Intergovernmental receivables	1,646,173	23,674,622	25,320,795
Capital assets, not being depreciated	2,798,180,926	370,024,005	3,168,204,931
Capital assets, being depreciated, net	627,528,061	1,246,058,049	1,873,586,110
Total noncurrent assets	3,638,755,237	1,805,251,020	5,444,006,257
Total assets	4,511,348,623	2,016,716,113	6,528,064,736
Deferred Outflows of Resources			
Deferred charge on refunding	13,574,376	2,973,504	16,547,880
Grant match advancement	273,620	-	273,620
Related to pension	26,076,476	3,203,710	29,280,186
Related to OPEB	4,566,553	561,039	5,127,592
Total deferred outflows of resources	\$ 44,491,025	\$ 6,738,253	\$ 51,229,278

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
December 31, 2021

	Component Units			
	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts	Total Reporting Entity
Assets				
Current assets:				
Cash	\$ -	\$ 3,058,716	\$ 4,141,888	\$ 7,290,562
Cash and investments in central treasury	-	484,487	-	392,159,196
Equity in bond and grant capital acquisition and construction pool	-	-	-	21,338,494
Investments	113,929,542	-	-	113,929,542
Accrued interest on investments	-	5,675	-	2,050,557
Interest receivable	-	-	-	81,953
Receivables (net of allowance for uncollectibles)	31,264,915	398,971	1,703	83,684,614
Reserved for equity in general cash pool - bond and loan obligations	-	-	-	15,675,837
Due from primary government	165,489,294	-	-	165,489,294
Due from component unit	-	-	-	27,130
Internal balances	-	-	-	-
Intergovernmental receivables	-	-	-	34,569,656
Inventories	4,579,161	-	-	9,563,025
Prepaid items and deposits	1,743,912	15,561	51,469	7,681,461
Restricted assets:				
Escrow for LED lighting project	-	454,456	-	454,456
Investments	-	-	-	503,620,544
Investments in Angel Fund programs	-	-	-	4,146,700
Investments held for debt service	-	-	-	671,299
Intergovernmental receivables	-	-	-	5,170,488
Interim rate escrow investment	-	-	-	3,633,013
Equity in bond and grant capital acquisition and construction pool	-	-	-	28,745,187
Investments from proceeds of Electric Utility sale	-	-	-	9,695,221
Total current assets	317,006,824	4,417,866	4,195,060	1,409,678,229
Noncurrent assets:				
Receivable- installment sale of Electric Utility	-	-	-	101,946,124
Receivables (net of allowance for uncollectibles)	-	-	-	392,704
Unamortized debt expense	-	-	-	577,592
Unbilled special assessments	-	-	-	1,760,200
Regulatory and other assets	-	-	-	4,136,987
Assets held for resale	-	58,850	-	5,189,704
Net OPEB asset	64,916,861	1,407,942	-	296,013,860
Internal balances	-	-	-	-
Loans receivable, net	-	-	-	3,666,227
Investment, art collection	-	-	61,856	61,856
Restricted assets:				
Restricted equity in general cash pool- customer deposits	-	-	-	271,473
Restricted deposits	-	-	681,699	681,699
Cash legal settlement set aside	-	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-	19,351,367
Endowment fund	-	-	314,061	314,061
Investments for operations	-	-	-	3,000,000
Investments held for debt service	-	-	-	5,021,836
Intergovernmental receivables	-	-	-	25,320,795
Capital assets, not being depreciated	43,008,028	15,956,795	-	3,227,169,754
Capital assets, being depreciated, net	1,258,047,745	20,281,298	-	3,151,915,153
Total noncurrent assets	1,365,972,634	37,704,885	1,057,616	6,848,741,392
Total assets	1,682,979,458	42,122,751	5,252,676	8,258,419,621
Deferred Outflows of Resources				
Deferred charge on refunding	7,622,333	-	-	24,170,213
Grant match advancement	-	-	-	273,620
Related to pension	47,966,286	92,681	-	77,339,153
Related to OPEB	33,302,561	50,463	-	38,480,616
Total deferred outflows of resources	\$ 88,891,180	\$ 143,144	\$ -	\$ 140,263,602

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
December 31, 2021

Primary Government			
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 41,958,945	\$ 5,145,682	\$ 47,104,627
Capital acquisition and construction accounts and retainage payable	1,194,541	7,507,561	8,702,102
Accrued interest payable	6,710,021	4,059,460	10,769,481
Accrued payroll liabilities	14,448,531	2,552,947	17,001,478
Current portion of long-term obligations	99,621,679	26,307,023	125,928,702
Due to primary government	-	-	-
Due to component unit	116,635,793	-	116,635,793
Unearned revenue and deposits	25,876,848	769,238	26,646,086
Liabilities payable from restricted assets	-	2,715,306	2,715,306
Total current liabilities	306,446,358	49,057,217	355,503,575
Noncurrent liabilities:			
Liabilities payable from restricted assets- customer deposits	-	271,473	271,473
Noncurrent portion of long-term obligations	609,597,197	639,870,565	1,249,467,762
Net pension liability	303,087,118	34,668,453	337,755,571
Net OPEB liability	137,364,023	-	137,364,023
Total noncurrent liabilities	1,050,048,338	674,810,491	1,724,858,829
Total liabilities	1,356,494,696	723,867,708	2,080,362,404
Deferred Inflows of Resources			
Contributions in aid of construction (net of amortization)	-	345,151,418	345,151,418
Time restricted health permit receipts	510,796	-	510,796
Related to land sales	1,243,352	-	1,243,352
Related to pension	156,943,065	13,825,006	170,768,071
Related to OPEB	109,332,662	13,302,576	122,635,238
Related to installment sale of Electric Utility	-	101,946,124	101,946,124
General property tax receipts	-	-	-
Debt service tax receipts	-	-	-
Total deferred inflows of resources	268,029,875	474,225,124	742,254,999
Net Position			
Net investment in capital assets	2,861,866,405	696,239,152	3,558,105,557
Restricted for:			
Debt service	14,015,185	5,693,135	19,708,320
Interim rate escrow requirement	-	3,633,013	3,633,013
Maintenance and operations	-	-	-
Acquisition and construction	16,884,823	7,058,467	23,943,290
Legal settlements	-	-	-
Operations	2,138,405	3,000,000	5,138,405
Proceeds from Electric Utility sale	-	9,695,221	9,695,221
Alcoholic beverages retail sales taxes	8,759,743	-	8,759,743
Convention center operating reserve	20,841,916	-	20,841,916
E911 surcharge	2,107,772	-	2,107,772
Nuisance abatement	153,852	-	153,852
Police and fire retiree medical liability	41,576,247	-	41,576,247
Grant activity	11,996,950	-	11,996,950
Perpetual care:			
Nonexpendable	150,000	-	150,000
MOA Trust	448,095,517	-	448,095,517
Endowment	-	-	-
Bond rating	-	-	-
Federal Impact Aid 8003(d)	-	-	-
Pupil transportation	-	-	-
Student activities	-	-	-
Student allotment	-	-	-
Unrestricted (deficit)	(497,271,738)	100,042,546	(397,229,192)
Total net position	\$ 2,931,315,077	\$ 825,361,534	\$ 3,756,676,611

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
December 31, 2021

	Component Units			Total Reporting Entity
	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts	
Liabilities				
Current liabilities:				
Accounts payable and retainages	12,563,519	\$ 553,696	\$ 443,001	\$ 60,664,843
Capital acquisition and construction accounts and retainage payable	-	-	-	8,702,102
Accrued interest payable	5,724,910	300,823	-	16,795,214
Accrued payroll liabilities	13,882,609	68,528	-	30,952,615
Current portion of long-term obligations	71,991,379	557,145	154,511	198,631,737
Due to primary government	-	99,009	67,368	166,377
Due to component unit	-	-	-	116,635,793
Unearned revenue and deposits	2,846,559	398,397	1,056,667	30,947,709
Liabilities payable from restricted assets	-	-	-	2,715,306
Total current liabilities	<u>107,008,976</u>	<u>1,977,598</u>	<u>1,721,547</u>	<u>466,211,696</u>
Noncurrent liabilities:				
Liabilities payable from restricted assets- customer deposits	-	-	-	271,473
Noncurrent portion of long-term obligations	462,360,913	13,453,183	303,545	1,725,585,403
Net pension liability	440,211,839	1,935,304	-	779,902,714
Net OPEB liability	327,849	-	-	137,691,872
Total noncurrent liabilities	<u>902,900,601</u>	<u>15,388,487</u>	<u>303,545</u>	<u>2,643,451,462</u>
Total liabilities	<u>1,009,909,577</u>	<u>17,366,085</u>	<u>2,025,092</u>	<u>3,109,663,158</u>
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	-	-	-	345,151,418
Time restricted health permit receipts	-	-	-	510,796
Related to land sales	-	-	-	1,243,352
Related to pension	11,502,385	925,980	-	183,196,436
Related to OPEB	30,776,931	753,030	-	154,165,199
Related to installment sale of Electric Utility	-	-	-	101,946,124
General property tax receipts	108,810,166	-	-	108,810,166
Debt service tax receipts	18,893,043	-	-	18,893,043
Total deferred inflows of resources	<u>169,982,525</u>	<u>1,679,010</u>	<u>-</u>	<u>913,916,534</u>
Net Position				
Net investment in capital assets	788,038,628	22,227,765	-	4,368,371,950
Restricted for:				
Debt service	534,201	-	-	20,242,521
Interim rate escrow requirement	-	-	-	3,633,013
Maintenance and operations	-	-	681,699	681,699
Acquisition and construction	-	-	-	23,943,290
Legal settlements	-	-	-	-
Operations	-	-	-	5,138,405
Proceeds from Electric Utility sale	-	-	-	9,695,221
Alcoholic beverages retail sales taxes	-	-	-	8,759,743
Convention center operating reserve	-	-	-	20,841,916
E911 surcharge	-	-	-	2,107,772
Nuisance abatement	-	-	-	153,852
Police and fire retiree medical liability	-	-	-	41,576,247
Grant activity	-	-	-	11,996,950
Perpetual care:				
Nonexpendable	-	-	-	150,000
MOA Trust	-	-	-	448,095,517
Endowment	-	-	314,061	314,061
Bond rating	25,540,642	-	-	25,540,642
Federal Impact Aid 8003(d)	1,814,488	-	-	1,814,488
Pupil transportation	2,975,884	-	-	2,975,884
Student activities	4,041,079	-	-	4,041,079
Student allotment	1,811,803	-	-	1,811,803
Unrestricted (deficit)	<u>(232,778,189)</u>	<u>993,035</u>	<u>2,231,824</u>	<u>(626,782,522)</u>
Total net position	<u>\$ 591,978,536</u>	<u>\$ 23,220,800</u>	<u>\$ 3,227,584</u>	<u>\$ 4,375,103,531</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Activities
For the year ended December 31, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 29,329,903	\$ 5,795,407	\$ 582,960	\$ -
Fire services	107,392,772	12,104,078	(2,231,949)	8,738
Police services	131,969,568	16,553,343	728,933	-
Health and human services	130,779,416	1,429,070	59,064,270	-
Economic and community development	181,820,828	12,828,663	77,367,253	1,501,115
Public transportation	35,048,892	2,747,854	6,500,377	1,578,711
Public works	51,399,082	899,057	6,141,042	3,456,946
Maintenance and operations of roads and facilities	37,998,624	319,797	851,338	49,825
Education	293,429,596	-	-	-
Interest and fiscal agent charges on long-term debt	14,516,196	-	-	-
Total governmental activities	1,013,684,877	52,677,269	149,004,224	6,595,335
Business-type activities:				
Electric	937,141	90,792	-	-
Water	43,183,928	66,855,334	(490,375)	-
Wastewater	44,816,801	63,963,229	(453,965)	-
Port	21,570,735	16,438,130	(46,562)	25,186,890
Refuse	11,258,138	12,786,810	(39,658)	-
Disposal	22,705,066	25,854,782	(19,048)	5,146,179
Municipal Airport	5,908,421	2,073,155	1,233,818	5,750,052
Anchorage Hydropower	447,173	4,784,149	-	-
Total business-type activities	150,827,403	192,846,381	184,210	36,083,121
Total primary government	\$ 1,164,512,280	\$ 245,523,650	\$ 149,188,434	\$ 42,678,456
Component Units:				
Anchorage School District	\$ 716,073,963	\$ 4,777,343	\$ 145,105,380	\$ 79,770
Anchorage Community Development Authority	7,105,671	6,812,236	1,869,561	-
Alaska Center for the Performing Arts	2,555,641	1,774,626	1,548,896	-
Total Component Units	\$ 725,735,275	\$ 13,364,205	\$ 148,523,837	\$ 79,770

General revenues:

Property taxes
Motor vehicle taxes
Hotel and motel taxes
Alcoholic beverages taxes
Tobacco taxes
Marijuana taxes
Fuel products taxes
Assessments in lieu of taxes
Grants and entitlements not restricted to specific programs
Appropriation from Municipality of Anchorage
Investment income
Other
Transfers
Special item (see Note 23)
Total general revenues, transfers, and special item
Change in net position
Net position, beginning of year
Net position, end of year

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Activities
For the year ended December 31, 2021

Net (Expense), Revenue and Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts	Total Reporting Entity
\$ (22,951,536)	\$ -	\$ (22,951,536)	\$ -	\$ -	\$ -	\$ (22,951,536)
(97,511,905)	-	(97,511,905)	-	-	-	(97,511,905)
(114,687,292)	-	(114,687,292)	-	-	-	(114,687,292)
(70,286,076)	-	(70,286,076)	-	-	-	(70,286,076)
(90,123,797)	-	(90,123,797)	-	-	-	(90,123,797)
(24,221,950)	-	(24,221,950)	-	-	-	(24,221,950)
(40,902,037)	-	(40,902,037)	-	-	-	(40,902,037)
(36,777,664)	-	(36,777,664)	-	-	-	(36,777,664)
(293,429,596)	-	(293,429,596)	-	-	-	(293,429,596)
(14,516,196)	-	(14,516,196)	-	-	-	(14,516,196)
(805,408,049)	-	(805,408,049)	-	-	-	(805,408,049)
-	(846,349)	(846,349)	-	-	-	(846,349)
-	23,181,031	23,181,031	-	-	-	23,181,031
-	18,692,463	18,692,463	-	-	-	18,692,463
-	20,007,723	20,007,723	-	-	-	20,007,723
-	1,489,014	1,489,014	-	-	-	1,489,014
-	8,276,847	8,276,847	-	-	-	8,276,847
-	3,148,604	3,148,604	-	-	-	3,148,604
-	4,336,976	4,336,976	-	-	-	4,336,976
-	78,286,309	78,286,309	-	-	-	78,286,309
(805,408,049)	78,286,309	(727,121,740)	-	-	-	(727,121,740)
			(566,111,470)	-	-	(566,111,470)
			-	1,576,126	-	1,576,126
			-	-	767,881	767,881
			(566,111,470)	1,576,126	767,881	(563,767,463)
612,857,898	-	612,857,898	-	-	-	612,857,898
17,716,082	-	17,716,082	-	-	-	17,716,082
29,116,727	-	29,116,727	-	-	-	29,116,727
13,978,818	-	13,978,818	-	-	-	13,978,818
20,266,292	-	20,266,292	-	-	-	20,266,292
5,747,044	-	5,747,044	-	-	-	5,747,044
12,248,823	-	12,248,823	-	-	-	12,248,823
14,058,953	-	14,058,953	-	-	-	14,058,953
1,716,231	-	1,716,231	336,753,274	-	-	338,469,505
-	-	-	293,666,690	-	-	293,666,690
49,824,225	3,585,282	53,409,507	1,114,673	288	33,895	54,558,363
-	-	-	3,570,054	-	-	3,570,054
35,440,191	(35,440,191)	-	-	-	-	-
-	455,318	455,318	-	-	-	455,318
812,971,284	(31,399,591)	781,571,693	635,104,691	288	33,895	1,416,710,567
7,563,235	46,886,718	54,449,953	68,993,221	1,576,414	801,776	125,821,364
2,923,751,842	778,474,816	3,702,226,658	522,985,315	21,644,386	2,425,808	4,249,282,167
\$ 2,931,315,077	\$ 825,361,534	\$ 3,756,676,611	\$ 591,978,536	\$ 23,220,800	\$ 3,227,584	\$ 4,375,103,531

MUNICIPALITY OF ANCHORAGE, ALASKA

Balance Sheet
Governmental Funds
December 31, 2021

	General	MOA Trust	Roads and Drainage Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 10,670	\$ -	\$ -	\$ 72,763	\$ 83,433
Cash and investments in central treasury	99,921,207	287,246	5,319,305	114,788,704	220,316,462
Investments	637,433	447,294,830	-	55,688,281	503,620,544
Accrued interest on investments	729,604	745,041	-	7,259	1,481,904
Receivables (net of allowance for uncollectibles)	24,791,995	-	-	8,348,120	33,140,115
Intergovernmental receivables	3,758,597	-	61,956	31,376,620	35,197,173
Due from other funds	31,923,055	-	-	6,101,386	38,024,441
Special assessments receivable, net	1,802,835	-	132,878	164,158	2,099,871
Due from component units	7,888	-	-	19,242	27,130
Inventories	1,156,041	-	-	-	1,156,041
Prepaid items and deposits	152,784	-	-	2,396,540	2,549,324
Assets held for resale	4,888,761	-	-	-	4,888,761
Advances to other funds	12,848,836	-	-	935,000	13,783,836
Investments in Angel Fund program	-	-	-	4,146,700	4,146,700
Loans receivable, net	-	-	-	3,666,227	3,666,227
Total assets	182,629,706	448,327,117	5,514,139	227,711,000	864,181,962
Deferred Outflows of Resources					
Deferred grant advancement	-	-	-	273,620	273,620
Deferred outflow of resources	-	-	-	273,620	273,620
Total assets and deferred outflows of resources	182,629,706	448,327,117	5,514,139	227,984,620	864,455,582
Liabilities					
Accounts payable and retainages	19,898,551	231,600	2,321,215	18,366,415	40,817,781
Accrued payroll liabilities	13,589,881	-	37,920	237,708	13,865,509
Due to other funds	-	-	-	7,686,333	7,686,333
Due to component unit	116,635,793	-	-	-	116,635,793
Unearned revenue and deposits	1,855,552	-	9,454	24,011,842	25,876,848
Advances from other funds	5,883,811	-	19,297	12,848,836	18,751,944
Total liabilities	157,863,588	231,600	2,387,886	63,151,134	223,634,208
Deferred Inflows of Resources					
Time restricted health permit receipts	510,796	-	-	-	510,796
Unavailable revenue-intergovernmental revenues	-	-	-	2,795,909	2,795,909
Unavailable revenue-property taxes	10,612,955	-	-	-	10,612,955
Unavailable revenue-risk management claims	198,241	-	-	-	198,241
Unavailable revenue-special assessments	1,838,544	-	130,781	2,905	1,972,230
Unavailable revenue-land sales	-	-	-	1,243,352	1,243,352
Total deferred inflows of resources	13,160,536	-	130,781	4,042,166	17,333,483
Fund Balances					
Nonspendable	19,046,422	-	-	3,532,535	22,578,957
Restricted	2,138,405	448,095,517	2,973,343	113,363,145	566,570,410
Committed	50,974,700	-	22,129	30,397,101	81,393,930
Assigned	-	-	-	14,548,890	14,548,890
Unassigned (deficit)	(60,553,945)	-	-	(1,050,351)	(61,604,296)
Total fund balances	11,605,582	448,095,517	2,995,472	160,791,320	623,487,891
Total liabilities, deferred inflows of resources and fund balances	\$ 182,629,706	\$ 448,327,117	\$ 5,514,139	\$ 227,984,620	\$ 864,455,582

MUNICIPALITY OF ANCHORAGE, ALASKA
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances- governmental funds		\$ 623,487,891
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,425,708,987
The PERS ARHCT, RMP and ODD OPEB plans have been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		204,557,482
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Intergovernmental revenues	1,793,769	
Property taxes	10,612,955	
Risk management claims	198,241	
Special assessments	1,972,230	
HUD Rehab Long-term loan receivable, net activity	<u>1,002,140</u>	
		15,579,335
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in the governmental funds:		
Deferred charges on bond refunding	13,574,376	
Deferred outflows of resources related to pension	26,076,476	
Deferred outflows of resources related to OPEB	<u>4,566,553</u>	
		44,217,405
Internal service funds are used by management to charge the costs of fleet management, cost of insurance, and information technology to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position:		
Total internal service funds equity related to governmental activities	48,983,970	
Net of amounts included in:		
Capital assets, net of depreciation and amortization	(72,608,935)	
Accrued interest	152,653	
Compensated absences	1,050,449	
Internal balances	(1,712,393)	
Deferred inflows of resources related pension	3,133,023	
Deferred inflows of resources related to OPEB	3,014,630	
Deferred outflows of resources related pension	(726,025)	
Deferred outflows of resources related to OPEB	(127,142)	
Net pension obligation	7,856,568	
Net OPEB asset	<u>(5,695,320)</u>	
		(16,678,522)
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds, including premium and discount	(476,603,180)	
Certificates of participation bonds	(48,820,000)	
ACPA revenue bonds	(3,109,492)	
Master lease agreements	(4,479,389)	
Pollution remediation	(3,771,402)	
CIVICVentures revenue bonds	(84,785,495)	
Compensated absences	(30,551,654)	
Net pension liability	(303,087,118)	
Net OPEB liability	(137,364,023)	
Accrued interest payable	<u>(6,710,021)</u>	
		(1,099,281,774)
Deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in the governmental funds:		
Deferred inflows of resources related to pension	(156,943,065)	
Deferred inflows of resources related to OPEB	<u>(109,332,662)</u>	
		(266,275,727)
Net position of governmental activities		<u><u>\$ 2,931,315,077</u></u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2021

	General	MOA Trust	Roads and Drainage Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 684,513,042	\$ -	\$ -	\$ 30,517,629	\$ 715,030,671
Assessments in lieu of taxes	14,058,953	-	-	-	14,058,953
Special assessments	466,835	-	31,221	1,167,421	1,665,477
Licenses and permits	9,290,280	-	-	-	9,290,280
Intergovernmental	20,968,276	-	467,078	163,550,828	184,986,182
Charges for services	20,969,819	-	-	417,697	21,387,516
Fines and forfeitures	7,360,948	-	-	358,127	7,719,075
E911 surcharges	-	-	-	7,522,495	7,522,495
Investment income (loss)	(2,270,430)	46,830,338	-	5,404,921	49,964,829
Restricted contributions	116,186	-	582,316	708,151	1,406,653
Other	4,279,315	-	-	943,058	5,222,373
Total revenues	<u>759,753,224</u>	<u>46,830,338</u>	<u>1,080,615</u>	<u>210,590,327</u>	<u>1,018,254,504</u>
Expenditures					
Current:					
General government	27,931,411	975,401	-	5,910,492	34,817,304
Fire services	117,569,725	-	-	4,342,121	121,911,846
Police services	139,582,046	-	-	11,109,683	150,691,729
Health and human services	54,109,619	-	-	72,055,088	126,164,707
Economic and community development	85,361,236	-	-	86,433,812	171,795,048
Public transportation	27,913,865	-	-	7,212,776	35,126,641
Public works	8,933,809	-	-	2,003,031	10,936,840
Maintenance and operations of roads and facilities	36,617,515	-	-	815,181	37,432,696
Education	293,429,596	-	-	-	293,429,596
Debt service:					
Principal	36,683,862	-	-	6,434,791	43,118,653
Interest and fiscal agent charges	18,890,504	-	-	5,719,908	24,610,412
Bond issuance costs	301,236	-	130,277	46,643	478,156
Capital outlay	10,346	-	45,392,463	33,878,527	79,281,336
Total expenditures	<u>847,334,770</u>	<u>975,401</u>	<u>45,522,740</u>	<u>235,962,053</u>	<u>1,129,794,964</u>
Excess (deficiency) of revenues over expenditures	(87,581,546)	45,854,937	(44,442,125)	(25,371,726)	(111,540,460)
Other financing sources (uses)					
Transfers from other funds	50,374,736	2,970,049	3,713,013	63,599,780	120,657,578
Transfers to other funds	(54,525,860)	(18,800,000)	(252,375)	(16,308,291)	(89,886,526)
General obligation bonds issued	-	-	33,316,773	11,928,227	45,245,000
Draws on capital lease	1,692,040	-	-	-	1,692,040
Refunding bonds issued	25,595,000	-	-	-	25,595,000
Premium on bonds and notes	1,054,480	-	7,314,518	2,618,779	10,987,777
Payment to refunded bond escrow agent	(25,491,092)	-	-	-	(25,491,092)
Insurance recoveries	277,908	-	-	92,181	370,089
Proceeds from sale of capital assets	216,946	-	-	16,648	233,594
Total other financing sources (uses)	<u>(805,842)</u>	<u>(15,829,951)</u>	<u>44,091,929</u>	<u>61,947,324</u>	<u>89,403,460</u>
Net change in fund balances	(88,387,388)	30,024,986	(350,196)	36,575,598	(22,137,000)
Fund balances, beginning of year	99,992,970	418,070,531	3,345,668	124,215,722	645,624,891
Fund balances, end of year	<u>\$ 11,605,582</u>	<u>\$ 448,095,517</u>	<u>\$ 2,995,472</u>	<u>\$ 160,791,320</u>	<u>\$ 623,487,891</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds to the Statement of Activities
 For the year ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance – total governmental funds \$ (22,137,000)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay and equipment purchases	32,041,350	
Contributed assets	2,432,662	
Depreciation expense	<u>(33,701,523)</u>	772,489

The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.

Other gain/(loss) on capital assets		(2,042,634)
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Revenues in the statement of activities that do not provide current financial resources and are deferred in the funds:

Intergovernmental revenues	(6,799,674)	
Property taxes	(3,098,987)	
Special assessments	(408,701)	
Claims and judgments receipts	(201,714)	
HUD 108 and Rehab loans receivable	<u>(33,194)</u>	(10,542,270)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

New issuance of general obligation bonds	(45,245,000)	
Master lease agreement loan proceeds	(1,692,040)	
Premium on bond and note sales	(10,987,777)	
Refunding issuance of general obligation bonds	(25,595,000)	
Principal repayment	43,146,653	
Payment to escrow agent for refunding	25,491,092	
Net change in premium/discount/deferred charge bonds	<u>8,609,072</u>	(6,273,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated absences	3,431,697	
Pollution remediation	(1,029,018)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(18,395,021)	
Changes in OPEB assets and liabilities and related deferred outflows and inflows of resources	55,496,539	
Accrued interest payable	<u>2,246,514</u>	41,750,711

Internal service funds are used by management to charge the costs of insurance, fleet management and information technology to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.

Change in net position of governmental activities		6,034,939
		<u>\$ 7,563,235</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Proprietary Funds
December 31, 2021

Business-Type Activities – Enterprise Funds

Assets	Water Utility	Wastewater Utility	Port
Current assets:			
Cash	\$ -	\$ 2,200	\$ 650
Cash and investments in central treasury	34,393,139	23,957,888	12,066,195
Equity in bond and grant capital acquisition and construction pool	-	-	3,323,241
Accrued interest on investments	207,905	144,516	55,196
Interest receivable	83,156	(1,203)	-
Receivables (net of allowance for uncollectibles)	5,286,027	5,844,695	923,910
Reserved for equity in general cash pool - bond and loan obligations	8,250,975	7,424,862	-
Intergovernmental receivables	-	-	-
Inventories	2,374,949	668,628	329,025
Prepaid items and deposits	281,647	251,225	139,973
Special assessments receivable	56,492	47,588	-
Unbilled reimbursable projects	26,463	69,206	-
Restricted assets:			
Equity in bond and grant capital acquisition and construction pool	18,021,110	10,724,077	-
Intergovernmental receivable	-	-	-
Investments held for debt service	-	-	671,299
Interim rate escrow investment	743,540	2,889,473	-
Investments from proceeds of Electric Utility sale	-	-	-
Total current assets	69,725,403	52,023,155	17,509,489
Noncurrent assets:			
Receivable- installment sale of electric utility	-	-	-
Assets held for resale	-	-	242,093
Advances to other funds	-	-	-
Receivables (net of allowance for uncollectibles)	392,704	-	-
Net OPEB asset	11,208,277	10,375,885	1,064,242
Unamortized debt expense	353,923	223,669	-
Unbilled special assessments	853,954	906,246	-
Regulatory and other assets	2,370,047	996,939	-
Restricted assets:			
Restricted equity in general cash pool- customer deposits	194,691	76,782	-
Cash legal settlement set aside	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-
Intergovernmental receivables	-	-	22,544,779
Investments for operations	-	-	-
Investments held for debt service	-	-	5,021,836
Capital assets, net	572,448,296	447,423,248	347,236,525
Total noncurrent assets	587,821,892	460,002,769	378,059,475
Total assets	657,547,295	512,025,924	395,568,964
Deferred Outflows of Resources			
Deferred charge on refunding	1,910,744	1,062,760	-
Related to pension	1,430,777	1,320,717	135,667
Related to OPEB	250,214	231,632	23,758
Total deferred outflows of resources	3,591,735	2,615,109	159,425
Total assets and deferred outflows of resources	\$ 661,139,030	\$ 514,641,033	\$ 395,728,389

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position
 Proprietary Funds
 December 31, 2021

Business-Type Activities – Enterprise Funds
(Continued)

Assets	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds	Total Proprietary Funds
Current assets:				
Cash	\$ 3,675	\$ 6,525	\$ -	\$ 6,525
Cash and investments in central treasury	46,744,301	117,161,523	54,196,724	171,358,247
Equity in bond and grant capital acquisition and construction pool	10,030,130	13,353,371	7,985,123	21,338,494
Accrued interest on investments	155,361	562,978	-	562,978
Interest receivable	-	81,953	-	81,953
Receivables (net of allowance for uncollectibles)	4,485,933	16,540,565	38,725	16,579,290
Reserved for equity in general cash pool - bond and loan obligations	-	15,675,837	-	15,675,837
Intergovernmental receivables	1,018,656	1,018,656	-	1,018,656
Inventories	-	3,372,602	455,221	3,827,823
Prepaid items and deposits	11,350	684,195	2,637,000	3,321,195
Special assessments receivable	-	104,080	-	104,080
Unbilled reimbursable projects	-	95,669	-	95,669
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	-	28,745,187	-	28,745,187
Intergovernmental receivable	5,170,488	5,170,488	-	5,170,488
Investments held for debt service	-	671,299	-	671,299
Interim rate escrow investment	-	3,633,013	-	3,633,013
Investments from proceeds of Electric Utility sale	9,695,221	9,695,221	-	9,695,221
Total current assets	77,315,115	216,573,162	65,312,793	281,885,955
Noncurrent assets:				
Receivable- installment sale of electric utility	101,946,124	101,946,124	-	101,946,124
Assets held for resale	-	242,093	-	242,093
Advances to other funds	-	-	5,903,108	5,903,108
Receivables (net of allowance for uncollectibles)	-	392,704	-	392,704
Net OPEB asset	2,483,171	25,131,575	5,695,320	30,826,895
Unamortized debt expense	-	577,592	-	577,592
Unbilled special assessments	-	1,760,200	-	1,760,200
Regulatory and other assets	770,001	4,136,987	-	4,136,987
Restricted assets:				
Restricted equity in general cash pool- customer deposits	-	271,473	-	271,473
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Landfill postclosure cash reserve	19,351,367	19,351,367	-	19,351,367
Intergovernmental receivables	1,129,843	23,674,622	-	23,674,622
Investments for operations	3,000,000	3,000,000	-	3,000,000
Investments held for debt service	-	5,021,836	-	5,021,836
Capital assets, net	248,973,985	1,616,082,054	72,608,935	1,688,690,989
Total noncurrent assets	377,654,491	1,803,538,627	84,207,363	1,887,745,990
Total assets	454,969,606	2,020,111,789	149,520,156	2,169,631,945
Deferred Outflows of Resources				
Deferred charge on refunding	-	2,973,504	-	2,973,504
Related to pension	316,549	3,203,710	726,025	3,929,735
Related to OPEB	55,435	561,039	127,142	688,181
Total deferred outflows of resources	371,984	6,738,253	853,167	7,591,420
Total assets and deferred outflows of resources	\$ 455,341,590	\$ 2,026,850,042	\$ 150,373,323	\$ 2,177,223,365

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Proprietary Funds
December 31, 2021

Business-Type Activities – Enterprise Funds

Liabilities	Water Utility	Wastewater Utility	Port
Current liabilities:			
Accounts payable, other accrued liabilities and retainages	\$ 730,981	\$ 908,428	\$ 387,521
Accrued payroll liabilities	920,479	870,071	122,914
Capital acquisition and construction accounts and retainage payable	-	-	1,792,357
Compensated absences	998,172	1,041,501	167,472
Claims payable and incurred but not reported	-	-	-
Due to other funds	-	-	-
Accrued interest payable	1,747,440	1,973,979	190,051
Pollution remediation obligation	1,000	20,000	-
Long-term obligations maturing within one year	12,353,581	9,893,836	-
Unearned revenue and deposits	509,325	-	37,500
Current liabilities payable from restricted assets:			
Customer refunds and deposits payable	26	131	-
Capital acquisition and construction accounts and retainage payable	1,870,631	844,518	-
Total current liabilities	19,131,635	15,552,464	2,697,815
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discounts and premiums)	104,346,378	79,469,173	69,045,251
Advances from other funds	-	-	-
Alaska Clean Water and Drinking Water loans payable	98,635,801	89,198,120	-
Capital leases payable	-	-	-
Claims payable and incurred but not reported	-	-	-
Compensated absences	821,824	643,331	122,294
Notes payable	20,269,887	19,505,506	40,000,000
Net pension liability	15,482,936	14,291,940	1,468,098
Liabilities payable from restricted assets:			
Customer deposits	194,691	76,782	-
Other liabilities:			
Pollution remediation obligation	-	575,000	-
Future landfill closure costs	-	-	-
Other long-term obligations	-	-	1,747,630
Total noncurrent liabilities	239,751,517	203,759,852	112,383,273
Total liabilities	258,883,152	219,312,316	115,081,088
Deferred Inflows of Resources			
Contributions in aid of construction (net of amortization)	190,976,535	154,174,883	-
Related to pension	6,174,248	5,699,307	585,445
Related to OPEB	5,932,734	5,492,135	563,322
Related to installment sale of electric utility	-	-	-
Total deferred inflows of resources	203,083,517	165,366,325	1,148,767
Net Position			
Net investment in capital assets	163,927,337	106,124,049	260,135,560
Restricted for:			
Debt service	-	-	5,693,135
Interim rate escrow requirement	743,540	2,889,473	-
Acquisition and construction	-	-	758,136
Operations	-	-	-
Proceeds from Electric Utility sale	-	-	-
Unrestricted (deficit)	34,501,484	20,948,870	12,911,703
Total net position	199,172,361	129,962,392	279,498,534
Total liabilities, deferred inflows of resources and net position	\$ 661,139,030	\$ 514,641,033	\$ 395,728,389

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position
 Proprietary Funds
 December 31, 2021

Business-Type Activities – Enterprise Funds
 (Continued)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds	Total Proprietary Funds
Liabilities				
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 3,118,752	\$ 5,145,682	\$ 2,128,855	\$ 7,274,537
Accrued payroll liabilities	639,483	2,552,947	583,022	3,135,969
Capital acquisition and construction accounts and retainage payable	5,715,204	7,507,561	206,850	7,714,411
Compensated absences	792,871	3,000,016	802,509	3,802,525
Claims payable and incurred but not reported	-	-	27,109,003	27,109,003
Due to other funds	5,108,069	5,108,069	25,230,039	30,338,108
Accrued interest payable	147,990	4,059,460	152,653	4,212,113
Pollution remediation obligation	-	21,000	-	21,000
Long-term obligations maturing within one year	1,038,590	23,286,007	8,121,512	31,407,519
Unearned revenue and deposits	222,413	769,238	-	769,238
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	-	157	-	157
Capital acquisition and construction accounts and retainage payable	-	2,715,149	-	2,715,149
Total current liabilities	<u>16,783,372</u>	<u>54,165,286</u>	<u>64,334,443</u>	<u>118,499,729</u>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	-	252,860,802	-	252,860,802
Advances from other funds	-	-	935,000	935,000
Alaska Clean Water and Drinking Water loans payable	7,718,863	195,552,784	-	195,552,784
Capital leases payable	-	-	14,095,908	14,095,908
Claims payable and incurred but not reported	-	-	7,771,841	7,771,841
Compensated absences	56,893	1,644,342	247,940	1,892,282
Notes payable	68,449,122	148,224,515	-	148,224,515
Net pension liability	3,425,479	34,668,453	7,856,568	42,525,021
Liabilities payable from restricted assets:				
Customer deposits	-	271,473	-	271,473
Other liabilities:				
Pollution remediation obligation	-	575,000	-	575,000
Future landfill closure costs	39,265,492	39,265,492	-	39,265,492
Other long-term obligations	-	1,747,630	-	1,747,630
Total noncurrent liabilities	<u>118,915,849</u>	<u>674,810,491</u>	<u>30,907,257</u>	<u>705,717,748</u>
Total liabilities	<u>135,699,221</u>	<u>728,975,777</u>	<u>95,241,700</u>	<u>824,217,477</u>
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	-	345,151,418	-	345,151,418
Related to pension	1,366,006	13,825,006	3,133,023	16,958,029
Related to OPEB	1,314,385	13,302,576	3,014,630	16,317,206
Related to installment sale of electric utility	101,946,124	101,946,124	-	101,946,124
Total deferred inflows of resources	<u>104,626,515</u>	<u>474,225,124</u>	<u>6,147,653</u>	<u>480,372,777</u>
Net Position				
Net investment in capital assets	166,052,206	696,239,152	50,184,665	746,423,817
Restricted for:				
Debt service	-	5,693,135	-	5,693,135
Interim rate escrow requirement	-	3,633,013	-	3,633,013
Acquisition and construction	6,300,331	7,058,467	-	7,058,467
Operations	3,000,000	3,000,000	-	3,000,000
Proceeds from Electric Utility sale	9,695,221	9,695,221	-	9,695,221
Unrestricted (deficit)	29,968,096	98,330,153	(1,200,695)	97,129,458
Total net position	<u>215,015,854</u>	<u>823,649,141</u>	<u>48,983,970</u>	<u>872,633,111</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 455,341,590</u>	<u>\$ 823,649,141</u>	<u>\$ 150,373,323</u>	<u>\$ 2,177,223,365</u>
		1,712,393	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	
		<u>\$ 825,361,534</u>	Net position of business-type activities	

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2021

Business-Type Activities – Enterprise Funds			
	Water Utility	Wastewater Utility	Port
Operating revenues			
Charges for sales and services	\$ 64,647,587	\$ 61,995,495	\$ 9,672,862
Other	1,298,197	883,179	5,054,512
Total operating revenues	<u>65,945,784</u>	<u>62,878,674</u>	<u>14,727,374</u>
Operating expenses			
Operations	25,087,238	28,071,513	10,293,538
Change in landfill closure liability	-	-	-
Depreciation and amortization	12,711,592	12,538,601	7,231,394
Total operating expenses	<u>37,798,830</u>	<u>40,610,114</u>	<u>17,524,932</u>
Operating income (loss)	<u>28,146,954</u>	<u>22,268,560</u>	<u>(2,797,558)</u>
Nonoperating revenues (expenses)			
Investment income (loss)	373,985	279,171	7,652
Installment sale	-	-	-
Other revenues	24,831	22,342	1,710,756
Intergovernmental revenue	(490,375)	(453,965)	(46,562)
Interest expense	(5,368,449)	(4,202,483)	(2,123,958)
Allowance for funds used during construction (AFUDC)	884,719	1,062,213	-
Gain (loss) on sale of capital assets	-	-	-
Long-term debt issuance expenses	-	-	(209,333)
Other expenses	-	-	(1,686,747)
Net nonoperating revenues (expenses)	<u>(4,575,289)</u>	<u>(3,292,722)</u>	<u>(2,348,192)</u>
Income (loss) before capital contributions, transfers and special item	23,571,665	18,975,838	(5,145,750)
Capital contributions	-	-	25,616,270
Transfers from other funds	251,361	-	-
Transfers to other funds	(9,725,556)	(7,439,635)	(2,045,664)
Special item - gain on disposal of operations	-	-	-
Change in net position	<u>14,097,470</u>	<u>11,536,203</u>	<u>18,424,856</u>
Net position, beginning of year	185,074,891	118,426,189	261,073,678
Net position, end of year	<u>\$ 199,172,361</u>	<u>\$ 129,962,392</u>	<u>\$ 279,498,534</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2021

	Business-Type Activities – Enterprise Funds		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
(Continued)				
Operating revenues				
Charges for sales and services	\$ 42,231,426	\$ 178,547,370	\$ 104,872,485	\$ 283,419,855
Other	660,602	7,896,490	530,026	8,426,516
Total operating revenues	<u>42,892,028</u>	<u>186,443,860</u>	<u>105,402,511</u>	<u>291,846,371</u>
Operating expenses				
Operations	30,119,368	93,571,657	90,807,940	184,379,597
Change in landfill closure liability	1,532,265	1,532,265	-	1,532,265
Depreciation and amortization	9,306,233	41,787,820	13,550,588	55,338,408
Total operating expenses	<u>40,957,866</u>	<u>136,891,742</u>	<u>104,358,528</u>	<u>241,250,270</u>
Operating income (loss)	<u>1,934,162</u>	<u>49,552,118</u>	<u>1,043,983</u>	<u>50,596,101</u>
Nonoperating revenues (expenses)				
Investment income (loss)	2,924,474	3,585,282	(140,604)	3,444,678
Installment sale	2,514,561	2,514,561	-	2,514,561
Other revenues	183,099	1,941,028	110,379	2,051,407
Intergovernmental revenue	1,175,112	184,210	(249,179)	(64,969)
Interest expense	(714,853)	(12,409,743)	(761,370)	(13,171,113)
Allowance for funds used during construction (AFUDC)	-	1,946,932	-	1,946,932
Gain (loss) on sale of capital assets	331,202	331,202	(107,537)	223,665
Long-term debt issuance expenses	-	(209,333)	-	(209,333)
Other expenses	-	(1,686,747)	(10,750)	(1,697,497)
Net nonoperating revenues (expenses)	<u>6,413,595</u>	<u>(3,802,608)</u>	<u>(1,159,061)</u>	<u>(4,961,669)</u>
Income (loss) before capital contributions, transfers and special item	8,347,757	45,749,510	(115,078)	45,634,432
Capital contributions	10,896,231	36,512,501	1,519,838	38,032,339
Transfers from other funds	2,932,571	3,183,932	4,669,139	7,853,071
Transfers to other funds	(19,842,648)	(39,053,503)	-	(39,053,503)
Special item - gain on disposal of operations	455,318	455,318	-	455,318
Change in net position	<u>2,789,229</u>	<u>46,847,758</u>	<u>6,073,899</u>	<u>52,921,657</u>
Net position, beginning of year	<u>212,226,625</u>		<u>42,910,071</u>	<u>819,711,454</u>
Net position, end of year	<u>\$ 215,015,854</u>		<u>\$ 48,983,970</u>	<u>\$ 872,633,111</u>
		38,960	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	
		<u>\$ 46,886,718</u>	Change in net position of business-type activities.	

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2021

Business-Type Activities – Enterprise Funds

	Water Utility	Wastewater Utility	Port
Cash flows from (for) operating activities			
Receipts from customers	\$ 66,771,127	\$ 64,102,412	\$ 14,937,423
Other operating cash receipts	-	-	-
Receipts for interfund services provided	-	-	-
Payments to employees	(19,448,035)	(18,264,865)	(2,790,316)
Payments to vendors	(6,754,264)	(12,214,893)	(7,088,831)
Payments for interfund services used	(1,821,953)	(1,807,545)	(1,198,886)
Net cash from operating activities	<u>38,746,875</u>	<u>31,815,109</u>	<u>3,859,390</u>
Cash flows from (for) non-capital financing activities			
Intergovernmental revenue	-	-	-
Transfers to other funds	(9,725,556)	(7,439,635)	(2,045,664)
Transfers from other funds	251,361	-	-
Security contract	-	-	(1,686,747)
Right of way and security fees	-	-	1,710,756
Due to other funds	-	-	-
Proceeds from installment sale	-	-	-
Advance to other funds	-	-	-
Net cash from (for) non-capital financing activities	<u>(9,474,195)</u>	<u>(7,439,635)</u>	<u>(2,021,655)</u>
Cash flows from (for) capital and related financing activities			
Principal payments on long-term obligations	(12,268,822)	(9,589,718)	-
Grant proceeds capital	-	-	-
Interest payments on long-term obligations	(6,120,237)	(4,647,786)	(2,267,940)
Financing costs on long-term obligations	-	-	(209,333)
Interest subsidy on Build America Bonds	-	-	-
Acquisition and construction of capital assets	(13,127,857)	(12,699,247)	(76,749,759)
Transfers from other funds	-	-	-
Principal payments on interfund loans	-	-	-
Interest payments on interfund loans	-	-	-
Proceeds from Alaska clean water and drinking water loans	13,937,993	7,963,018	-
Proceeds from issuance of debt	-	-	40,000,000
Proceeds from the sale or disposition of capital assets	-	-	-
Capital contributions – customers	523,688	328,634	-
Capital contributions – intergovernmental	-	-	18,805,688
Receipts from disposal of operations	-	-	-
Net cash from (for) capital and related financing activities	<u>(17,055,235)</u>	<u>(18,645,099)</u>	<u>(20,421,344)</u>
Cash flows from (for) investing activities			
Investment income received	379,759	310,387	9,693
Net cash from (for) investing activities	<u>379,759</u>	<u>310,387</u>	<u>9,693</u>
Net increase (decrease) in cash	12,597,204	6,040,762	(18,573,916)
Cash, beginning of year	49,006,251	39,034,520	41,607,137
Cash, end of year	<u>61,603,455</u>	<u>45,075,282</u>	<u>23,033,221</u>
Cash	-	2,200	650
Cash and investments in central treasury	34,393,139	23,957,888	12,066,195
Equity in bond and grant capital acquisition and construction accounts	18,021,110	10,724,077	3,323,241
Cash legal settlement set aside	-	-	1,950,000
Debt service investments	-	-	5,693,135
Restricted proceeds from Electric Utility sale	-	-	-
Restricted investments for operations	-	-	-
Restricted equity in general cash pool- customer deposits	194,691	76,782	-
Interim rate escrow investments	743,540	2,889,473	-
Reserved for equity in general cash pool - bond and loan debt service	8,250,975	7,424,862	-
Restricted for Landfill postclosure cash reserve	-	-	-
Cash, December 31	<u>\$ 61,603,455</u>	<u>\$ 45,075,282</u>	<u>\$ 23,033,221</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Cash flows from (for) operating activities				
Receipts from customers	\$ 51,949,161	\$ 197,760,123	\$ -	\$ 197,760,123
Other operating cash receipts	505,217	505,217	-	505,217
Receipts for interfund services provided	-	-	105,428,704	105,428,704
Payments to employees	(14,381,024)	(54,884,240)	(16,176,540)	(71,060,780)
Payments to vendors	(12,200,274)	(38,258,262)	(69,875,068)	(108,133,330)
Payments for interfund services used	(3,381,013)	(8,209,397)	(3,935,509)	(12,144,906)
Net cash from operating activities	<u>22,492,067</u>	<u>96,913,441</u>	<u>15,441,587</u>	<u>112,355,028</u>
Cash flows from (for) non-capital financing activities				
Intergovernmental revenue	362,768	362,768	-	362,768
Transfers to other funds	(19,842,648)	(39,053,503)	-	(39,053,503)
Transfers from other funds	-	251,361	1,043,473	1,294,834
Security contract	-	(1,686,747)	-	(1,686,747)
Right of way and security fees	-	1,710,756	-	1,710,756
Due to other funds	5,108,069	5,108,069	2,204,224	7,312,293
Proceeds from installment sale	2,514,561	2,514,561	-	2,514,561
Advance to other funds	-	-	434,833	434,833
Net cash from (for) non-capital financing activities	<u>(11,857,250)</u>	<u>(30,792,735)</u>	<u>3,682,530</u>	<u>(27,110,205)</u>
Cash flows from (for) capital and related financing activities				
Principal payments on long-term obligations	(1,038,589)	(22,897,129)	(10,238,914)	(33,136,043)
Grant proceeds capital	12,587	12,587	-	12,587
Interest payments on long-term obligations	(677,908)	(13,713,871)	(803,656)	(14,517,527)
Financing costs on long-term obligations	-	(209,333)	-	(209,333)
Interest subsidy on Build America Bonds	1,015,998	1,015,998	-	1,015,998
Acquisition and construction of capital assets	(55,013,341)	(157,590,204)	(3,873,271)	(161,463,475)
Transfers from other funds	2,932,571	2,932,571	3,625,666	6,558,237
Principal payments on interfund loans	-	-	(85,000)	(85,000)
Interest payments on interfund loans	-	-	(31,872)	(31,872)
Proceeds from Alaska clean water and drinking water loans	-	21,901,011	-	21,901,011
Proceeds from issuance of debt	35,302,948	75,302,948	625,074	75,928,022
Proceeds from the sale or disposition of capital assets	352,190	352,190	(1,456,185)	(1,103,995)
Capital contributions – customers	-	852,322	-	852,322
Capital contributions – intergovernmental	6,380,198	25,185,886	1,519,838	26,705,724
Receipts from disposal of operations	550,000	550,000	-	550,000
Net cash from (for) capital and related financing activities	<u>(10,183,346)</u>	<u>(66,305,024)</u>	<u>(10,718,320)</u>	<u>(77,023,344)</u>
Cash flows from (for) investing activities				
Investment income received	2,862,609	3,562,448	(140,604)	3,421,844
Net cash from (for) investing activities	<u>2,862,609</u>	<u>3,562,448</u>	<u>(140,604)</u>	<u>3,421,844</u>
Net increase (decrease) in cash	3,314,080	3,378,130	8,265,193	11,643,323
Cash, beginning of year	85,510,614	215,158,522	53,916,654	269,075,176
Cash, end of year	<u>88,824,694</u>	<u>218,536,652</u>	<u>62,181,847</u>	<u>280,718,499</u>
Cash	3,675	6,525	-	6,525
Cash and investments in central treasury	46,744,301	117,161,523	54,196,724	171,358,247
Equity in bond and grant capital acquisition and construction accounts	10,030,130	42,098,558	7,985,123	50,083,681
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Debt service investments	-	5,693,135	-	5,693,135
Restricted proceeds from Electric Utility sale	9,695,221	9,695,221	-	9,695,221
Restricted investments for operations	3,000,000	3,000,000	-	3,000,000
Restricted equity in general cash pool- customer deposits	-	271,473	-	271,473
Interim rate escrow investments	-	3,633,013	-	3,633,013
Reserved for equity in general cash pool - bond and loan debt service	-	15,675,837	-	15,675,837
Restricted for Landfill postclosure cash reserve	19,351,367	19,351,367	-	19,351,367
Cash, December 31	<u>\$ 88,824,694</u>	<u>\$ 218,536,652</u>	<u>\$ 62,181,847</u>	<u>\$ 280,718,499</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2021

Business-Type Activities – Enterprise Funds

	Water Utility		Wastewater Utility		Port
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 28,146,954	\$	22,268,560	\$	(2,797,558)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:					
Change in landfill closure liability	-		-		-
Depreciation and amortization	12,711,592		12,538,601		7,231,394
Allowance for uncollectible accounts	59,169		57,036		-
Pension and OPEB relief-noncash expense	(490,375)		(453,965)		(46,562)
Other revenues / expenses	24,831		22,341		-
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:					
Accounts receivable, net	960,370		1,146,795		172,549
Inventories	(413,336)		(167,148)		-
Net OPEB asset	(9,532,529)		(8,700,137)		(894,308)
Prepaid items and deposits	25,665		16,061		41,265
Unbilled reimbursable projects	303,821		171,622		-
Customer deposits and refunds payable	(224,696)		(203,112)		-
Deferred outflows of resources related to pension	541,783		651,842		64,367
Deferred outflows of resources related to OPEB	740,419		759,001		76,700
Accounts payable, other accrued liabilities and retainages	(269,898)		(472,853)		(456,323)
Accrued payroll liabilities	(89,558)		182,266		717
Compensated absences	(114,825)		(131,309)		(16,244)
Claims payable	-		-		-
Net pension liability	(4,427,027)		(5,618,022)		(550,934)
Net OPEB liability	(29,080)		(29,080)		(2,948)
Deferred inflows of resources related to pension	6,174,248		5,699,307		585,445
Deferred inflows of resources related to OPEB	4,596,865		4,156,266		427,854
Unearned revenues and deposits	52,482		-		37,500
Other long-term obligations	-		-		(13,524)
Regulatory debits	-		(78,963)		-
Total cash from operating activities	<u>38,746,875</u>		<u>31,815,109</u>		<u>3,859,390</u>
Noncash investing, capital, and financing activities:					
Capital purchases on account	934,353		844,518		1,792,357
Contributed capital and equipment	741,173		844,615		22,544,779
Portion of plant from AFUDC	884,719		1,062,213		-
Disposal of assets and liabilities pursuant to sale of Electric Utility	-		-		-
Total noncash investing, capital, and financing activities	<u>\$ 2,560,245</u>	<u>\$</u>	<u>2,751,346</u>	<u>\$</u>	<u>24,337,136</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2021

	Business-Type Activities - Enterprise Funds		Governmental	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 1,934,162	\$ 49,552,118	\$ 1,043,983	\$ 50,596,101
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:				
Change in landfill closure liability	1,532,265	1,532,265	-	1,532,265
Depreciation and amortization	9,306,233	41,787,820	13,550,588	55,338,408
Allowance for uncollectible accounts	467,091	583,296	-	583,296
Pension and OPEB relief-noncash expense	(108,642)	(1,099,544)	(249,179)	(1,348,723)
Other revenues / expenses	183,099	230,271	110,379	340,650
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:				
Accounts receivable, net	9,685,446	11,965,160	(23,216)	11,941,944
Inventories	-	(580,484)	(23,396)	(603,880)
Net OPEB asset	(2,069,120)	(21,196,094)	(4,667,300)	(25,863,394)
Prepaid items and deposits	373,118	456,109	453,226	909,335
Unbilled reimbursable projects	-	475,443	-	475,443
Customer deposits and refunds payable	-	(427,808)	-	(427,808)
Deferred outflows of resources related to pension	170,839	1,428,831	484,080	1,912,911
Deferred outflows of resources related to OPEB	189,335	1,765,455	480,581	2,246,036
Accounts payable, other accrued liabilities and retainages	391,004	(808,070)	75,738	(732,332)
Accrued payroll liabilities	13,571	106,996	4,590	111,586
Compensated absences	(119,313)	(381,691)	(129,214)	(510,905)
Claims payable	-	-	3,429,637	3,429,637
Net pension liability	(1,493,960)	(12,089,943)	(4,357,584)	(16,447,527)
Net OPEB liability	(7,185)	(68,293)	(17,839)	(86,132)
Deferred inflows of resources related to pension	1,274,374	13,733,374	3,133,023	16,866,397
Deferred inflows of resources related to OPEB	1,075,945	10,256,930	2,195,115	12,452,045
Unearned revenues and deposits	(306,195)	(216,213)	(51,625)	(267,838)
Other long-term obligations	-	(13,524)	-	(13,524)
Regulatory debits	-	(78,963)	-	(78,963)
Total cash from operating activities	<u>22,492,067</u>	<u>96,913,441</u>	<u>15,441,587</u>	<u>112,355,028</u>
Noncash investing, capital, and financing activities:				
Capital purchases on account	5,715,204	9,286,432	206,850	9,493,282
Contributed capital and equipment	10,896,231	35,026,798	1,519,838	36,546,636
Portion of plant from AFUDC	-	1,946,932	-	1,946,932
Disposal of assets and liabilities pursuant to sale of Electric Utility	94,682	94,682	-	94,682
Total noncash investing, capital, and financing activities	<u>\$ 16,706,117</u>	<u>\$ 46,354,844</u>	<u>\$ 1,726,688</u>	<u>\$ 48,081,532</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Fiduciary Funds
December 31, 2021

	<u>Pension and Other Postemployment Benefits Trust Funds</u>
Assets	
Cash and cash equivalents	\$ 192,831
Securities lending collateral	6,879,340
Accrued interest	694,307
Investments:	
Money market funds	5,512,324
Certificate of deposit	7,050,433
U.S. treasuries	5,022,664
U.S. agencies	4,236,527
Corporate fixed income securities	78,129,636
International fixed income funds	374,000
Fixed income funds	1,227,841
Domestic equity securities	174,251,911
International equity securities	102,044,687
Real estate funds	58,059,872
Total investments	<u>435,909,895</u>
Capital assets, net	<u>2,103</u>
Total assets	<u>443,678,476</u>
Liabilities	
Accounts payable and accrued expenses	78,411
Payable under securities lending program	6,879,340
Total liabilities	<u>6,957,751</u>
Net Position	
Restricted for:	
Pensions	413,215,718
Postemployment benefits other than pensions	<u>23,505,007</u>
Total net position	<u>\$ 436,720,725</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2021

	Pension and Other Postemployment Benefits Trust Funds
Additions	
Contributions from the Municipality	\$ 3,672,522
Contributions from plan members	52,169
Investment income:	
Interest	1,775,135
Dividends	3,910,048
Net increase in fair value of investments	50,320,552
Less: investment expense	<u>(2,022,282)</u>
Net investment income	<u>53,983,453</u>
Total additions	<u>57,708,144</u>
Deductions	
Regular benefit payments	36,519,705
Administrative expenses	<u>760,701</u>
Total deductions	<u>37,280,406</u>
Change in fiduciary net position	20,427,738
Net position, beginning of year	<u>416,292,987</u>
Net position, end of year	<u>\$ 436,720,725</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements
December 31, 2021

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality of Anchorage have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Municipality of Anchorage (Municipality) operates under an elected nonpartisan Mayor-Assembly form of government. The Mayor is elected at large for a three-year term. Legislative power is vested in the Assembly with executive and administrative power vested in the Mayor. The financial statements of the reporting entity include those of the Municipality (primary government) and its component units. The component units discussed below are included in the reporting entity because of the significance of their operational or financial relationships with the primary government.

Blended Component Unit

CIVICVentures is a nonprofit corporation created to finance and construct a convention center for the Municipality, as well as upgrades and improvements to the Egan Center. All the board members are appointed by the Mayor. As of December 31, 2021, two of CIVICVentures' five-member Board of Directors are executive employees of the Municipality, and management and accounting functions are performed by the Municipality. CIVICVentures is reported as a debt service fund.

Discretely Presented Component Units

The Anchorage School District (ASD) is a legally separate governmental entity, which is responsible for elementary and secondary education within the Municipality. Members of the School Board are elected by the voters; however, ASD is a component unit and integral part of the primary government, the Municipality. ASD is fiscally dependent upon the primary government because the Anchorage Assembly approves the municipal tax appropriation and the total budget, and levies and collects taxes for the District. The Anchorage Assembly also approves the borrowing of funds and issuance of bonds for the District. The ASD has a June 30 fiscal year end; therefore, the financial information presented in these financial statements is as of and for the fiscal year ended June 30, 2021.

The Anchorage Community Development Authority (Authority or ACDA) is a legally separate public corporation created to operate and manage on-street and off-street parking, and purchase, develop, and sell properties and other economic development activities. The voting majority of the Board is composed of members appointed by the Mayor and includes one executive employee of the Municipality. The budget is required to be approved annually by the primary government and the primary government has the ability to impose its will on the Authority. The Authority provides services to the general public.

The Alaska Center for Performing Arts, Inc. (ACPA) is a legally separate non-profit entity that operates, maintains, and promotes the performing arts center. The performing arts center is owned by the primary government and the Municipality contracts with ACPA to manage the facility. The budget is required to be approved annually by the primary government, and the entity is fiscally dependent upon the primary government. ACPA manages the performing arts center and provides facility management services for the Municipality to the general public.

Complete financial statements of individual component units can be obtained from their respective administrative offices in the following locations:

Anchorage School District
5530 East Northern Lights Boulevard
Anchorage, Alaska 99504-3135

Anchorage Community Development Authority
245 W. 5th Ave, Suite 122
Anchorage, Alaska 99501

CIVICVentures
c/o Municipality of Anchorage
P.O. Box 196650
Anchorage, Alaska 99519-6650

Alaska Center for the Performing Arts, Inc.
621 West 6th Avenue
Anchorage, Alaska 99501

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. Certain indirect costs are included in program expense reported for individual functions and activities.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property and other taxes are recognized as revenues in the year for which they are levied. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements have been met. Return of restricted contributions are recorded as a reduction of revenue, if unused. Certain changes in the current year presentation of revenue in the statement of activities are affected by the recognition of actuarially calculated changes in net pension and OPEB assets and liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Municipality considers revenues to be available if they are collected within six months of the end of the current fiscal period, except for property taxes which must be collected within 60 days following year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pension and OPEB, are recorded only when payment is due.

Property taxes, lodging and other taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual. Only the portion of special assessment receivable due within the current period is susceptible to accrual as revenue of the current period. All other revenue items are measurable and available only when cash is received by the Municipality.

The Municipality reports the following major governmental funds based on the quantitative criteria:

- The **General Fund** is the Municipality's primary operating fund. It is used to account for resources which are not required legally or by sound management to be accounted for in any other fund.
- The **MOA Trust Fund** accounts for the endowment fund authorized by the voters of the Municipality.

Additionally, the Municipality has elected to present the following as a major governmental fund because of its significance to the public:

- The **Roads and Drainage Capital Project Fund** accounts for the capital projects related to the roads and drainage system.

The Municipality reports the following major proprietary funds:

- The **Water Utility Fund** accounts for the operations of the Municipality owned Water Utility.
- The **Wastewater Utility Fund** accounts for the operations of the Municipality owned Wastewater Utility.
- The **Port Fund** accounts for operations of the Municipality owned port.

Additionally, the Municipality reports the following fund types:

- The **Internal Service Funds** account for the management and maintenance of general government equipment and vehicles, information technology, and for general liability, workers' compensation, medical/dental, and unemployment compensation insurance coverage provided to other departments on a cost-reimbursement basis.
- The **Pension and Other Postemployment Benefit Trust Funds** account for the Police and Fire Retirement Systems Pension plans and the Police and Fire Retiree Medical plans for eligible Police and Fire retirees.

The Water, and Wastewater Utilities (the Utilities) meet the criteria, and accordingly, follow the accounting and reporting requirements for Regulated Operations. The Utilities' rates are regulated by the Regulatory Commission of Alaska (RCA), and as a result, revenues intended to recover certain costs are provided either before or after the costs are incurred, resulting in regulatory assets or liabilities. The Utilities receive contributions in aid of construction (CIAC), which the Utilities record as contributed plant in service and deferred inflow of resources. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective utility plant as a reduction of depreciation expense and a reduction of deferred inflow of resources. Consequently, CIAC's are recorded as a regulatory deferred inflow of resources in the accompanying basic financial statements. The Utilities' rates also include an allowance for the cost of funds used during construction (AFUDC), which is capitalized in the accompanying financial statements. As a regulated operation, the Utilities apply the accounting and reporting requirements applicable to regulated operations to the accounting for debt issuance costs. Accordingly, the Utilities' debt issuance costs are recorded as an asset and are amortized over the life of the debt.

The statement of revenues, expenses, and changes in net position - proprietary funds includes AFUDC as an item of non-operating revenues in a manner that indicates the basis for the amount capitalized.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Municipality's various business-type functions and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

Cash and Cash Equivalents

To obtain flexibility in cash management, the Municipality uses a central treasury. Pooled cash is invested in various securities to maximize return while maintaining reasonable liquidity to meet maturing obligations. Investments in securities to satisfy bond reserve and other requirements are maintained in separate accounts. Details regarding cash and cash equivalents are discussed in Note 3.

Investments

Investments at year end are reported at fair value using the techniques presented in GASB Statement No. 72-Fair Value Measurement and Application (GASB 72). Some investments are held at an approximation of fair value using either amortized costs or Net Asset Value (NAV). Investment income on cash pool investments is allocated to the various funds based on their cash pool equity balances as of the month end prior to the month the investment income is earned. This change in procedure was done to help facilitate more timely reporting of investment income in the various funds. Funds that have negative balances in the cash pools are charged interest; the interest income is allocated to those funds having equity in the cash pools. Details regarding investments and required disclosures under GASB 72 are discussed in Note 3.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. Details regarding interfund activity is discussed in Note 7.

All trade and property taxes receivable, including those in business-type activities, are shown net of an allowance for uncollectible accounts. Allowance calculations vary depending on the type of receivable, with property taxes using weighted percentages between zero and over 90 days, and trade accounts using weighted percentages between zero and over 180 days. Details regarding receivables are discussed in Note 4.

Property Taxes

Property taxes attach a lien on property on the first day of the tax year in which taxes are levied. For 2021, real and personal property taxes were levied on May 1st. Real property taxes were payable in two installments on June 15th and August 15th, and personal property taxes in two installments on August 31st and October 31st.

The Municipality is responsible for assessing and collecting property taxes and remitting the amount approved by the Assembly to ASD. The Municipality collected property taxes on behalf of ASD for their general fund and debt service fund in the amounts of \$255,643,510 and \$37,786,086, respectively. ASD had accrued taxes and deferred inflows of resources of \$165,489,294 for financing half of the 2021-2022 budget as of June 30, 2021. Accordingly, amounts reported by the Municipality as due to component units on the statement of net position may not agree with the amounts reported by ASD as due from primary government.

On December 31, 2021, property taxes receivable for the Municipality was \$13,433,469 including penalties and interest of \$1,283,732 and excluding allowance for uncollectible property tax receivable of \$103,795.

Inventories

Inventories are valued at cost (specific identification), except for the inventories of the Utilities. The Water and Wastewater Utilities value inventories using average cost. All Municipality inventories are recorded as expenditures or expenses when used (consumption method), except the Paint and Sign Shop, which records expenditures when purchased (purchase method).

Prepays

Prepays are recognized when incurred and the expenditure/expense is recorded in the period that is benefited using the consumption method.

Regulatory and Other Assets

The Water and Wastewater Utilities record Miscellaneous Deferred Debits, in accordance with its regulatory National Association of Regulatory Utility Commission (NARUC) chart of accounts. Three accounts are allowed, unless otherwise approved by the RCA: deferred rate case expenses, other deferred debits, and regulatory assets. These accounts are reflected as regulatory and other assets on the statement of net position.

Restricted Assets

Assets whose use is subjected to constraints by external constraints or enabling legislation, such as bond covenants, grant provisions or other requirements are classified as restricted assets. For governmental activities, restricted assets include the following:

- The “investments account” is used to report the investment balance in the MOA Trust Fund, which is restricted for a specific purpose under Municipal Code 6.50.060, the Police and Fire Retiree Medical Liability Fund, which is restricted for a specific purpose under Municipal Code 3.88, the CIVICVentures debt service fund bond reserve, and unspent proceeds from the sale of the Electric Utility.
- The “Investment in Angel Fund programs” is used to report the fair market value of investments made under the 49th State Angel Fund program.

For business-type activities, restricted assets include some of the following:

- The “investments from proceeds of Electric Utility sale” is used to set aside a portion of the proceeds from the sale of the Electric Utility.

- The “equity in bond and grant capital acquisition and construction pool” is used to report those proceeds of bond issuances that are restricted for use in construction.
- The “interim rate escrow investment” are funds collected from customer sales arising from interim and refundable rates granted by the RCA.
- The “landfill postclosure cash reserve account” is used to restrict funds to offset the future landfill closure costs, as is required by Municipal Code 26.80.060(c)(3).
- The “investments held for debt service” and “cash legal settlement set aside” are from the proceeds from debt sold by the Port of Anchorage and legal settlements used for the Port Expansion Project.

“Intergovernmental receivables” represent grant receivables due from state and federal governments for capital purposes. Liabilities payable from such restricted assets are separately classified.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, drainage systems, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Municipality as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000, or \$1,000 for computer hardware and software. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Although the Municipality holds title to capital assets of the school district, ASD has the risk and benefits of ownership associated with their capital assets. ASD, under Alaska law, cannot legally hold title to real property nor incur long-term debt. However, the Municipality has delegated the construction management of school projects to ASD. To reflect all the capital assets used for school purposes and the related obligations serviced by ASD, real property and the associated obligations have been reported in ASD’s financial statements.

The Utilities capitalize AFUDC as a means to capture the cost of using both debt and equity funds to finance Utility plant additions during the construction period in accordance with regulatory requirements. AFUDC was capitalized in 2021 in the amounts of \$884,719 and \$1,062,213 for the Water and Wastewater Utilities, respectively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

For all regulated utility property replaced or retired, the average cost of the property unit, plus removal cost less salvage value, is charged to accumulated depreciation. For the Water and Wastewater Utilities, gain or loss on the sale or retirement of plant is not recognized, except for extraordinary retirement. For all other proprietary fund types, gain or loss on the sale or retirement is recognized.

Property, plant, and equipment of the Municipality are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-47 years
Production, Treatment, General Plant, Transmission and Reservoirs	5-90 years
Lift Stations, Interceptor, Trunks and Laterals	50-85 years
Equipment Containers	14 years
Office Equipment and Vehicles	3-25 years
Infrastructure (other than roads)	30-75 years
Intangible ERP System	10 years

The Municipality has elected to use the modified approach for its paved road infrastructure network and to depreciate all other infrastructure networks. Under this election, the Municipality does not depreciate paved road infrastructure assets that are part of a network or subsystem of a network that meet two specific requirements. First, the Municipality manages the paved road infrastructure network using an asset management system that has certain specified characteristics. Second, the Municipality documents that the paved road infrastructure network is being preserved approximately at (or above) the condition level that is established and disclosed. Details regarding capital assets are discussed in Note 5.

Compensated Absences

It is the Municipality's policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are due and payable, for example, as a result of employee resignations or retirements.

Long-Term Obligations

In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bonds payable are reported net of the applicable unamortized bond premiums and discounts. Deferred charges on bond refunding are reported as deferred outflows of resources and are amortized over the shorter of the refunding debt or the refunded debt. Debt issuance costs are expensed in the period in which they are incurred. For the regulated utilities, debt issuance costs are amortized over the life of the debt.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures for the period in which they are incurred.

The Municipality implemented the provision of GASB Statement No. 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The provisions of this Statement require debt disclosures to be segregated into direct borrowings, direct placements, and other debt. Direct borrowings are defined as a loan agreement issued with a single lender. Direct placements are defined as debt securities issued to a single investor. General obligation bonds, revenue bonds and certificates of participation bonds are considered other debt. Additional disclosures related to unused lines of credit, assets pledged as collateral, and terms specific to events of default and termination with finance-related consequences and subjective acceleration clauses are also required, if applicable. Details regarding long-term obligations are discussed in Note 10.

Net Pension and Net OPEB Assets and Liabilities

For purposes of measuring the net pension and net OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension and OPEB assets and liabilities are also reported for the Police and Fire Retirement Pension Trust and the Police and Fire Retiree Medical Trust. Details regarding net pension and OPEB assets and liabilities are discussed in Notes 13 and 14, respectively.

Contributions in Aid of Construction (CIAC)

The Utilities receive CIAC, which they record as contributed plant in service and deferred inflows of resources. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective Utility's plant as a reduction of depreciation expense and a reduction of deferred inflows of resources. Consequently, CIAC's are recorded as deferred inflows of resources in the accompanying financial statements. The Utilities' rates also include an AFUDC, which is capitalized in the accompanying financial statements. On December 31, 2021, Water and Wastewater Utility deferred inflow of resources balances related to CIAC were \$190,976,535, and \$154,174,883, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources represent the consumption/acquisition, respectively, of net position that applies to future periods. In the government-wide statement of net position and the proprietary fund statements, deferred outflows of resources are reported for deferred charges on refunding and grant match advances and deferred inflows of resources for the installment sales, land sales, and time restricted health permit receipts. Deferred inflows of resources for property taxes, special assessments, risk management claims, intergovernmental revenues and other unavailable revenues are reported in the governmental fund statements. Deferred outflows and inflows of resources related to pension and OPEB assets and liabilities and CIAC are noted above.

Net Position and Flow Assumptions

Net position represents the residual interest in the Municipality's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted and unrestricted net position. Net investment in capital assets includes capital assets (tangible and intangible), net of accumulated depreciation/amortization, reduced by outstanding debt and capital related liabilities incurred to acquire, construct, or improve those capital assets, excluding unspent proceeds. The restricted net position represents the balance of assets restricted for use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation, net of restricted liabilities for those same purposes. Unrestricted net position consists of the net position that does not meet the definition of either of the other two components. It is the Municipality's policy to first use restricted resources to make certain payments when both restricted and unrestricted assets are available for the same purpose.

Fund Balance

The Assembly adopted a fund balance policy through resolution, which is used by the Municipality to report fund balance. Detailed disclosures regarding the fund balance policy, flow assumptions and reporting is discussed in Note 15.

E. Utility Revenues

Utility revenues are based on cycle billings rendered monthly to customers. The Water and Wastewater Utilities accrue an estimate of revenues at the end of the fiscal year for services sold but not billed at such date. All other utilities do not accrue revenue of any fiscal period for services sold but not yet billed at such date as such amounts are not material.

F. Statement of Cash Flows

For the purposes of the statement of cash flows, the Municipality has defined cash as the demand deposits and all investments maintained in the central treasury (regardless of maturity period), because the funds use the pool essentially as a demand deposit account. The Utilities report certain balances from their cash in central treasury as restricted or reserved assets for specific purposes. These balances are considered cash for the purposes of the statement of cash flows.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This also requires the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Significant accounting estimates include those for the allowance for uncollectible accounts, reserves for claims incurred but not reported for self-insured general liability/workers' compensation and medical and dental plans, changes in assumptions for pension and OPEB plans, and landfill closure liability.

NOTE 2 - STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY, AND RELATED PARTY TRANSACTIONS

A. Excess of Expenditures Over Appropriations

The Assembly approves operating budgets and appropriations of direct costs at the department level, and revenues and direct costs at the fund or sub fund level.

For the year ended December 31, 2021, expenditures exceeded appropriations in the following departments of the General Fund:

- Public Works expenditures exceeded appropriation by \$18,713,518 due to the refunding of general obligation bonds payments to escrow agents, which is not part of the budget.
- Fire, Municipal Manager, and Health and Human Service expenditures exceeded appropriation by \$3,219,598, \$62,772, and \$28,116,747, respectively. These were the result of the reclassification of unfunded expenditures related to COVID activities from the State Grant Special Revenue Fund to the General Fund.

Departmental budgets, original and final, and actual amounts do not include PERS on-behalf expenditures and indirect charges.

B. Deficit Fund Balance and Deficit Net Position

As of December 31, 2021, an overall unassigned fund deficit position and unrestricted net deficit were reported for the following funds:

Non-major Governmental Funds:

Other Restricted Resources	\$	(36,393)
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Internal Service Funds:

General Liability/Worker's Compensation	\$	(9,426,611)
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The Other Restricted Resources Fund reported an overall unassigned fund deficit due to more than one year of cumulative expenditures being more than the special assessment revenues. This fund has presented a fund deficit consistently since 2006. In 2021, revenues from special assessments exceeded expenditures, but a loss on investments resulted in a continued fund deficit. The deficit was reduced by \$63,519 over 2020.

The General Liability/Worker's Compensation Fund again reported an overall net deficit because of increases in expenses related to legal settlements, claims incurred but not reported, and insurance premiums over the past few years.

C. Related Party Transaction and Revenue Sharing Agreements - ACDA

Leased Parking Spaces

The Municipality has leased 516 spaces located on four sites to the Authority for a period of 35 years. The agreement included an advance payment of \$350 per lot, which terminated December 31, 2019. The lease term as of December 31, 2021 is on a month to month basis.

Lease to Anchorage Police Department (APD) 716 West 4th Avenue

The Municipality is leasing the building at 716 West 4th Avenue for the APD office. The lease is for one year, with the option to renew annually for 19 years. The lease payment is \$142,206 per month, adjusted in accordance with the U.S. Department of Labor Consumer Price Index for Urban Consumers (CPI-U). The balance under the current lease term is \$1,664,393 for 2022. Lease payment schedule is included in Note 8A.

Anchorage Police Department (APD) Parking Citations

Under a Memorandum of Understanding, ACDA processes parking citations written by the APD, which is part of the Municipality. All citation revenues collected are paid to the APD, and APD then pays ACDA based on the number of citations written and the revenue received. APD was charged \$9,370 for citation processing in 2021; ACDA has a receivable from APD in the amount of \$864 on December 31, 2021. ACDA paid APD \$66,523 of citation revenues in 2021. On December 31, 2021, ACDA has a payable to APD of \$89,624.

Municipal Enterprise Service Assessment

Under Anchorage Municipal Code 9.60.125, enacted June 25, 2002, ACDA pays to the Municipality a Municipal Enterprise Service Assessment (MESA). The first MESA payment under this ordinance was due in 2003. The agreement was revised in 2009 and payment is calculated by applying the mill rate for the service area (established by the Assembly) to the net book value of the plant in service plus 1.25 percent of ACDA's gross operating revenue for the preceding year. Gross operating revenue is defined as total operating revenue for the parking services department plus operating revenues plus cash contributions less operating expenses excluding depreciation in the development department. ACDA paid a MESA to the Municipality of \$713,419 in 2021.

Revenue Sharing Agreement

Under a Memorandum of Understanding, ACDA entered into a revenue sharing agreement for the Authority Hall parking lot (Lot) with the Municipality in 2009. Beginning January 15, 2010, 58 of the 60 available spaces in the Lot became available to the public weekdays after 6 PM, on weekends and on Municipal Holidays, for a fee. Revenue collection is performed by ACDA. Of the gross parking revenues received, 50 percent are to be distributed to ACDA and 50 percent to the Municipality. Gross revenues paid by ACDA to the Municipality were \$12,808 in 2021. ACDA also has a payable as of December 31, 2021 to the Municipality of \$9,384.

D. Related Party Transactions - ASD

The Municipality is responsible for assessing and collecting property taxes and remitting the amount approved by the Assembly to ASD. In addition, there are various services that are performed by the Municipality on behalf of ASD. The following is a summary of related party transactions with ASD:

Property Taxes Collected	
General Fund	\$ 208,597,527
Debt Service Fund	78,787,851
Pupil Transportation Fund	4,045,890
Total Taxes Collected	<u>\$ 291,431,268</u>
Charges for Services:	
Operations of swimming pools	\$ (10,800)
Joint Property and Liability Insurance:	
Purchase of a single property and liability policy, which covers both the Municipality and ASD	\$ (2,551,906)

E. Related Party Transactions - Anchorage Convention and Visitors Bureau (ACVB)

The Municipality has an agreement with ACVB for the management and operation of the William A Egan Civic and Convention Center and the Dena'ina Civic and Convention Center. The Municipality collects a 12 percent gross hotel, motel, bed, and breakfast tax, with 1/3rd for the convention centers, 1/3rd for tourism, and 1/3rd for general purposes. The Municipality remits to ACVB 95 percent of the 1/3rd tourism tax revenue collected, with the remaining 5 percent withheld as retainage payable. The retainage is paid to ACVB annually if they successfully meet specific performance standards. Due to the COVID-19 pandemic, the revenues from hotel, motel, bed, and breakfast tax was significantly reduced in 2020, but in 2021 the revenue returned to almost pre-pandemic levels. The Municipality paid ACVB \$8,126,166 for 2021. ACVB met the specific performance standards for 2021 to receive the 5 percent retainage. The Municipality reported \$427,693 as retainage payable to ACVB at year ended December 31, 2021.

F. Tax Abatement Agreements

The Municipality enters into property tax abatement agreements with local businesses under Anchorage Municipal Code (AMC) 12.35- Economic Development Property established in 1989. Under the code, the Municipality may grant property tax exemptions for up to ten years and/or tax deferrals up to five years on deteriorated property or for economic development purposes. The goal of this code is to encourage development or redevelopment projects considered beneficial to the community in locations where tax incentives are necessary to ensure project viability or long-term economic feasibility. As of December 31, 2021, the Municipality had 4 property tax abatement agreements, so there is no quantitative threshold for disclosure.

Span Alaska

The Municipality entered into a tax abatement agreement in November 2019 with Span Alaska under AMC 12.35- Economic Development Property to begin in 2020. Span Alaska is building a 54,000 square foot cross-dock facility that will consolidate two existing facilities to increase efficiency and allow for significant future growth. The Municipality agreed to a five-year exemption of real property taxes on 91 percent of the taxable value of the improvement for 5 years beginning on January 1, 2020. The total amount of real property taxes that were exempt for 2021 under this agreement was \$7,182,994.

601 Fifth Ave LLC

The Municipality entered into a tax abatement on deteriorated property agreement in July 2020 with 601 Fifth Ave, LLC under AMC 12.35- Economic Development Property to begin in 2021. The property was damaged during the 2018 earthquake. 601 Fifth Ave, LLC plans to significantly retrofit, renovate, and make seismic upgrades to the building in order to create an Alaskan inspired building with a "glacier-like" façade and "ice-cave" like entrance. The plans include enlarging the existing square footage by approximately 43 percent for retail tenants and class A office space. The Municipality agrees to:

- a) Defer taxes for up to five years commencing on January 1, 2021 through the earlier of 1) December 31 following substantial completion of the renovations or beneficial occupancy of the improvements; or 2) December 31, 2025,
- b) Exempt taxes for ten years commencing on January 1 after substantial completion of the renovations or beneficial occupancy of the improvements, and
- c) Tax deferral commencing January 1 after the expiration of the ten-year exemption period in (b) for the remainder, if any, of the aforementioned five years less the number of years deferred pursuant to (a) above.

The exemptions and deferrals will apply to 96 percent of the assessed value of the improvements. The land will remain taxable. The following is the schedule of deferrals and exemptions, assuming completion of the renovations and/or beneficial occupancy of the improvements occur in year 2:

Years	Tax Status on Improvements
1	2021 Deferral
2	2022 Deferral
3	2023 Exempt and Pay Year 1 Deferral
4	2024 Exempt and Pay Year 2 Deferral
5	2025 Exempt
6	2026 Exempt
7	2027 Exempt
8	2028 Exempt
9	2029 Exempt
10	2030 Exempt
11	2031 Exempt
12	2032 Exempt
13	2033 Deferral
14	2034 Deferral
15	2035 Deferral
16	2036 Fully Taxable and Pay Year 13 Deferral
17	2037 Fully Taxable and Pay Year 14 Deferral
18	2038 Fully Taxable and Pay Year 15 Deferral

The total amount of real property taxes that were deferred in 2021 under this agreement was \$0.

Cook Inlet Housing Authority

The Municipality entered into a tax abatement on deteriorated property agreement with the Cook Inlet Housing Authority (CIHA) in March 2021 under AMC 12.35- Economic Development Property. In 2020, the Assembly designated the Central Spenard Area as deteriorated property. CIHA applied for and was granted a ten-year exemption of real property taxes for five parcels within this area, which is necessary for initiating construction of the improvement with a reasonable likelihood of long-term economic viability. CIHA plans to develop affordable housing on this property in three phases. The first phase of the project is to build three buildings, summing to 48 affordable housing units for seniors and families, which will be located near jobs, shopping, and public transportation. The ten-year exemption period will begin on January 1 following substantial completion of the improvements or beneficial occupancy of the improvements. The real property tax exemption applies to 100 percent of the assessed value of the property and improvements. The total amount of real property taxes that were exempt in 2021 under this agreement was \$0.

Grateful Bread LLC

The Municipality entered into a tax abatement on deteriorated property agreement with Grateful Bread LLC in July 2021 under AMC 12.35- Economic Development Property. Grateful Bread LLC applied for and was granted a ten-year exemption on 100 percent of the assessed value of the property and improvements, commencing after substantial completion of construction or beneficial occupancy of the improvements. The property contains a single-story medical office that was built in 1960 with no significant remodel, renovation, or rehabilitation. Grateful Bread LLC plans to significantly renovate the building and develop four tenant spaces, which will improve the economic development with the Municipality. The total amount of real property taxes that were exempt in 2021 under this agreement was \$0.

NOTE 3 - CASH AND INVESTMENTS

At December 31, 2021, the Municipality had the following cash and investments, with fixed income maturities as noted:

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Petty Cash	\$ 89,958	\$ -	\$ -	\$ -	\$ -
Interim Rate Increase Escrow*	\$ 3,633,013	\$ -	\$ -	\$ -	\$ -
Central Treasury - Unrestricted:					
Money Market Funds	\$ 80,191,431	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	27,285,694	27,285,694	-	-	-
Commercial Paper	10,994,052	10,994,052	-	-	-
Certificates of Deposit	4,560,196	4,560,196	-	-	-
U.S. Treasuries	120,975,556	13,900,572	90,219,967	16,855,017	-
U.S. Agencies	8,226,227	-	1,073,504	4,595,007	2,557,716
Municipal Bonds	162,814	-	18,610	144,204	-
Asset-Backed Securities**	21,500,890	-	11,114,637	1,915,491	8,470,762
Corporate Fixed Income Securities	139,309,176	38,716,758	52,594,979	42,752,680	5,244,759
	<u>413,206,036</u>	<u>95,457,272</u>	<u>155,021,697</u>	<u>66,262,399</u>	<u>16,273,237</u>
Central Treasury - Restricted:					
Money Market Funds	\$ 54,814,675	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	9,177,692	9,177,692	-	-	-
U.S. Agencies	2,496,378	2,496,378	-	-	-
	<u>66,488,745</u>	<u>11,674,070</u>	<u>-</u>	<u>-</u>	<u>-</u>
MOA Trust Fund:					
Money Market Funds	\$ 238,938	\$ -	\$ -	\$ -	\$ -
Bank Loan Investments	20,954,768	-	20,954,768	-	-
Emerging Markets Debt	21,823,157	-	-	-	21,823,157
Fixed Income Funds	52,661,654	-	-	-	52,661,654
Corporate Fixed Income Securities	15,519,650	2,177,940	2,673,135	10,668,575	-
U.S. Treasuries	23,751,515	13,889,745	-	-	9,861,770
U.S. Agencies	13,234,564	-	-	-	13,234,564
Domestic Equities & Equity Funds	139,033,871	-	-	-	-
International Equities & Equity Funds	101,140,332	-	-	-	-
Real Estate Funds	58,936,381	-	-	-	-
	<u>447,294,830</u>	<u>16,067,685</u>	<u>23,627,903</u>	<u>10,668,575</u>	<u>97,581,145</u>
Police & Fire Retiree Medical Trust Fund:					
Money Market Funds	\$ 1,588,647	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	7,050,433	1,263,742	5,786,691	-	-
U.S. Treasuries	5,022,664	504,414	4,518,250	-	-
U.S. Agencies	4,236,527	757,889	3,478,638	-	-
Fixed Income Funds	1,227,841	-	228,692	864,960	134,189
International Fixed Income	374,000	-	-	374,000	-
Domestic Equities & Equity Funds	2,416,584	-	-	-	-
International Equities & Equity Funds	1,552,770	-	-	-	-
	<u>23,469,466</u>	<u>2,526,045</u>	<u>14,012,271</u>	<u>1,238,960</u>	<u>134,189</u>

* Funds collected by AWWU from ratepayers and held by a third party until determination is made on a proposed customer rate increase by regulating authorities. If the rate increase is approved, the funds will be available to AWWU. If the rate increase is denied, the funds will be refunded to the ratepayers/customers.

** Includes asset-backed securities, residential and commercial mortgage-backed securities.

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Police & Fire Retiree Medical Liability Fund:					
Money Market Funds	\$ 334,533	\$ -	\$ -	\$ -	\$ -
Fixed Income Funds	9,945,228	-	-	9,945,228	-
Domestic Equities & Equity Funds	15,932,111	-	-	-	-
International Equities & Equity Funds	10,993,524	-	-	-	-
Real Estate Funds	4,335,030	-	-	-	-
	<u>41,540,426</u>	-	-	9,945,228	-
Police & Fire Retirement Pension Trust Fund:					
Money Market Funds	\$ 3,923,677	\$ -	\$ -	\$ -	\$ -
Corporate Fixed Income Securities	78,129,636	12,877,849	39,554,981	24,758,727	938,079
Domestic Equities & Equity Funds	171,835,327	-	-	-	-
International Equities & Equity Funds	100,491,917	-	-	-	-
Real Estate Funds	58,059,872	-	-	-	-
	<u>412,440,429</u>	12,877,849	39,554,981	24,758,727	938,079
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:					
Money Market Funds	\$ 8,441	\$ -	\$ -	\$ -	\$ -
U.S. Fixed Income Fund	9,372,945	-	-	9,372,945	-
Domestic Equities & Equity Funds	6,156,663	-	-	-	-
International Equities & Equity Funds	3,813,318	-	-	-	-
	<u>19,351,367</u>	-	-	9,372,945	-
CIMCVentures Component Unit					
Money Market Funds	\$ 6,208,346	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	7,119,048	2,588,658	4,530,390	-	-
	<u>13,327,394</u>	2,588,658	4,530,390	-	-
Total Cash and Investments	<u>\$ 1,440,841,664</u>	<u>\$ 141,191,579</u>	<u>\$ 236,747,242</u>	<u>\$ 122,246,834</u>	<u>\$ 114,926,650</u>
Governmental Activities	\$ 786,202,286				
Business-Type Activities	218,536,652				
Fiduciary Funds	436,102,726				
	<u>\$ 1,440,841,664</u>				
<u>Governmental Activities</u>					
Cash				\$ 83,433	
Cash and investments in central treasury				282,498,309	
Current Restricted:					
Investments				503,620,544	
Total Governmental Activities Cash and Investments				<u>\$ 786,202,286</u>	
<u>Business-type Activities</u>					
Cash				\$ 6,525	
Cash and investments in central treasury				117,161,523	
Equity in bond and grant capital acquisition and construction pool				13,353,371	
Reserved for equity in general cash pool - bond and loan obligations				15,675,837	
Current Restricted:					
Investments held for debt service				671,299	
Interim rate escrow investments				3,633,013	
Equity in bond and grant capital acquisition and construction pool				28,745,187	
Investments from proceeds of Electric Utility sale				9,695,221	
Noncurrent Restricted:					
Restricted equity in general cash pool - customer deposits				271,473	
Cash legal settlement set aside				1,950,000	
Landfill post closure cash reserve				19,351,367	
Investments for operations				3,000,000	
Revenue bond reserve investment				5,021,836	
Total Business-type Activities Cash and Investments				<u>\$ 218,536,652</u>	

Fiduciary Funds

Cash and cash equivalents	\$	192,831
Investments		435,909,895
Total Fiduciary Funds Cash and Investments	\$	<u>436,102,726</u>

The following details total accrued interest in cash and investment for the Municipality as of December 31, 2021.

Central Treasury - Unrestricted	\$	1,284,266
Central Treasury - Restricted		8,323
MOA Trust Fund		745,041
Police & Fire Retiree Medical Trust Fund		46,486
Police & Fire Retirement Pension Trust Fund		647,821
CIVICVentures Component Unit		7,252
Total Accrued Interest - Cash and Investments	\$	<u>2,739,189</u>
Governmental Activities	\$	1,481,904
Business-type Activities		562,978
Fiduciary Funds		694,307
	\$	<u>2,739,189</u>

A. Municipal Central Treasury

The Municipality manages its Central Treasury in four portfolios; one internally managed portfolio and three externally managed duration portfolios based on liability duration and cash needs: working capital, contingency reserve and strategic reserve.

The Municipality maintains a comprehensive policy over cash and investments that is designed to mitigate risks while maximizing investment return and providing for operating liquidity. Pursuant to Anchorage Municipal Code (AMC) 6.50.030, the Municipality requires investments to meet specific rating and issuer requirements.

Both externally and internally managed investments are subject to the primary investment objectives outlined in AMC 6.50.030, in priority order as follows: safety of principal, liquidity, return on investment and duration matching. Consistent with these objectives, AMC 6.50.030 authorizes investments that meet the following rating and issuer requirements:

- Obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
- Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
- Taxable and tax-exempt municipal securities having a long-term rating of at least A- by a nationally recognized rating agency or taxable or tax-exempt municipal securities having a short-term rating of at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated AAA by a nationally recognized rating agency.
- Commercial paper, excluding asset-backed commercial paper, rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Bank debt obligations, including unsecured certificates of deposit, notes, time deposits, and bankers' acceptances (with maturities of not more than 365 days), and deposits with any bank, the short-term obligations of which are rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch and which is either:
 - a) Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
 - b) Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Standard & Poor's sovereign rating of AAA, or a Moody's sovereign rating for bank deposits of Aaa, or a Fitch national rating of AAA, and subject to supervision and examination by federal or state banking authorities.
- Repurchase agreements secured by obligations of the U.S. government, U.S. agencies, or U.S. government-sponsored corporations and agencies.

- Dollar denominated corporate debt instruments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Dollar denominated corporate debt instruments rated lower than BBB- (non-investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency, including emerging markets.
- Dollar denominated debt instruments of foreign governments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Asset-Backed Securities (ABS), excluding commercial paper, collateralized by: credit cards, automobile loans, leases and other receivables which must have a credit rating of AA- or above by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Mortgage-Backed Securities, including generic mortgage-backed pass-through securities issued by Ginnie Mae, Freddie Mac, and Fannie Mae, as well as non-agency mortgage-backed securities, Collateralized Mortgage Obligations (CMOs), or Commercial Mortgage-Backed Securities (CMBS), which must have a credit rating of AA- or better by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Debt issued by the Tennessee Valley Authority.
- Money market mutual funds rated Am or better by Standard & Poor's, or the equivalent by another nationally recognized rating agency, as long as they consist of allowable securities as outlined above.
- The Alaska Municipal League Investment Pool (AMLIP), except that the Working Capital portfolio may not be invested in AMLIP.
- Mutual funds consisting of allowable securities as outlined above.
- Interfund loans from a Municipal Cash Pool to a Municipal Fund.

In addition to providing a list of authorized investments, AMC 06.50.030 specifically prohibits investment in the following:

- Structured investment vehicles.
- Asset-Backed commercial paper.
- Short sales.
- Securities not denominated in U.S. Dollars.
- Commodities.
- Real estate investments.
- Derivatives, except "to be announced" forward mortgage-backed securities (TBAs) and derivatives for which payment is guaranteed by the U.S. government or an agency thereof.

The Investment Management Agreement (IMA) for each external manager and the policy and procedures (P&P) applicable to the internally managed investments provide additional guidelines for each portfolio's investment mandate. The IMA limits the concentration of investments for the Working Capital Portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2021:

Investment Type	Concentration Limit	Working Capital Portfolio Holding % at December 31, 2021
U.S. Government Securities*	50% to 100% of investment portfolio	15%
Repurchase Agreements	0% to 50% of investment portfolio	13%
Certificates of Deposit	0% to 25% of investment portfolio	2%
	Maximum 5% per issuer	
Commercial Paper	0% to 25% of investment portfolio	6%
	Maximum 5% per issuer	
Corporate Fixed Income**	0% to 25% of investment portfolio	18%
	Maximum 5% per issuer	
Money Market Mutual Funds***	0% to 25% of investment portfolio	46%
		<u>100%</u>

*Includes debt obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations.

**The maximum exposure to Corporate floating and variable rate debt securities in the Working Capital Portfolio is 10 percent.

Corporate Fixed Income Debt Securities must have a final maturity within one (1) year of purchase, and Corporate Floating Rate or Variable Rate Debt Securities must have a final maturity within two (2) years of purchase

***The Working Capital portfolio may not be invested in AMLIP.

***The Working Capital portfolio held a large proportion of investments in Cash Equivalents at December 31, 2021, in anticipation of liquidity needs.

The P&P limits the concentration of investments for the internally managed portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2021:

Investment Type	Concentration Limit	Internally Managed Portfolio Holding % at December 31, 2021
U.S. Government Securities*	50% to 100% of investment portfolio	21%
Repurchase Agreements	0% to 50% of investment portfolio	5%
Money Market Mutual Funds**	0% to 25% of investment portfolio	74%
		100%

*Includes debt obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations.

**The internally Managed Portfolio contained an excess of cash equivalents at December 31, 2021 in anticipation of planned spending on debt service and a large cash payout to the Anchorage School District.

B. MOA Trust Fund

The MOA Trust Fund (MOA Trust) has a long-term investment horizon and accepts near term market volatility to maximize rates of return through a balanced investment approach utilizing both equity and fixed income instruments.

To preserve the purchasing power of the corpus and to maximize the rates of return over time, the MOA Trust is authorized to invest in the following equity and fixed income instruments pursuant to AMC 6.50.030, 6.50.060, and the MOA Trust investment policy:

- All investments eligible for purchase by the Anchorage Central Treasury.
- Publicly traded equity investments.
- Debt instruments issued by the U.S. government, its agencies and instrumentalities, and debt instruments that have been issued by domestic and non-domestic entities, subject to the following criteria:
 - a) No more than 5 percent of the fixed income portfolio may be invested in the fixed income securities of a single issuer, with the exception of the U.S. government, its agencies, and instrumentalities.
 - b) No more than 10 percent of the fixed income portfolio may be invested in domestic fixed income securities rated less than BBB- by Standard & Poor's or the equivalent by another nationally recognized rating agency.
 - c) No more than 30 percent of the fixed income portfolio may be invested in investment grade dollar denominated fixed income securities issued by non-domestic entities.
 - d) No more than 5 percent of the MOA Trust may be invested in non-dollar denominated fixed income securities.
- Real estate investments in a diversified portfolio of institutional quality, income producing properties held in a collective investment vehicle which limits the MOA Trust's liability.
- Alternative basket clause investments utilizing special purpose investment vehicles.
- Fixed income derivative instruments used in an unlevered manner to implement portfolio strategies consistent with other authorized investments.
- Cash and cash equivalents, including but not limited to repurchase agreements, certificates of deposit, and shares in money market or short-term investment funds consistent with the investment criteria outlined above.
- Mutual funds or other commingled investment vehicles that predominantly consist of the authorized investments listed above.

The MOA Trust investment policy limits the concentration of investments as follows:

Investment Type	Lower Limit	Strategic Allocation	Upper Limit	Investment Holding % at December 31, 2021
Domestic Equities	30%	31%	40%	31%
International Equities	22%	22%	28%	23%
Fixed Income (excluding TIPS)	21%	24%	27%	23%
Emerging Markets	0%	5%	8%	5%
Bank Loan Investments	0%	5%	5%	5%
Real Estate	6%	13%	10%	13%
Cash Equivalents	0%	0%	15%	0%
				100%

When the concentration of investments falls outside of the limits set by the investment policy, cash inflows and outflows are deployed so that the portfolio can be returned to its target strategic allocation. Transactions may also be made if cash flows are insufficient to return the portfolio to its target allocation within 12 months.

The MOA Trust provides further diversification within the domestic equity allocation by using a passive core position indexed to the S&P 500 Index, with separate growth and value portfolios. The aggregation of all the large capitalization portfolios is balanced to avoid any produced style bias, and a separate small cap portfolio is utilized. According to AMC 06.50.060 and the investment policy:

- No more than 5 percent of the voting stock of any corporation may be acquired by the Trust.
- Within the domestic equity portfolio, holdings in any one company should not exceed the greater of 5 percent of the respective portfolio or 1.5 times the stock's weighting in the S&P 500 (or other appropriate stock index) at the time of purchase.
- Within the international equity portfolio, holdings in any one company should not exceed more than 5 percent of the international equity portfolio. Countries represented by the Morgan Stanley Capital International All Country World Index (MSCI-ACW ex-U.S.), as well as emerging markets, are available for investment. Allocations between countries are expected to be diversified.
- Investments in fixed income instruments may not exceed 5 percent for a single issuer, excluding securities issued by the U.S. government or agencies thereof.

C. Police and Fire Retiree Medical Trust Fund

The Police and Fire Retiree Medical Trust Fund investment objective is to preserve the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of the organization. Consistent with these objectives, the portfolio shall be invested to maximize total investment returns, within the constraints of a prudent level of risk and diversification, and to provide funding for present and anticipated future obligations.

In accordance with its investment policy, Member Allocated Funds of the Police and Fire Medical Trust must be invested in cash equivalents and/or a series of laddered certificates of deposit from FDIC insured banks, U.S. Treasury and Government Agency bonds. The Trust's general funds may be invested in the following instruments:

- Domestic equities.
- International equities.
- Domestic (dollar-denominated) investment grade fixed income securities.
- International investment grade fixed income securities.

The Police and Fire Retiree Medical Trust investment policy controls risk by stipulating that the following investments are prohibited:

- Purchasing securities on margin or executing short sales.
- Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
- Purchasing or selling, derivative securities, or funds that invest in derivative securities for speculation or leverage.
- Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected given the objectives of the Portfolio.

The Police and Fire Retiree Medical Trust investment policy limits the concentration of its investments as follows:

Investment Type	Target Allocation	Investment Holding % at December 31, 2021
General Funds:		
Equities:	70%	
Domestic Equities	42%	43%
International Equities	28%	28%
Fixed Income:	30%	
Domestic Fixed Income	23%	22%
International Fixed Income	7%	7%
		100%

Investment Type	Lower Limit	Upper Limit	Investment Holding %
Member Allocated Funds:			
U.S. Treasuries	23%	33%	28%
Government Agencies	20%	30%	24%
Certificate of Deposit	35%	45%	39%
Cash Equivalents	4%	10%	9%
			100%

*Cash Equivalents are short-term highly liquid investments that have both of the following characteristics:

1. Readily convertible to known amounts of cash.
2. So near their maturity that they present insignificant risks of changes in value because of changes in interest rates.

Generally, only investments original maturities of three months or less qualify under that definition. Original maturity means to the original maturity to the entity holding the investment. Examples commonly considered to be cash equivalents are Treasury bills, commercial paper, and money market funds.

Rebalancing will occur within a reasonable amount of time when the allocations fall outside of the ranges specified above.

D. Police and Fire Retiree Medical Liability Fund

The Police and Fire Retiree Medical Liability Fund's investment objectives reflect the long-term nature of the Fund as well as its shorter-term liquidity needs. Its investment policy seeks growth of assets by combining equity, fixed income, and real estate for a balanced approach that emphasizes total return while avoiding excessive risk.

In accordance with its investment policy, the Police and Fire Retiree Medical Liability Fund may invest in the following investment instruments:

- Domestic equities.
- International equities.
- Fixed income securities.
- Real estate equities.
- Cash.

The Police and Fire Retiree Medical Liability Fund investment policy limits the concentration of investments as follows:

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2021
Domestic Equities	34%	44%	38%
International Equities	22%	30%	27%
Fixed Income	22%	28%	24%
Real Estate	6%	14%	10%
Cash & Cash Equivalents	0%	5%	1%
			100%

E. Police and Fire Retirement Pension Trust Fund

The investment objectives of the Police and Fire Retirement Pension Trust Fund are to be viewed over the long term with investments in both equity and fixed income instruments utilized to maximize return while maintaining acceptable levels of risk and adequate liquidity for payment of benefits. When evaluating the risk and return tradeoffs of potential investments, safety of principal is a key selection criterion.

In accordance with its investment policy, the Police and Fire Retirement Pension Trust may invest in the following types of securities, as long as they are traded on one of the major security exchanges or in the over-the-counter market:

- Domestic and international equities.
- Fixed income securities.
- Exchange-listed derivatives, subject to Board approval.
- Collateralized mortgage securities or mortgage-backed securities which have a Flow Uncertainty Index score of 15 or less.
- Cash and money market instruments.

The Police and Fire Retirement Pension Trust's investment policy also prohibits the following investments:

- Letter stocks.
- Short sales.
- Tax exempt bonds that do not exceed the return on taxable bonds of equivalent duration and credit quality.
- Private placements other than Rule 144A securities with registration rights.
- Non-exchange-listed derivatives.

The Police and Fire Retirement Pension Trust limits the concentration of its investments as follows:

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2021
Domestic Equities:			
Large Cap Core	6%	12%	10%
Large Cap Growth	6%	12%	9%
Large Cap Value	7%	13%	10%
Small Cap Growth	4%	8%	6%
Small/Mid Cap Value	4%	8%	6%
International Equities:			
MSCI ACWI ex US	9.5%	15.5%	12%
Growth	9.5%	15.5%	12%
Fixed Income:			
Domestic Fixed Income	15%	28%	19%
Real Estate Funds:			
Open Ended Property Fund	2%	9%	6%
Farmland	2%	8%	5%
UBS-TPI	1%	7%	4%
Cash & Cash Equivalents:			
Cash Equivalents	0%	4%	1%
			<u>100%</u>

The Police and Fire Retirement Pension Trust established further diversification for its portfolio through the following investment policy guidelines:

- No individual portfolio position shall constitute more than the greater of 5 percent of the security's weight in the agreed upon market index, plus 2 percent, unless specifically authorized by the Police and Fire Retirement Pension Trust's investment board.
- Listed American Depositary Receipts shall constitute no more than 20 percent of the market value of the assets controlled by any fund manager.
- Commercial paper must be rated P-1 by Moody's or A-1 by Standard and Poor's.

- The average credit rating for the fixed income portfolio must be at least BBB+ by both Moody's and Standard and Poor's, and no more than 20 percent of the fixed income portfolio may be in issues rated lower than Baa by Moody's or BBB by Standard and Poor's at the time of purchase.

F. Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund

Funds set aside to pay for the closure and post-closure maintenance of the Anchorage Regional Landfill were transferred from the MOA Central Treasury to a separate investment portfolio in 2017, per assembly ordinance.

The Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund investment policy is designed to insure funds are available to meet current and future needs of the fund, while minimizing costs incurred in managing and administering the assets, and earning the maximum rate of return that can be realistically achieved with an acceptable level of risk, in order to minimize future contributions.

The Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund limits the concentration of its investments as follows:

Investment Type	Lower Limit	Target Allocation	Upper Limit	Investment Holding % at December 31, 2021
Domestic Equities	24%	30%	36%	32%
International Equities	16%	20%	24%	20%
Domestic Fixed Income	45%	50%	55%	48%
		<u>100%</u>		<u>100%</u>

G. CIVICVentures Component Unit

CIVICVentures (the "Corporation") was established and incorporated on April 22, 2005 as a nonprofit corporation under the laws of the State of Alaska as approved by Anchorage Assembly Resolution 2005-145. The Corporation was created for the purpose of owning, financing, constructing, and holding title to a new civic and convention center and related facilities.

Construction of the new facility was financed through the issuance of long-term, tax-exempt revenue bonds. Upon retirement of the bonds, CIVICVentures will transfer title of the facility to the Municipality.

The Corporation is funded through collection of contractual payments from the Municipality. In April 2005, Anchorage voters approved a four percent points increase, from 8 percent to 12 percent, to the "Hotel/Motel and Bed & Breakfast Room Tax" for the dedicated purpose of funding and financing the activities associated with the Dena'ina Convention Center construction and related debt service, as well as renovation and operation of the existing Egan Civic and Convention Center. The tax is collected by the Municipality and remitted to the Corporation along with the additional pledged taxes pursuant to the Use Agreement between the Municipality and the Corporation.

The Corporation is a blended component unit of the Municipality but exists independently of and separately from the Municipality. Component unit status is based on Mayoral appointment of the five-member board of directors, two of whom must be executive employees of the Municipality. Management and accounting services are also provided by the Municipality. In addition, because the Corporation provides services exclusively for the benefit of the Municipality and its citizenry, the Corporation is deemed a blended component unit, and is reported as a separate fund of the Municipality.

The Corporation executed an Indenture of Trust in concert with the issuance of the 2015 revenue bonds. The Indenture of Trust provides for the creation of various Trust accounts as follows:

- Debt Service Fund - to be used for payment of principal and interest on the specified payment due dates.
- Debt Service Reserve Fund - to be used for debt service payments if the Debt Service Fund is insufficient.

All funds within the Trust are invested by the Trustee pursuant to instructions by the Treasurer of the Corporation. The Corporation ensures the preservation of investment principal by following Anchorage Municipal code 6.50.030 and related investment policy. (P&P 24-11)

H. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The externally managed portfolios of the Municipal Central Treasury, the Police and Fire Retiree Medical Trust, and the Police and Fire Retirement Pension Trust utilize the duration method to measure exposure to interest rate risk.

Duration is a measure of an investment's sensitivity to interest rate changes and represents the sensitivity of an investment's market price to a one percent change in interest rates. The effective duration of an investment is determined by its expected future cash flows, factoring in uncertainties introduced through options, prepayments, and variable rates. The effective duration of a pool is the average fair value weighted effective duration of each security in the pool.

AMC 6.50.030 requires the Working Capital Portfolio have a duration of zero to 270 days. At December 31, 2021, the Working Capital Portfolio had a duration of 0.10 years, or approximately 37 days, and was within the targeted duration. AMC 6.50.030 also requires that the Contingency Reserve Portfolio have an average duration within half a year of its benchmark. At December 31, 2021, the Contingency Reserve Portfolio had a duration of 1.78 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.92 years. AMC 6.50.030 requires the Strategic Reserve Portfolio have a maximum duration no greater than one year in excess of its benchmark. At December 31, 2021, the Strategic Reserve Portfolio had a duration of 3.22 years as compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.92 years.

The Police and Fire Retiree Medical Trust's investment policy requires that the weighted average duration of its fixed income portfolio be within 20 percent of the Barclays Capital Aggregate Index. At December 31, 2021, the duration of the index was 6.35 years and the duration of the Police and Fire Retiree Medical Trust's fixed income portfolio, exclusive of member-allocated funds invested in U.S. Treasuries, was 7.23 years, which is within the required duration per the policy.

The Police and Fire Retirement Pension Trust's investment policy states that the total fixed income portfolio's weighted average duration cannot exceed 120 percent of the market's duration utilizing the Barclays Capital Aggregate Bond Index. At December 31, 2021, the duration of the Barclays Capital Aggregate Index was 6.35 years, and the duration of the Police and Fire Retirement Trust's fixed income portfolio was 4.39 years, which is within the required duration per the policy.

All other funds disclose interest rate risk through the segmented time distribution tables within this note, which categorize fixed income investments according to their maturities. The Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund, the CIVICVentures Component Unit, the Police and Fire Retiree Medical Liability Fund, and the MOA Trust Fund do not have investment policies addressing interest rate risk.

I. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For fixed income securities, this risk is generally expressed as a credit rating.

At December 31, 2021, the Municipal Central Treasury's investment in marketable debt securities, excluding U.S. Treasuries, totaled \$185,142,999. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	13%	AAA	7%
Aa	1%	AA	6%
A	18%	A	12%
Baa	31%	BBB	39%
Ba or Lower	23%	BB or Lower	23%
Not Rated	14%	Not Rated	13%
	<u>100%</u>		<u>100%</u>

At December 31, 2021, securities in the MOA Trust had an investment of \$139,033,871 in commingled fixed income funds with a weighted average credit rating of A-.

At December 31, 2021, the Police and Fire Retiree Medical Trust had an investment of \$1,227,841 in commingled domestic fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$373,999 in commingled international fixed income funds with a weighted average credit quality rating of A+.

At December 31, 2021, the Police and Fire Retiree Medical Liability Fund had an investment of \$5,968,583 in commingled fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$3,976,645 in commingled fixed income funds with a weighted average credit quality rating of AA-.

At December 31, 2021, the Police and Fire Retirement Pension Trust's total fixed income portfolio had a weighted average rating of A3 by Moody's. The Police and Fire Retirement Trust's investment in marketable debt securities, excluding U.S. Treasury and Agency Securities, totaled \$78,129,636, with ratings distributed as follows:

Moody's		S&P	
Aaa	3%	AAA	0%
Aa	4%	AA	6%
A	38%	A	29%
Baa	39%	BAA	48%
Ba or Lower	2%	BBB or Lower	0%
Not Rated	14%	Not Rated	17%
	<u>100%</u>		<u>100%</u>

At December 31, 2021, the Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund had one investment totaling \$9,372,945 in fixed income funds that were rated A.

At December 31, 2021, CIVICVentures' government agency investments were rated "Aaa" by Moody's and "AA+" by Standard and Poor's. CIVICVentures' money market funds were rated "Aaa" by Moody's.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. GASB Statement No. 40 requires disclosure when the amount invested in a single issuer exceeds 5 percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government, as well as mutual funds and other pooled investments, are exempted from this requirement.

At December 31, 2021, the MOA Central Treasury, MOA Trust, the Police and Fire Retiree Medical Liability Fund, and the Police and Fire Retirement Pension Trust, had no investments in any single issuer exceeding 5 percent of total investments.

The Police and Fire Retiree Medical Trust had more than 5 percent of its investments held with the Federal Home Loan Bank. These investments were 10.53 percent of the Police and Fire Retiree Medical Trust's total investments.

The Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund has no policy regarding concentration of holdings with a single issuer. The Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund had no investments in any single issuer exceeding 5 percent of total investments.

The CIVICVentures Component Unit had more than 5 percent of its investments held with the Federal Home Loan Bank, Federal National Mortgage Association, the Federal Farm Credit Bank, and the Federal Home Loan Mortgage Company. These investments were 27.37 percent, 8.07 percent, 10.63 percent, and 7.35 percent, respectively, of CIVICVentures' total investments.

Custodial Credit Risk

Custodial credit risk is the risk, in event of the failure of a depository institution, that an entity will not be able to recover deposits or collateral securities in the possession of an outside party. For investments, custodial credit risk is the risk, in event of the failure of the counterparty to a transaction, that an entity will not be able to recover the value of the investment or collateral securities in the possession of an outside party.

All collateral consists of obligations issued, or fully insured or guaranteed as to payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation, with market value not less than the collateralized deposit balances.

AMC 6.50.030 requires that repurchase agreements be secured by obligations of the U.S. government, U.S. agencies, or U.S. government-sponsored corporations and agencies.

The Municipality of Anchorage holds deposits in the amount of \$157,329 that are not covered by depository insurance and are collateralized with securities held by KeyBank's agent but not in the name of the Municipality of Anchorage.

J. Securities Lending

During 2021, the Police and Fire Retirement Pension Trust lent securities in its investment portfolio to financial institutions through a securities lending program administered by the Police and Fire Retirement Pension Trust's custodian. At December 31, 2021, the amount of the collateral provided by borrowers averaged 102 percent of the value of securities lent. The Police and Fire Retirement Pension Trust is authorized to lend its investment securities by its statement of investment policy, which is approved by the Board. The lending is managed by the Police and Fire Retirement Pension Trust's custodian. All loans can be terminated on demand by either the Police and Fire Retirement Pension Trust or the borrowers. The term of the loans can vary from one week to many months. The agent lends the Police and Fire Retirement Pension Trust's U.S. Government and Agency securities and domestic corporate fixed income and equity securities for securities or cash collateral of 102 percent. The securities lending contracts do not allow the Police and Fire Retirement Pension Trust to pledge or sell any collateral securities. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. At December 31, 2021, the Pool had a weighted average maturity of 18 days. There are no restrictions on the amount of securities that can be lent at one time or to one borrower.

The following represents the balances relating to the securities lending transactions at December 31, 2021:

Securities Lent	Fair Value of Underlying Securities	Collateral Received
Corporate Fixed Income	\$ 1,351,521	\$ 1,379,900
Domestic Equities	5,527,819	5,650,165
	<u>\$ 6,879,340</u>	<u>\$ 7,030,065</u>

The lending agent provides indemnification if the borrowers fail to return the underlying securities (and the collateral is inadequate to replace the securities lent) or if the borrowers fail to pay income distributions on borrowed securities.

K. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Municipality has no specific policy addressing foreign currency risk; however foreign currency risk is managed through the requirements of AMC 6.50.030 and the asset allocation policies of each portfolio.

The Municipal Central Treasury is not exposed to foreign currency risk because AMC 6.50.030 explicitly prohibits the purchase of securities not denominated in U.S. Dollars. At December 31, 2021, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

The MOA Trust Fund, the Police & Fire Retiree Medical Trust Fund, the Police & Fire Retiree Medical Liability Fund, and the Police & Fire Retirement Pension Trust Fund all invest in dollar-denominated exchange traded international equity funds, which are broadly diversified across currencies, which effectively limits the foreign currency risk.

The Municipality has the following foreign currency risk measurements as of December 31, 2021:

Fund	Investment	Currency	Maturity	Fair Value at December 31, 2021
MOA Trust Fund:	Europacific Growth Equity Fund	Various	12/31/2021	\$ 52,047,992
	Vanguard International Value Fund	Various	12/31/2021	49,092,340
Total MOA Trust Fund				<u>\$ 101,140,332</u>
Police and Fire Retiree Medical Trust Fund:	Vanguard Total International Bond Index Fund	Various	6/30/2031	\$ 374,000
	Vanguard Total International Stock Index Fund	Various	12/31/2021	1,552,770
Total Police and Fire Retiree Medical Trust Fund				<u>\$ 1,926,770</u>
Police and Fire Retiree Medical Liability Fund:	Europacific Growth Equity Fund	Various	12/31/2021	\$ 5,652,548
	Vanguard International Value Fund	Various	12/31/2021	5,340,976
Total Police and Fire Retiree Medical Liability Fund				<u>\$ 10,993,524</u>
Police and Fire Retirement Pension Trust Fund:	Capital Guardian International Equity Fund	Various	12/31/2021	\$ 49,661,533
	Lazard Asset International Equity Fund	Various	12/31/2021	50,830,384
	Bank of Montreal	Canadian Dollar	2/5/2024	635,912
	Aercap Ireland Capital DAC	Irish Pound	10/29/2021	709,023
	TransCanada PipeLines Ltd	Canadian Dollar	5/15/2028	442,953
	Toronto-Dominion Bank	Canadian Dollar	7/19/2023	952,119
	Royal Bank of Canada	Canadian Dollar	11/1/2024	582,605
	Deutsche Bank AG/New York NY	Euro	9/18/2024	372,055
	Barclays PLC	Pound Sterling	11/24/2032	207,305
	Mexico Government International	Peso	4/16/2030	185,724
	Shire Acquisitions Investments Ireland DAC	Various	9/23/2023	580,387
	Coca-Cola Femsa SAB de CV	Peso	1/22/2030	791,703
	Mitsubishi UFJ Financial Group Inc	Japanese Yen	2/25/2025	354,620
	Mitsubishi UFJ Financial Group Inc	Japanese Yen	10/13/2027	351,834
	Rio Tinto PLC	Various	12/31/2021	1,084,428
	Essent Group LTD	Various	12/31/2021	194,459
	Ichor Holdings LTD	Various	12/31/2021	74,615
	Westpac Banking Corp	Australian Dollar	6/30/2026	349,070
	Equinor ASA	Various	1/22/2026	507,145
	AstraZeneca PLC	Various	12/31/2021	611,625
	AstraZeneca PLC	Various	4/8/2026	397,423
	Nutrien Ltd	Canadian Dollar	12/15/2026	290,371
	Nutrien Ltd	Canadian Dollar	12/31/2021	1,247,794
	Atlas Corp	Various	12/31/2021	1,064,918
	Helen of Troy LTD	Various	12/31/2021	178,463
	Mimecast LTD	Various	12/31/2021	214,998
	Chubb LTD	Various	12/31/2021	1,261,715
	Equinor ASA	Various	12/31/2021	800,432
	Medtronic Plc	Various	12/31/2021	759,784
	TE Connectivity Ltd	Various	12/31/2021	403,350
Total Police & Fire Retirement Pension Trust Fund				<u>\$ 116,098,747</u>
Total Foreign Currency Risk				<u>\$ 230,159,373</u>

L. Fair Value Measurements

At December 31, 2021, the Municipality had the following cash and investments, valued as follows:

- Asset-backed securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Bank loan investment funds are valued at Net Asset Value (NAV) of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability.
- Certificates of deposit are valued at the daily price quoted by the financial institution holding the investment for the Municipality.

- Commercial paper is valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Domestic equities are valued at the closing price reported on the active market on which the individual securities traded.
- Fixed income securities, including corporate bonds, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Commingled funds are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.
- Domestic equity funds are valued at the closing price reported on the active market on which the individual funds traded.
- Emerging market debt funds are valued at the closing price reported on the active market on which the individual funds traded.
- Fixed income funds are valued at the closing price reported on the active market on which the individual funds traded.
- Fixed income funds (MOA Trust) are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability.
- International equity funds are valued at the closing price reported on the active market on which the individual funds traded.
- Municipal bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Real estate funds are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.
- Repurchase agreements are valued at the daily closing price as reported using the daily price quoted by the financial institution holding the investment for the Municipality.
- U.S. treasuries are valued at the closing price reported on the active market on which the individual securities traded.
- U.S. agencies are valued using pricing models maximizing the use of observable inputs for similar securities.

The Municipality utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Municipality determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principle or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: quoted prices for identical assets or liabilities in active markets
- Level 2 Inputs: quoted prices for similar assets or liabilities in active or inactive markets; or inputs other than quoted prices that are observable
- Level 3 Inputs: significant unobservable inputs for assets or liabilities

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Municipality has the following recurring fair value measurements as of December 31, 2021:

Investment Type:	December 31, 2021	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Petty Cash	\$ 89,958	\$ -	\$ -
Interim Rate Increase Escrow	\$ 3,633,013	\$ -	\$ -
Central Treasury - Unrestricted:			
Investments Measured at Fair Value:			
Commercial Paper	\$ 10,994,052	\$ -	\$ 10,994,052
U.S. Treasuries	120,975,556	120,975,556	-
U.S. Agencies	8,226,227	-	8,226,227
Municipal Bonds	162,814	-	162,814
Asset-Backed Securities	21,500,890	-	21,500,890
Corporate Fixed Income Securities	139,309,176	-	139,309,176
	<u>\$ 301,168,715</u>	<u>\$ 120,975,556</u>	<u>\$ 180,193,159</u>
Central Treasury - Unrestricted (continued):			
Investments Measured at Amortized Cost:			
Money Market Funds	\$ 80,191,431		
Repurchase Agreements	27,285,694		
Certificates of Deposits	4,560,196		
Total Central Treasury - Unrestricted	<u>\$ 413,206,036</u>		
Central Treasury - Restricted:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 9,177,692	\$ 9,177,692	\$ -
U.S. Agencies	2,496,378	-	2,496,378
	<u>\$ 11,674,070</u>	<u>\$ 9,177,692</u>	<u>\$ 2,496,378</u>
Investments Measured at Amortized Cost:			
Money Market Funds	54,814,675		
Total Central Treasury - Restricted	<u>\$ 66,488,745</u>		
MOA Trust Fund:			
Investments Measured at Fair Value:			
Corporate Fixed Income	\$ 15,519,650	\$ -	\$ 15,519,650
U.S. Treasuries	23,751,515	23,751,515	-
U.S. Agencies	13,234,564	-	13,234,564
Domestic Equities and Equity Funds	139,033,871	139,033,871	-
International Equities and Equity Funds	101,140,332	101,140,332	-
Emerging Markets Debt	21,823,157	21,823,157	-
	<u>\$ 314,503,089</u>	<u>\$ 285,748,875</u>	<u>\$ 28,754,214</u>
Investments Measured at Net Asset Value (NAV):			
Bank Loan Investments Funds	\$ 20,954,768		
Fixed Income Funds	52,661,654		
Real Estate Funds	58,936,381		
	<u>\$ 132,552,803</u>		
Investments Measured at Amortized Cost:			
Money Market Funds	238,938		
Total MOA Trust Fund	<u>\$ 447,294,830</u>		

Investment Type:	December 31, 2021	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Police & Fire Retiree Medical Trust Fund:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 5,022,664	\$ 5,022,664	\$ -
U.S. Agencies	4,236,527	-	4,236,527
Fixed Income Funds	1,227,841	1,227,841	-
International Fixed Income Funds	374,000	374,000	-
Domestic Equities and Equity Funds	2,416,584	2,416,584	-
International Equities and Equity Funds	1,552,770	1,552,770	-
	<u>\$ 14,830,386</u>	<u>\$ 10,593,859</u>	<u>\$ 4,236,527</u>
Investments Measured at Amortized Cost:			
Money Market Funds	\$ 1,588,647		
Certificates of Deposits	7,050,433		
Total Police & Fire Retiree Medical Trust Fund	<u><u>\$ 23,469,466</u></u>		
Police & Fire Retiree Medical Liability Fund:			
Investments Measured at Fair Value:			
Fixed Income Funds	\$ 9,945,228	\$ 9,945,228	\$ -
Domestic Equities and Equity Funds	15,932,111	15,932,111	-
International Equities and Equity Funds	10,993,524	10,993,524	-
	<u>\$ 36,870,863</u>	<u>\$ 36,870,863</u>	<u>\$ -</u>
Investments Measured at Net Asset Value (NAV):			
Real Estate Funds	\$ 4,335,030		
Investments Measured at Amortized Cost:			
Money Market Funds	334,533		
Total Police & Fire Retiree Medical Liability Fund	<u><u>\$ 41,540,426</u></u>		
Police & Fire Retirement Pension Trust Fund:			
Investments Measured at Fair Value:			
Corporate Fixed Income Securities	\$ 67,251,496	\$ -	\$ 67,251,496
Domestic Equities and Equity Funds	94,773,969	94,773,969	-
	<u>\$ 162,025,465</u>	<u>\$ 94,773,969</u>	<u>\$ 67,251,496</u>
Investments Measured at Net Asset Value (NAV):			
Corporate Fixed Income Securities	\$ 10,878,140		
Domestic Equities and Equity Funds	77,061,358		
International Equities and Equity Funds	100,491,917		
Real Estate Funds	58,059,872		
	<u>\$ 246,491,287</u>		
Investments Measured at Amortized Cost:			
Money Market Funds	\$ 3,923,677		
Total Police and Fire Retiree Pension Trust Fund	<u><u>\$ 412,440,429</u></u>		
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:			
Investments Measured at Fair Value:			
U.S. Fixed Income	\$ 9,372,945	\$ -	\$ 9,372,945
Domestic Equities and Equity Funds	6,156,663	6,156,663	-
International Equities and Equity Funds	3,813,318	3,813,318	-
	<u>\$ 19,342,926</u>	<u>\$ 9,969,981</u>	<u>\$ 9,372,945</u>
Investments Measured at Amortized Cost:			
Money Market Funds	8,441		
Total Anchorage Regional Landfill Closure and Post-Closure Reserve Fund Post-Closure Reserve Fund	<u><u>\$ 19,351,367</u></u>		

Investment Type:	December 31, 2021	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
CIVICVentures Component Unit:			
Investments Measured at Fair Value:			
U.S. Agencies	\$ 7,119,048	\$ -	\$ 7,119,048
Investments Measured at Amortized Cost:			
Money Market Funds	6,208,346		
Total CIVICVentures Component Unit	\$ 13,327,394		
Total Cash and Investments	\$ 1,440,841,664		
Governmental Activities	\$ 786,202,286		
Business-Type Activities	218,536,652		
Fiduciary Funds	436,102,726		
	\$ 1,440,841,664		

The unfunded commitments and redemption information for the investments reported as NAV for December 31, 2021 are as follows:

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
MOA Trust Fund:				
Trumbull Property Fund (d)	\$ 13,729,132	\$ -	Quarterly	60 days
FIAM Core Plus LLC (a)	52,661,654	-	Daily	5 Days
Harrison Street Core Property Fund C LP (f)	20,426,893	-	Quarterly	45 days
Invesco U.S. Income Fund L.P. (g)	24,780,356	-	Quarterly	45 days
Pimco Private Income Fund Onshore (h)	20,954,768	-	Annually	90 days
	\$ 132,552,803			
Police & Fire Retiree Medical Liability Fund:				
Trumbull Property Fund (d)	\$ 4,335,030	\$ -	Quarterly	60 days
Police & Fire Retirement Pension Trust Fund:				
Capital Group International All Countries Equity Trust (b)				
	\$ 49,661,533	\$ -	Trade Date	3 Days
Lazard International Equity Trust (b)	50,830,384	-	Trade Date	5 Days
EB DV Non-SL Large Cap Growth Stock Index Fund of the Bank of New York Mellon (c)				
	38,496,189	-	Trade Date	2 Days
EB DV Non-SL Index Fund of the Bank of New York Mellon (c)				
	38,565,169	-	Trade Date	2 Days
Trumbull Property Fund (d)	21,975,406	-	Quarterly	60 Days
Agrivest Farmland Fund (d)	19,126,575	-	Quarterly	60 days
Trumbull Property Fund	16,957,891	-	Quarterly	60 days
Barrow, Hanley, Mewhinney & Strauss High Yield Fixed Income fund (e)				
	10,878,140	-	Trade Date	2 Days
	\$ 246,491,287			

The fair values of the holdings in NAV investments have been determined using the Net Asset Value (NAV) per share (or its equivalent) of the ownership interest in underlying investments. These are open-ended funds, without a pre-determined close date.

- (a) FIAM Core Plus LLC is a fixed income fund investing in investment-grade securities, as well as high-yield debt, emerging market debt, leveraged loans, and high yield commercial mortgage-backed securities. A typical core plus portfolio has 0 percent to 30 percent exposure to non-investment-grade sectors. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the Fund's ownership interest in securities held.
- (b) International commingled equity funds: This type includes funds that invest primarily in equity securities of non-U.S. companies, including those from developed and emerging markets. The fair values of the

investments in these funds have been determined using the NAV per share (or its equivalent) of the investments.

- (c) Domestic commingled equity funds: This type includes index funds that invest primarily in equity securities of large capitalization companies. These funds employ an indexing investment approach designed to track the performance of large U.S. companies. The advisor attempts to replicate the target index by investing all or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fair values of the investment in these funds have been determined using the NAV per share (or its equivalent) of the investments.
- (d) Real estate funds: This type includes three real estate funds that invest primarily in U.S. commercial real estate, U.S. residential real estate, and U.S. farmlands. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the ownership interest in partners' capital.
- (e) Domestic commingled fixed income fund: This fund invests in high-yield domestic corporate debt securities. These debt securities consist of companies with strong management and solid fundamentals, when purchased at reasonable prices and will provide better returns with lower risk than the benchmark index. The fair value of the investment in this fund has been determined using the NAV per share (or its equivalent) of the investments.
- (f) Harrison Street Core Property Fund is an open-end fund that gets core-grade risk and returns by targeting stabilized, income-producing properties in the student housing, senior housing, medical office and self-storage segments. The majority of the return from the Fund is expected to be realized from current income, with a modest portion of the return to be derived from asset appreciation.
- (g) The Invesco U.S. Income Fund is an open-end fund that pursues a diversified core real estate strategy with the objective of generating consistent, predictable performance while avoiding capital loss. The Fund targets multi-family, retail, industrial and office assets that have in-place high relative income that are located in well-known primary and secondary markets.
- (h) The Pimco Private Income Fund is a private credit fund that is designed to provide investors with steady and attractive income, using a flexible, multi-sector approach. The Fund's primary investment objective is to maximize current income. Long-term capital appreciation is a secondary objective. The Fund seeks to achieve its investment objectives by investing under normal circumstances at least 65 percent of its total assets in a multi-sector portfolio of Fixed Income Investments of varying maturities, including bonds, debt securities and other similar instruments issued by various U.S. and non-U.S. public- or private sector entities.

M. 49th State Angel Fund Investments

Determination of Fair Value using Net Asset Value (NAV)

The Municipality has been allocated \$13.2 million by the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) to invest in Anchorage area businesses. The Municipality was the first city in the U.S. to receive the allocation. The Municipality established the 49th State Angel Fund (49SAF), with the purpose of providing a new source of capital to Anchorage area entrepreneurs that will help spur economic development and encourage the creation of a qualified network of Angel investors. The 49SAF makes equity investments in local start-ups and small businesses that need additional capital for growth.

Currently, the Municipality is investing in thirteen main investing partnerships, who in turn, administer smaller distributions directly to the Anchorage area small businesses. The fair value of investments in these thirteen partnerships are calculated using Net Asset Value (NAV) or its equivalent derived from various financial documents provided to the Municipality on an annual basis. The fair value using NAV or its equivalent for the year ended December 31, 2021 for the fifteen investments is as follows:

Investments Measured at the Net Asset Value (NAV)

Alaska Opportunity Fund	\$	255,061
Alaska Accelerator Fund		738,225
49th Fund LLC		237,450
Anchorage Equity Partner No. 1		-
Anchorage Equity Partner No. 2		683,509
Anchorage Equity Partner No. 3		141,413
Anchorage Equity Partner No. 5		900,000
Anchorage Equity Partner No. 6		500,000
Launch Alaska Fund		375,000

Investments Measured at the Net Asset Value (NAV)		
Alaska Opportunity Fund II	\$	127,852
Launch Alaska Fund II		75,000
Alaska Angel Conference 2019		10,329
Set Up Shop		50,000
Alaska Angel Conference 2020		43,180
Alaska Angel Conference 2021		9,681
Total Investments Measured at NAV	\$	<u>4,146,700</u>

The fair value for all the investments was determined using the balance in the capital accounts from the Internal Revenue Service's form K-1, or in the absence of a K-1, financial statements. Adjustments in fair value are recognized at year end as unrealized gains and losses. Returns on investments are reported as realized gains and losses.

New investments were made from federal moneys to the Launch Alaska Fund II in the amount of \$75,000. Additional investments were made from federal moneys to the 49th Angel Fund of \$80,000 and the Alaska Opportunity Fund II in the amount of \$82,500. New investments were made from the Evergreen Fund moneys to the Alaska Angel Conference 2021 Fund in the amount of \$10,000 and 49th Angel Fund in the amount of \$13,068.

For 2021, we received a full return on investment for the Anchorage Equity Partner No. 1 in the amount of \$970,109. There was a combined unrealized gain of \$360,828 and a combined realized gain of \$70,109.

Unfunded Commitments and Redemptions

The Municipality has committed various levels of funding to these investing funds, some of which is remaining unfunded at year end. Due to the nature of the 49th State Angel Fund program, redemption periods for these investments are not determinable. The funds are invested in start-up and existing small businesses, and if the businesses are still operating, the investments will not be redeemed. At such time as the business either succeeds or fails, the redemption will either result in a return of original investment with a potential gain if the business is a success, or a write-off of the original investment as a loss if the business fails. The unfunded commitments and redemption information for the five investing funds for December 31, 2021 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Alaska Opportunity Fund	\$ 255,061	\$ -	nondeterminable	N/A
Alaska Accelerator Fund	738,225	-	nondeterminable	N/A
49th Fund LLC	237,450	-	nondeterminable	N/A
Anchorage Equity Partner No. 1	-	-	N/A	N/A
Anchorage Equity Partner No. 2	683,509	-	nondeterminable	N/A
Anchorage Equity Partner No. 3	141,413	-	nondeterminable	N/A
Anchorage Equity Partner No. 5	900,000	-	nondeterminable	N/A
Anchorage Equity Partner No. 6	500,000	-	nondeterminable	N/A
Launch Alaska Fund	375,000	-	nondeterminable	N/A
Alaska Opportunity Fund II	127,852	1,117,500	nondeterminable	N/A
Launch Alaska Fund II	75,000	-	nondeterminable	N/A
Alaska Angel Conference 2019	10,329	-	nondeterminable	N/A
Set Up Shop	50,000	175,000	nondeterminable	N/A
Alaska Angel Conference 2020	43,180	-	nondeterminable	N/A
Alaska Angel Conference 2021	9,681	-	nondeterminable	N/A
Total Investments Measured at NAV	<u>\$ 4,146,700</u>	<u>\$ 1,292,500</u>		

NOTE 4 - RECEIVABLES (Including Loans Receivable)

The Municipality's receivables including the applicable allowance for uncollectible accounts were reported as follows on December 31, 2021:

	Governmental Activities	Business-type Activities	Total
Current:			
Property taxes	\$ 13,537,264	\$ -	\$ 13,537,264
Motor vehicle taxes	2,886,442	-	2,886,442
Hotel and motel taxes	3,634,604	-	3,634,604
Alcohol taxes	1,657,249	-	1,657,249
Tobacco taxes	768,381	-	768,381
Marijuana taxes	124,751	-	124,751
Fuel product taxes	369,686	-	369,686
E911 surcharge taxes	767,516	-	767,516
Unbilled reimbursable projects	-	95,669	95,669
Special assessments receivable	2,099,871	104,080	2,203,951
Trade accounts, including internal service funds	17,636,397	18,039,420	35,675,817
Total accounts receivable	43,482,161	18,239,169	61,721,330
Allowance for uncollectible accounts	(8,203,450)	(1,498,855)	(9,702,305)
Total Accounts Receivable, net	\$ 35,278,711	\$ 16,740,314	\$ 52,019,025
Noncurrent:			
Trade accounts	\$ -	\$ 392,704	\$ 392,704
Electric Utility installment sale receivable	-	101,946,124	101,946,124
Land sale promissory note	1,294,347	-	1,294,347
HUD loans (including section 108)	2,371,880	-	2,371,880
Total Accounts Receivable, Leases and Loans, net	\$ 3,666,227	\$ 102,338,828	\$ 106,005,055

Special assessments and loans are not expected to be collected within one year, except for minor portions due currently.

NOTE 5 - CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2021, was as follows:

Governmental Activities:	Beginning Balance			Ending Balance
	January 1, 2021	Increase	Decrease	December 31, 2021
Capital Assets, Not Being Depreciated				
Land	\$ 1,267,473,180	\$ 3,821,158	\$ (10,067)	\$ 1,271,284,271
Artwork	21,498,531	404,088	-	21,902,619
Construction Work in Progress	20,942,311	35,570,827	(39,559,630)	16,953,508
Infrastructure	1,486,249,553	1,790,975	-	1,488,040,528
Total Capital Assets, Not Being Depreciated	2,796,163,575	41,587,048	(39,569,697)	2,798,180,926
Capital Assets, Being Depreciated				
Buildings and Improvements	783,781,379	3,864,000	-	787,645,379
Equipment	290,853,117	15,346,225	(29,334,114)	276,865,228
Infrastructure	589,345,252	16,356,616	(1,596,633)	604,105,235
Intangible ERP	80,344,390	-	-	80,344,390
Total Capital Assets, Being Depreciated	1,744,324,138	35,566,841	(30,930,747)	1,748,960,232
Less Accumulated Depreciation for:				
Buildings and Improvements	495,341,034	15,458,283	-	510,799,317
Equipment	250,139,898	13,426,181	(29,085,384)	234,480,695
Infrastructure	333,385,298	10,333,208	(1,559,793)	342,158,713
Intangible ERP	25,959,007	8,034,439	-	33,993,446
Total Accumulated Depreciation	1,104,825,237	47,252,111	(30,645,177)	1,121,432,171
Total Capital Assets, Being Depreciated, Net	639,498,901	(11,685,270)	(285,570)	627,528,061
Total Governmental Activities, Net	\$ 3,435,662,476	\$29,901,778	\$(39,855,267)	\$ 3,425,708,987

The Municipality has elected to use the modified approach for its paved road infrastructure network and to depreciate all other infrastructure assets.

Business-Type Activities:	Beginning Balance			Ending Balance
	January 1, 2021	Increase	Decrease	December 31, 2021
Capital Assets, Not Being Depreciated:				
Land and Property held for future use	\$ 92,049,130	\$ 1	\$ (61,079)	\$ 91,988,052
Construction Work in Progress	177,917,474	155,241,445	(55,122,966)	278,035,953
Total Capital Assets, Not Being Depreciated	269,966,604	155,241,446	(55,184,045)	370,024,005
Capital Assets, Being Depreciated:				
Distribution and Collection Systems, Infrastructure	1,590,296,217	40,235,289	(2,405,369)	1,628,126,137
Buildings and Improvements	579,082,983	15,261,131	(3,576,189)	590,767,925
Total Capital Assets, Being Depreciated	2,169,379,200	55,496,420	(5,981,558)	2,218,894,062
Less Accumulated Depreciation for:				
Distribution and Collection Systems, Infrastructure	715,537,385	35,334,880	(2,366,503)	748,505,762
Buildings and Improvements	210,981,055	17,020,951	(3,671,755)	224,330,251
Total Accumulated Depreciation	926,518,440	52,355,831	(6,038,258)	972,836,013
Total Capital Assets, Being Depreciated, Net	1,242,860,760	3,140,589	56,700	1,246,058,049
Total Business-Type Activities, Net	\$ 1,512,827,364	\$ 158,382,035	\$ (55,127,345)	\$ 1,616,082,054

Depreciation expense was charged to the departments and functions of the primary government as follows:

Governmental Activities:	
General Government	\$ 11,619,069
Fire Services	5,305,881
Police Services	1,703,248
Health and Human Services	969,858
Economic and Community Development	12,981,573
Public Transportation	1,269,984
Public Works	8,977,170
Maintenance and Operations of Roads and Facilities	4,425,328
Total Governmental Activities	\$ 47,252,111
Business-Type Activities:	
Water	\$ 12,711,592
Wastewater	12,538,601
Refuse	1,395,215
Solid Waste	4,566,586
Port	7,231,394
Municipal Airport	3,106,688
Anchorage Hydropower	237,744
Total Business-Type Activities	41,787,820
Depreciation offset by amortization of regulatory liability- contributed plant and retirements of group depreciated plant assets	10,568,011
Gross increase in accumulated depreciation	\$ 52,355,831

Contractual Commitments

Governmental-type major fund Roads and Drainage Capital Project had contractual commitments for capital construction in the amount of \$20.2 million on December 31, 2021. Business-type major funds Water, Wastewater and Port had contractual commitments for capital construction in the amount of \$13.5 million, \$9.9 million, and \$.7 million, respectively.

B. Discretely Presented Component Units - Anchorage School District

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Beginning Balance July 1, 2020	Increase	Decrease	Ending Balance June 30, 2021
Capital Assets, Not Being Depreciated:				
Land	\$ 42,357,063	\$ -	\$ -	\$ 42,357,063
Construction Work in Progress	651,167	79,887,101	(79,887,303)	650,965
Total Capital Assets not Being Depreciated	43,008,230	79,887,101	(79,887,303)	43,008,028
Capital Assets Being Depreciated:				
Land Improvements	72,478,465	2,529,117	-	75,007,582
Buildings and Equipment	1,911,311,242	78,899,884	(4,273,040)	1,985,938,086
Pupil Transportation	21,158,974	1,729,871	(1,031,238)	21,857,607
Total Capital Assets Being Depreciated	2,004,948,681	83,158,872	(5,304,278)	2,082,803,275
Less Accumulated Depreciation For:				
Land Improvements	52,757,483	1,700,602	-	54,458,085
Buildings and Equipment	719,262,914	43,898,774	(3,060,850)	760,100,838
Pupil Transportation	10,080,133	1,147,712	(1,031,238)	10,196,607
Total Accumulated Depreciation	782,100,530	46,747,088	(4,092,088)	824,755,530
Total Capital Assets, Being Depreciated, Net	1,222,848,151	36,411,784	(1,212,190)	1,258,047,745
Total ASD Capital Assets, Net	\$ 1,265,856,381	\$ 116,298,885	\$ (81,099,493)	\$ 1,301,055,773

C. Discretely Presented Component Units - Anchorage Community Development Authority

Capital asset activity for the year ended December 31, 2021 is as follows:

	Beginning Balance January 1, 2021	Increase	Decrease	Ending Balance December 31, 2021
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 15,956,795	\$ -	\$ -	\$ 15,956,795
Total Capital Assets not Being Depreciated	15,956,795	-	-	15,956,795
Capital Assets Being Depreciated:				
Parking Garages	62,185,032	416,513	-	62,601,545
Lot Improvements	710,540	-	(62,125)	648,415
Furniture and Fixtures	25,472	-	-	25,472
Equipment and Vehicles	2,559,265	142,541	(311,046)	2,390,760
Parking meters	113,456	-	-	113,456
Total Capital Assets Being Depreciated	65,593,765	559,054	(373,171)	65,779,648
Less Accumulated Depreciation For:				
Parking Garages	41,090,294	1,815,689	-	42,905,983
Lot Improvements	700,763	4,687	(62,125)	643,325
Furniture and Fixtures	17,349	2,547	-	19,896
Equipment and Vehicles	1,950,615	176,120	(311,046)	1,815,689
Parking meters	113,457	-	-	113,457
Total Accumulated Depreciation Net	43,872,478	1,999,043	(373,171)	45,498,350
Total Capital Assets, Being Depreciated, Net	21,721,287	(1,439,989)	-	20,281,298
Total ACDA Capital Assets, Net	\$ 37,678,082	\$ (1,439,989)	\$ -	\$ 36,238,093

NOTE 6 - PORT OF ALASKA MODERNIZATION PROGRAM

The Port of Alaska (Port) is a Municipality of Anchorage owned and operated facility that handles half of all Alaska inbound marine freight, some 4.9 million tons of fuel and cargo in 2021, half of which is delivered to final destinations outside of Anchorage. It is critical transportation infrastructure that serves regional, statewide, and national commerce, economic development, homeland security and disaster recovery needs. The Port is:

- The intermodal transport hub that efficiently connects Alaska's primary marine, road, rail, pipeline, and air cargo systems.
- The Department of Defense commercial strategic seaport that projects U.S. power across Alaska, the Pacific Rim, and the Arctic.

- Anchorage’s only foreign trade zone (FTZ No. 160) that extends U.S. Customs duty benefits to Ted Stevens International Airport and other businesses and sites throughout the region.
- Critical infrastructure that is key to successful implementation of virtually every state and federal earthquake/disaster response plan.

The Port has more inbound cargo-handling capacity than all other Southcentral Alaska ports combined. It is located at the state’s population center and routinely handles containers, dry bulk, break bulk, petroleum products, and cruise ships. It is adjacent to hundreds of millions of dollars of public and private cargo-handling infrastructure, Alaska Railroad’s main freight yard, two private barge terminals, Joint Base Elmendorf-Richardson (JBER) and Ted Stevens International Airport. It is the only inbound-cargo port on Alaska’s Railbelt-connected road system and is situated in a geographical area that is virtually tsunami-proof.

The Port’s docks first opened in 1961 and have long exceeded their 35-year design life. Its aging wharf piles have lost up to three-quarters of their original thickness to corrosion. Port officials started installing pile jackets in 2004 and have to date reinforced all the dock’s piles. However, these jackets are a one-time fix that last 10 to 15 years; and all terminals continue to lose load-bearing capacity and will likely start closing in the next 5 to 6 years, regardless of repairs, seismic activity, or anything else.

The Port of Alaska Modernization Program (PAMP) is a series of construction projects that will:

- Replace aging docks and related infrastructure
- Improve operational safety and efficiency
- Accommodate modern shipping operations
- Improve resiliency - to survive extreme earthquakes and Cook Inlet’s harsh marine environment

PAMP and Municipal officials have been working with engineers to replace all the Port docks. Phase 1, the construction of the new Petroleum & Cement Terminal (PCT) at the Port of Alaska is near completion and will fully open for fuel and cement offloading operations by mid-year 2022. Construction crews are returning to complete the remaining work and upon acceptance of the completed asset, ownership of the PCT will be transferred to the Port of Alaska. A brief history of the project includes:

- 2016: Conduct a comprehensive test-pile program to demonstrate constructability and support design and permitting work for the PCT.
- 2017-2019: Complete the South Backlands Stabilization project providing shore improvements and transitional dredging to support the trestle and dock structures.
- 2020: Completed the PCT trestle and platform construction.
- 2021: Construction still in process to complete the PCT, to include, fendering, mooring dolphins, utilities, and plumbing to connect the facility to the Port’s existing petroleum and cement infrastructure.

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

A summary of interfund receivables and payables relating to short term operating advances is as follows:

Interfund Payable to General Fund from:

Nonmajor Governmental Funds	\$ 6,778,016
Internal Service Funds	25,145,039
Total Interfund Payable to General Fund	<u>31,923,055</u>

Interfund Payable to Nonmajor Governmental Funds from:

Nonmajor Governmental Funds	908,317
Internal Service Funds	85,000
Nonmajor Enterprise Funds	5,108,069
Total Interfund Payable to Nonmajor Governmental Funds	<u>6,101,386</u>
Total Interfund Payables	<u>\$ 38,024,441</u>

All balances are expected to be settled within the next fiscal year, except for those interfund receivables and payables recorded as advances to/from other funds. Advances receivable on December 31, 2021 were as follows:

Advances from General Fund to Nonmajor Governmental Funds for FEMA Earthquake Expenses	\$ 12,438,547
Advances from General Fund to Nonmajor Governmental Funds for Capital	410,289
Advances from Nonmajor Governmental Funds to Internal Service Funds for Capital	935,000
Advances from Internal Services Funds to General Fund for Capital	5,883,811
Advances from Internal Services Funds to Roads and Drainage Capital Projects Fund for Capital	19,297
Total Advances Receivable	<u>\$ 19,686,944</u>

B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Fund to:

Roads and Drainage Capital Projects Fund for Capital	\$ 3,713,013
Nonmajor Governmental Funds to Fund OPEB Liability	1,086,934
Nonmajor Governmental Funds for Debt Service	5,434,535
Nonmajor Governmental Funds for Operating	33,618,303
Nonmajor Governmental Funds for Grant Matching	1,029,046
Nonmajor Governmental Funds for Capital	6,631,019
Internal Service Funds for Capital	3,013,010
Total Transfers from General Fund	<u>54,525,860</u>

From MOA Trust Fund to:

General Fund for Annual Operating Subsidy	18,800,000
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From Roads and Drainage Capital Projects Fund to:

General Fund for Debt Service	1,014
Water Utility Fund for Capital Contribution	251,361
Total Transfers from Capital Projects Roads and Drainage Fund	<u>252,375</u>

From Nonmajor Governmental Funds to:

General Fund for Debt Service	363
General Fund for Operating Subsidy	2,254,433
Nonmajor Governmental Funds for Capital	4,547,363
Nonmajor Governmental Funds for Debt Service	6,144,181
Port Fund for Capital*	429,380
Nonmajor Enterprise Funds for Capital	2,932,571
Total Transfers from Nonmajor Governmental Funds	<u>16,308,291</u>

From Water Utility Fund to:

General Fund for Annual Revenue Distribution	9,725,556
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From Wastewater Utility Fund to:

General Fund for Annual Revenue Distribution	7,439,635
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From Port Fund to:

General Fund for Annual Revenue Distribution	2,045,664
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From Nonmajor Enterprise Funds to:

General Fund for Annual Revenue Distribution	10,108,071
MOA Trust Fund for Annual Contribution	2,970,049
Nonmajor Governmental Funds for Capital	5,108,069
Nonmajor Governmental Funds for Grant Matching	330
Internal Service Funds for Capital	1,656,129
Total Transfers from Nonmajor Enterprise Funds	<u>19,842,648</u>

Total Transfers To at the Fund Level	<u>\$ 128,940,029</u>
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Capital Assets from the Nonmajor Governmental Funds to the Port Fund*

	(429,380)
Total Transfers From at the Fund Level	<u>\$ 128,510,649</u>

*In 2021, capital assets were transferred from the State Grant Fund (Nonmajor Governmental Funds) to the Port Fund in the amount of \$429,380. The transaction was recorded at the fund level as a transfer to in the State Grant Fund but was recorded as a Capital Contribution in the Port Fund, since the transferring and receiving funds do not use the same basis of accounting. At the entity-wide level, the Capital Contribution was reclassified as a transfer from in the Business-type Activities to balance the interfund activity for the primary government.

NOTE 8 - LEASE AGREEMENTS

A. Operating Leases (Municipality as Lessee)

The Municipality has entered into several operating leases for the use of real estate, including the City Hall building, the Permit Center, and the APD office building. The total operating lease expense for 2021 was \$8,789,820. The annual rental payments of these lease commitments over their remaining terms are as follows:

Years:	Governmental Activities	Business Type Activities
2022	\$ 5,776,876	\$ 85,612
2023	5,670,078	78,836
2024	5,655,111	74,508
2025	4,092,773	76,232
2026	3,140,585	89,702
2027-2031	4,779,415	386,622
2032-2036	4,756,464	390,492
2037-2041	3,021,986	353,004
2042-2046	-	5,821
2047-2051	-	5,821
2052-2055	-	4,366
Totals	<u>\$ 36,893,288</u>	<u>\$ 1,551,016</u>

B. Capital Leases from Direct Borrowings (Municipality as Lessee)

The Municipality has entered into revolving Master Tax-Exempt Lease/Purchase agreements with Key Bank and Sun Life Trust to finance various capital expenditures. The capitalized leases in place at year end have financed information technology equipment and software, all of which is currently in service or being installed. In 2021, the Municipality drew down \$625,074 from the master lease to cover capital expenses. As of December 31, 2021, the total cost of the equipment and software was \$80,344,390, with accumulated amortization of \$33,993,446, which yields an underlying net book value of the assets of \$46,350,944. Amortization expense for 2021 was \$8,034,439. As of December 31, 2021, all the outstanding principal balance of \$22,217,420 is recorded in the internal service funds.

The Municipality entered into a Master Tax-Exempt Lease/Purchase agreement with Key Bank for the purchase of an Automated Material Handling System for the Library, which is currently in service as of December 31, 2021. The total cost of the equipment was \$350,101, with accumulated depreciation of \$104,197 which yields a net book value of the asset of \$245,904. The outstanding balance of \$262,044 is recorded in the Governmental Activities.

The Municipality entered into a Master Tax-Exempt Lease/Purchase agreement with Key Bank for the purchase of a Computer Aided Mass Appraisal (CAMA) system, which is currently an ongoing capital project. In 2021, the Municipality drew down of \$1,443,337 from the master lease to cover capital expenditures. The outstanding balance on December 31, 2021, of \$3,968,641 is recorded in the Governmental Activities.

The Municipality entered into a Master Tax-Exempt Lease/Purchase agreement with Key Bank for the purpose of upgrading to LED electrical lighting at various locations within the Municipality, which is currently in service as of December 31, 2021. The total cost of the upgraded LED lighting was \$221,189, with the accumulated depreciation of \$3,503 which yields a net book value of the assets of \$217,686. The outstanding balance of \$248,703 is recorded in the Governmental Activities.

The annual debt service to maturity for the outstanding capital leases is as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2022	\$ 8,748,416	\$ 604,024	\$ 9,352,440
2023	8,065,148	395,246	8,460,394
2024	5,728,647	189,065	5,917,712
2025	2,221,007	68,274	2,289,281
2026	990,473	35,062	1,025,535
2027-2031	943,117	25,524	968,641
	<u>\$ 26,696,808</u>	<u>\$ 1,317,195</u>	<u>\$ 28,014,003</u>

C. Operating Leases (Municipality as Lessor)

The Municipality has leased to third-parties real estate at both the Port of Alaska and Merrill Field Airport that generate recurring revenues. The lease agreements are long-term and allow the lessee(s) to use the leased property for industrial purposes tied to the port or airport. Generally, the property leased is land, buildings, and infrastructure, with improvements built on the leased parcels done at the expense of the lessee(s). There are no minimum guarantees for any of the leases. Future minimum lease payments scheduled for these agreements are as follows:

Years:	Port of Alaska	Merrill Field Airport
2022	\$ 4,773,823	\$ 791,955
2023	3,239,500	782,590
2024	3,230,500	782,590
2025	3,230,586	782,590
2026	3,230,674	755,883
2027-2031	3,230,765	3,779,415
2032-2036	16,138,215	3,674,222
2037-2041	15,918,215	2,754,754
2042-2046	15,941,160	1,993,199
2047-2051	13,128,215	876,118
2052-2056	13,128,215	461,097
Totals	<u>\$ 95,189,868</u>	<u>\$ 17,434,413</u>
Lease revenue for 2021	<u>\$ 4,502,264</u>	<u>\$ 726,310</u>
Carrying value of leased assets:		
Land	\$ 9,416,836	\$ 2,600,000
Buildings	254,685	-
Infrastructure	5,648,987	-
Land Improvements	511,239	-
Building Improvements	48,837	-
Accumulated depreciation	(5,781,411)	-
Net Book Value	<u>\$ 10,099,173</u>	<u>\$ 2,600,000</u>

D. ASD Capital Leases from Direct Borrowing (ASD as Lessee)

During fiscal year 2019, the ASD entered into a capital lease agreement as lessee for financing the acquisition of sixteen school buses, payable in quarterly installments of \$62,820, ending October 1, 2028, and including interest at 3.86 percent. During fiscal year 2020, the ASD entered into a capital lease agreement as lessee for financing the acquisition of eight school buses, payable in quarterly installments of \$25,553, ending January 1, 2030, and including interest at 3.86 percent. As of June 30, 2021, capital lease obligations included in current liabilities were \$270,308, and capital lease obligations in non-current liabilities were \$2,411,584, for a total capital lease obligation of \$2,778,955. ASD's debt service fund will be used to liquidate the capital lease agreements.

The following is a summary of Capital Lease transactions of the District for the fiscal year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due within one year
Capital Leases	\$ 2,672,312	\$ -	\$ (260,728)	\$ 2,411,584	\$ 270,308

Lease Payable at June 30, 2021 is comprised of the following individual issues:

Capital Lease Agreements	Outstanding Balance	Due within one year
Schedule 20 - 16 School Buses	\$ 1,629,561	\$ 191,123
Schedule 25 - 8 School Buses	782,023	79,185
	<u>\$ 2,411,584</u>	<u>\$ 270,308</u>

The annual debt service requirements to maturity for ASD Capital Leases for the fiscal year ended June 30, 2021, are as follows:

Years:	Anchorage School District		
	Principal	Interest	Total
2022	\$ 270,308	\$ 83,184	\$ 353,492
2023	280,244	73,248	353,492
2024	290,549	62,943	353,492
2025	301,236	52,256	353,492
2026	312,321	41,171	353,492
2027-2030	956,926	54,569	1,011,495
Total	<u>\$ 2,411,584</u>	<u>\$ 367,371</u>	<u>\$ 2,778,955</u>

The following is a summary of the assets acquired with the capital lease agreements that has an outstanding balance as of June 30, 2021:

Capital Lease Agreements	Original Amount	Accumulated Depreciation	Carrying Value
Schedule 20 - 16 School Buses	\$ 2,076,448	\$ 403,754	\$ 1,672,694
Schedule 25 - 8 School Buses	876,560	111,287	765,273
	<u>\$ 2,953,008</u>	<u>\$ 515,041</u>	<u>\$ 2,437,967</u>

NOTE 9 - SHORT-TERM OBLIGATIONS

A. Tax Anticipation Notes

On February 24, 2021, the Municipality issued tax anticipation notes in the General Fund with a face value of \$98,000,000, with a premium of \$1,054,480. The purpose of the issuance was to raise money to pay current expenditures in anticipation of the collection of property taxes. Short-term debt activity for the year ended December 31, 2021, was as follows:

Tax Anticipation Notes	Beginning Balance January 1, 2021	Issued	Redeemed	Ending Balance December 31, 2021
	\$	-	\$ 98,000,000	\$ 98,000,000

NOTE 10 - LONG TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Long-term obligation activity, net of related premium and discount amortizations, for the year ended December 31, 2021, was as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 463,375,209	\$ 80,773,297	\$ (67,545,326)	\$ 476,603,180	\$ 38,425,000
CIVCVentures Revenue Bonds	87,789,670	-	(3,004,175)	84,785,495	2,790,000
PAC Roof Revenue Bonds	3,301,303	-	(191,811)	3,109,492	160,000
Certificate of Participation Bonds	52,515,000	-	(3,695,000)	48,820,000	3,790,000
Capital Leases (Direct Borrowings)	35,025,261	2,317,115	(10,645,568)	26,696,808	8,748,415
Total Debt Payable	642,006,443	83,090,412	(85,081,880)	640,014,975	53,913,415
Compensated Absences	34,112,565	18,431,256	(21,992,167)	30,551,654	18,192,103
Net Pension Liability	424,407,837	-	(121,320,719)	303,087,118	-
Net OPEB Liability	119,720,669	17,643,354	-	137,364,023	-
Pollution Remediation	2,742,384	1,029,018	-	3,771,402	407,158
Claims Payable and IBNR	31,451,207	58,902,203	(55,472,565)	34,880,845	27,109,003
Total Governmental Activities	\$ 1,254,441,105	\$ 179,096,243	\$ (283,867,331)	\$ 1,149,670,017	\$ 99,621,679
Business-type Activities:					
Revenue Bonds	\$ 269,806,257	\$ -	\$ (9,315,455)	\$ 260,490,802	\$ 7,630,000
Long-Term Contracts (Direct Borrowings)	277,976,476	97,203,959	(15,747,129)	359,433,306	15,656,007
Total Debt Payable	547,782,733	97,203,959	(25,062,584)	619,924,108	23,286,007
Compensated Absences	5,026,049	1,219,460	(1,601,151)	4,644,358	3,000,016
Net Pension Liability	46,758,396	-	(12,089,943)	34,668,453	-
Net OPEB Liability	68,293	-	(68,293)	-	-
Pollution Remediation	688,900	-	(92,900)	596,000	21,000
Port Road Obligation	1,761,154	-	(13,524)	1,747,630	-
Landfill Closure Liability	37,733,227	1,532,265	-	39,265,492	-
Total Business-type Activities	\$ 639,818,752	\$ 99,955,684	\$ (38,928,395)	\$ 700,846,041	\$ 26,307,023

Governmental activities compensated absences, pension and OPEB are typically liquidated by the General Fund.

The Municipality implemented the provisions of GASB Statement No.88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. Direct borrowings are defined as debt where a government enters into a loan agreement directly with a lender and direct placements are defined as debt securities issued directly to an investor. For the purposes of this Statement, bonds (general obligation, revenue, and certificate of participation) are considered other debt and are neither direct borrowings nor direct placements. As of December 31, 2021, the Municipality has only direct borrowing debt and other debt. Capital Leases from direct borrowings noted in the table above are disclosed in detail in Note 8.

B. General Obligation Bonds

The Municipality issues general obligation (GO) bonds to provide funds for capital acquisition and construction. GO bonds are direct obligations and pledge the full faith and credit of the government. They are generally issued as 20-year serial bonds with principal and interest payments due each year. The Municipality issued new and refunding GO Bonds in 2021. As of December 31, 2021, the Municipality reported total outstanding general obligation bonds in the amount of \$428,695,000.

Description	Amount Outstanding
\$23,570,000 2012A General Obligation General Purpose Bonds due in annual installments of \$860,000 to \$1,130,000 through 2022, interest rate from 2 percent to 5 percent. The issue is for the purpose of general capital projects within the Municipality.	\$ 1,130,000
\$40,435,000 2014A General Obligation General Purpose Bonds due in annual installments of \$1,355,000 to \$3,005,000 through 2025, interest rate from 1.25 percent to 5 percent. The issue is for the purpose of general capital projects within the Municipality.	7,275,000

Description	Amount Outstanding
\$78,430,000 2014B General Obligation General Purpose Refunding Bonds due in annual installments of \$1,510,000 to \$10,390,000 through 2025, interest rate from 1.25 percent to 5 percent. The issue was for the purpose of refunding the remainder of 2004C and partially refunding 2005F.	\$ 36,575,000
\$47,840,000 2015A General Obligation General Purpose Refunding Bonds due in annual installments of \$1,765,000 to \$3,635,000 through 2035, interest rate from 2 percent to 5 percent. The issue was for the purpose of general capital projects within the Municipality.	20,655,000
\$115,250,000 2015B General Obligation General Purpose Refunding Bonds due in annual installments of \$4,125,000 to \$20,140,000 through 2028, interest rate from 2 percent to 5 percent. The issue was for the purpose of refunding the remainder of 2005C and 2005D and partially refunding 2007C and 2008A.	43,755,000
\$24,870,000 2016A General Obligation General Purpose Bonds due in annual installments of \$865,000 to \$1,875,000 through 2036, interest rate from 3 percent to 5 percent. The issue was for the purpose of general capital projects within the Municipality.	21,175,000
\$58,235,000 2018A General Obligation General Purpose Bonds due in annual installments of \$1,955,000 to \$4,540,000 through 2038, interest rate from 2.63 percent to 5 percent. The issue was for the purpose of general capital projects within the Municipality.	54,245,000
\$20,265,000 2018B General Obligation General Purpose Refunding Bonds due in annual installments of \$6,375,000 to \$7,140,000 through 2023, interest rate of 5 percent. The issue was for the purpose of refunding the remainder of 2007A.	13,890,000
\$32,875,000 2019A General Obligation General Purpose Bonds due in annual installments of \$1,110,000 to \$2,350,000 through 2039, interest rate from 3 percent to 5 percent. The issue was for the purpose of general capital projects within the Municipality.	31,765,000
\$27,750,000 2019B General Obligation General Purpose Refunding Bonds due in annual installments of \$2,195,000 to \$3,440,000 through 2030, interest rate of 5 percent. The issue was for the purpose of refunding the remainder of 2010A-2 after the 2020 payment.	25,555,000
\$44,720,000 2020A General Obligation General Purpose Bonds due in annual installments of \$1,230,000 to \$3,045,000 through 2040, interest rate from 1.75 percent to 5 percent. The issue was for the purpose of general capital projects within the Municipality.	43,490,000
\$1,765,000 2020B General Obligation General Purpose Refunding Bonds due in annual installments of \$125,000 to \$270,000 through 2028, interest rate of 5 percent. The issue was for the purpose of refunding the remainder of 2010C after the 2020 payment.	1,565,000
\$43,820,000 2020C General Obligation General Purpose Refunding Bonds due in annual installments of \$915,000 to \$4,505,000 through 2034, interest rate of .217 percent to 1.916 percent. The issue was for the purpose of refunding the remainder of 2012A after the 2022 payment and 2014A after the 2025 payment.	42,880,000
\$13,900,000 2020D General Obligation General Purpose Refunding Bonds due in annual installments of \$1,100,000 to \$1,725,000 through 2031, interest rate of 5 percent. The issue was for the purpose of refunding the remainder of 2011A after the 2021 payment.	13,900,000
\$45,245,000 2021A General Obligation General Purpose Bonds due in annual installments of \$1,515,000 to \$3,385,000 through 2041, interest rate from 4 percent to 5 percent. The issue was for the purpose of general capital projects within the Municipality.	45,245,000
\$25,595,000 2021B General Obligation General Purpose Refunding Bonds due in annual installments of \$420,000 to \$7,325,000 through 2033, interest rate of 0.819 percent to 2.485 percent. The issue was for the purpose of refunding the remainder of 2015A after the 2026 payment and 2015B after the 2027 payment.	25,595,000
Total General Obligation Debt	<u>\$ 428,695,000</u>

ASD GO bonds are reported as obligations of the component unit since they are expected to be repaid from ASD revenues; such amounts total \$452,010,000 on June 30, 2021. ASD GO bonds are discussed in detail in Section I. All other Municipality GO bonds are reported in the government-wide financial statements.

The Municipality issued new and refunding GO bonds in 2021. Refunding debt is discussed in detail in Section G. The GO General Purpose Bonds Series A in the amount of \$45,245,000 was issued to fund Municipality-wide capital projects. The Refunding General Purpose Bonds Series B in the amount of \$25,595,000 was issued to payoff General Purpose Bond 2015 Series A after the 2026 payment and the Refunding General Purpose Bond Series B after the 2027 payment.

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		
	Principal	Interest	Total
Years:			
2022	\$ 38,425,000	\$ 16,610,882	\$ 55,035,882
2023	41,650,000	15,536,750	57,186,750
2024	36,100,000	13,594,050	49,694,050
2025	33,690,000	11,950,080	45,640,080
2026	28,025,000	10,396,898	38,421,898
2027-2031	121,085,000	35,677,511	156,762,511
2032-2036	86,700,000	16,922,283	103,622,283
2037-2041	43,020,000	3,621,050	46,641,050
Subtotal	428,695,000	124,309,504	553,004,504
Add unamortized premiums	47,908,180	-	47,908,180
Total	\$ 476,603,180	\$ 124,309,504	\$ 600,912,684

C. Revenue Bonds

CIVICVentures Revenue Bonds

In August 2015, CIVICVentures, a blended component unit, issued \$93,790,000 in Tax-exempt, Non-recourse Revenue Refunding Bonds to finance the acquisition of land and construction of a new civic and convention center. Revenues pledged to pay the debt are those revenues identified in the Indenture of Trust between CIVICVentures and U.S. Bank National Association, consisting of Hotel, Motel, and Bed and Breakfast room taxes collected and remitted pursuant to agreement, by the Municipality. In the event room tax collections are not sufficient to pay the debt, the Municipality is not obligated in any way to pay the debt on behalf of CIVICVentures. Principal and interest paid for the current year, total Hotel, Motel and Bed and Breakfast tax revenues, and related investment loss were \$6,409,450, \$6,144,181, and \$38,426, respectively.

The bond payments are due in annual installments ranging annually from \$2,790,000 to \$6,715,000 through 2038, with interest rates ranging between 3.5 percent and 5 percent. As of December 31, 2021, the Municipality reported as blended total outstanding tax-exempt non-recourse Revenue Bonds in the amount of \$80,760,000

Annual debt service requirements to maturity for CIVICVentures revenue bonds are as follows:

	CIVICVentures		
	Principal	Interest	Total
Years:			
2022	\$ 2,790,000	\$ 3,700,450	\$ 6,490,450
2023	3,015,000	3,560,950	6,575,950
2024	3,245,000	3,410,200	6,655,200
2025	3,490,000	3,247,950	6,737,950
2026	3,750,000	3,073,450	6,823,450
2027-2031	22,650,000	12,274,750	34,924,750
2032-2036	28,645,000	6,278,800	34,923,800
2037-2038	13,175,000	795,600	13,970,600
Subtotal	80,760,000	36,342,150	117,102,150
Add unamortized bond premiums	4,025,495	-	4,025,495
Total	\$ 84,785,495	\$ 36,342,150	\$ 121,127,645

Utility Revenue Bonds

Water, Wastewater, and Port Utilities revenue bond covenants require establishment of certain cash reserves. Water and Wastewater revenue bond covenants further stipulate that operating income, as defined in the covenants, will be at least 1.15 times the debt service requirement for that year. The Port Revenue bond covenants further stipulate that operating income, as defined in the covenants, will be at least 1.35 times the debt service requirement for that year.

The proceeds of the bonds, together with other legally available funds, are used for the following purposes: (i) to provide for the cost of certain capital improvement projects; (ii) to reimburse the Utility for costs of such capital improvement projects; (iii) to pay costs of issuance; and (iv) to provide funds for deposit in the Reserve Account.

Water Utility

The Water Utility has pledged future water customer revenues, net of specified operating expenses, to repay Water Utility revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from Water customer net revenues and are payable through 2047. The total principal and interest remaining to be paid on the bonds is \$143,142,305. Principal and interest paid for the current year and total customer net revenues were \$8,796,536 and \$29,660,483, respectively.

Wastewater Utility

The Wastewater Utility has pledged future wastewater customer revenues, net of specified operating expenses, to repay Wastewater Utility revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from Wastewater customer net revenues and are payable through 2047. The total principal and interest remaining to be paid on the bonds is \$108,416,452. Principal and interest paid for the current year and total customer net revenues were \$6,276,317 and \$24,462,885, respectively.

Port Utility

In 2020, the Port issued two separate series of revenue bonds: 2020 Series A and 2020 Series B. The proceeds from the 2020 Series A bond were used to pay or reimburse the costs of a portion of the Phase 1 of the Port of Alaska Modernization Project, including the replacement of the Port's existing Petroleum, Oil, and Lubricants/Cement Terminal 1 with the Port Petroleum and Cement Terminal. The proceeds of the 2020 Series B bonds were used to refund the balance of the notes payable from direct borrowings. The 2020 Series A bonds have a total authorized amount of \$18,885,000, are due in annual installments of \$1,275,000 to \$3,875,000 (principal payments beginning in 2045 through 2050), plus interest at 2.53 percent. The 2020 Series B bonds have a total authorized amount of \$46,210,000, are due in annual installments of \$370,000 and \$2,960,000 (principal payments beginning in 2023 through 2047), plus interest at 1.051 percent to 3.52 percent.

The Port has pledged future port customer revenues, net of specified operating expenses, to repay Port revenue bonds. Proceeds from the bonds provided financing for construction of the Port Modernization Project. The bonds are payable solely from Port customer net revenues and are payable through 2050. The total principal and interest remaining to be paid on the bonds is \$112,004,366. Interest payments began in 2021, and principal payments are scheduled to begin in 2023. Pledged revenues for the year ended December 31, 2021, were \$16,379,312.

As of December 31, 2021, the Municipality reported total outstanding Utility Revenue Bonds in the amount of \$234,900,000. The details of those bonds are as follows:

Description	Amount Outstanding
<u>Water Utility</u>	
\$10,000,000 2017 Water Series A Revenue Bonds, due in annual installments of \$1,000,000 through 2027, interest rate of 1.96 percent.	\$ 6,000,000
\$88,660,000 2017 Water Series B Revenue and Refunding Bonds, due in annual installments of \$545,000 to \$7,590,000 through 2047, interest rate from 3 percent to 5 percent.	85,375,000
\$13,915,000 2017 Water Series C Revenue Refunding Bonds due in annual installments of \$2,205,000 to \$2,480,000 through 2023, interest rate from 1.43 percent to 2.45 percent.	4,720,000
Total Water Utility Outstanding	<u>\$ 96,095,000</u>

Description	Amount Outstanding
Wastewater Utility	
\$20,000,000 2017 Wastewater Series A Revenue Bonds, due in annual installments of \$2,000,000 through 2027, interest rate of 1.96 percent.	\$ 12,000,000
\$64,895,000 2017 Wastewater Series B Revenue and Refunding Bonds, due in annual installments of \$565,000 to \$5,255,000 through 2047, interest rate from 3 percent to 5 percent.	61,710,000
Total Wastewater Utility Outstanding	<u>73,710,000</u>
Port Utility	
\$18,885,000 2020 Port Series A Revenue Bonds, due in annual installments of \$1,275,000 through 2050, interest rate of 5 percent.	18,885,000
\$46,210,000 2020 Port Series B Revenue Bond, due in annual installments of \$370,000 to \$2,960,000 through 2045, interest rate from 1.071 percent to 3.52 percent.	46,210,000
Total Port Utility Outstanding	<u>65,095,000</u>
Total Utility Revenue Bonds Outstanding	<u>\$ 234,900,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

Years:	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 7,630,000	\$ 9,990,651	\$ 17,620,651
2023	8,795,000	9,751,453	18,546,453
2024	8,580,000	9,462,028	18,042,028
2025	8,710,000	9,136,355	17,846,355
2026	10,530,000	8,785,127	19,315,127
2027-2031	54,525,000	37,311,385	91,836,385
2032-2036	66,190,000	23,811,299	90,001,299
2037-2041	30,590,000	11,465,346	42,055,346
2042-2046	23,025,000	7,054,729	30,079,729
2047-2050	16,325,000	1,894,750	18,219,750
Subtotal	234,900,000	128,663,123	363,563,123
Add unamortized premiums/(discounts), net	26,590,802	-	26,590,802
Total	<u>\$ 261,490,802</u>	<u>\$ 128,663,123</u>	<u>\$ 390,153,925</u>

PAC Roof Revenue Bonds

In 2004, the Municipality entered into a loan agreement with the Alaska Municipal Bond Bank Authority to provide funding for repairs to the Anchorage Center for the Performing Arts roof. This loan will be repaid with revenues from an ACPA ticket surcharge. In 2014, the PAC Roof Bond was refinanced in the amount of \$3,735,000 with annual debt service payments ranging from \$160,000 to \$285,000, with an interest rate of 5 percent. Principal and interest paid for the current year, total ACPA ticket surcharge revenues, and related investment income were \$297,750; \$16,407; and \$4,848, respectively. As of December 31, 2021, the Municipality reported an outstanding balance on this bond of \$2,805,000.

Annual debt service requirements to maturity are as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2022	\$ 160,000	\$ 140,250	\$ 300,250
2023	170,000	132,250	302,250
2024	175,000	123,750	298,750
2025	180,000	115,000	295,000
2026	190,000	106,000	296,000
2027-2031	1,115,000	376,000	1,491,000
2032-2034	815,000	82,750	897,750
Subtotal	2,805,000	1,076,000	3,881,000
Add unamortized premiums, net	304,492	-	304,492
Total	\$ 3,109,492	\$ 1,076,000	\$ 4,185,492

D. Certificate of Participation Bonds

On December 7, 2017, the Municipality issued \$58,675,000 of Certificates of Participation (COP), 2017 Series A (Taxable) Bonds, for the Police and Fire Retirement Pension Trust Fund. Proceeds from the sale were used to pay for certain unfunded pension liabilities for the Police and Fire Retirement Pension Trust. The four properties attached to the COP are ZJ Loussac Library, Fire Station No. 1, Fire Station No. 3, and APD Training Center/Diamond Data Center. The bonds will be repaid from contributions of property taxes. Principal and interest paid for the current year, total contributions of property taxes to the debt service fund, and related investment income were \$5,433,285; \$5,434,535; and \$45, respectively. On December 31, 2021, the balance remaining for the Police and Fire COP was \$48,820,000.

Annual debt service requirements to maturity for these certificates of participation are as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2022	\$ 3,790,000	\$ 1,640,922	\$ 5,430,922
2023	3,895,000	1,536,128	5,431,128
2024	4,005,000	1,422,861	5,427,861
2025	4,130,000	1,300,389	5,430,389
2026	4,255,000	1,170,707	5,425,707
2027-2031	23,525,000	3,590,125	27,115,125
2032	5,220,000	196,272	5,416,272
Total	\$ 48,820,000	\$ 10,857,404	\$ 59,677,404

E. Notes and Contracts from Direct Borrowings

As stated above, the Municipality has implemented the provisions of GASB Statement No. 88. The notes and contracts payable in this section are all defined as direct borrowings. The Municipality does not have any direct placements.

Water Utility Commercial Bank Loan Agreement

In 2019, the Water Utility increased a loan agreement with a commercial bank to \$30 million. The Water Utility had a loan balance of \$20,269,887 on December 31, 2021, with an unused line of credit of \$9,730,113. There were no additional draws taken in 2021. Effective May 16, 2021, the Water Utility amended this loan agreement, extending the mandatory prepayment to March 1, 2023, from May 15, 2021. The interest rate changed from being based on London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate (SOFR); the loan commitment amount may now exceed \$30 million if requested by the Water Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the Loan Agreement, the Water Utility pays fees quarterly of 0.1 percent per annum based upon the amount authorized, but not drawn, calculated on a weekly basis. Throughout 2021, the interest rate on the loan varied.

Wastewater Utility Commercial Bank Loan Agreement

In 2019, the Wastewater Utility increased a loan agreement with a commercial bank to \$30 million. The Wastewater Utility had a loan balance of \$19,505,506 on December 31, 2020, with the unused line of credit of \$10,494,494. There were no additional draws taken in 2021. Effective May 16, 2021, the Wastewater Utility amended the 2019A STBP. Key changes in the amendment extended the mandatory prepayment to March 1, 2023 from May 15, 2021; changed the interest rate from being based on London Interbank Offered Rate (LIBOR)

to Secured Overnight Financing Rate (SOFR); the loan commitment amount may now exceed \$30 million if requested by the Wastewater Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the Loan Agreement, the Wastewater Utility pays fees quarterly of 0.1 percent per annum based upon the balance authorized, but not drawn, calculated on a weekly basis. Throughout 2021, the interest rate on the loan varied.

Port Revolving Credit Agreement

In June 2013, the Assembly authorized the establishment of a long-term borrowing program in the amount of \$40 million as an interim financing program for the Port expansion project. On June 20, 2019, the Port and its commercial bank amended the Revolving Credit Agreement under the same terms and conditions but with a revised expiration date of July 21, 2021. Any amount may be repaid prior to that date at the option of the Port. In December 2020, the outstanding principal balance of \$40 million was paid off with the Port Revenue Bond Series B, with the option to draw up to \$40 million for financing for capital projects related to the Port Modernization Project.

This long-term borrowing program was amended and restated as of July 1, 2021, with a new expiration date of December 29, 2023. The interest rate per annum is the applicable spread of 0.75 percent plus the Securities Industry and Financial Markets Association (SIFMA) rate. As of December 31, 2021, the Port did not incur any interest expense on unpaid principal. The commitment fee of 0.35 percent is assessed on the un-utilized balance, as of December 31, 2021, the Port has paid \$136,333 in commitment fees. On December 27, 2021, the Port exercised the option to draw an additional \$40 million for the needed financing for capital projects related to the Port Modernization Project. The note payable funded \$16,263,357 in capital assets during 2021.

Refuse and Disposal Utility Revenue Note Agreement

In February 2019, the Refuse and Disposal Utilities (Solid Waste Utilities) entered into a joint Loan Agreement for up to \$55 million with a commercial bank. Revenues from customers of the Solid Waste Utilities are pledged to pay the debt service for this loan. On June 24, 2021, the Solid Waste Utilities and its commercial bank amended this loan agreement, increasing the amount to be borrowed up to \$100 million with the maturity date of February 1, 2025. The interest rate percentage per annum is calculate based on the 90-Day SOFR times 0.79 plus 1.01 on the outstanding principal balance. The commitment fee percentage per annum is 0.10 percent on the un-utilized amount.

As of December 31, 2021, the combined outstanding principal balance for the Solid Waste Utilities was \$68,449,122, with the Refuse Utility reporting \$24,368,154 of the outstanding principal and the Disposal Utility reporting \$44,080,968 of the outstanding principal. The interest fees incurred as of December 31, 2021, for the Solid Waste Utilities were \$461,979, with the Refuse Utility reporting \$164,902 and the Disposal Utility reporting \$297,077. The commitment fees incurred as of December 31, 2021, for the Solid Waste Utilities were \$89,378, with the Refuse Utility reporting \$30,104 and the Disposal Utility reporting \$59,274.

State of Alaska Clean Water and Drinking Water Loans

The Municipality has various Clean Water and Drinking Water Fund loans in its Disposal, Water, and Wastewater Utilities from the State of Alaska. The Municipality reported a total outstanding balance on all these loans of \$211,208,791 on December 31, 2021.

Annual debt service requirements to maturity for these notes and contracts from direct borrowings are as follows:

Years:	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 15,656,015	\$ 4,095,360	\$ 19,751,375
2023	96,910,481	5,913,010	102,823,491
2024	16,755,267	3,675,294	20,430,561
2025	85,142,489	2,751,524	87,894,013
2026	16,467,690	2,426,415	18,894,105
2027-2031	65,648,071	8,451,004	74,099,075
2032-2036	38,778,158	4,164,314	42,942,472
2037-2041	23,079,433	1,287,539	24,366,972
2042	995,702	14,936	1,010,638
Total	\$ 359,433,306	\$ 32,779,396	\$ 392,212,702

F. Bonds Authorized but Unissued

On December 31, 2021, the Municipality has the following authorized but unissued general obligation bonds (in thousands):

Purpose	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
Anchorage Parks & Recreation	April 2019	None	\$ 3,950	\$ 3,100	\$ 850
	April 2020	None	3,950	-	3,950
	April 2021	None	3,950	-	3,950
Anchorage Roads & Drainage	April 2018	None	33,865	33,865	-
	April 2019	None	33,240	33,240	-
	April 2020	None	43,000	3,000	40,000
	April 2021	None	36,425	-	36,425
Area Wide Transportation Capital Improvement	April 2014	None	558	558	-
	April 2015	None	240	240	-
	April 2018	None	1,188	-	1,188
	April 2019	None	1,506	-	1,506
	April 2020	None	1,995	-	1,995
	April 2021	None	1,230	-	1,230
Public Safety- EMS	April 2015	None	520	520	-
Public Safety- Areawide	April 2016	None	3,065	3,065	-
Public Safety- Areawide	April 2019	None	4,430	2,530	1,900
Public Safety- Areawide	April 2020	None	7,785	2,097	5,688
Public Safety- EMS	April 2020	None	1,400	1,400	-
Public Safety- Areawide	April 2021	None	3,750	-	3,750
Public Safety- EMS	April 2021	None	1,470	-	1,470
Anchorage Police	April 2016	None	3,800	3,800	-
	April 2017	None	1,400	1,400	-
	April 2018	None	1,050	1,050	-
	April 2019	None	3,500	3,500	-
	April 2020	None	2,400	-	2,400
Anchorage Fire	April 2020	None	2,050	1,050	1,000
	April 2021	None	1,950	-	1,950
					<u>\$ 109,252</u>

In April 2021, the Municipality voters approved the issuance of \$45,025,000 in area wide, road and drainage, public-safety, fire protection, and parks and recreation bonds.

G. Refunded Bond Issues

Municipality of Anchorage

In December 2020, the Municipality issued \$25,595,000 in General Purpose Refunding Bonds Series B. Proceeds of \$22,010,00 were used to refund the principal balance of \$17,745,000 in 2015A and \$4,265,000 in 2015B General Purpose General Obligation Bonds and pay costs of issuance of \$103,907. The refunding resulted in a cash flow savings of \$1,991,520 and an economic gain of \$1,776,259. However, for accounting purposes, the transaction resulted in a deferred charge of \$3,481,093. This amount has been reported as deferred outflow of resources and will be amortized to interest expenses over the life of the debt.

ASD Refunding Bonds

In the fiscal year ended June 30, 2021, the Municipality of Anchorage issued \$77,830,000 general obligation refunding bonds to refund \$66,540,000 of general obligation school bonds, resulting in a decrease of \$8,941,887 in total debt service. The economic gain of this refunding was \$8,124,692.

H. Defeasance of Debt

Municipality Defeasance of Debt

The Municipality defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the Municipality's financial statements. On December 31, 2021, the defeased balance of general obligation and revenue bonds remaining to be paid by the escrow agent was \$59,340,000 for the general government.

Electric Utility Defeasance of Debt

The Electric Utility defeased certain revenue bonds by placing the proceeds from the sale of the Electric Utility in an irrevocable trust to provide for all future debt service payments on the 2014 Revenue Bond Series A. Accordingly, trust account assets and liabilities for defeased bonds are not reported in the Municipality's financial statements. On December 31, 2021, the defeased balance of the revenue bonds to be paid by the escrow agent was \$161,190,000 for the Electric Utility.

ASD Defeasance of Debt

ASD has defeased certain general obligation bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in ASD's financial statements. On June 30, 2021, the amount of general obligation bonds considered defeased was \$212,020,000.

I. ASD Debt

ASD Bonds

The following is a summary of ASD's long-term debt transactions for fiscal year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due within one year
General Obligation Bonds	\$ 440,555,000	\$ 137,920,000	\$(126,465,000)	\$ 452,010,000	\$ 50,265,000
Capital Leases	2,672,312	-	(260,728)	2,411,584	270,308
Compensated Absences	13,357,920	16,333,127	(16,456,016)	13,235,031	7,177,543
Workers Compensation	11,689,295	9,185,312	(6,888,267)	13,986,340	9,931,228
Medical Claims	4,487,086	32,008,113	(32,147,899)	4,347,300	4,347,300
Total	<u>\$ 472,761,613</u>	<u>\$ 195,446,552</u>	<u>\$(182,217,910)</u>	485,990,255	<u>\$ 71,991,379</u>
Unamortized premium on GO Bonds				48,362,037	
Total				<u>\$ 534,352,292</u>	

Bonds payable on June 30, 2021, are comprised of the following individual issues:

General Obligation Bonds	Outstanding Amounts
\$171,155,000 2007 Series B School Construction Refunding Bonds due in annual installments of \$60,000 to \$21,245,000 through September 2024; interest at 4 percent to 5 percent.	\$ 18,295,000
\$4,940,000 2011 Series B School Construction Serial Bonds due in annual installments of \$460,000 to \$550,000 through August 2021; interest at 2 percent to 3 percent.	550,000
\$14,425,000 2012 Series C School Construction Serial Bonds due in annual installments of \$615,000 to \$975,000 through August 2032; interest at 2 percent to 5 percent.	1,355,000
\$39,345,000 2013 Series A School Construction Serial Bonds due in annual installments of \$865,000 to \$2,920,000 through August 2033; interest at 4 percent to 5 percent.	5,395,000
\$59,075,000 2014 Series C School Construction Serial Bonds due in annual installments of \$1,795,000 to \$4,555,000 through September 2034; interest in 1.25 percent to 5 percent.	13,180,000

General Obligation Bonds	Outstanding Amounts
\$37,150,000 2014 Series D School Construction Refunding Bonds due in annual installments of \$2,120,000 to \$7,200,000 through September 2026; interest at 1.25 percent to 5 percent.	\$ 17,625,000
\$69,170,000 2015 Series C School Construction Serial Bonds due in annual installments of \$2,095,000 to \$5,265,000 through September 2035; interest at 2 percent to 5 percent.	57,695,000
\$81,040,000 2015 Series D School Construction Serial Bonds due in annual installments of \$1,260,000 to \$15,090,000 through September 2026; interest at 2 percent to 5 percent.	42,005,000
\$20,270,000 2016 Series B General Obligation School Bonds due in annual installments of \$665,000 to \$1,500,000 through September, 2036, interest at 2 percent to 5 percent.	17,470,000
\$41,960,000 2016 Series C General Obligation Refunding School Bonds due in annual installments of \$7,660,000 to \$13,015,000 through September, 2021, interest at 5 percent.	8,900,000
\$35,660,000 2018 Series C General Obligation School Bonds due in annual installments of \$1,105,000 to \$2,640,000 through September, 2038, interest at 2.25 percent to 5 percent.	33,400,000
\$57,020,000 2018 Series D General Obligation Refunding School Bonds due in annual installments of \$9,825,000 to \$28,455,000 through September, 2024, interest at 5 percent.	57,020,000
\$35,610,000 2019 Series C School Construction Serial Bonds due in annual installments of \$1,105,000 and \$2,545,000 through April 2039; interest at 3 percent to 5 percent.	33,345,000
\$10,295,000 2019 Series D School Construction Refunding Serial Bonds due in annual installments of \$885,000 and \$1,215,000 through April 2030; interest at 3 percent to 4 percent.	9,410,000
\$60,090,000 2020 series E School Construction Serial Bonds due in annual installments of \$1,935,000 to \$4,425,000 through April 2040; interest at 2 percent to 5 percent.	58,535,000
\$77,830,000 2020 Series F School Construction Refunding Bonds due in annual installments of \$1,570,000 and \$7,870,000 through April 2034; interest at 3 percent to 5 percent.	77,830,000
	<u>\$ 452,010,000</u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2021, are as follows:

Years:	Anchorage School District		
	Principal	Interest	Total
2022	\$ 50,265,000	\$ 16,725,569	\$ 66,990,569
2023	51,995,000	14,438,144	66,433,144
2024	43,365,000	12,426,034	55,791,034
2025	35,515,000	10,778,814	46,293,814
2026	26,805,000	9,473,604	36,278,604
2027-2031	114,805,000	32,972,280	147,777,280
2032-2036	96,345,000	14,202,188	110,547,188
2037-2040	32,915,000	1,954,556	34,869,556
Total	<u>\$ 452,010,000</u>	<u>\$ 112,971,189</u>	<u>\$ 564,981,189</u>

The amount of long-term liability that is due within one year as of June 30, 2021, is \$50,265,000. The Debt Service Fund has \$534,201 available to service the general obligation bonds. There are several restrictions contained in the various bond indentures. ASD follows all significant restrictions.

J. ACDA Debt

In June 2018, the ACDA board of directors approved the purchase of a building located at 716 W. 4th Avenue. On August 2, 2018, ACDA closed on this purchase. ACDA utilized the 7th Avenue parking garage as collateral for the loan from direct borrowing with Key Government Finance, Inc. The carrying value of the collateral was zero at December 31, 2021. It is a 15-year loan for \$14,432,000 at 5.35 percent interest rate. Loan payments will be made twice a year on February 1st and August 1st and the loan matures on August 1, 2038. Principal and interest paid on the loan in 2021 was \$480,778 and \$747,697, respectively. As of December 31, 2021, the balance was \$13,494,860.

In April 2021, ACDA entered into a \$573,300 loan through the Municipality of Anchorage’s Master Lease Agreement with Key Government Finance, Inc. to fund the LED Garage Retrofit project. The loan is repaid monthly over 19 years through April 2031 at an interest rate of 2.28 percent and is secured by the assets of the Municipality. The balance December 31, 2021 was \$515,468.

The annual debt service requirements of this loan are as follows:

Years:	Anchorage Community Development Authority		
	Principal	Interest	Total
2022	\$ 557,145	\$ 783,942	\$ 1,341,087
2023	585,407	756,844	1,342,251
2024	615,146	728,297	1,343,443
2025	646,440	698,222	1,344,662
2026	679,370	666,539	1,345,909
2027-2031	3,907,701	2,498,032	6,405,733
2032-2036	4,746,160	1,396,212	6,142,372
2037-2039	2,272,959	183,989	2,456,948
Total	\$ 14,010,328	\$ 7,712,077	\$ 21,722,405

K. ACPA Debt

ACPA changes in long-term liabilities for the year ended December 31, 2021 are comprised of the following:

	Balance			Balance	Due Within
	January 1, 2020	Additions	Reductions		
Payroll Protection Program Loan	\$ 10,000	\$ -	\$ (10,000)	\$ -	\$ -
Payroll Protection Program Loan	-	308,710	-	308,710	152,416
Economic Injury Disaster Loan	150,000	-	(654)	149,346	2,095
Total	\$ 160,000	\$ 308,710	\$ (10,654)	\$ 458,056	\$ 154,511

On June 11, 2020, ACPA was approved for a loan under the Economic Injury Disaster Loan (EIDL) program in the amount of \$150,000. The loan has a term of 30 years, is secured by assets of ACPA, and due in monthly installments of \$298 with the first 12 months of principal and interest payments deferred through June 2022. However, interest is still accrued during the deferment period. The loan carries an interest rate of 2.75 percent.

On March 31, 2021, ACPA was approved for a loan under the Payroll Protection Program (PPP) in the amount of \$308,710. The loan has a term of two years, is unsecured, and guaranteed by the Small Business Administration (SBA). The loan bears an interest rate of 1 percent, with the first ten months of interest and principal deferred. On January 31, 2022, ACPA applied for loan forgiveness through the SBA.

In addition to the principal amount of \$150,000 borrowed under the EIDL Program. Under the terms of Section 1110(e)(6) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, EIDL advances were required to be deducted from PPP loan forgiveness payments. On December 27, 2020, the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) repealed Section 1110(e)(6) of the CARES Act. As ACPA’s PPP forgiveness payment was received prior to the passage of the Economic Aid Act, SBA will automatically remit a reconciliation payment for the previously deducted EIDL advance amount, plus interest,

through the reconciliation date. As of December 31, 2021, no formal notification of forgiveness or payment had been received. As such, ACPA continues to report this amount as a liability as of December 31, 2021.

Annual debt service requirements to maturity are as follows:

Years:	Anchorage Center for Performing Arts		
	Principal	Interest	Total
2022	\$ 154,511	\$ 7,106	\$ 161,617
2023	159,983	4,851	164,834
2024	3,792	3,900	7,692
2025	3,898	3,794	7,692
2026	4,006	3,686	7,692
2027-2031	21,767	16,693	38,460
2032-2036	24,972	13,488	38,460
2037-2041	28,648	9,812	38,460
2042-2046	32,866	5,594	38,460
2047-2051	23,613	1,084	24,697
Total	\$ 458,056	\$ 70,008	\$ 528,064

NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

A. Municipality of Anchorage

Tax Anticipation Notes

On February 23, 2022, the Municipality issued \$150 million of General Obligation Tax Anticipation Notes. The yield on the notes is 1.50 percent with a maturity date of December 15, 2022.

Refuse and Disposal Utilities Revenue Note Agreement

On February 1, 2019, the Refuse and Disposal Utilities entered a Short-Term Borrowing Program (STBP) with Key Government Services. The borrowing program allows the Refuse and Disposal Utilities to borrow up to \$55 million on a short-term basis. On June 24, 2021, the borrowing agreement with Key Government Services was amended, allowing borrowing of up to \$100 million. On May 1, 2022, this borrowing agreement with Key Government Services was again amended to allow borrowing of up to \$130 million. The amount borrowed as of December 31, 2021, was \$68,449,122, with additional funds requested as of August 26, 2022, in the amount of \$30,510,205. Under the terms of the Loan Agreement, the interest on the loan is to be paid quarterly and is calculated based on the 90-day SOFR rate times .79 plus 1.01 percent. The maturity date of the Loan Agreement is on February 1, 2025. The Refuse and Disposal Utilities expected to continue borrowing on these available funds throughout the near future.

Water Utility Direct Borrowings – Revolving Loans

After December 31, 2021, the Water Utility entered into a loan agreement for the Programmatic Financing from the State of Alaska Drinking Water Fund for an additional \$10 million at 1.61875 percent financing charge to be used for capital construction projects to be drawn as needed.

Water Utility Debt Restructuring

The Water Utility restructured its debt effective July 14, 2022. The proceeds of the 2022 series A Refunding Bonds in the amount of \$20,401,386 will be used to pay for the cost of issuance and to pay down the current balance of the Water Utility's short-term borrowing program currently held with Key Government Financial.

Wastewater Utility Direct Borrowings – Revolving Loans

After December 31, 2021, the Wastewater Utility entered into a loan agreement for the Programmatic Financing from the State of Alaska Clean Water Fund for an additional \$8 million at 1.6625 percent financing charge to be used for capital construction projects to be drawn as needed.

Wastewater Utility Debt Restructuring

The Wastewater Utility restructured its debt effective July 14, 2022. The proceeds of the 2022 series A Refunding Bonds in the amount of \$19,632,008 will be used to pay for the cost of issuance and to pay down the current balance of the Wastewater Utility's short-term borrowing program currently held with Key Government Financial.

B. Anchorage School District

General Obligation School Bonds

After the ASD fiscal year end, June 30, 2021, the Municipality of Anchorage on behalf of ASD issued \$55,300,000 in general obligation school bonds on December 16, 2021.

General Obligation Refunding School Bonds

After the ASD fiscal year end, June 30, 2021, the Municipality of Anchorage on behalf of ASD issued \$35,740,000 in general obligation refunding bonds to refund \$30,845,000 of general obligation school bonds, resulting in a decrease of \$2,836,228 in total debt service. The economic gain of this refunding on December 15, 2021 was \$2,528,815.

NOTE 12 - CONDUIT DEBT OBLIGATIONS

A. Nonrecourse Revenue Bonds - United Way of Anchorage

On July 30, 2001, the Municipality sponsored \$900,000 of Nonrecourse Revenue Bonds on behalf of the United Way of Anchorage. The Municipality has no direct involvement with the administration of the bonds except to allow the issuance under the name of the Municipality of Anchorage. The revenue bonds are issued under provisions of State and Federal law that provide that the bonds do not constitute an indebtedness of the Municipality. The bonds do not constitute a general obligation or pledge of the full faith and credit of the Municipality. Accordingly, the bonds and the related assets are not reflected in the accompanying financial statements. The final payment on this conduit debt was made in 2021, so as of December 31, 2021, this debt was paid in full and no longer required to be disclosed.

NOTE 13 - PENSIONS

Substantially all regular employees of the Municipality are members of a public employees' retirement system except for employees who are members of the Police and Fire Pension System Plans, the International Brotherhood of Electrical Workers (IBEW) and International Union of Operating Engineers, Local 302 (Local 302). All Municipal employees who are members of a public employees' retirement system participate in the State of Alaska Public Employees' Retirement System (PERS) except for police officers hired prior to October 6, 1994, paramedics, and fire fighters hired prior to July 18, 1994, and command officers hired prior to May 24, 1994, who participate in either Plan I, Plan II, or Plan III of the Police and Fire Retirement System. The Police and Fire Retirement System is a defined benefit single-employer plan established by Chapter 3.85 of the Municipal Code. Police officers, command officers, paramedics, and fire fighters hired after these dates are in the PERS Plan. IBEW and Local 302 are union sponsored cost-sharing defined benefit plans. All pension obligations of the Municipality are included on the government-wide, proprietary, or fiduciary financial statements.

Substantially all employees of ASD are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS) pension plans, with balances reported on the entity-wide statement of net position. For TRS Tiers I-II, employees with eight years or more of credited service are vested in the retirement system. Pension benefits are accrued annually at 2 percent for all years of service prior to July 1, 1990 or the first 20 years of service, and 2.5 percent for all the years after. Annual pension benefit is based on the accrued service credits and the average of three highest contract salaries. Employees hired before July 1, 1990 may retire normally at age 55 with early retirement at age 50. Employees hired between July 1, 1990 and July 1, 2006 may retire normally at age 60 with early retirement at age 55. Employees with 20 or more years of credited service may retire at any age and receive a normal benefit.

Pension benefits for TRS Tiers I-II are adjusted each year based upon increases in the Consumer Price Index (CPI) for the prior year. Post retirement pension adjustments are applied automatically to retirees who are at least of age 60, who are on disability, or who have been receiving benefits for at least eight years. Starting at age 65, or at any age for those employed before July 1, 1990, a retired employee who remains in Alaska is eligible for an additional allowance equal to 10 percent of the base benefit or \$50 a month, whichever is greater. For TRS Tier III, employees are fully vested after five years of credited service. Employees can invest in a variety of mutual funds selected by the Alaska Retirement Management Board or rollover the plan balance to other qualified plans. Distribution of vested plan balance is allowed after an employee has been terminated for at least 60 days. Additional information can be obtained in ASD's separately issued financial statements.

A. Defined Benefit Pension Plans

The Municipality participates in two defined benefit pension plans: Public Employees Retirement System (PERS) and the Police and Fire Pension System. The Net Pension Liability reported in the Statement of Net Position for the defined benefit pension plans is as follows:

<u>Net Pension Liability</u>	Governmental Activities	Business-type Activities	Total
Public Employees Retirement System	\$ 282,182,531	\$ 34,668,453	\$ 316,850,984
Police and Fire Pension System	20,904,587	-	20,904,587
Total	<u>\$ 303,087,118</u>	<u>\$ 34,668,453</u>	<u>\$ 337,755,571</u>

Total net pension liability for all plans for 2021 was \$337,755,571 and total pension expense was \$52,770,747, which includes on-behalf expenses from the State of \$61,544. Total deferred outflows of resources and deferred inflows of resources for all plans were \$29,280,186 and \$170,768,071, respectively. There were no net pension assets reported for 2021.

A-1. Public Employees Retirement System (PERS I-III)

General Information About the Plan

The Municipality participates in the Alaska Public Employees' Retirement System (PERS I-III or the Plan). PERS I-III is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police and Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and Other Post-Employment Benefits (OPEB) benefits. A complete benefit comparison chart is available at the website noted below.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and detailed plan information is also available on this website. They may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by phoning (907) 465-4460.

The PERS I-III DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS IV Defined Contribution (DC) Plan described later in the note.

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a defined benefit cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in this note.

Alaska Statutes require the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board.

Although current statutes call for the State of Alaska to contribute to the Plan, the Alaska Department of Law determined that the statute does not create a legal obligation to assume the liabilities of the Plan; rather it establishes a contribution mechanism to provide employer relief against the rising contribution rates. This relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State initially

determined that the Plan is not in a special funding situation. Following much discussion with various stakeholders, participant communities, attorneys, auditors, and the GASB, itself the State has subsequently reversed its position on this matter, and as of June 30, 2015, the State did record the liability presuming that the current statute does constitute a special funding situation as the legislation is currently written. It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process, and it is likely that the State will pursue efforts to do so in a future legislative session.

For the current year financial statements, management has treated AS 39.35.255 and AS 39.35.280 as constituting a special funding situation under GASB Statement No. 68 rules and has recorded all pension related liabilities, deferred inflows and outflows of resources, and disclosures on this basis.

Employee Contribution Rates

Regular employees are required to contribute 6.75 percent of their annual covered salary. Police and firefighters are required to contribute 7.5 percent of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

Employer Effective Rate

This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22 percent of eligible wages, subject to a wage floor, and other termination events. This 22 percent rate is calculated on all PERS participating wages, including those wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability (DBUL) contribution.

ARM Board Adopted Rate

This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039.

State On-behalf Contribution Rate

This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures on a calendar year basis ending December 31, 2021. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period July 1 2020 to June 30, 2021, in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition. Total on-behalf amounts recognized as of the measurement period are actuarially calculated.

Contribution rates for the years ended June 30, 2021 and June 30, 2022 were determined in the June 30, 2019 and June 30, 2020 actuarial valuations, respectively. Municipality contribution rates for the 2021 calendar year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
January 1, 2021 to June 30, 2021			
Pension	22.00%	26.58%	8.85%
Postemployment Healthcare- ARHCT (see Note 14)	0.00%	4.27%	0.00%
Total Contribution Rates	22.00%	30.85%	8.85%
	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
July 1, 2021 to December 31, 2021			
Pension	22.00%	26.99%	8.11%
Postemployment Healthcare- ARHCT (see Note 14)	0.00%	3.12%	0.00%
Total Contribution Rates	22.00%	30.11%	8.11%

In 2021, the Municipality was credited with the following contributions into the pension plan.

	Measurement Period July 1, 2020 to June 30, 2021	Municipality's Fiscal Year January 1, 2021 to December 31, 2021
Employer contributions (including DBUL)	\$ 31,890,769	\$ 32,796,090
Nonemployer contributions (on-behalf)	19,140,966	18,203,442
Total Contributions	<u>\$ 51,031,735</u>	<u>\$ 50,999,532</u>

In addition, employee contributions to the Plan totaled \$6,716,634 during the Municipality's calendar year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On December 31, 2021, the Municipality reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Municipality. The amount recognized by the Municipality for its proportional share, the related State proportion, and the total were as follows:

Municipality proportionate share of NPL	\$ 316,850,984
State's proportionate share of NPL associated with the Municipality	42,923,535
Total Net Pension Liability	<u>\$ 359,774,519</u>

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net pension liability as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2021 measurement date, the Municipality's proportion was 8.64 percent, which was an increase of 1.53 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Municipality recognized pension expense of \$68,079,047. Of this amount, \$61,544 was recorded as on-behalf revenue and expense for additional contributions paid by the State. On December 31, 2021, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Measurement Period June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,403,726)
Net difference between projected and actual earnings on pension plan investments	-	(124,949,375)
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	12,449,482	-
Municipality contributions subsequent to the measurement date	16,830,704	-
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	<u>\$ 29,280,186</u>	<u>\$ (126,353,101)</u>

The \$16,830,704 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
2022	\$ (17,990,827)
2023	(28,621,001)
2024	(30,960,007)
2025	(36,331,784)
Total Amortization	<u>\$ (113,903,619)</u>

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021. The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 20, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets. There were no changes in assumptions for the measurement period ended June 30, 2021.

Inflation	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Layered unfunded accrued actuarial liability, level percent of pay basis
Allocation Methodology	Amounts for the June 30, 2021 measurement date were allocated to the employers based on the present value of the contributions for FY2023-2039, as determined by projections based on the June 30, 2020 valuation. The contributions for FY2023 reflect those adopted by the Board on October 11, 2021.
Salary Increases	For peace officers/firefighters, increases range from 7.75 percent to 2.75 percent, based on service. For all others, increases range from 6.75 percent to 2.75 percent, based on service.
Investment Return / Discount Rate	7.38 percent, net of pension plan investment expenses. This is based on an average inflation rate of 2.50 percent and real rate of return of 4.88 percent.
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Pre-commencement mortality rates were based on 100 percent of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Post-commencement mortality rates were based on 91 percent of male and 96 percent of female rates of the RP-2014 healthy annuitant table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement. Deaths are assumed to be occupational 75 percent of the time for peace officer/firefighters, 40 percent of the time for all others.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return, excluding the inflation component of 2.5 percent, for each major asset class included in the pension plan's target asset allocation as of the measurement period June 30, 2021 are summarized in the following table:

Asset Class	Long-term		
	Expected Real Rate of Return	Target	Range
Broad domestic equity	6.63%	28%	+/- 6%
Global equity (non-U.S.)	5.41%	19%	+/- 4%
Aggregate bonds	0.76%	22%	+/- 10%
Opportunistic	4.39%	6%	+/- 4%
Real assets	3.16%	13%	+/- 7%
Private equity	9.29%	12%	+/- 6%
Cash equivalents	0.13%	0%	+/-0%

Discount Rate

The discount rate used to measure the total pension liability was 7.38 percent, which was the same from the prior year. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability in accordance with GASB Statement No. 67. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.18 percent as of June 30, 2021.

Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net pension liability as of June 30, 2021 measurement date calculated using the discount rate of 7.38 percent, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.38 percent) or 1-percentage-point higher (8.38 percent) than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Municipality's proportionate share of the net pension liability	8.63707%	\$ 469,300,441	\$ 316,850,894	\$ 188,773,882

Pension Plan Fiduciary Net Position

The public employees' retirement system pension trust fiduciary net position has been determined using the same basis used to determine the public employees' retirement system net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value based on the net asset value reported by the Treasury.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan.

A-2. Police and Fire Pension System Plans (P&F Plans)

General Information About the Plans

P&F Plans I, II and III are defined benefit single-employer plans established by Chapter 3.85 of the Municipal Code. The P&F Plans are administered by the Police and Fire Retirement Board (Retirement Board). The cost of administering the P&F Plans is financed by the Retirement System assets held in a trust account. The Board consists of nine members: three appointed by the Mayor, three elected by the Fire members, and three elected by the Police members. Separate audited financial statements can be obtained by writing to the Police and Fire Retirement System, 3600 Dr. Martin Luther King Jr. Ave, Suite 207, Anchorage, AK 99507, or by phoning (907) 343-8400.

The P&F Plans financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

All regular full-time police officers hired prior to October 6, 1994; paramedics and fire fighters hired prior to July 18, 1994; and command officers hired prior to May 24, 1994, are required to participate in a plan. No other person is eligible to participate. Membership is determined by date of initial employment or by employee election.

- Plan I - Members employed on or before June 30, 1977
- Plan II - Members employed between July 1, 1977, and April 16, 1984, and
- Plan III - Members employed between April 17, 1984, and May 25, 1994. Members of Plans I and II were also permitted to elect in to Plan III at its inception.

Benefits- Plan 1 and 11

- Voluntary Normal Retirement- Eligibility of the earlier of the completion of 20 years of total credited service or the attainment of age 55 with a minimum of 5 of credited service, receives a benefit of 2.5 percent of average monthly compensation times the number of years of credited service.
- Voluntary Early Retirement- Eligibility after 5 years of credited service and upon reaching the age of 55, receives a benefit of 2.5 percent of the average monthly compensation times the number of years of credited service.
- Deferred Retirement- Eligibility after 5 years of credited service and upon reaching the age of 55, receives 2.5 percent of the average monthly compensation times the number of years of credited service.
- Occupational Disability- Benefits are a monthly pension of 66 percent of the member's gross monthly compensation at the time of disability, payable for the life or until the member has recovered from the disability or is capable of resuming duties similar to those performed upon retirement. Plan I members may file at any time after retirement. Plan II members must file within seven years of retirement.
- Nonoccupational Disability- Eligibility after 5 years of credited service prior to the date of disability. Benefits are a monthly pension of 50 percent of the gross monthly compensation at the time of disability payable for life or until the member has recovered from the disability for which benefits are paid or is physically and mentally capable of performing duties similar to those performed upon retirement.
- Occupational Death Benefit- Benefits are a monthly pension of 66 percent of the member's monthly compensation, payable as designated by the member to the surviving spouse or the surviving children until the children reach the age of 18. The member may designate the portion of the benefit paid to the surviving spouse and the portion paid to surviving children. In the event a participant makes no designation, then the surviving beneficiaries will receive the benefit in the following priority: surviving spouse, surviving children under the age of 18, dependent parents, and dependent siblings under the age of 18.
- Nonoccupational Death Benefits- Benefits of a monthly pension of 50 percent of the member's monthly compensation payable in the same manner as the occupational death benefit described above.

Benefits- Plan III

- Normal Service Retirement- Eligibility after 20 years of credited service, receives a benefit of 2.5 percent of the final average compensation times the number of the years of credited service. A cost of living allowance (COLA) is available each year.
- Early Service Retirement- Eligibility after 15 years of credited service, receives a benefit of 2.5 percent of the final average compensation times the number of the years of credited service, payable for life. A COLA is not available until that date on which they would have accrued 20 years of credited service had they remained employed.
- Deferred Retirement- Eligibility after five years of credited service and upon reaching age 55 or after the date on which the member would have completed 20 years of credited service, had the member remained employed. Benefits are 2.5 percent of final average compensation times the number of years of credited service, payable for life. A COLA is not available until that date on which they would have accrued 20 years of credited service had they remained employed.
- Occupational Disability- Benefits are a monthly pension of 50 percent of the member's final average compensation at the time of disability. The benefit is payable for the life or until the member is capable of resuming assigned duties similar to predisability assigned duties and is offset by any other wage continuation benefit attributable to the Municipality.
- Nonoccupational Disability- Eligibility after five years of credited service prior to the date of the disability. The benefit is a monthly pension of 25 percent of final average compensation if the member retires after more than 5 years but less than 10 years of credited service. For every additional credited year of service more than 10 years up to 20 years, the benefit is increased by 2.5 percent of final average compensation. The benefit is payable for the life or until the member is capable of resuming duties with any police or fire department.

- Death Benefits- Benefit is 100 percent of the Disability Benefit the member receiving or would have received at death or 75 percent of the service retirement benefit to which the member would have been entitled to have the member survived, whichever is greater.
- Children's Benefits- 5 percent of the final average compensation for each dependent child under 18, up to 10 percent is payable monthly with disability benefits or to surviving spouses with dependent children.

This is a closed plan, which means that there are no new participants. As of December 31, 2021, the following employees were covered by the benefit terms:

	Plan I	Plan II	Plan III	Total
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	176	115	410	701
Active Plan Members	-	-	5	5
Totals	176	115	415	706

Employee Contribution Rates

Members of P&F Plan I, II, and III are required to contribute an amount not to exceed 6 percent of compensation if the assets to liabilities ratio falls below 100 percent. In 2021, there was \$52,169 in employee contributions to Plan III. There were no employee contributions to Plans I and II in 2021.

Employer Contribution Rates

The Municipality is required to contribute 2.5:1 Municipality/member contribution ratio and any additional contributions to ensure that P&F Plans I, II, and III are adequately funded as determined by the actuary and approved by the Retirement Board.

Benefit and contribution provisions are established by Code and may be amended only by the Assembly. The January 1, 2021 actuarial valuation recommended employee contribution rates for P&F Plans I, II and III not to exceed 6 percent of employee compensation for the year-end December 31, 2021. In 2017, the Municipality issued \$58.7 million in Certificates of Participation (COP) Series A (Taxable) to provide for a lump-sum contribution to the P&F Plans. Proceeds from the issuance, in the amount of \$58.2 million were contributed, along with \$10.4 million of employer contributions in 2017. The results of the issuance of the COP was to fund 90 percent of the net pension liability and eliminate the employer contribution requirements until 2024. All past contributions were made in accordance with actuarial recommendations.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

On December 31, 2021, the Municipality reported a net pension liability (NPL) for P&F Plans I, II, and III in the amount of \$20,904,587 in the Governmental Activities Statement of Net Position. The NPL for each of the P&F Plans were calculated as follows:

	Plan I	Plan II	Plan III	Total
Total Pension Liability	\$ 82,319,547	\$ 66,982,152	\$ 284,691,138	\$ 433,992,837
Plan Net Assets	(78,001,885)	(63,006,588)	(272,079,777)	(413,088,250)
Municipality Net Pension Liability	\$ 4,317,662	\$ 3,975,564	\$ 12,611,361	\$ 20,904,587

Detailed information for the changes in total pension liability, plan fiduciary net position, and the net pension liability for each plan is presented in the following tables:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<u>Police & Fire Retirement Plan I</u>			
Balances as of December 31, 2020	\$ 85,534,132	\$ 75,853,144	\$ 9,680,988
Changes for the year:			
Interest on total pension liability	4,895,191	-	4,895,191
Effect of economic/demographic (gains) or losses	(214,547)	-	(214,547)
Benefit payments	(7,895,229)	(7,895,229)	-
Administrative expenses	-	(165,768)	165,768
Net investment income	-	10,209,738	(10,209,738)
Balances as of December 31, 2021	\$ 82,319,547	\$ 78,001,885	\$ 4,317,662

Police & Fire Retirement Plan II

Balances as of December 31, 2020	\$ 68,835,290	\$ 60,577,959	\$ 8,257,331
Changes for the year:			
Interest on total pension liability	3,961,040	-	3,961,040
Effect of economic/demographic (gains) or losses	(178,265)	-	(178,265)
Benefit payments	(5,635,913)	(5,635,913)	-
Administrative expenses	-	(133,297)	133,297
Net investment income	-	8,197,839	(8,197,839)
Balances as of December 31, 2021	<u>\$ 66,982,152</u>	<u>\$ 63,006,588</u>	<u>\$ 3,975,564</u>

Police & Fire Retirement Plan III

Balances as of December 31, 2020	\$ 290,988,180	\$ 257,103,438	\$ 33,884,742
Changes for the year:			
Service cost	280,530	-	280,530
Interest on total pension liability	16,888,430	-	16,888,430
Effect of economic/demographic (gains) or losses	(3,876,244)	-	(3,876,244)
Benefit payments	(19,589,758)	(19,589,758)	-
Administrative expenses	-	(571,731)	571,731
Member contributions	-	52,169	(52,169)
Net investment income	-	35,085,659	(35,085,659)
Balances as of December 31, 2021	<u>\$ 284,691,138</u>	<u>\$ 272,079,777</u>	<u>\$ 12,611,361</u>

For the year ended December 31, 2021, the Municipality recognized pension expense of (\$2,427,986), (\$1,911,913), and (\$10,968,401) for the P&F Plans I, II, and III, respectively. On December 31, 2021, the reported deferred inflows of resources related to pensions from the following sources by Plan:

	Measurement Period December 31, 2021 Deferred Inflows of Resources
Net difference between projected and actual investments- Plan I	\$ (8,481,629)
Net difference between projected and actual Investments- Plan II	(6,808,205)
Net difference between projected and actual investments- Plan III	(29,125,136)
	<u>\$ (44,414,970)</u>

The combined amounts for all three plans of \$44,414,970 reported as deferred inflows of resources related to pensions resulting from the difference in projected and actual earnings will be recognized as a reduction in the net pension liability in the year ended December 31, 2022. Deferred inflows of resources related to pensions will be recognized in pension expense for each Plan as follows:

Plan I

Year Ending December 31,	Amortization of Deferred Inflows of Resources
2022	\$ (1,836,484)
2023	(3,652,903)
2024	(1,812,168)
2025	(1,180,074)
Total Amortization	<u>\$ (8,481,629)</u>

Plan II

Year Ending December 31,	Amortization of Deferred Inflows of Resources
2022	\$ (1,491,409)
2023	(2,906,571)
2024	(1,462,979)
2025	(947,246)
Total Amortization	<u>\$ (6,808,205)</u>

Plan III

Year Ending December 31,	Amortization of Deferred Inflows of Resources
2022	\$ (6,508,814)
2023	(12,253,503)
2024	(6,310,271)
2025	(4,052,548)
Total Amortization	<u>\$ (29,125,136)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2021 which was rolled forward to December 31, 2021, using the following actuarial assumptions, applied to all periods in the measurement. This section of the report describes the actuarial methods and assumptions used in this report. The actuarial methods and assumptions have been chosen by the Board based on recent experience of the Plans and on current expectations as to future economic conditions. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

Valuation Date	January 1, 2022
Measurement Date	December 31, 2021
Inflation	3.00%
Salary Increases	3.50%
Investment Return	The future investment earnings of the assets of the plan are assumed to accrue at an annual rate of 6.00 percent as of December 31, 2020 and December 31, 2021, compounded annually, net of investment expenses.
Actuarial Cost Method	Entry Age Normal cost method with normal cost expressed as a level percentage of payroll
Mortality	Actives: Pub-2010 Public Safety Employees, sex distinct, generational projection with Unisex Social Security Data Scale. Healthy Retirees: Pub-2010 Public Safety Healthy Retiree, sex distinct, generational projection with Unisex Social Security Data Scale. Disabled Retiree: Pub-2010 Public Safety Disabled Retiree, sex distinct, generational projection with Unisex Social Security Data Scale. Beneficiaries: Pri-2012 Healthy Retiree, no collar, sex distinct, generational projection with Unisex Social Security Data Scale.

Long-term Expected Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Domestic equities	5.80%	41%	+/- 10%
International equities	8.35%	24%	+/- 6%
Fixed income	3.10%	19%	+/- 13%
Real estate funds	6.00%	15%	+/- 7%
Cash equivalents	0.00%	1%	+/- 4%

Discount Rate

All three Plans are projected to remain solvent indefinitely in the future assuming that the actuarially determined contributions continue to be made under the Board's funding policy. Therefore, the discount rate as of each measurement date is equal to the expected rate of return on plan assets, 6 percent as of December 31, 2021,

which is the same from the prior year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the net pension liability calculated using the discount rate of 6 percent, as well as what the P&F Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5 percent) or 1-percentage-point higher (7 percent) than the current rate:

	Current Discount		
	1% Decrease (5%)	Rate (6%)	1% Increase (7%)
Net Pension Liability:			
Plan I	\$ 11,219,820	\$ 4,317,662	\$ (1,674,511)
Plan II	10,282,852	3,975,564	(1,435,277)
Plan III	44,545,980	12,611,361	(14,091,436)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Anchorage Police and Fire Retirement System financial report.

A-3. IBEW Pension Plan (IBEW Plan)

Plan Information

The Municipality's IBEW members in the Electric Utility, Development Services, Traffic Engineering and Maintenance & Operations participate in a cost-sharing defined benefit plan, the Alaska Electrical Pension Plan of the Alaska Electrical Pension Fund (IBEW Plan). The Alaska Electrical Trust Funds (AETF) Board of Trustees administers the IBEW Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. Each year, AETF issues annual financial reports that can be obtained by writing the plan administrator, Alaska Electrical Pension Trust, 2600 Denali Street, Suite 200, Anchorage, Alaska, 99503.

Plan Participation and Benefit Terms

The Municipality had 56 employees covered by the Plan as of December 31, 2021. This differs significantly from previous years, due to the sale of the Electric Utility in October 2020. The IBEW Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the IBEW Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the IBEW Local 1547. On March 9, 2021, a new Agreement was approved, effective March 9, 2021 through June 30, 2024.

Plan Contributions Requirements

Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The Municipality's required contribution to the IBEW Plan for each hour for which compensation is paid to the employee for January 1, 2021 to March 8, 2021 was \$8.05 per hour, and from March 9, 2021 to December 31, 2021 was \$8.15 per hour. The Municipality's total employer contributions to the IBEW Plan for 2021 was \$981,685. The Municipality had \$73,940 in required contributions to the IBEW Plan payable to AETF on December 31, 2021. These amounts are paid during the normal course of business in the month following each year end. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the IBEW Plan required other than the contribution per hour compensated as required by the Agreement.

Defined Contribution Money Purchase Plan

The Agreement requires employer contributions to be made in an amount of 1.9 percent of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Money Purchase Plan). The Municipality's employer and employee contributions to the Money Purchase Plan during 2021 were \$193,187 and \$9,273, respectively.

One hundred percent of the Municipality's required contributions to the IBEW plans have been made through these contributions to the AETF.

A-4. Local 302 Pension Plan (Local 302 Plan)

Plan Information

The Municipality's Local 302 members participate in a union-sponsored cost-sharing defined benefit plan, the Local 302 International Operating Engineers Employers Construction Industry Retirement Fund (the Local 302 Plan). The Welfare and Pension Administration Services Inc. administers the Local 302 Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. The Local 302 Plan is not a state or local government, it provides defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers and has no predominant state or local governmental employer. Each year, the Local 302 Plan issues annual financial reports that can be obtained by writing the plan administrator, Welfare and Pension Administration Services Inc., P.O. Box 34203, Seattle, Washington, 98124.

Plan Participation and Benefit Terms

The Municipality has 145 employees covered by the Local 302 Plan as of December 31, 2021. The Local 302 Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the Local 302 Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the Local 302. The current Agreement is effective from July 23, 2019 to June 30, 2022 and automatically renews for a period of one year from its expiration date and for successive periods of one year each thereafter for so long as there is no proper notification of an intent to negotiate a successor Agreement.

Plan Contributions Requirements

Employer contributions are determined from compensable work hours and the contractual employer contribution rate in effect. The current agreement provides for contributions of \$6.25 per hour worked by a covered employee in 2021. Further, seasonal employees are provided for contributions at \$0.80 cents per hour worked in 2021. Total employer retirement contributions (covered and seasonal employees) for 2021 was \$1,974,183. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the Local 302 Plan required other than the contribution per hour compensated as required by the Agreement.

One hundred percent of the Municipality's required contributions to the Local 302 Plan have been made through these contributions to the Local 302 International Operating Engineers Employers Construction Industry Retirement Fund.

B. Defined Contribution Pension Plans- Public Employees Retirement System (PERS IV)

Plan Information

The Municipality participates in the Alaska Public Employees' Retirement System (PERS IV or the Plan). PERS IV is a Defined Contribution (DC) plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Employees first enrolling into PERS after July 1, 2006 participate in PERS IV. PERS IV is a defined contribution retirement plan that includes a component of defined benefit post-employment health care.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/dr/pers>. Actuarial valuation reports, audited financial statements, and detailed plan information is also available on this website. They may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by phoning (907) 465-4460.

Plan Participation and Benefit Terms

The Plan is governed by Section 401(a) of the Internal Revenue Code. A portion of employee wages and a matching employer contribution are made to the Plan before tax. These contributions plus any change in value (interest, gains, and losses), and minus any Plan administrative fees or other charges, are payable to the employee or the employee's beneficiary at a future date. The Plan is a participant-directed plan with investment options offered by providers that are selected by the [Alaska Retirement Management \(ARM\) Board](#).

Participating employees are immediately and fully vested in that employee's contributions and related earnings (losses). An employee shall be fully vested in the employer contributions made on that employee's behalf, and related earnings (losses), after five years of service. An employee is partially vested in the employer contributions, made on that employee's behalf, and the related earnings, in the ratio of (a) 25 percent with two years of service; (b) 50 percent with three years of service; (c) 75 percent with four years of service; and (d) 100 percent with five years of service. Employer contributions, and related earnings, that are contributed for employees that are not fully vested before leaving employment are considered forfeit and returned to the employer.

Plan Contribution Requirements

The Plan requires both employer and employee contributions. Employees may make additional contributions into the Plan, subject to limitations. Contribution rates are as follows:

	Police/Fire		Others	
	1/1 - 6/30	7/1 - 12/31	1/1 - 6/30	7/1 - 12/31
Employee Contribution	8.00%	8.00%	8.00%	8.00%
Employer Contribution				
Retirement	5.00%	5.00%	5.00%	5.00%

For the year ended December 31, 2021, the Municipality contributed \$6,656,688 to PERS IV for retirement. Employee contributions to the plan totaled \$10,650,687. Total Defined Contribution forfeitures for the Municipality in 2021 were \$260,688.

NOTE 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS

A. Other Postemployment Benefits - Police and Fire Medical Trust Reporting under GASB Statements No. 74

Members of the Police and Fire Retirement Plan participate in one of two post-employment health benefit plans. The Gentile Group plan and the Police and Fire Retiree Medical Group plan and are both single employer plans that are available to eligible police and fire participants.

The plans are included in the Annual Comprehensive Financial Report of the Municipality and are not available as separate reports. Because of this, the Municipality is required to report GASB Statements No. 74- Financial Reporting for Postemployment Benefit Plans Other than Pension Plans for the Trust reporting. As of December 31, 2021, the Municipality is accounting for and reporting Other Postemployment Benefits under the guidance of GASB Statement No. 75- Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This note will provide information from the perspective of the Trust Plan and from the perspective of the Plan participants in accordance with the aforementioned guidance.

Net OPEB Liability

The components of the net OPEB liability of each plan on December 31, 2021 are as follows:

	Police & Fire		Total
	Gentile Group	Medical Group	
Total OPEB liability	\$ 72,585,155	\$ 88,132,388	\$ 160,717,543
Plan fiduciary net position	-	(23,353,520)	(23,353,520)
Municipality's net OPEB liability	\$ 72,585,155	\$ 64,778,868	\$ 137,364,023
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	26.50%	14.53%

Board of Trustees

The Plans are administered by an eight-person Board of Trustees. Three voting trustees are appointed by APDEA and three voting trustees by the IAFF, Local 1264. Two non-voting trustees are appointed by the mayor and all trustees are required to be confirmed by the Assembly. The six voting trustees serve for 3-year terms and the mayoral appointed trustees serve at the pleasure of the mayor. The plans were established and are administered by the Municipality. Plan benefits, funding and contribution provisions are established by Municipal Code 3.87 and may be amended by the Board of Trustees and the Assembly.

Investment of Plan Assets

Plan assets are invested as part of the Municipal Cash Pool and are invested in a manner consistent with the investment policies disclosed in Note 3. One hundred percent of the plan assets belong to the Police and Fire Medical Group, which had a 9 percent annual money-weighted rate of return, net of investment expenses for the year ended December 31, 2021.

Combining Financial Statements for the Police and Fire Medical Trust Fund

The Municipality reported the following Statement of Net Position and the Statement of Changes in Net Position in the Fiduciary Funds section of the Annual Comprehensive Financial Report for the Police and Fire Medical Group and the Gentile Group plans.

MUNICIPALITY OF ANCHORAGE
Combining Statement of Net Position
December 31, 2021

Assets	Police and Fire Medical Group	Gentile Group	Total
Cash and cash equivalents	\$ 881	\$ -	\$ 881
Accrued Interest	46,486	-	46,486
Investments:			
Money market funds	1,588,647	-	1,588,647
Certificate of deposit	7,050,433	-	7,050,433
U.S. treasuries	5,022,664	-	5,022,664
U.S. agencies	4,236,527	-	4,236,527
Fixed income funds	1,227,841	-	1,227,841
International fixed income funds	374,000	-	374,000
Domestic equity securities	2,416,584	-	2,416,584
International equity securities	1,552,770	-	1,552,770
Total investments	<u>23,469,466</u>	<u>-</u>	<u>23,469,466</u>
Total assets	<u><u>23,516,833</u></u>	<u><u>-</u></u>	<u><u>23,516,833</u></u>
Liabilities			
Accounts payable and accrued expenses	11,826	-	11,826
Total liabilities	<u>11,826</u>	<u>-</u>	<u>11,826</u>
Net Position			
Restricted for:			
Postemployment benefits other than pensions	23,505,007	-	23,505,007
Total net position	<u>\$ 23,505,007</u>	<u>\$ -</u>	<u>\$ 23,505,007</u>

MUNICIPALITY OF ANCHORAGE
Combining Statement of Changes in Net Position
December 31, 2021

Additions	Police and Fire Medical Group	Gentile Group	Total
Contributions from the Municipality	\$ 3,672,522	\$ -	\$ 3,672,522
Investment Income:			
Interest	(1,885)	-	(1,885)
Dividends	391,993	-	391,993
Net increase (decrease) in fair value of investments	117,684	-	117,684
Less: investment expense	(17,623)	-	(17,623)
Net Investment Income	<u>490,169</u>	<u>-</u>	<u>490,169</u>
Total additions	<u>4,162,691</u>	<u>-</u>	<u>4,162,691</u>
Deductions			
Regular benefit payments	3,398,805	-	3,398,805
Administrative expenses	78,007	-	78,007
Total deductions	<u>3,476,812</u>	<u>-</u>	<u>3,476,812</u>
Change in fiduciary net position	685,879	-	685,879
Net position, beginning of year	22,819,128	-	22,819,128
Net position, end of year	<u>\$ 23,505,007</u>	<u>\$ -</u>	<u>\$ 23,505,007</u>

A-1. Gentile Group- Defined Benefit Plan

General Information about the Plan

The Gentile Group is a defined benefit, single employer plan, administered by the Municipality. Members of the Police and Fire Retirement Plan who retired prior to January 1, 1995, and command personnel who were employed prior to that date, but not retired at that date, participate in the Gentile Group Plan. This Plan is closed to new members and as of December 31, 2021, all members are now retired. Membership in the Plan consists of the following on December 31, 2021:

Inactive plan members or beneficiaries currently receiving benefits	200
Total plan membership	<u>200</u>

The Municipality pays 100 percent of a defined benefit insurance premium including health for all eligible retirees as well as dental, audio, and vision coverage for police retirees. Optional dental, audio and vision coverage is paid by the fire and command retirees. The Plan is accounted for on a “pay as you go” method with costs recognized as expenditures as premiums are paid. For 2021, the monthly contribution for each member ranged between \$3,643 and \$4,282 per member depending on age and years of service. Benefit costs totaling \$11,538,792 were paid in 2021. There are no plans in place to terminate or discontinue this benefit for eligible members.

Actuarial Assumptions

The total OPEB liability for this plan was determined by actuarial valuations as of December 31, 2021, using the following actuarial assumptions:

Valuation Date	December 31, 2021
Inflation	2.5% per annum
Discount Rate	2.12 percent per annum (BOY), 2.06 percent per annum (EOY). Source: Bond Buyer 20-Bond GO Index
Actuarial Cost Method	Entry Age Normal. All participants are currently retired.
Amortization Method	Experience/Assumptions gains and losses are amortized immediately as all participants are retired.
Mortality Rates	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2026 Dental, Vision, and Audio; 3 percent, staying constant to 2026

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2021, calculated using the discount rate of 2.06 percent, which is a decrease over the prior year’s discount rate of .06 percent, as well as what the respective plan’s net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.06 percent) or one-percentage-point higher (3.06 percent) than the current rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Gentile Group	\$ 82,929,479	\$ 72,585,155	\$ 64,229,978

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2021, calculated using the healthcare cost trend rates as summarized in the 2021 actuarial valuation report, as well as what the plan’s net OPEB liability would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group	\$ 64,063,460	\$ 72,585,155	\$ 82,901,123

A-2. Police and Fire Medical Group- Defined Benefit Plan

General Information about the Plan

The Police and Fire Medical Group is a single-employer, defined benefit plan, administered by the Municipality. Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, as well as non-represented command personnel appointed after January 1, 1995 participate in the Police and Fire Medical Group Plan. The Plan is closed to new members. Membership in the Plan consists of the following on December 31, 2021:

Inactive plan members or beneficiaries currently receiving benefits	372
Active plan members	5
Total plan membership	<u>377</u>

Established with both defined benefit and defined contribution characteristics, the Municipality contributes a fixed dollar contribution to each member on a monthly basis. Those funds are placed into individual member accounts and can be used to fund any qualifying medical costs or health insurance premiums. Additionally, members have access to the Municipality's health insurance program if they elect to pay the associated premium. For 2021, the monthly contribution for each member ranges between \$618 and \$979 per member depending on age and years of service. The Municipality contributed \$3,672,522 to the Police and Fire Medical Group plan in 2021.

Actuarial Assumptions

The total OPEB liability for this plan was determined by actuarial valuations as of December 31, 2021, using the following actuarial assumptions:

Valuation Date	December 31, 2021
Inflation	2.5% per annum
Discount Rate	3.9 percent per annum (BOY), 4.1 percent per annum (EOY). This was based on the estimated long term rate of return from the Municipality's OPEB trust (plus standard inflation), which is currently estimated to be fully funded.
Actuarial Cost Method	Entry Age Normal
Amortization Method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality Rates	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2026

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investment is currently 20 percent Equities and 80 percent Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 1.6 percent.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.1 percent, which is .2 percent more than the prior year. The projection of cash flows used to determine the discount rate assumed the contributions will continue to follow the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Deferred Inflows of Resources Related to OPEB

On December 31, 2021, the Municipality reported deferred inflows of resources related to OPEB from the following sources:

	Measurement Period December 31, 2021
	Deferred Inflows of Resources
<u>Police & Fire Medical Group</u>	
Net difference between projected and actual earnings on OPEB plan investments	\$ (1,056,866)

The \$1,056,866 reported as deferred inflow of resources related to OPEB resulted from the difference between actual and projected investment income on December 31, 2021. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amortization of Deferred Inflows of Resources
2022	\$ (198,749)
2023	(285,487)
2024	(345,557)
2025	(227,073)
Total Amortization	<u>\$ (1,056,866)</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2021, calculated using the discount rate of 4.1 percent, as well as what the plan's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.1 percent) or one-percentage-point higher (5.1 percent) than the current rate:

	1% Decrease (3.1%)	Current Discount Rate (4.1%)	1% Increase (5.1%)
Police and Fire Medical Group	\$ 74,526,267	\$ 64,778,868	\$ 53,888,639

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2021, calculated using the healthcare cost trend rates as summarized in the 2021 actuarial valuation report, as well as what the plan's net OPEB liability would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police and Fire Medical Group	\$ 52,123,065	\$ 64,778,868	\$ 77,055,397

B. Other Postemployment Benefits- Municipality Reporting under GASB Statement No. 75

Substantially all regular employees of the Municipality are members of a public employees' retirement system (PERS) except for employees who are members of the Police and Fire Retiree Medical Trust Plans (PFRMT).

All Municipal employees who are members of a public employees' retirement system participate in the State of Alaska Public Employees' Retirement System (PERS). Police officers and firefighters who retired prior to January 1, 1995, command personnel who were employed prior to that date, but not retired at that date participate in the Gentile Group Plan of the PFRMT. Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, as well as non-represented command personnel appointed after January 1, 1995 participate in the Police and Fire Medical Group Plan of the PFRMT. The Police and Fire Retiree Medical Trust Plans are defined benefit single-employer plans established by Chapter 3.87 of the Code. Police officers, command officers, paramedics, and fire fighters hired after these dates are in the PERS Plans. All postemployment healthcare benefit obligations of the Municipality are included on the government-wide and proprietary fund financial statements.

Substantially all employees of ASD are either members of the Alaska Public Employees' Retirement System (PERS) or the Alaska Teachers' Retirement System (TRS) OPEB plans, with balances reported on the entity-wide statement of net position. For TRS Tiers I-II, when pension benefits begin, major medical benefits are provided without cost to all employees first hired before July 1, 1990, who are disabled or age 60 or older

regardless of their initial hiring dates, or who have at least 25 years of credited service. Other retirees must pay the full premium to have the medical coverage. TRS Tier III employees, who have at least ten years of credited services, are eligible for medical benefits after retirement. If they are not eligible for Medicare, they must pay full premium. After eligible for Medicare, the retiree will be responsible for premium at a reduced percentage depending on the years of services. Retirees may use a health reimbursement arrangement (HRA) account to pay premiums. After the HRA is exhausted, the premiums are the retiree's responsibility. Additional information can be obtained in ASD's separately presented financial statements.

B-1. Defined Benefit Plans

The Municipality participates in five defined benefit OPEB plans: PERS Alaska Retiree Healthcare Trust Plan (ARHCT), PERS Retiree Medical Plan (RMP), PERS Occupational Death and Disability Plan (ODD), PFRMT Gentile Group Plan and the PFRMT Police and Fire Medical Group Plan. The Net OPEB Asset and Liability reported in the Statement of Net Position for the defined benefit OPEB plans is as follows:

<u>Net OPEB Liability</u>	Governmental	Business-type	Total
	Activities	Activities	
Gentile Group Plan	\$ 72,585,155	\$ -	\$ 72,585,155
Police and Fire Medical Group Plan	64,778,868	-	64,778,868
Total Net OPEB Liability- PFRMT	\$ 137,364,023	\$ -	\$ 137,364,023

<u>Net OPEB Asset</u>	Governmental	Business-type	Total
	Activities	Activities	
Alaska Retiree Healthcare Trust Plan	\$ 198,149,136	\$ 24,344,257	\$ 222,493,393
Retiree Medical Plan	2,110,989	259,352	2,370,341
Occupational Death and Disability Plan	4,297,357	527,966	4,825,323
Total Net OPEB Asset- PERS	\$ 204,557,482	\$ 25,131,575	\$ 229,689,057

Total net OPEB asset and liability for all plans for 2021 was \$229,689,057 and \$137,364,023, respectively, and total OPEB expense was (\$67,338,643), which includes on-behalf expenses from the State of (\$10,110,789). Total deferred outflows of resources and deferred inflows of resources for all plans were \$5,127,592 and \$122,635,238, respectively.

B-1a. PERS Defined Benefit OPEB Plans

General Information About the Plans

As part of its participation in the PERS Defined Benefit Plan (Tiers I, II, III), which is a cost-sharing multiple employer defined benefit plans, the Municipality participates in the Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD). The ARHCT is self-funded and provides major medical coverage to retirees of the Defined Benefit Plan. Benefits vary by Tier level. This plan is closed effective July 1, 2006. The RMP provides major medical coverage to retirees of the PERS Defined Contribution Plan (Tier IV). The RMP is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. They may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203 or by phoning (907) 465-4460.

Employer Contribution Rate

The Municipality is required to contribute the following percentages of covered payroll into the OPEB plans; for January 1 through June 30, 2021, ARHCT zero percent, ODD 0.31 percent, and RMP 1.27 percent, for July 1 through December 31, 2021, ARHCT zero percent, ODD 0.31 percent, and RMP 1.07 percent. Employees do not contribute. In 2021, the Municipality was credited with the following contributions to the OPEB plan:

	Measurement Period	Municipality's Fiscal Year
	July 1, 2020 to June 30, 2021	January 1, 2021 to December 31, 2021
Employer contributions- ARHCT	\$ 7,383,330	\$ 6,561,715
Employer contributions- RMP	1,641,061	1,554,735
Employer contributions- ODD	587,371	603,644
Total Contributions	<u>\$ 9,611,762</u>	<u>\$ 8,720,094</u>

OPEB Assets and Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

On December 31, 2021, the Municipality reported assets for its proportionate share of the net OPEB assets (NOA) that reflected a reduction for State OPEB support provided to the Municipality. The amount recognized by the Municipality for its proportional share, the related State portion, and the total were as follows:

Municipality proportionate share of NOA- ARHCT	\$ 222,493,393
Municipality proportionate share of NOA- RMP	2,370,341
Municipality proportionate share of NOA- ODD	4,825,323
Subtotal Net OPEB Assets	<u>229,689,057</u>
State's proportionate share of ARHCT NOA associated with the Municipality	29,140,872
Total Net OPEB Assets	<u>\$ 258,829,929</u>

The total OPEB assets for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 to calculate the net OPEB assets as of that date. The Municipality's proportion of the net OPEB assets were based on a projection of the Municipality's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined. The Municipality's proportionate share at the June 30, 2021 measurement date changed from the proportionate share as of the June 30, 2020, as shown below.

	Measurement Date June 30, 2020	Measurement Date June 30, 2021	Change
Municipality's proportionate share of the net OPEB asset:			
ARHCT	7.10320%	8.67301%	1.56981%
RMP	8.63482%	8.83072%	0.19590%
ODD	11.47188%	10.94848%	-0.52340%

As a result of its requirement to contribute to the Plan and changes in the actuarially calculated net OPEB assets, the Municipality recognized net OPEB expense of (\$86,326,572). Of this amount, (10,110,789) was recorded for on-behalf revenue and expense for actuarially calculated support provided by the State for the ARCHT plan, which can result in a negative balance in Operating Grants and Contributions in the statement of activities in accordance with GASB Statements No. 75. On December 31, 2021, the Municipality reported deferred outflows of resources and deferred inflows of resources related to all OPEB plans from the following sources:

	Measurement Period June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>All Plans</u>		
Difference between expected and actual experience	\$ 176,236	\$ (3,767,190)
Changes in assumptions	736,743	(9,853,428)
Net difference between projected and actual earnings on OPEB plan investments		(107,009,342)
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	171,373	(948,412)
Municipality contributions subsequent to the measurement date	4,043,240	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB	<u>\$ 5,127,592</u>	<u>\$ (121,578,372)</u>

Deferred outflows of resource and deferred inflows of resources from each Plan are reported from the following sources:

	Measurement Period June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>ARHCT</u>		
Difference between expected and actual experience	\$ -	\$ (2,336,538)
Changes in assumptions	-	(8,408,078)
Net difference between projected and actual earnings on OPEB plan investments	-	(104,115,000)
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	-	(677,705)
Municipality contributions subsequent to the measurement date	3,008,667	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ARHCT	<u>\$ 3,008,667</u>	<u>\$ (115,537,321)</u>
<u>RMP</u>		
Difference between expected and actual experience	\$ 176,236	\$ (112,701)
Changes in assumptions	736,743	(1,408,691)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,120,591)
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	85,527	-
Municipality contributions subsequent to the measurement date	727,976	-
Total Deferred Outflows and Deferred Inflows of Resources Related to RMP	<u>\$ 1,726,482</u>	<u>\$ (3,641,983)</u>
<u>ODD</u>		
Difference between expected and actual experience	\$ -	\$ (1,317,951)
Changes in assumptions	-	(36,659)
Net difference between projected and actual earnings on OPEB plan investments	-	(773,751)
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	85,846	(270,707)
Municipality contributions subsequent to the measurement date	306,597	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ODD	<u>\$ 392,443</u>	<u>\$ (2,399,068)</u>

The \$4,043,240 reported as deferred outflows of resources related to all OPEB plans resulting from contributions made subsequent to the measurement date will be recognized as a reduction in the net OPEB assets in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>All Plans</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2022	\$ (36,833,473)
2023	(24,998,085)
2024	(26,796,938)
2025	(31,143,763)
2026	(333,254)
Thereafter	(388,507)
Total Amortization	<u>\$ (120,494,020)</u>

Excluding contributions made subsequent to the measurement date, deferred outflows of resources and deferred inflows of resources related to each OPEB plan will be recognized in OPEB expense as follows:

<u>ARHCT</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2022	\$ (35,813,210)
2023	(23,977,336)
2024	(25,746,661)
2025	(30,000,114)
Total Amortization	<u>\$ (115,537,321)</u>

RMP

<u>Year Ending December 31,</u>	
2022	\$ (567,478)
2023	(568,467)
2024	(589,872)
2025	(657,427)
2026	(70,195)
Thereafter	(190,038)
Total Amortization	<u>\$ (2,643,477)</u>

ODD

<u>Year Ending December 31,</u>	
2022	\$ (452,785)
2023	(452,282)
2024	(460,405)
2025	(486,222)
2026	(263,059)
Thereafter	(198,469)
Total Amortization	<u>\$ (2,313,222)</u>

Actuarial Assumptions

The total OPEB asset for the measurement period ended June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2021. The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation with the following exceptions:

- Per capita claims costs were updated to reflect recent experience.
- Retired member contributions were updated to reflect the 5 percent decrease from calendar year 2020 to calendar year 2021.
- The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from postretirement healthcare plan assets.

Actuarial cost method	Entry age normal actuarial cost method
Amortization method	Layered unfunded accrued actuarial liability, level percent of pay basis
Amortization method	Level dollar, closed
Inflation	2.50%
Salary Increases	Graded by service from 7.75 percent to 2.75 percent, for peace officers/firefighters. Graded by service from 6.75 percent to 2.75 percent, for all others.
Allocation methodology	Amounts for the June 30, 2021 measurement date were allocated to employers based on the projected present value of contributions for FY2022-FY2039, as determined by projections based on the June 30, 2020.
Investment Return / Discount Rate	7.38 percent, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50 percent and real rate of return of 4.88 percent.
Healthcare cost trend rates	Pre-65 medical; 6.5 percent grading down to 4.5 percent Post-65 medical; 5.4 percent grading down to 4.5 percent Prescription drug; 7.5 percent grading down to 4.5 percent EGWP: 7.5 percent grading down to 4.5 percent
Mortality	Pre-commencement and post-commencement mortality rates were based upon the 2013-2017 actual mortality experience. Post-commencement mortality rates were based on 91% of the male rates and 96% of the female rates of the RP-2014 healthy annuitant table projected with MP-2017 generational improvement. The rates for pre-commencement mortality were 100% of the RP-2014 employee table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvement.

Mortality (ODD)

Deaths are assumed to be occupational 75 percent of the time for peace officers/firefighters, 40 percent of the time for all others. Disability mortality in accordance with the RP-2014 Disabled Table, benefit-weighted, rolled back to 2006, and projected with MP-2017 generational improvements.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return, excluding the inflation component of 2.50 percent, for each major asset class included in the postretirement healthcare plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.63%	28%	+/- 6%
Global equity (non-U.S.)	5.41%	19%	+/- 4%
Aggregate bonds	0.76%	22%	+/- 10%
Opportunistic	4.39%	6%	+/- 4%
Real assets	3.16%	13%	+/- 7%
Private equity	9.29%	12%	+/- 6%
Cash equivalents	0.13%	0%	+/-0%

Discount Rate

The discount rate used to measure the total OPEB assets was 7.38 percent. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB assets in accordance with the method prescribed by GASB Statement No. 75, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. In the event benefit payments are not covered by the plan's fiduciary net position, a municipal bond rate would be used to discount the benefit payments not covered by the plan's fiduciary net position. The S&P Municipal Bond 20-Year High Grade Index rate was 2.18 percent as of June 30, 2021.

Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net OPEB assets calculated using the discount rate of 7.38 percent, as well as what the Municipality's proportionate share of the net OPEB assets would be if it were calculated using a discount rate that is one-percentage-point lower (6.38 percent) or one-percentage-point higher (8.38 percent) than the current rate:

	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Municipality's proportionate share of the NOA- ARHCT	8.67301%	\$ 145,507,338	\$ 222,493,393	\$ 286,424,573
Municipality's proportionate share of the NOA- RMP	8.83072%	(1,547,053)	2,370,341	5,329,162
Municipality's proportionate share of the NOA- ODD	10.94848%	4,620,477	4,825,323	4,988,455

Healthcare Cost Trend Rate Sensitivity

The following presents the Municipality's proportionate share of the net OPEB assets as of June 30, 2021, calculated using the healthcare cost trend rates as summarized in the 2021 actuarial valuation report, as well as what the respective plan's net OPEB assets would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current Healthcare Cost Trend Rates (in thousands):

	Proportional Share	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Municipality's proportionate share of the NOA- ARHCT	8.67301%	\$ 293,908,513	\$ 222,493,393	\$ 136,313,948
Municipality's proportionate share of the NOA- RMP	8.83072%	5,752,683	2,370,341	(2,238,322)
Municipality's proportionate share of the NOA- ODD	10.94848%	N/A	4,825,323	N/A

OPEB Plans Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

B-1b. Police and Fire Retiree Medical Defined Benefit OPEB Plans

General Information About the Plans

The Police and Fire Retiree Medical Trust administers two plans: The Gentile Group Plan and the Police and Fire Medical Group Plan. Information about these two plans is included in Section A of this note. For this section of the note, both Plans information will be included together for each disclosure.

Employer Contributions

The Municipality pays 100 percent of the insurance premiums for participants in the Gentile Group Plan and a fixed dollar amount per month for participants in the Police and Fire Medical Group Plan. In 2021, the Municipality was credited with the following contributions to the OPEB plans:

	Measurement Period January 1 to December 31, 2021	
	Gentile Group Plan	Police & Fire Medical Group Plan
Employer contributions	\$ 11,538,792	\$ 3,672,522

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans

On December 31, 2021, the Municipality reported net OPEB liabilities (NOL) for both the Gentile Group Plan and the Police and Fire Medical Group Plan. The amount recognized by the Municipality for both plans was as follows:

Gentile Group Plan NOL	\$ 72,585,155
Police & Fire Medical Group NOL	64,778,868
Total Net OPEB Liability	<u>\$ 137,364,023</u>

Detailed information for the changes in the total OPEB liability, plan fiduciary net position, and the net OPEB liability for each plan is presented in the following tables:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<u>Gentile Group</u>			
Balances as of December 31, 2020	\$ 84,622,918	\$ -	\$ 84,622,918
Changes for the year:			
Interest cost	1,750,308	-	1,750,308
Differences between expected and actual experience	(8,511,999)	-	(8,511,999)
Changes in assumptions or inputs	(1,918,326)	-	(1,918,326)
Benefit payments	(3,357,746)	-	(3,357,746)
Balances as of December 31, 2021	<u>\$ 72,585,155</u>	<u>\$ -</u>	<u>\$ 72,585,155</u>
<u>Police & Fire Medical Group</u>			
Balances as of December 31, 2020	\$ 57,376,700	\$ 22,823,124	\$ 34,553,576
Changes for the year:			
Service cost	186,734	-	186,734
Interest cost	2,172,762	-	2,172,762
Differences between expected and actual experience	825,799	-	825,799
Changes in assumptions or inputs	32,709,391	-	32,709,391
Benefit payments	(5,138,998)	(5,138,998)	-
Net investment income	-	1,996,872	(1,996,872)
Employer contributions	-	3,672,522	(3,672,522)
Balances as of December 31, 2021	<u>\$ 88,132,388</u>	<u>\$ 23,353,520</u>	<u>\$ 64,778,868</u>

The total OPEB liabilities for the December 31, 2021 measurement date was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021 to calculate the net OPEB liabilities as of that date.

For the year ended December 31, 2021, the Municipality recognized OPEB expense of (\$12,037,763) and \$31,025,692 for the Gentile Group Plan and the Police and Fire Medical Group Plan, respectively. On December 31, 2021, the reported deferred inflows of resources related to OPEB from the following sources by Plan:

	Measurement Period December 31, 2021
	Deferred Inflow of Resources
Police & Fire Medical Group	
Net difference between projected and actual investments	\$ (1,056,866)

There were no deferred inflows and deferred outflows of resources for the Gentile Group Plan. The Police and Fire Medical Group Plan reported \$1,056,866 of deferred inflows of resources related to OPEB resulting from the difference in projected and actual earnings. Deferred inflows of resources related to OPEB will be recognized in OPEB expense for the Police and Fire Medical Group Plan as follows:

Police & Fire Medical Group Plan	
Year Ending December 31,	Amortization of Deferred Inflows of Resources
2022	\$ (198,749)
2023	(285,487)
2024	(345,557)
2025	(227,073)
Total Amortization	<u>\$ (1,056,866)</u>

Actuarial Assumptions

The total OPEB liability for the measurement period ended December 31, 2021 was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2021. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

Gentile Group Plan	
Valuation date	December 31, 2021
Discount rate	2.06%
Inflation	2.50%
Actuarial cost method	Entry Age Normal. All participants are currently retired.
Amortization method	Experience/Assumptions gains and losses are amortized immediately as all participants are retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare cost trend rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2026 Dental, Vision, and Audio; 3 percent, staying constant to 2026

Police & Fire Medical Group Plan

Valuation date	December 31, 2021
Discount rate	4.10%
Inflation	2.50%
Asset valuation method	Fair Market Value
Salary increase rate	3.50%
Actuarial cost method	Entry Age Normal
Healthcare cost trend rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2026
Amortization method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investment is currently 20 percent Equities and 80 percent Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 2.5 percent.

Discount Rate

The discount rates used to measure the total OPEB liability were 2.06 percent for the Gentile Group Plan and 4.1 percent for the Police and Fire Medical Group Plan. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for the Gentile Group decreased 0.06 percent from the prior year. The discount rate for the Police and Fire Medical Group increased 0.2 percent from the prior year. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the net OPEB liability calculated using the discount rate of 2.06 percent for the Gentile Group Plan and 4.1 percent for the Police and Fire Medical Group Plan, as well as what the two plan's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate for each of the two Plans:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
Gentile Group Plan	\$ 82,929,479	\$ 72,585,155	\$ 64,229,978
	1% Decrease (3.1%)	Current Discount Rate (4.1%)	1% Increase (5.1%)
Police & Fire Medical Group Plan	\$ 74,526,267	\$ 64,778,868	\$ 53,888,639

Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liabilities for each plan as of December 31, 2021, calculated using the healthcare cost trend rates as summarized in the 2021 actuarial valuation report, as well as what the two Plan's net OPEB liability would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	Current Healthcare		
	1% Decrease	Trend Rate	1% Increase
Gentile Group Plan	\$ 64,063,460	\$ 72,585,155	\$ 82,901,123

	Current Healthcare		
	1% Decrease	Trend Rate	1% Increase
Police & Fire Medical Group Plan	\$ 52,123,065	\$ 64,778,868	\$ 77,055,397

OPEB Plans Fiduciary Net Position

Detailed information about the Gentile Group and Police and Fire Medical Group OPEB Plan's fiduciary net position is available in the Municipality of Anchorage's annual comprehensive financial report as fiduciary funds and detailed disclosures are presented in Section A of this note.

B-2. Defined Contribution Plans- PERS Defined Contribution OPEB Plans

General Information About the Plans

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

Employer Contribution Rates

Employees do not contribute to the Defined Contribution OPEB plans. Employer contribution rates for the year ended December 31, 2021 were as follows:

	Tier IV Police/Fire		Tier IV Others	
	1/1 - 6/30	7/1 - 12/31	1/1 - 6/30	7/1 - 12/31
Employer Contribution				
Health Reimbursement Arrangement	3.00%	3.00%	3.00%	3.00%
Retiree Medical Plan	1.27%	1.07%	1.27%	1.07%
Death & Disability Benefit	0.70%	0.68%	0.31%	0.31%
Total Employer Contribution	4.97%	4.75%	4.58%	4.38%

Healthcare Reimbursement Arrangement

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees of all employers in the plan". Prior to July 1, 2021 a flat rate of approximately \$2,159 per year for full time employees and \$1.38 per part time hour worked was paid. For pay periods ending after July 1, 2021, a flat rate of approximately \$2,168 per year for full time employees and \$1.39 per part time hour worked were paid.

Annual Postemployment Healthcare Cost

In 2021, the Municipality contributed \$3,261,711 in Defined Contribution OPEB costs. These amounts have been recognized as expenditures/expenses.

NOTE 15 - FUND BALANCE - GOVERNMENTAL FUNDS

In the fund financial statements, the Municipality reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Assembly – the Municipality’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Municipality’s “intent” to be used for specific purposes but are neither restricted nor committed. The Assembly has given the Mayor or the Mayor’s designee the authority to assign amounts to be used for specific purposes through the budgetary process. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Municipality’s policy to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order, as needed.

In 2011, the Assembly approved AR 2011-345(S) which set the fund balance policy in accordance with GASB 54. In 2014, the Assembly approved AR 2014-221 which revised the method of calculating certain components of the fund balance categories, to better aid in assessing the needs of the Municipality. Management’s spending policy is to use restricted fund balance first when expenditures are incurred to which any resource is available, then to use unrestricted fund balances in the following order: committed, assigned, and unassigned. In 2015, the Assembly approved AR 2015-84 which amended the definition of expenditures used in the calculation of certain components of fund balance. As of December 31, 2021, there are no other amendments to the Fund Balance Policy.

Throughout 2020 and 2021, the Assembly approved several Emergency Orders (EOs), which provided temporary exemptions from the fund balance set-asides due to the COVID-19 pandemic beginning in March 2020. The Municipality anticipates FEMA reimbursements, along with additional federal assistance in 2022 to assist with the loss in revenue during the shutdowns and the additional expenditures that were incurred during the health emergency, which has caused the fund balance to dip below the set-asides set in AR 2015-84. The Municipality is also incurring continued costs associated with the earthquake that occurred on November 30, 2018. FEMA reimbursement and insurance recoveries were received in 2021 related to the earthquake and it is anticipated that this will continue into 2022.

Fund balance, reported in aggregate on the governmental funds balance sheet is subject to the following constraints:

	General	MOA Trust	Road & Drainage Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable					
Inventory	\$ 1,156,041	\$ -	\$ -	\$ -	\$ 1,156,041
Prepaid Items	152,784	-	-	2,396,540	2,549,324
Long-term Loans Receivable	-	-	-	50,995	50,995
Advances to Other Funds	12,848,836	-	-	935,000	13,783,836
Assets Held for Resale	4,888,761	-	-	-	4,888,761
Cemetery Perpetual Fund	-	-	-	150,000	150,000
Total Nonspendable	19,046,422	-	-	3,532,535	22,578,957

	General	MOA Trust	Road & Drainage Capital Projects	Nonmajor Governmental Funds	Total
Restricted					
Unspent MLP Sale Proceeds	\$ 637,433	\$ -	\$ -	\$ -	\$ 637,433
Unspent Special Levies	1,500,972	-	-	-	1,500,972
Nuisance Property Abatement	-	-	-	153,852	153,852
Capital Improvements	-	-	2,973,343	13,911,480	16,884,823
MOA Trust Fund	-	448,095,517	-	-	448,095,517
Police & Fire Retiree Medical Liability	-	-	-	41,576,247	41,576,247
E911 Surcharge	-	-	-	2,107,772	2,107,772
Federal Grants	-	-	-	614,025	614,025
State Grants	-	-	-	192,265	192,265
Alcoholic Beverage Sales Tax	-	-	-	8,759,743	8,759,743
Federal/State Fines & Forfeitures	-	-	-	1,047,140	1,047,140
Convention Center Operating Fund	-	-	-	20,841,916	20,841,916
49th State Angel Fund	-	-	-	10,143,520	10,143,520
Debt Service	-	-	-	14,015,185	14,015,185
Total Restricted	2,138,405	448,095,517	2,973,343	113,363,145	566,570,410
Committed					
10% Bond Rating	50,153,511	-	-	-	50,153,511
Capital Improvements	-	-	22,129	26,327,397	26,349,526
Heritage Land Bank	-	-	-	3,291,739	3,291,739
Miscellaneous Operational Grants	-	-	-	777,965	777,965
Assembly Appropriated Projects	821,189	-	-	-	821,189
Total Committed	50,974,700	-	22,129	30,397,101	81,393,930
Assigned					
Nuisance Property Abatement	-	-	-	8,358	8,358
Capital Improvements	-	-	-	359,057	359,057
Cemetery Perpetual Fund	-	-	-	483,355	483,355
E911 Surcharge	-	-	-	7,850	7,850
State Grants	-	-	-	8,293,129	8,293,129
Alcoholic Beverage Sales Tax	-	-	-	3,056	3,056
Federal/State Fines & Forfeitures	-	-	-	4,008	4,008
Miscellaneous Operational Grants	-	-	-	2,724	2,724
Convention Center Operating Fund	-	-	-	5,387,353	5,387,353
Total Assigned	-	-	-	14,548,890	14,548,890
Unassigned					
2% Working Capital Reserve	11,035,495	-	-	-	11,035,495
Other Unassigned (Deficit)	(71,589,440)	-	-	(1,050,351)	(72,639,791)
Total Unassigned (Deficit)	(60,553,945)	-	-	(1,050,351)	(61,604,296)
Total Fund Balance (Deficit)	\$ 11,605,582	\$ 448,095,517	\$ 2,995,472	\$ 160,791,320	\$ 623,487,891

Alaska State Statute 29.35.470 states that taxes levied within a differential tax zone that exceed the amount that would otherwise have been levied may only be used for the services provided in that zone. The Municipality did report \$972 in restricted fund balance in the General Fund equal to the excess of taxes collected for the EMS Special Lease Levy and \$1.5 million in restricted fund balance in the General Fund equal to the excess of tax collected for the APD IT System Special Levy. The Municipality did report \$637,433 in restricted fund balance in the General Fund equal to the unspent portion of the Electric Utility sale proceeds to be used for ongoing administration related to the sale.

The Municipality, by resolution, established a bond rating that is included in committed fund balance and a working capital reserve that is included in unassigned fund balance. For 2021, the full balance of \$50,153,511 of committed fund balance for bond rating is reported, however, none of the bond rating reserve is available due to

the total unassigned fund deficit, which exceeded the reserve. None of the unassigned fund balance for working capital reserve is available after offsetting the other unassigned fund deficit.

Set asides for Bond Rating and Working Capital Reserves are reported as follows:

Bond Rating:	
Committed	\$ 50,153,511
Net Unassigned Deficit	<u>(60,553,946)</u>
Available Bond Rating Reserve	<u>\$ -</u>

Working Capital Reserve:	
Unassigned for Working Capital	\$ 11,035,495
Unassigned Fund Deficit	<u>(71,589,440)</u>
Net Unassigned Deficit	<u>(60,553,945)</u>
Available Working Capital Reserve	<u>\$ -</u>

The Municipality has the following encumbrances outstanding at the end of the year:

Major Funds:	
Road and Drainage Capital Project Fund	<u>\$ 20,195,221</u>
Nonmajor Capital Project Funds:	
Public Safety	3,316,314
Parks & Recreation	1,542,548
Areawide	4,346,990
Public Transportation	2,021,522
Heritage Land Bank	92,221
Miscellaneous	<u>587,209</u>
Total Nonmajor Capital Project Funds	<u>\$ 11,906,804</u>

NOTE 16 - RISK MANAGEMENT AND SELF-INSURANCE

The Municipality is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; illness of and injuries to employees; unemployment; and natural disasters. The Municipality utilizes three risk management funds to account for and finance its uninsured risks of loss.

The Municipality provides coverage up to the maximum of \$3,000,000 per occurrence for automobile and general liability claims and for each workers' compensation claim. No settled claim exceeded this commercial coverage in 2021, 2020 or 2019.

Unemployment compensation expense is based on actual claims paid by the State of Alaska and reimbursed by the Municipality.

All Municipal departments participate in the risk management program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims.

Claims payable represent estimates of claims to be paid based upon past experience modified for current trends and information. The ultimate amount of losses incurred through December 31, 2021, is dependent upon future developments. On December 31, 2021, claims incurred but not reported included in the liability accounts are \$16,482,700 in the General Liability/Workers' Compensation Fund and Medical/Dental Self Insurance Fund.

Changes in the funds' claim liability amounts in 2021 and 2020 are as follows:

	Beginning	Current Year		Ending Balance
	Balance January 1, 2021	Claims and Changes in Estimates	Claims Paid	December 31, 2021
General Liability/Workers' Compensation	\$ 25,673,508	\$ 11,467,077	\$ (8,480,646)	\$ 28,659,939
Medical/Dental	5,695,504	47,252,818	(46,820,913)	6,127,409
Unemployment	82,195	182,308	(171,007)	93,496
	<u>\$ 31,451,207</u>	<u>\$ 58,902,203</u>	<u>\$ (55,472,566)</u>	<u>\$ 34,880,844</u>

	Beginning	Current Year		Ending Balance
	Balance January 1, 2020	Claims and Changes in Estimates	Claims Paid	December 31, 2020
General Liability/Workers' Compensation	\$ 24,338,429	\$ 11,319,474	\$ (9,984,395)	\$ 25,673,508
Medical/Dental	4,803,626	45,920,843	(45,028,965)	5,695,504
Unemployment	53,027	264,610	(235,442)	82,195
	<u>\$ 29,195,082</u>	<u>\$ 57,504,927</u>	<u>\$ (55,248,802)</u>	<u>\$ 31,451,207</u>

On December 31, 2021, the Medical and Dental Self Insurance Fund had unrestricted net position of \$30,423,348, an increase of \$5,334,055 from 2020.

On December 31, 2021, the General Liability and Worker's Compensation Fund had an unrestricted net deficit of \$9,426,611, an increase in the deficit of \$2,857,420 from 2020. The increase in the deficit is due to an increase in reserves for worker's comp claims based on actuarial estimates.

NOTE 17 - MOA TRUST FUND

On April 2, 2002, the Municipality voters approved Proposition No. 4 which amended Anchorage Municipal Charter (Charter) to fundamentally change distribution rules applicable to the MOA Trust Fund (Trust). Key excerpts from Proposition No. 4 include:

- "The trust fund shall be defined as an endowment fund with a controlled spending policy limiting dividend distribution."
- "Any use of the corpus, or a portion of the corpus, separate from the controlled spending policy of the endowment, may only be used for purposes approved by a majority of the voters voting on a ballot proposition in a regular or special election."
- "Under the endowment's-controlled spending policy an annual dividend may be appropriated by the Assembly provided that the annual appropriation does not exceed 5 percent of the average asset balance of the trust."

Anchorage Municipal Code (Code) was also revised to accompany the Charter change. The changes made to AMC 6.50.060 further define and clarify the methodology to be used in paying out an annual not-to-exceed dividend amount from the Trust each year.

Depending on the investment market conditions in any given year, the Trust may or may not generate sufficient realized and unrealized net earnings to cover the dividend payout specified in Code. Under the endowment model followed by the Trust, however, the annual dividend from the Trust is based on a payout rate which is applied to the average market value of the Trust over multiple calendar quarters, as further defined in Code. The calculated annual dividend from the Trust is available for appropriation by the Municipal Assembly (Assembly) to help fund the general government budget. The endowment model is tied to an average market value, not to annual earnings, and it cannot exceed a 5 percent maximum long-term real rate of return per Charter. During periods of market decline, the Trust may experience a negative return; nonetheless the voter-approved endowment model for the Trust makes it possible for the Assembly to pay out no more than a 5 percent dividend by drawing from the fund's corpus. Over time the Trust is also expected to benefit from positive years in the market (i.e., years in which the real rate of return exceeds the maximum 5 percent payout rate); however, the Assembly must not exceed the 5 percent cap on annual distributions. This means that any excess returns generated during positive years in the market effectively are converted to corpus. Additionally, the Municipal Treasurer is required by Code to determine whether the Trust's purchasing power is being maintained, by performing an analysis at least every five years beginning in year 2007.

In January 2009, the Assembly, in response to substantial 2008 investment losses, amended AMC 6.50.060 to further limit the annual dividend payout. Effective January 1, 2010, no more than 4 percent of the market value of the Trust for the twenty consecutive quarters ending on March 31 of each year was made available for appropriation by the Assembly to help fund the general government budget. This policy change was to remain in effect until such time as the Trust's market value recovered to a level equal to or greater than the Trust's market value on December 31, 2007.

In recognition of significant recovery in the investment market since the 2008/2009 crash, in November 2016, the Assembly approved an amendment to AMC 6.50.060 to increase the payout rate for the MOA Trust Fund from 4 percent to 4.25 percent, effective January 1, 2017. This payout rate was applied annually to the Trust's average market value over the twenty trailing calendar quarters ending March 31 of each year, to determine the maximum amount available for annual appropriation to help fund the general government budget.

In anticipation of the sale the Electric Utility in late October 2020, the Assembly further amended AMC 6.50.060 in September 2020 to authorize a 5 percent maximum payout rate in 2020 and a 4.5 percent maximum payout rate in 2021 and future years. The Trust's payout rates are to be applied to a variable average market value calculation that accumulates from two trailing calendar quarters of average market value in year 2020 to twenty trailing calendar quarters of average market value by year 2026 and beyond. The annual dividend calculation continues to be determined as of March 31 of each year, and the calculation parameters cited in the revised Code shall determine the not-to-exceed amount available for annual appropriation to help fund the general government budget starting in 2020 and beyond.

In 2021, consistent with the policy limitations described above, \$18.8 million of the Trust fund balance was transferred to the General Fund.

NOTE 18 - REGULATORY AND OTHER MATTERS

A. Water Utility

Recurring Rates- Revenue Requirement (2019 Test Year/ 2021 Rates)

On December 29, 2020, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase of 2 percent, to be effective April 1, 2021. This request was granted by the Regulatory Commission of Alaska (RCA) on February 21, 2021, under Order 1 in Docket U-21-010 for the Water Utility. On March 7, 2022, the RCA issued Order 8 in the same docket, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Water Utility and Regulatory Affairs and Public Advocacy (RAPA). The rate increase of 2 percent for the Water Utility is now permanent and no refunds are to be issued.

Recurring Rates: Cost of Service and Rate Design (2019 Test Year / 2022 Rates)

On March 18, 2021, in Tariff Advice (TA) Letter TA170-122, the Water Utility requested approval of new permanent rates for the Water Utility that implement the results of a 2019 test year cost of service and rate design study. On March 7, 2022, the RCA issued Order 5 in the Water Utility's cost of service docket U-21-016, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Water Utility and RAPA. The Water Utility tariff rate restructure and resulting fire protection charges will be implemented on customer bills effective April 30, 2022.

Recurring Rates: Revenue Requirement (2020 Test Year / 2022 Rates)

On December 3, 2021, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase of 1.75 percent, to be effective January 18, 2022. This request was granted by the RCA on January 18, 2022, under Order 1 in Docket U-22-002. The same Order suspended the revenue requirement study for further investigation. As a compliance filing to Order 1, the Water Utility notified the RCA of its election to place the revenues received from the interim and refundable rate increase into an escrow account until a final order has been issued. The statutory deadline for the RCA to issue a final decision is approximately February 26, 2023.

Regulatory Asset- Pressure Reducing Valve Rebate Program

On August 18, 2017, the Water Utility filed a petition to create a regulatory asset for Pressure Reducing Valve (PRV) Rebate Program costs. The PRV Rebate Program was a result of projects to consolidate and simplify the water pressure zones in the Water Utility's service area as recommended in the Water Utility's 2012 Water Master Plan. As a result of the pressure zone modifications, certain customers would see a significant increase in water pressure to their properties. The Water Utility recommended affected customers install in-home PRV's within their properties to prevent damage due to increased water pressure. In order to mitigate the cost to the affected

customers, the Water Utility initiated a voluntary rebate program to spread the initial cost of the equipment across all customers who are benefiting from the pressure zone modifications. The maximum amount of the rebate was limited to \$850 for Water Utility customers located in Anchorage, and \$700 for those in Eagle River. The Water Utility paid rebates to 407 customers, resulting in a total cost of \$281,422. On December 5, 2017, the RCA authorized the Water Utility to create a regulatory asset for the PRV Rebate Program costs and to amortize those costs over a ten-year period beginning January 1, 2018. At year ended December 31, 2021, the unamortized balance was \$168,854.

B. Wastewater Utility

Recurring Rates: Revenue Requirement (2019 Test Year / 2021 Rates)

On December 29, 2020, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 8 percent, to be effective April 1, 2021. This request was granted by the RCA on February 21, 2021, under Order 1 in Docket U-21-011 for the Wastewater Utility. On March 7, 2022, the RCA issued Order 8 in the same docket, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Wastewater Utility and Regulatory Affairs and Public Advocacy (RAPA). The rate increase of 8 percent for the Wastewater Utility is now permanent and no refunds are to be issued.

Recurring Rates: Revenue Requirement (2020 Test Year / 2022 Rates)

On December 3, 2021, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 3.75 percent, to be effective January 18, 2022. This request was granted by the RCA on January 18, 2022, under Order 1 in Docket U-22-003 for the Wastewater Utility. The same Order suspended the revenue requirement study for further investigation. As a compliance filing to Order 1, the Wastewater Utility notified the RCA of its election to place the revenues received from the interim and refundable rate increase into an escrow account until a final order has been issued. The statutory deadline for the RCA to issue a final decision is approximately February 26, 2023.

C. Electric Utility

Acquisition of the Electric Utility by Chugach Electric Association (CEA) and the Creation of Anchorage Hydropower

On April 1, 2019, CEA filed a petition at the RCA requesting necessary approvals for acquiring the Electric Utility from the Municipality and requesting an amendment of Certificate of Public Convenience and Necessity (CPCN) No. 8 to reflect the acquired service territory. The petition was approved with amendments during 2020.

The transfer of the assets of the Electric Utility to CEA occurred on October 30, 2020. On November 11, 2021, the Municipality and CEA reached a final agreement on disputed items and on December 8, 2021, the Municipality received payment in complete and final settlement of all claims, issues, and disputes.

On October 30, 2020, the Municipality and CEA entered into an agreement for CEA to acquire 64.29 percent of the Municipality's 53.33 percent share of the Eklutna generation output for a term of 35 years. On November 23, 2020, the Municipality and Matanuska Electric Association, Inc. (MEA) entered into an agreement for MEA to acquire the rights to buy 35.71 percent of the Municipality's share of the generation from Eklutna for 35 years.

The Municipality provides wholesale electric power from the Eklutna Hydroelectric Project Switchyard as the Municipality of Anchorage dba Anchorage Hydropower, CPCN No. 780. In the final Order of the acquisition docket, the RCA required that the Municipality establish a \$3 million operating reserve for its Anchorage Hydropower Utility.

Fish and Wildlife Agreement

In 1991, The Municipality, along with CEA, and MEA, (collectively known as Eklutna Purchasers), United States Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS), Alaska Energy Authority, and the State of Alaska entered into an agreement regarding protection, mitigation of damages to, and enhancement of fish and wildlife affected by hydroelectric development of the Eklutna Project. According to that agreement, the Eklutna Purchasers will be responsible for the consultation, study, and implementation provisions applicable to the Eklutna Project.

The agreement requires the Eklutna Purchasers develop a study plan and a Final Fish and Wildlife Plan in consultation with the USFWS, NMFS, the Alaska Departments of Fish and Game, Environmental Conservation and Natural Resources, and other stakeholders, including the public, and submit it to the Governor for approval.

The Plan shall consist of measures recommended by the Purchasers for the protection, mitigation of and damages to and enhancement of fish and wildlife (including related spawning grounds and habitat). The Governor of Alaska shall establish a Final Fish and Wildlife Program, which the Eklutna Purchasers shall be required to implement.

The plan implementation shall begin no later than 2027 and end no later than 2031. The Eklutna Purchasers are required by the agreement to repeat the process on a recurring basis every 35 years. The Municipality is responsible for 19.04 percent of the costs of the study and implementation of the plan according to the agreements with the other Eklutna Purchasers. There is currently no estimation of the total costs to the Municipality of implementing the Plan.

NOTE 19 – CONTINGENCIES

The Municipality, in the normal course of its activities is involved in various claims and litigation. Except as specifically described below, it is the opinion of management and the Municipal Attorney that these matters are not expected to have a material adverse effect on the Municipality's financial statements.

A. Litigation

Port Expansion

A multi-year expansion project at the Port began in 2003 and continued until May 31, 2012. The project encountered problems and work was suspended while the Port investigated the scope and cause of the problems and determined how to proceed.

Investigative reports concluded the project design was flawed and significant aspects of the work were constructed incorrectly. In March 2013, the Port filed suit to recover damages. In 2016 and 2017, the Municipality reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities, and damages of the Municipality for a total amount of \$19,350,000. These legal settlements were recorded as legal settlements shown on the Port's statements of revenues, expenses, and changes in net position as non-operating revenue. As required under two of the settlement agreements, the Port restricted \$1.95 million of the settlements to a Port litigation escrow account recorded in 2016 as restricted assets "legal settlement set-aside", of the Port's statements of net position. An order for dismissal in the US District Court for the District of Alaska was signed on February 22, 2017 closing the case filed in the State of Alaska. A separate action in the United States Court of Federal Claims against the U.S. Maritime Administration (MARAD) was filed in March 2014. Trial occurred in February 2021 and final judgement was entered on February 24, 2022 awarding the Municipality the sum of \$367,446,809. The judgement was timely appealed to the United States Court of Appeals for the Federal Circuit on April 25, 2022 and is pending.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the General Fund or other applicable funds. In management's opinion, disallowances, if any, will be immaterial.

NOTE 20 - ENVIRONMENTAL ISSUES

The Municipality has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present, and future activity that may result in environmental impact. It is accounting policy to record a liability when the likelihood of responsibility for an environmental impact is probable and the cost of mitigating the impact is estimable within reasonable limits. On December 31, 2021, there are environmental issues that meet both of these criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

A. Solid Waste Landfill Sites

The Municipality's landfill at Merrill Field was closed during 1987 following approximately 50 years of usage. An active gas migration control system was constructed in 1992 and has since operated without fail. Operation of the gas control system has been effective in maintaining compliance with regulations pertaining to landfill gas and protecting public safety.

In 1996, a project was undertaken to improve existing groundwater controls and to construct a new system to control and collect groundwater from beneath the site for treatment in the municipal wastewater system. This collection system has operated without fail and has been effective in mitigating potential offsite migration of contaminants. The Municipality continues to maintain landfill gas and groundwater control systems and to perform monitoring of this site in compliance with state and federal regulations governing closure of solid waste facilities.

B. Air Quality Violations at Anchorage Regional Landfill

On or about March 28, 2018, the Alaska Department of Environmental Conservation (ADEC) issued a Notice of Violation (NOV) to the Municipality of Anchorage, Disposal Utility Fund, alleging multiple violations of the Municipality’s Air Quality Operating Permits for the Anchorage Regional Landfill, all relating to the emission of landfill gas. On or about June 10, 2019, the ADEC issued a second NOV to the Solid Waste Fund alleging 1) failure to conduct surface emission monitoring (SEM), and 2) failure to meet certification requirements. The Disposal Utility Fund met with ADEC on a several occasions in an attempt to resolve the alleged violations; the Disposal Utility Fund and ADEC engaged in an exchange of letters discussing potential compliance measures and settlement of civil penalties.

On May 12, 2022, ADEC and the Municipality agreed to a Final Compliance Order by Consent in this matter. The order contained several mandatory corrective actions to be undertaken by the Disposal Utility Fund in response to the violations, including installation of additional gas control capacity, surface emissions monitoring and reporting requirements. In addition, the Municipality has agreed to pay administrative fees, costs, and expenses of ADEC, a penalty of \$200,000, and to perform a Supplemental Environmental Project (SEP). The total costs of the SEP and corrective actions are not determinable at this time, however ADEC is requiring a minimum cost of the SEP of \$271,000. The liabilities on December 31, 2021 for the Disposal Utility Fund include the agreed upon penalty amount for this matter.

C. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and postclosure costs each year, the Solid Waste Fund records an operating expense based on landfill capacity. During 2020, the future closure and postclosure care costs were re-evaluated and adjusted to reflect current conditions. On December 31, 2021, the Disposal Utility Fund had a recorded liability of \$39,265,492 associated with these future costs, based on the use of 38.295 percent of the landfill’s estimated capacity. Based upon the 2020 study, it is estimated the Disposal Utility Fund will recognize an additional \$63,267,818 in liability expense between 2021 and 2064, the current estimated date the landfill is expected to reach full capacity. These amounts are based upon what it would cost to perform all the closure and postclosure functions in 2021. Future inflation costs and additional costs that might arise from changes in requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both. Activity in the long-term liability for landfill closure and postclosure care cost was as follows:

	Balance January 1, 2021	Addition	Deletion	Balance December 31, 2021	Due in One Year
Future Landfill Closure Costs	\$ 37,733,227	\$ 1,532,265	\$ -	\$ 39,265,492	\$ -

State laws and federal regulations require the Municipality to provide financial assurances for future closure and postclosure costs by one of several allowable mechanisms available. The Municipality elected to use the “Local Government Test” financial assurance mechanism to comply with the regulation. Pursuant to the Anchorage Municipal Code §26.80.060 a restricted cash and investment account has been established to fund the liability for landfill closure and postclosure purposes. On December 31, 2021, the Disposal Utility Fund reported \$19,351,367 of restricted assets for payment of closure and postclosure care costs.

D. Sale of Electric Utility

Effective October 30, 2020, Chugach Electric Association, Inc. (CEA), acquired most of the assets and assumed some of the liabilities of the Electric Utility. Pursuant to the Asset Purchase and Sale Agreement between Municipality of Anchorage, Alaska, and Chugach Electric Association, Inc. dated as of December 28, 2018, as amended (APA), Section 2.03 (d), CEA assumed environmental claims and liabilities under environmental laws,

that in each case, are directly related to the purchased assets (including violations of environmental laws and the presence or release of hazardous materials at, in, on or under, or migrating from or to, the purchased assets). Pursuant to Section 8.02 (d) of the APA, the Municipality agreed to indemnify CEA and pay and reimburse CEA for losses incurred in relation to the assumed environmental liabilities that exceed \$25 million in the aggregate prior to the tenth anniversary of the closing date of the acquisition.

The Municipality does not anticipate such losses and therefore is not recognizing a liability for any such losses in its statement of net position. See Note 23 for more details on the sale of the Electric Utility.

E. Pollution Remediation Obligation

Water Utility

AWWU Boston St. and E. 11th Court R/W (ADEC File No. 2100.38.584)

In September 2019, contaminated soil and groundwater was encountered during the removal and replacement of a water line rehabilitation project. The water line rehabilitation project was completed in October of 2020. It is unlikely that ADEC will require additional testing and monitoring to receive a cleanup complete status, and if monitoring were required it would be minimal. Cleanup complete status from ADEC is expected in 2022 but has not been received as of the opinion date of this report.

The Water Utility used the expected cash flow technique to measure the pollution remediation liability. The Water Utility estimated expected administrative and project closeout costs for the contaminated site and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of \$1,000 as of December 31, 2021. The potential for material changes in the estimate is possible depending upon the response received from ADEC.

Wastewater Utility

AWWU Pump Station No. 12-UST (ADEC File No. 2100.26.044)

In accordance with ADEC regulations, the Wastewater Utility has removed four leaking, underground fuel storage tanks and the surrounding contaminated soils starting in 1992. With ADEC approval, the Wastewater Utility has been conducting groundwater and soil monitoring on some of these sites since 1998. In 2017, the Wastewater Utility was in the process of submitting documentation to ADEC to obtain cleanup complete status when another spill occurred at an above ground fuel tank in the general area of the original fuel spill that occurred in 1990. Due to the 2017 spill, the Wastewater Utility will not obtain cleanup complete status and will be required to continue monitoring activities.

MOA AWWU Maintenance and Operation Facility Diesel AST Overfill (ADEC File No. 2100.28.574) and MOA AWWU Maintenance Facility (1997 Tank Removal) 325 E. 94th Court (ADEC File No. 2100.38.588)

In 2016, the Wastewater Utility experienced a fuel spill on the Utility Operations and Maintenance facility located at 325 East 94th Court for which preliminary actions removed surface and some subsurface contamination. A third party agreed through mediation to pay a portion of the preliminary cleanup costs. The Wastewater Utility is planning to make improvements at the site which will result in further cleanup and contamination mitigation.

AWWU Operations Facility Used Oil Tank Removal 503 E. 94th Ct. (ADEC File No. 2100.26.331)

This is a contaminated site revealed to the Wastewater Utility in 2013 for which there are no records of cleanup data. The Wastewater Utility installed a monitoring and sampling site in 2016. ADEC chronology report states site sampling has not occurred since 2001. In 2016, samples from the monitoring well had DROs result in excess of ADEC cleanup levels. The Wastewater Utility has sent ADEC a request for extension on the cleanup plan submittal date. A Work Plan was submitted to ADEC in 2018 and approved. To fully address contamination at site, the Wastewater Utility will perform excavation and thermal treatment of up to 600 tons of soil from the site as part of capital project work. This work is scheduled to be performed in 2022 or 2023. Once the contaminated soil is removed, there will be 2 years of soil borings, monitoring and reporting required.

The Wastewater Utility used the expected cash flow technique to measure the liability. The Wastewater Utility estimated a reasonable range of potential outlays of \$9,000 to \$350,000 per contaminated site and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of \$595,000 as of December 31, 2021. The potential for material changes in the estimate is possible depending upon the responses received from ADEC.

Port

In February 2012, the Port entered into an agreement with the Department of Defense to acquire 48 acres of undeveloped land (Tract J) for fair market value of \$10,305,000. In exchange, the Port has committed to provide a permanent access road connecting Joint Base Elmendorf-Richardson to the Port and to accept responsibility for the environmental condition of the transferred land. This obligation is reflected on the Port's statement of net position as a non-current liability totaling \$1,747,630 on December 31, 2021. Both Tract H and Tract J at the Port are ADEC designated contaminated sites. The Port is required to submit annual ground water monitoring reports to ADEC for both tracts. In 2021, the monitoring and reporting costs for Tract J was \$4,245. No required monitoring expenses were incurred for Tract H in 2021.

Other Environmental Issues

The Municipality is aware of certain potential environmental issues as follows:

Frank Jones Site

The presence of PCB and Hydrocarbons exceeding applicable clean up levels was discovered in the soils on the Tract 1A Fragment Lot 12, Mountain View parcel North entry to Frank Jones (Site). The Site was contaminated by a third party storing old heavy equipment on the parcel. Ownership was transferred to the Municipality in 2006. BGES Inc through DOWL Engineering provided the Site Characterization report. The Municipality worked with the ADEC and the EPA on proper characterization and remediation of the site.

During 2017, the Municipality carried out a work plan approved by ADEC to complete site characterization by further delineating the extent of contamination and determining whether contaminants were migrating to groundwater and migrating offsite. The Municipality also decommissioned five groundwater monitoring wells on the site in accordance with guidance received from ADEC in September of 2017.

In 2019, the Site received a "Cleanup Complete with Institutional Controls" designation from ADEC. No more costs will be incurred unless this site is leased. There has been no change to this site as of December 31, 2021.

Public Works Transit Facility Sites

The presence of soil contamination from a subsurface hydraulic oil leak was discovered in 1990 at the Public Works Transit Facility (PWTF). Bus hydraulic lifts 4, 6, 9 and 10 were the source of the leak. In November 2011, a work plan was proposed to repair existing monitoring wells, measure product thickness, collect ground water samples for laboratory analysis and conduct a short-term product recovery assessment. New lifts were installed in 2014.

Further site characterization work was performed in 2017. An additional monitoring well was installed, and soil and groundwater samples were obtained and analyzed to delineate the extent of soil and groundwater contamination. The soil and water samples taken during this testing had no levels of contaminants above ADEC cleanup thresholds. The Municipality's environmental consultant, Shannon and Wilson, concluded that contamination from the hydraulic oil leak does not extend beyond the area immediately beneath the building. The Municipality expects to spend approximately \$10,000 annually to monitor this site.

During soil testing at the PWTF in 2016, as part of preparation for removal and replacement of existing fuel storage tanks, diesel contamination due to leakage from on-site fuel storage tanks was detected. This constituted a second site separate from the hydraulic oil leak discovered in 1990. Remediation work for this contamination is planned to be performed at the time of the scheduled removal and replacement of the tanks.

The site characterization work performed during 2017 included the installation of three monitoring wells and collection of soil and groundwater samples. Levels of diesel range organic compounds (DROs), petroleum-related volatile organic compounds (VOCs), and polycyclic aromatic hydrocarbons (PAHs) above applicable ADEC cleanup thresholds were detected in soil and groundwater samples at two of the three wells. Shannon and Wilson concluded that the extent of contamination downgradient from the leaking tanks was undefined. Further site characterization completed in 2018 included installation of three monitoring wells, with soil samples taken from each of the borings and groundwater samples taken from each of the wells after installation and again in the fall of 2018. There was no additional site characterization work completed in 2020 and the extent of contamination is unknown at this time. The Municipality is currently considering a proposal for ongoing ground water monitoring and reporting activities.

A leaking 500-gallon underground storage tank for waste oil was removed from the Transit Warm Storage Building in 1998. Soil contamination by DROs above applicable ADEC cleanup thresholds was detected. In 2017, additional site characterization work, consisting of installation of a monitoring well near the site and collection of soil and groundwater samples, was performed. None of the samples taken had levels of contaminants above applicable ADEC thresholds, and Shannon and Wilson concluded that contamination had not migrated beyond the area immediately under the building. The Municipality is currently considering a proposal for ongoing ground water monitoring and reporting activities.

A leaking 500-gallon underground storage tank for waste oil was removed from a location immediately outside of the Maintenance Support Division Communication Shop in 1997. Soil contamination with gasoline range organic compounds (GROs), DROs, and tetrachloroethylene at or above applicable ADEC cleanup thresholds was detected. The Municipality is currently considering a proposal for ongoing ground water monitoring and reporting activities.

The Municipality used the expected cash flow technique to measure liability for ongoing monitoring and potential future remediation of the sites. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$563,300 as of December 31, 2021.

Gambell Street Right-of-Way Site

The presence of GROs, DROs, and multiple VOCs exceeding applicable cleanup standards was discovered because of road right-of-way work along Gambell Road south of the intersection with Benson Boulevard in 2006. Approximately 400 tons of contaminated soil was excavated and sent for remediation. The most recent testing at the site continued to show levels of GROs and DROs in ground water, as well as VOCs in soil gases, above applicable cleanup standards. A work plan for future testing and remediation activities has not yet been developed; therefore, the cost associated with any future actions cannot be determined at this time.

Northwood Maintenance Facility Site

The presence of numerous contaminants exceeding applicable cleanup levels was discovered at two sites at the Municipality's Northwood Drive Maintenance Facility. In 1992, three areas of stained soils were discovered on the grounds of the facility. Testing found levels of DROs and RROs in excess of applicable cleanup standards. In 2001, a dry well was encountered beneath the foundation slab of the maintenance building during work to install an oil/water separator under Garage Bay 6. Testing revealed levels of GROs; DROs; RROs; tetrachloroethylene; 1,2,4 trimethylbenzene; 1,2 dichlorobenzene; and 1,4 dichlorobenzene in concentrations above the applicable cleanup standards.

The most recent testing of samples from the stained soil area showed levels of DROs and RROs still above applicable cleanup levels, but significantly lower than previous samples. The most recent testing of water from monitoring wells did not indicate spreading of contamination in groundwater from the drywell site by tetrachloroethylene and the benzene-related compounds. In 2018, the Municipality submitted an update on the site's status and a proposed schedule for work to delineate the nature and extent of the contamination at the site which was approved by ADEC in November 2018. During 2021 the Municipality submitted an updated workplan and sampling protocol for this site. Well sampling, well decommissioning and well installation are currently underway. The Municipality used the expected cash flow technique to measure liability for ongoing monitoring and potential future remediation of the sites. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$252,950 as of December 31, 2021.

Third Addition Block 39, Lot 15 Site

The presence of DROs in soil and ground water exceeding applicable cleanup levels due to a leaking underground heating oil storage tank was discovered on a parcel of land during a road improvement project in July of 2008. The tank was removed, and approximately 15 cubic yards of affected soil was excavated from the site and sent for remediation. ADEC has requested that the Municipality develop a work plan to complete site characterization, including at least one test well and two rounds of sampling, and a conceptual site model encompassing all potential exposure pathways.

The Municipality used the expected cash flow technique to measure the liability for the expected site characterization work and modeling. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$18,700 as of December 31, 2021. In January 2020, ADEC requested a work plan to complete site characterization and

conceptual site model. Currently, the costs associated with any future actions, above the estimate as of December 31, 2021, cannot be determined at this time.

Second Avenue Easement Site

The presence of soil and groundwater contamination from diesel range and residual range organic chemicals (DROs and RROs) and lead was discovered in the 1990's at the former Second Avenue easement storage site at 1021 East Third Avenue. The source of the contamination was three bulk storage tanks believed to have been used to store used engine oil, used for dust suppression, which was collected from service stations in the area. Two of the tanks failed in the early 1970's and the last tank failed in 1994; the volume of material released by the tank failures is unknown.

During additional testing at the site in 2016, levels of lead exceeding Resource Conservation and Recovery Act (RCRA) toxicity characteristic criterion for a hazardous waste were found in one of the soil samples taken. If soil is removed from the site as part of remediation efforts, it may have to be disposed of as a RCRA-regulated hazardous waste. Full remediation will require excavation of impacted soil and disposal off-site, as no other options would be effective in reducing the concentrations of lead in impacted soil and groundwater. In 2019, ADEC approved a work plan for soil excavation and additional site characterization. The Municipality incurred costs of \$10,076 in 2021 for ground water testing and soil sampling. The Municipality uses the expected cash flow technique to measure liability. The Municipality estimates a pollution remediation obligation of \$317,500 as of December 31, 2021 for soil remediation to take place in 2022 and ongoing monitoring activities.

Fire Station 4 Site

The presence of contamination from DROs, GROs, benzene, toluene, ethylbenzene, and xylenes were detected at the Fire Station 4 site located at 4350 MacInness Street. The site is currently required by ADEC to have annual groundwater testing to monitor contamination levels. Testing during 2017 found levels of DROs, GROs, benzene, toluene, ethylbenzene, and xylene still above ADEC groundwater cleanup levels in one of the two monitoring wells from which samples were taken; the samples from the other monitoring well did not exhibit concentrations of any contaminants above ADEC cleanup levels. During 2021, the Municipality installed vapor barriers and air scrubbers. During 2022, the Municipality expects to conduct remaining testing and well decommissioning in order for the site to be placed into closed with institutional controls status. The Municipality reported a pollution remediation liability of \$14,118 for these activities as of December 31, 2021.

Fleet Maintenance Facility Site

The presence of contamination from DROs, GROs, RROs, benzene, and toluene, resulting from multiple underground storage tanks and the Facility's Paint shop, were detected at the Fleet Maintenance Facility at 4333 Bering Street in the 1990s. Groundwater samples test results indicated levels of multiple contaminants in the samples from the wells monitoring the contamination from the underground storage tanks above ADEC cleanup levels, but generally stable or decreasing from the last monitoring event except for RRO levels in one sample. Samples from the well that was used for monitoring contamination from the Paint Shop showed increased levels of DROs and RROs from the previous monitoring results, with levels of RROs above ADEC cleanup levels. In addition, levels of several contaminants were above cleanup thresholds for vapor intrusion. In 2019, a site assessment report was submitted and reviewed by ADEC. Field activities consisted of advancing one soil boring, completing as a monitoring well, and collecting soil and ground water samples. Additional site characterization will be required before ADEC can recommend closure of these sites. The Municipality used the expected cash flow technique to measure liability for ongoing monitoring of the site. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$201,150 as of December 31, 2021.

Peacock Cleaners Site

The presence of DROs, tetrachloroethylene and trichloroethylene chemicals exceeding applicable clean up levels were discovered on a parcel of land at 4501 Lake Otis Parkway owned by the Municipality. From 1996 through 2008, this property was operated as a dry-cleaning facility. The Municipality foreclosed on the property in 1993 but leased it back to the former owner until 2008.

The Municipality used the expected cash flow technique to measure liability. The Municipality estimated a reasonable range of potential outlays and accrued a liability for estimated pollution remediation obligation of \$2,403,684. There has been no change to this amount as of December 31, 2021.

Spenard Road Project

In September 2017, an approximately 225-gallon single walled used oil underground storage tank (UST No. 1) was discovered during construction along West 27th Avenue. In October 2017, the tank was removed and approximately 8 cubic yards of soil were generated from the excavation which measured approximately 7 feet by 7 feet wide, and to a depth of 6 feet below ground level (bgs). Groundwater was not encountered but based on documents from the area, it is estimated at 10 to 20 feet bgs. A total of eight analytical soil samples including one duplicate were collected from the excavation base, sidewalls and excavation base, sidewalls, and excavation stockpile. These samples contained diesel range organic compounds up to 24,200 mg/kg, residual range organics up to 65,800 mg/kg, lead up to 1,330 and benzo(a)anthracene at 0.971 mg/kg. Arsenic was detected above ADEC cleanup levels but is considered background at this location. After sampling, the excavation was backfilled with imported clean soil.

ADEC can request further action on the site, and as such, future costs for remediation at these sites will depend on responses from ADEC and the results of future monitoring and are not estimable at this time.

NOTE 21 - SUBSEQUENT EVENTS

A. Municipality Subsequent Events

Medical Dental Self-Insurance Fund Contingency and Rate Stabilization Reserve Policies

Effective January 1, 2022, the Municipality implemented new reserve policy requirements regarding the Medical Dental Self-Insurance Fund. These policy reserve requirements were established through municipal policy and procedure (P&P) 40-35 titled Administration of Medical Self-Insurance Program. Within this policy three reserves are defined as being required.

The first reserve established in the policy leaves in place the existing actuarially determined incurred but not reported reserve (IBNR). This reserve exists to establish the terminal liability for the plan in event it terminates. The methodology to calculate this reserve is based on the "best estimate" of the anticipated incurred but not reported claims expense with a provision adverse deviation (PAD) of 5 percent to maintain a sufficient reserve level under adverse conditions. The calculation also includes a loss adjustment expense (LAE) of 6.5 percent to administer the payment of outstanding claims.

The second reserve established in the policy is the Contingency Reserve. This reserve is available in the event the plan does not run as expected. It helps to provide stability to funding if there is a bad claims year. This reserve is otherwise known as the excess loss reserve, to absorb financial strain brought about by adverse claims experience. The methodology for calculating this reserve is based on 36 to 48 months of claim data that is summarized by incurred and paid period. This data is separate for each line of coverage (medical, pharmacy, dental and vision). An actuary calculates a contingency reserve by taking the regression data and calculating a predictable monthly value, monthly variances, as well as the predictable annual claims per employee per year (PEPY) and corresponding variance PEPY. Using the PEPY and variance PEPY, the expected value is calculated. The Municipality via the policy recommends three levels of potential excess cost confidence levels of 95 percent, 97 percent, and 99 percent. The gross Contingency Reserve is the difference between the cost at the confidence level and the PEPY costs times the anticipated enrollment, plus a margin between 0 percent and 10 percent under normal risk situations. After the actuary presents the analysis at the three levels of confidence to the Executive Health Care Committee they make the determination of the approved contingency reserve amount for each plan as part of the annual self-funded programs renewal cycle.

The third reserve established in the policy is the Rate Stabilization Reserve. This reserve sets a procedure to establish rate stabilization over time. In the event the plan is over or under funded, it establishes procedures for how to calculate how much to fund or spend down the fund over time. The main purpose of this reserve will be to even out the premium fluctuations year-to-year. The methodology to calculate this reserve will be comprised of five components. Component one is estimated incurred claims cost for plan year. Component two is estimated cost of administering the claims over plan year. Component three is estimated cost of any fully insured products (i.e., stop loss premium) over plan year. Component four is estimated change in the Contingency Reserve over plan year. The fifth component is the factor of revenue surplus or deficit experience from prior plan years. These five components then are utilized in a comparison of an expected and actual revenue calculation to determine expected revenue surplus or deficit. It is the prerogative of the Executive Health Care Committee to determine how excess revenue savings are applied based on application methods detailed in P&P 40-35.

By having these calculated reserves as part of the updated policy and procedure, the Municipality will further protect the Medical Dental Self-Insured Fund. The reserves preserve the ability of the municipality to competitively price the health care plans for the municipality and its employees. This is especially important in an expensive health care market such as Alaska.

Tax Exemption

The Municipality exempted all personally owned mobile homes located in mobile home courts from property tax. Exempting all personal use mobile homes that are classified as personal property will reduce the total taxable value by approximately \$78 million in 2022. This change is effective for tax year 2022.

MOA Trust Fund Change in Payout Rate

On March 1, 2022, the Investment Advisory Commission (IAC) presented a Resolution to the Assembly recommending that the Trust's annual dividend payout rate be no higher than 4 percent. This recommendation was based on a formal review by the IAC re: the appropriateness of the long-term payout rate, after two special IAC meetings were held in January and February 2022. Currently, AMC 6.50.060 cites a not-to-exceed payout rate of 4.50 percent. Because this is a not-to-exceed rate, and given the findings that came from the IAC's recent evaluation, the 2022 dividend payout is likely be based on a 4 percent payout (rather than the not-to-exceed 4.50 percent payout currently cited in AMC). This decrease in the long-term payout rate percentage is in response to the Trust's actual, realized long-term real rate of return (i.e., nominal return minus inflation) which lags its target when looking back over the past 22 years of the Trust's existence. It also takes into account forward looking expected return rates and inflation.

The primary objective of the Trust as cited in Municipal Code is to maintain the Trust's long-term purchasing power, such that the payout rate covers or exceeds long-term average annual inflation. The IAC's two special meetings were held in response to AMC 6.50.060L which requires that the Trust be formally evaluated by March 15 every 5 years (starting in 2007) re: the sufficiency of the payout rate in maintaining the Trust's long-term purchasing power. Fiscal year 2022 is a 5-year marking point, which is why the IAC's formal evaluation occurred in Jan/Feb 2022. The IAC worked closely with the Finance Department and the investment consultation in going through their evaluation of the Trust's payout rate.

NOTE 22 - NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the Municipality for 2021 reporting:

- GASB 89- Accounting for Interest Costs Incurred before the End of a Construction Period. Interest expense on debt for financing construction projects is expensed in the periods incurred and is not included in the historical cost of the Municipality's capital assets. For the regulated utilities, Allowance for Funds Used During Construction (AFUDC) is capitalized in the financial statements in accordance with GASB Statement No. 62, paragraph 485.
- GASB 91- Conduit Debt Obligations. The Municipality sponsored Nonrecourse Revenue Bonds for United Way of Anchorage, as disclosed in detail in Note 12. The final payment on this conduit debt was made in 2021. This statement is no longer applicable to the Municipality.
- GASB 95- Postponement of the Effective Dates of Certain Authoritative Guidance. Due to the COVID-19 pandemic, the GASB Board issued GASB Statement No. 95, which postponed the effective dates of several statements which were due to be implemented during the 2020 and 2021 reporting periods. The Municipality made the decision to early implement the aforementioned GASB Statements Nos. 84, 88, and 90, as the implementation of these Statements were already completed or were not applicable at the time of the issuance of GASB 95. The remainder of the Statements affected by GASB 95 will be implemented in accordance with their new effective dates as listed below.
- GASB 98- The Annual Comprehensive Financial Report. This statement changes the acronym for the Annual Comprehensive Financial Report to ACFR, due to the prior acronym sounding like an objectionable racial slur. The Municipality implemented this standard early in the 2021 report.

The following standards are required to be implemented in the future financial reporting periods (effective dates adjusted for the issuance of GASB 95).

- GASB 87- Leases. The provisions of this Statements are required to be implemented for the 2022 financial reporting period.

- GASB 92- Omnibus 2020. The provisions of this statement are required to be implemented in the 2022 reporting period.
- GASB 93- Replacement of Interbank Offered Rates. The provisions of this statement are required to be implemented in the 2022 reporting period.
- GASB 94- Public-private and Public-public Partnerships and Availability Payment Arrangements. The provisions of this statement are required to be implemented in the 2023 reporting period.
- GASB 96- Subscription-based Information Technology Arrangements. The provisions of this statement are required to be implemented in the 2023 reporting period.
- GASB 99- Omnibus 2022. The provisions of this statements are required to be implemented in the 2023 and 2024 reporting periods.
- GASB 100- Accounting Changes and Error Corrections. The provisions of this statement are required to be implemented in the 2024 reporting period.
- GASB 101- Compensated Absences. The provisions of this statement are required to be implemented in the 2024 reporting period.

NOTE 23 - OTHER ACCOUNTING MATTERS

A. Electric Utility

Electric Utility Special Item

On October 30, 2020, the Municipality sold the Electric Utility to Chugach Electric Association. Final payment was received on December 8, 2021. In accordance with GASB Statement No. 69 Government Combinations and Disposals of Government Operations, the Municipality has recorded a Special Item - Gain on Disposal of Operations in the amount of \$455,318 in the statement of revenues, expenses, and changes in net position - proprietary funds and in the business-type activities section of the statement of activities.

B. Municipality of Anchorage

COVID-19 Pandemic

During 2021, the Municipality's emergency orders regarding COVID-19 pandemic response expired and mask mandates for the community were rescinded. The Municipality continues to facilitate disease prevention, public access to vaccines and testing. The Municipality continues to provide information and monitoring of case counts and hospitalizations and provide guidance for citizens regarding treatment and transmission mitigation protocols.

The full impact of the COVID-19 outbreak and recovery continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Municipality's financial condition, liquidity, and future results of operations. Municipal management continues to assess the effects of the pandemic on the Municipality's ongoing operations, workforce, suppliers, customers, constituents, and overall financial condition.

Based on a review of period to date revenues posted through the end of the year 2021 and compared to the previous year, the Municipality projected variances for general government revenues in fiscal year 2021 and 2022. Some of those variances are:

- Room tax revenues were 33 percent higher than expected in 2021, due to increased visits by the independent traveler, pent up demand for domestic travel, higher accommodation prices and willingness of the travelers to pay premium prices for unique qualities of Alaskan travel opportunities. The expectation is that revenues will be similar in 2022, rather than significantly higher because of the shortage of hospitality workers and the potential for a resurgence of COVID-19 variant cases.
- Rental Vehicle tax collections were 45 percent greater than expected in 2021 due to increase in independent travelers and increased prices. The expectation in 2022 is for a 3 percent growth in travelers and increase in prices and an improvement in supply of vehicles to rent.
- Alcoholic Beverage Sales Tax collections were 20 percent greater than expected in 2021. The expectation in 2022 is a 3 percent increase due to more in-person patronage of bars and restaurants and increased tourism due to relaxed COVID-19 mitigation measures.
- Real Property tax collections were 100 percent of expected in 2021. The timing of cash flows in 2022 real and personal property tax collections is expected to be delayed due in part to implementation of new tax assessment and collections software, and a delay in budget approval for 2022.
- Investment earnings in governmental funds had a negative variance which adversely impacted the value of the Municipality's investments held in marketable securities.

Federal Funds Available for Pandemic Relief

On March 27, 2020, the President signed into law the “Coronavirus Aid, Relief and Economic Security (CARES) Act.” The CARES Act, among other things, appropriated funds for the Coronavirus Relief Fund to be used to make payments for specified uses to States and certain local governments. In December 2020, the “Consolidated Appropriations Act” was signed, extending the period of availability for CARES Act funds, and providing funds for renter and utility customer relief (ERA). In March 2021, the American Rescue Plan Act (ARPA) was enacted, providing more funds for State and local governments. Receipt and expenditure of major awards to date are as follows:

CARES Act:

Coronavirus Relief Fund

- Awarded- \$156,713,566
- Received- \$156,713,566
- Expended- \$156,713,566

CARES Act Federal Transit Grants

- Awarded- \$18,580,864
- Received- \$1,567,419
- Expended- \$2,713,171

CARES ACT Airport Grants

- Awarded- \$17,898,468
- Received- \$872,372
- Expended- \$2,713,171

CARES ACT Community Development Block Grant CV1

- Awarded- \$3,061,741
- Received- \$6,090
- Expended- \$512,267

CARES ACT Emergency Solutions Grant CV1

- Awarded- \$521,193
- Received- \$305,171
- Expended- \$501,526

CARES ACT Emergency Solutions Grant CV2

- Awarded- \$3,774,024
- Received- \$1,475,697
- Expended- \$2,497,533

CARES ACT portion Nutrition, Transportation and Support Services

- Awarded- \$179,532
- Received- \$94,258
- Expended- \$179,532

ERA 1 Federal Emergency Rental Assistance:

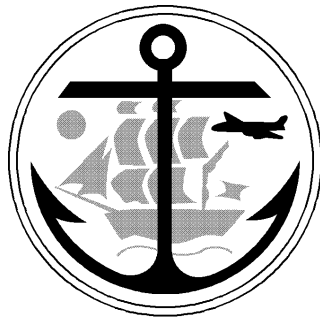
- Awarded- \$35,431,860
- Received- \$35,431,860
- Expended- \$32,533,718

ERA 2 Federal Emergency Rental Assistance:

- Awarded- \$26,928,214
- Received- \$18,849,750
- Expended- \$9,694,157

ARPA (funds are available to be expended until December 31, 2026):

- Awarded- Metropolitan area - \$47,376,742; Counties- \$55,940,624
- Received- Metropolitan - \$23,688,683; Counties- \$27,970,312
- Expended- \$36,978,124



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MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information- Budgetary Comparison Schedule
 with Expenditures by Function for the General Fund
 For the year ended December 31, 2021

	Budget		Actual Budgetary Basis	Budget to GAAP	Actual GAAP Basis	Variance With Final Budget
	Original	Final		Difference		
Revenues:						
Taxes	\$ 67,465,905	\$ 680,808,815	\$ 684,513,042	\$ -	\$ 684,513,042	\$ 3,704,227
Assessments in lieu of taxes	13,382,561	13,448,855	14,058,953	-	14,058,953	610,098
Special assessments	227,830	227,830	466,835	-	466,835	239,005
Licenses and permits	8,891,200	8,516,150	9,290,280	-	9,290,280	774,130
Intergovernmental	5,488,300	5,156,254	5,220,167	(1) 15,748,109	20,968,276	63,913
Charges for services	24,393,695	23,318,925	20,969,819	-	20,969,819	(2,349,106)
Fines and forfeitures	5,622,506	5,951,506	7,360,948	-	7,360,948	1,409,442
Investment loss	1,239,130	1,395,558	(2,270,430)	-	(2,270,430)	(3,665,988)
Restricted contributions	139,331	139,331	116,186	-	116,186	(23,145)
Other revenues	2,922,728	4,102,033	4,279,315	-	4,279,315	177,282
Total revenues	129,773,186	743,065,257	744,005,115	15,748,109	759,753,224	939,858
Expenditures:						
Current:						
General government	25,516,998	29,128,847	26,439,420	(1) 1,491,991	27,931,411	(2,689,427)
Fire services	110,975,979	112,687,274	112,331,857	(1) 5,237,868	117,569,725	(355,417)
Police services	132,323,099	136,630,313	134,282,623	(1) 5,299,423	139,582,046	(2,347,690)
Health and human services	18,112,000	56,546,867	53,584,737	(1) 524,882	54,109,619	(2,962,130)
Economic and community development	70,537,351	89,216,693	83,999,669	(1) 1,361,567	85,361,236	(5,217,024)
Public transportation	27,255,631	27,607,435	27,262,815	(1) 651,050	27,913,865	(344,620)
Public works	7,844,147	7,933,564	8,134,776	(1) 799,033	8,933,809	201,212
Education	-	293,429,596	293,429,596	-	293,429,596	-
Maintenance and operations	38,175,916	38,181,913	36,235,220	(1) 382,295	36,617,515	(1,946,693)
Debt service:						
Principal	37,090,615	37,457,956	36,683,862	-	36,683,862	(774,094)
Interest	18,416,152	18,928,894	18,890,504	-	18,890,504	(38,390)
Debt issuance costs	409,052	1,090,499	301,236	-	301,236	(789,263)
Capital Outlay	2,000	10,897	10,346	-	10,346	(551)
Total expenditures	486,658,940	848,850,748	831,586,661	15,748,109	847,334,770	(17,264,087)
Deficiency of revenues over expenditures	(356,885,754)	(105,785,491)	(87,581,546)	-	(87,581,546)	18,203,945
Other financing sources (uses):						
Transfers from other funds	38,252,674	50,426,754	50,374,736	-	50,374,736	(52,018)
Transfers to other funds	(15,086,842)	(31,940,814)	(54,525,860)	-	(54,525,860)	(22,585,046)
Premium on bonds and notes sale	340,298	1,779,517	1,054,480	-	1,054,480	(725,037)
Refunding bonds issued	-	-	25,595,000	-	25,595,000	25,595,000
Payment to extinguish debt	-	-	-	-	-	-
Payment to refunded bond escrow agent to extinguish debt	-	-	(25,491,092)	-	(25,491,092)	(25,491,092)
Proceeds from sale of capital assets	194,000	197,230	216,946	-	216,946	19,716
Insurance recoveries	72,145	322,476	277,908	-	277,908	(44,568)
Draws on capital lease	-	1,692,040	1,692,040	-	1,692,040	-
Total other financing source (uses)	23,772,275	22,477,203	(805,842)	-	(805,842)	(23,283,045)
Net change in fund balance	(333,113,479)	(83,308,288)	(88,387,388)	-	(88,387,388)	(5,079,100)
Fund balance, beginning of year	99,992,970	99,992,970	99,992,970	-	99,992,970	-
Fund balance, end of year	\$ (233,120,509)	\$ 16,684,682	\$ 11,605,582	\$ -	\$ 11,605,582	\$ (5,079,100)

Explanation of differences:

(1) Effective July 1, 2008, the Municipality changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. The on-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly over the past few years. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

Note:

This schedule is for informational purposes only. The budget presented by function for the General Fund in this schedule is not the legal level of budget authority. This schedule provides a variance analysis of revenue, expenditures and other financing sources (uses) to budget in a format similar to the basic financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information – Budgetary Data
December 31, 2021

In 2003, the Municipality implemented GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*. This statement, an amendment to GASB Statement No. 34, clarifies the budgetary presentation requirements for governments with significant budgetary perspective differences that result in not being able to present budgetary comparison information for their general fund and major special revenue funds. The estimated appropriations in the Municipality's General Fund Budget do not correspond to the expenditures that are reported for the general fund on a GAAP basis. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison.

In accordance with the Anchorage Home Rule Charter, the Mayor is required to submit a proposed budget for the next fiscal year to the Assembly at least 90 days before the end of the current fiscal year. The Assembly holds two public hearings on the proposed budget. The Assembly may increase or decrease any item and may add or delete items; but must approve a budget and appropriate the necessary resources by ordinance at least 21 days prior to year end. Otherwise, the Mayor's proposal becomes the budget and appropriation.

The Assembly approved 2021 operating budgets and appropriations of direct costs at the department level, and indirect costs at the fund or sub-fund level. Some departmental appropriations span more than one fund. The Assembly approved 2021 capital budgets with anticipated appropriation of resources for the general government and appropriations for each utility. Upon certification by the Chief Fiscal Officer that actual resources have become available for specific general government capital projects; e.g., when a grant is accepted, a bond sale or interfund transfer is approved, or a special assessment district is created, a supplemental appropriation is submitted to the Assembly for final approval. Supplemental appropriations are also submitted for approval upon certification by the Chief Fiscal Officer that operating grant funds have become available. The legal level of a budgetary control is the fund or sub-fund level for revenues and the department level for expenditures and other financing uses.

During the year, no obligation involving the expenditure of money may be made unless the Chief Fiscal Officer has certified that the money required for the expenditure has been appropriated for that purpose. When each obligation is incurred, the committed amount becomes encumbered, i.e., it is treated as a reduction of available budget so that the committed amount will be available to pay for the goods or services when they are received. When the commitment is fulfilled, the encumbrance is released, and an expenditure is recorded. An encumbrance is also released when a commitment is canceled.

The Assembly may approve supplemental appropriations to increase or decrease the budget and appropriations, or transfer all or part of any unencumbered balance from one appropriation to another by resolution. The Assembly, by ordinance, may authorize a contract, lease or other obligation requiring financing from future appropriations, except that a lease purchase agreement committing funds in excess of \$1 million is not valid until approved by the voters. The Mayor may transfer all or part of any unencumbered balance between categories within an appropriation.

At the end of the year, an unencumbered operating appropriation lapses into the fund from which it was appropriated; except that supplemental appropriations of grant and capital project resources do not lapse until their purpose has been accomplished or abandoned.

Annual budgets are adopted for the General Fund, MOA Trust Fund (a Permanent Fund), Heritage Land Bank (a Special Revenue Fund), the Convention Center Operating Reserve (a Special Revenue Fund), E911 Surcharge (a Special Revenue Fund), Police and Fire Retiree Medical Liability (a Special Revenue Fund), Other Restricted Resources (a Special Revenue Fund), Alcoholic Beverages Retail Sales Tax (a Special Revenue Fund), Nuisance Property Abatement (a Special Revenue Fund), ACPA Surcharge Revenue Bond (a Debt Service Fund), and Police and Fire Retirement Certificates of Participation (a Debt Service Fund), and the administrative operating costs of the Pension Trust Fund. Appropriations for

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information – Budgetary Data
December 31, 2021

these funds lapse at year end to the extent they have not been expended or encumbered. The General Fund is the only major fund required to be included as required supplementary information.

Annual budgets are also adopted for proprietary fund types. However, since the measurement focus for proprietary fund types is upon determination of net income, financial position and cash flows, GAAP does not require the adoption of budgets, and budgetary comparisons are not included for these funds.

The Assembly is required to approve the School District budget (in total only) and appropriate by ordinance the necessary resources at least sixty days prior to the current School District year end. Any budget revisions during the year increasing the total appropriation require approval by the Assembly. Expenditures may not exceed the aggregate total amount of the budget.

MUNICIPALITY OF ANCHORAGE, ALASKA

Required Supplementary Information - Condition Rating of Anchorage's Road Network
December 31, 2021

	Percentage of Lane - Miles in Good or Better Condition		
	2020	2017	2014
Anchorage Road District	75.00%	75.00%	80.20%
Chugiak/Eagle River Road District	94.50%	97.95%	95.60%
Girdwood Road District *	100.00%	100.00%	93.20%
Other Road Districts	76.80%	79.80%	79.00%
New Road District	0.00%	0.00%	87.10%
Overall System	79.40%	88.19%	83.60%

Note: *Girdwood roads were excluded from 2020 survey results. All roads are new and make up less than 1% of the total network.

	Percentage of Lane - Miles in Fair Condition		
	2020	2017	2014
Anchorage Road District	25.00%	25.00%	19.80%
Chugiak/Eagle River Road District	5.50%	2.05%	4.40%
Girdwood Road District*	0.00%	0.00%	6.80%
Other Road Districts	23.20%	20.20%	21.00%
New Road District	0.00%	0.00%	12.90%
Overall System	20.60%	11.81%	16.40%

Note: *Girdwood roads were excluded from 2020 survey results. All roads are new and make up less than 1% of the total network.

	Comparison of Estimated-to-Actual Maintenance/Preservation (in Thousands)				
	2021	2020	2019	2018	2017
Anchorage Road District:					
Needed	\$ 34,748	\$ 30,035	\$ 12,923	\$ 37,731	\$ 51,760
Actual	33,246	28,769	12,448	37,638	50,476
Chugiak/Eagle River Road District:					
Needed	3,932	2,635	3,350	4,813	7,230
Actual	3,743	3,179	3,189	4,605	7,166
Girdwood Road District:					
Needed	1,128	389	430	518	437
Actual	1,379	576	582	601	500
Other Road Districts:					
Needed	2,672	3,004	2,546	1,193	1,735
Actual	2,754	3,292	3,462	1,577	2,089
Overall System:					
Needed	42,481	36,065	19,249	44,255	61,162
Actual	41,123	35,818	19,681	44,421	60,231
Difference	1,358	247	(432)	(166)	931

Note: In 2020, the Municipality of Anchorage (MOA) contracted with Applied Research Associates, Inc. to conduct a Road Surface Profilometer (RSP) survey. The pavement measurement was analyzed to determine the International Roughness Index (IRI) and rutting values for each pavement section in the network. Conversely In 2017, the Municipality of Anchorage (MOA) contracted with Pavement Services, Inc. (PSI) to conduct a visual pavement condition index (PCI) survey of the street system. The condition of road pavement was measured based upon a visual survey of road condition performed following the American Society for Testing and Materials International Standard D6433-11, Standard Practice for Roads and Parking Lots Pavement Condition Index (PCI). Previously, an assessment of the longitudinal profile (International Roughness Index) and rut depth provided by the Mandli Road Surface Profiler in 2014 and Dynatest Road Surface Profiler in prior years was used. That measurement system is an algorithm that combines the international roughness index, rut depth, and road profile to determine a condition index from two for pavement in excellent condition to seven for pavement in fair condition. The condition index for those surveys was used to classify paved roads in good or better condition (4 or less) and fair condition (5 or more). It is the Municipality's policy to maintain 60% or more of the total paved road miles in good or better condition. Condition assessments are required to be updated every three years.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Public Employees' Retirement System- Defined Benefit
 Schedule of the Municipality's Proportionate Share of the Net Pension Liability
 Last Seven Fiscal Years

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net Pension Liability	Municipality's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Municipality's Covered Payroll	Municipality's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	2021	8.63707%	\$ 316,850,984	\$ 42,923,535	\$ 359,774,519	\$ 234,337,418	135.21%	76.46%
2020	2020	7.10609%	419,343,172	173,522,412	592,865,584	236,393,735	177.39%	61.61%
2019	2019	6.46468%	353,891,460	140,522,422	494,413,882	222,683,365	158.92%	63.42%
2018	2018	7.27074%	361,285,220	104,636,568	465,921,788	219,633,972	164.49%	65.19%
2017	2017	6.72870%	347,836,470	129,589,885	477,426,355	209,843,388	165.76%	63.37%
2016	2016	7.76436%	433,996,281	54,685,280	488,681,561	203,264,624	213.51%	59.55%
2015	2015	6.16382%	298,946,265	80,071,590	379,017,855	194,627,317	153.60%	63.96%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Public Employees' Retirement System- Defined Benefit
Schedule of Municipality Contributions
Last Seven Calendar Years

Year Ended December 31,	Measurement Period Ended June 30,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	2021	\$ 32,796,090	\$ 32,796,090	-	\$ 235,583,497	13.921%
2020	2020	30,804,418	30,804,418	-	231,875,142	13.285%
2019	2019	28,217,952	28,217,952	-	224,487,144	12.570%
2018	2018	29,774,107	29,774,107	-	221,619,627	13.435%
2017	2017	28,704,730	28,704,730	-	215,244,809	13.336%
2016	2016	24,562,145	24,562,145	-	207,168,838	11.856%
2015	2015	21,876,448	21,876,448	-	199,173,691	10.984%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Retirement System- Defined Benefit
 Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios- Plan I
 Last Eight Calendar Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 4,895,191	\$ 5,236,330	\$ 5,262,793	\$ 5,543,250	\$ 6,133,683	\$ 6,317,389	\$ 6,480,803	\$ 6,674,747
Interest	(214,547)	(149,501)	(363,349)	(1,044,715)	(554,310)	(263,269)	334,288	(172,965)
Differences between expected and actual experience	-	2,648,091	4,006,938	657,071	7,094,507	-	657,285	674,653
Changes of assumptions	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Benefits payments, including refunds of member contributions	(3,214,585)	(301,982)	833,756	(3,128,148)	4,270,689	(2,422,500)	(1,082,189)	(1,428,361)
Net changes in total pension liability	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506	88,792,867
Total pension liability - beginning	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506
Total pension liability - ending (a)								
Plan fiduciary net position:								
Contributions- Employer- Municipality of Anchorage	-	-	-	-	14,552,500	1,546,175	1,338,525	1,952,158
Contributions- Plan members	-	-	-	-	-	-	-	3
Total net investment income (loss)	10,209,738	7,778,969	13,545,709	(3,869,127)	10,533,712	5,189,299	400,284	3,984,313
Benefits payments, including refunds of member contributions	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Administrative expenses	(165,768)	(143,423)	(110,762)	(162,303)	(129,583)	(134,202)	(125,927)	(122,469)
Net change in plan fiduciary net position	2,148,741	(401,356)	5,362,321	(12,315,184)	16,553,438	(1,875,348)	(6,941,683)	(2,790,791)
Plan fiduciary net position - beginning	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,956	78,261,747
Plan fiduciary net position - ending (b)	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,956
Plan's net pension liability (a) - (b)	\$ 4,317,662	\$ 9,680,988	\$ 9,581,614	\$ 14,110,179	\$ 4,923,143	\$ 17,205,892	\$ 17,753,044	\$ 11,893,550
Plan fiduciary net position as a percentage of the total pension liability	94.75%	88.68%	88.84%	83.40%	94.41%	79.48%	79.42%	86.39%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll								

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Retirement System- Defined Benefit
 Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios- Plan II
 Last Eight Calendar Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 3,961,040	\$ 4,205,177	\$ 4,189,753	\$ 4,279,605	\$ 4,670,017	\$ 4,783,176	\$ 4,879,585	\$ 4,983,645
Interest	(178,265)	(615,273)	(259,479)	540,098	(648,422)	(369,686)	53,268	(181,652)
Differences between expected and actual experience	-	2,375,314	3,039,405	575,930	5,986,612	-	542,944	551,964
Changes of assumptions	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Benefits payments, including refunds of member contributions	(1,853,138)	293,590	1,198,230	(393,698)	4,166,985	(1,511,469)	(430,063)	(498,756)
Net changes in total pension liability	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715	66,010,471
Total pension liability - beginning	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715
Total pension liability - ending (a)								
Plan fiduciary net position:								
Contributions- Employer- Municipality of Anchorage	-	-	-	-	10,642,589	1,108,376	964,863	1,520,220
Contributions- Plan members	-	-	-	-	-	-	2,587	11,321
Total net investment income (loss)	8,197,839	6,241,327	10,625,627	(3,027,387)	8,168,950	3,990,641	298,556	2,995,775
Benefits payments, including refunds of member contributions	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Administrative expenses	(133,297)	(113,701)	(86,907)	(126,157)	(100,190)	(103,090)	(95,720)	(92,067)
Net change in plan fiduciary net position	2,428,629	455,998	4,767,271	(8,942,875)	12,870,127	(929,032)	(4,735,574)	(1,417,464)
Plan fiduciary net position - beginning	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044	58,509,508
Plan fiduciary net position - ending (b)	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044
Plan's net pension liability (a) - (b)	\$ 3,975,564	\$ 8,257,331	\$ 8,419,739	\$ 11,988,780	\$ 3,439,603	\$ 12,142,745	\$ 12,725,182	\$ 8,419,671
Plan fiduciary net position as a percentage of the total pension liability	94.06%	88.00%	87.72%	82.20%	94.92%	80.90%	80.45%	87.15%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	132,771
Net pension liability as a percentage of covered payroll								6341.50%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Retirement System- Defined Benefit
 Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios- Plan III
 Last Eight Calendar Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:								
Service cost	\$ 280,530	\$ 451,859	\$ 575,265	\$ 634,210	\$ 512,332	\$ 513,183	\$ 783,360	\$ 1,022,911
Interest	16,888,430	17,492,654	16,960,207	17,329,124	18,276,072	18,494,293	18,458,939	18,278,963
Differences between expected and actual experience	(3,876,244)	(1,849,533)	1,998,834	(3,551,709)	(2,956,525)	(3,485,409)	33,760	1,301,916
Changes of assumptions	-	11,703,635	12,180,462	2,688,614	27,608,785	-	2,559,038	2,394,994
Benefits payments, including refunds of member contributions	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Net changes in total pension liability	(6,297,042)	8,436,015	12,687,571	(1,227,610)	25,065,249	(2,813,043)	4,105,486	5,757,513
Total pension liability - beginning	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512	238,976,999
Total pension liability - ending (a)	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512
Plan fiduciary net position:								
Contributions- Employer- Municipality of Anchorage	-	-	-	-	43,403,087	4,439,969	3,587,533	5,296,694
Contributions- Plan members	52,169	72,577	126,516	126,875	129,027	126,336	179,057	219,810
Total net investment income (loss)	35,085,659	26,668,984	43,760,749	(12,391,936)	32,167,264	15,376,844	1,068,849	11,011,844
Benefits payments, including refunds of member contributions	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Administrative expenses	(571,731)	(477,285)	(358,256)	(509,647)	(392,022)	(396,242)	(358,981)	(338,673)
Net change in plan fiduciary net position	14,976,339	6,901,676	24,501,812	(31,102,557)	56,931,941	1,211,797	(13,253,153)	(1,051,596)
Plan fiduciary net position - beginning	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922	212,963,518
Plan fiduciary net position - ending (b)	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922
Plan's net pension liability (a) - (b)	\$ 12,611,361	\$ 33,884,742	\$ 32,350,403	\$ 44,164,644	\$ 14,289,697	\$ 46,156,389	\$ 50,181,229	\$ 32,822,590
Plan fiduciary net position as a percentage of the total pension liability	95.57%	88.36%	88.55%	83.63%	94.73%	81.24%	79.83%	86.59%
Covered payroll	\$ 691,479	\$ 1,215,533	\$ 1,374,425	\$ 1,912,942	\$ 2,108,182	\$ 2,168,836	\$ 2,199,063	\$ 3,537,960
Net pension liability as a percentage of covered payroll	1823.82%	2787.64%	2353.74%	2308.73%	677.82%	2128.16%	2281.94%	927.73%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Police and Fire Retirement System- Defined Benefit
Schedule of Municipality Contributions- Plans I, II, and III
Last Eight Calendar Years

Plan I

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 1,876,000	\$ -	\$ 1,876,000	\$ -	0.00%
2020	2,321,000	-	2,321,000	-	0.00%
2019	1,633,000	-	1,633,000	-	0.00%
2018	2,319,000	-	2,319,000	-	0.00%
2017	2,262,000	14,552,000	(12,290,000)	-	0.00%
2016	1,546,000	1,546,000	-	-	0.00%
2015	1,339,000	1,339,000	-	-	0.00%
2014	1,952,000	1,952,000	-	-	0.00%

Plan II

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 1,204,000	\$ -	\$ 1,204,000	\$ -	0.00%
2020	1,556,000	-	1,556,000	-	0.00%
2019	881,000	-	881,000	-	0.00%
2018	1,461,000	-	1,461,000	-	0.00%
2017	1,634,000	10,643,000	(9,009,000)	-	0.00%
2016	1,108,000	1,108,000	-	-	0.00%
2015	965,000	965,000	-	133,000	725.56%
2014	1,520,000	1,520,000	-	119,000	1277.31%

Plan III

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 4,501,000	\$ -	\$ 4,501,000	\$ 1,215,000	0.00%
2020	5,768,000	-	5,768,000	1,374,000	0.00%
2019	3,584,000	-	3,584,000	1,913,000	0.00%
2018	5,883,000	-	5,883,000	2,108,000	0.00%
2017	6,497,000	43,403,000	(36,906,000)	2,169,000	2001.06%
2016	4,440,000	4,440,000	-	2,199,000	201.91%
2015	3,588,000	3,588,000	-	3,538,000	101.41%
2014	5,297,000	5,297,000	-	4,817,000	109.96%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 International Brotherhood of Electrical Workers (IBEW)- Defined Benefit
 Schedule of Municipality Contributions
 Last Ten Calendar Years

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 981,685	\$ 981,685	-	\$ 6,088,018	16.12%
2020	3,785,172	3,785,172	-	23,508,823	16.10%
2019	3,249,636	3,249,636	-	20,988,410	15.48%
2018	3,382,920	3,382,920	-	21,707,594	15.58%
2017	3,272,545	3,272,545	-	21,544,626	15.19%
2016	3,396,484	3,396,484	-	21,965,741	15.46%
2015	3,059,562	3,059,562	-	20,773,482	14.73%
2014	2,642,768	2,642,768	-	19,554,891	13.51%
2013	2,637,978	2,637,978	-	19,679,139	13.40%
2012	2,778,451	2,778,451	-	19,988,244	13.90%

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 International Union of Operating Engineers (Local 302)- Defined Benefit
 Schedule of Municipality Contributions
 Last Eight Calendar Years

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 1,974,183	\$ 1,974,183	\$ -	\$ 16,558,076	11.92%
2020	1,936,421	1,936,421	-	14,773,511	13.11%
2019	1,771,218	1,771,218	-	8,071,114	21.95%
2018	1,730,721	1,730,721	-	8,246,406	20.99%
2017	1,855,325	1,855,325	-	11,171,478	16.61%
2016	1,619,742	1,619,742	-	8,304,334	19.50%
2015	1,673,864	1,673,864	-	8,615,835	19.43%
2014	1,519,659	1,519,659	-	8,336,369	18.23%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Required Supplementary Information
Pension Plans
For the year ended December 31, 2021

Public Employees' Retirement System- Defined Benefit

In accordance with GASB Statement No. 82, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Schedule of Municipality's Proportionate Share of the Net Pension Liability

- This table is presented based on the Plan measurement date. For December 31, 2021, the Plan measurement date is June 30, 2021.
- There were no changes in benefit terms from the prior measurement period.
- There was no change to the Discount Rate of 7.38 percent between 2020 and 2021.
- There were no changes in valuation method from the prior measurement period. There were no changes in the allocation methodology from the prior measurement period.

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions used in the June 30, 2020 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2020 actuarial valuation are the same as those used in the June 30, 2019 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the statement of net position.

Police and Fire Retirement System- Defined Benefit

In accordance with GASB Statement No. 82, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based. These schedules for the Police and Fire Retirement System are presented for Plans I, II, and III separately.

Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios

- This table is presented based on the Plan's measurement date of December 31, 2021.
- There was no change in the discount rate of 6 percent between 2020 and 2021.
- The mortality tables were not changed for 2021.
- There were no changes to the valuation method or benefit terms from the prior measurement period.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Required Supplementary Information
Pension Plans
For the year ended December 31, 2021

International Brotherhood of Electrical Workers (IBEW) - Defined Benefit

Schedule of Municipality Contributions

- This table presents the Municipality's contributions for each of the last ten years based on calendar year contributions.
- In accordance with GASB Statement No. 78, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based.

International Union of Operating Engineers (Local 302) - Defined Benefit

This pension table is intended to present 10 years of information. Currently, it is not practical to reconstruct more than 8 years of data. Additional year's information will be added to the schedules as it becomes available.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented.
- In accordance with GASB Statement No. 78, "Covered Payroll" is defined as payroll on which contributions to the pension plan are based.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Police and Fire Medical Trust- Gentile Group
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios
Last Five Calendar Years

	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,750,308	2,136,721	2,900,050	2,681,663	2,577,654
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(8,511,999)	-	(7,357,231)	-	-
Changes of assumptions or other inputs	(1,918,326)	18,451,635	3,379,239	(5,742,889)	4,726,088
Benefit payments	(3,357,746)	(4,055,590)	(3,580,877)	(4,290,275)	(4,270,000)
Net changes in total OPEB liability	<u>(12,037,763)</u>	<u>16,532,766</u>	<u>(4,658,819)</u>	<u>(7,351,501)</u>	<u>3,033,742</u>
Total OPEB liability - beginning	84,622,918	68,090,152	72,748,971	80,100,472	77,066,730
Total OPEB liability - ending (a)	<u>72,585,155</u>	<u>84,622,918</u>	<u>68,090,152</u>	<u>72,748,971</u>	<u>80,100,472</u>
Plan fiduciary net position:					
Contributions- Employer- Municipality of Anchorage	-	-	-	-	-
Contributions- Plan members	-	-	-	-	-
Total net investment income	-	-	-	-	-
Benefits payments, including refunds of member contributions	-	-	-	-	-
Administrative expenses	-	-	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan's net OPEB liability (a) - (b)	<u>\$ 72,585,155</u>	<u>\$ 84,622,918</u>	<u>\$ 68,090,152</u>	<u>\$ 72,748,971</u>	<u>\$ 80,100,472</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Police and Fire Medical Trust- Police and Fire Medical Group
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios
Last Five Calendar Years

	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	\$ 186,734	\$ 179,725	\$ 118,469	\$ 113,693	\$ 109,111
Interest	2,172,762	2,222,388	2,587,708	2,627,528	2,674,785
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	825,799	(376,724)	(3,294,961)	-	-
Changes of assumptions or other inputs	32,709,391	1,182,123	(1,864,560)	-	-
Benefit payments	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Net changes in total OPEB liability	<u>30,755,688</u>	<u>(75,763)</u>	<u>(5,904,196)</u>	<u>(1,208,891)</u>	<u>(1,123,698)</u>
Total OPEB liability - beginning	<u>57,376,700</u>	<u>57,452,463</u>	<u>63,356,659</u>	<u>64,565,550</u>	<u>65,689,248</u>
Total OPEB liability - ending (a)	<u>88,132,388</u>	<u>57,376,700</u>	<u>57,452,463</u>	<u>63,356,659</u>	<u>64,565,550</u>
Plan fiduciary net position:					
Contributions- Employer- Municipality of Anchorage	3,672,522	3,579,657	4,785,966	4,261,037	4,287,648
Contributions- Plan members	-	-	-	-	-
Total net investment income (loss)	1,996,872	1,421,311	388,241	(126,515)	966,715
Benefits payments, including refunds of member contributions	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Administrative expenses	-	-	-	-	-
Net change in plan fiduciary net position	<u>530,396</u>	<u>1,717,693</u>	<u>1,723,355</u>	<u>184,410</u>	<u>1,346,769</u>
Plan fiduciary net position - beginning	<u>22,823,124</u>	<u>21,105,431</u>	<u>19,382,076</u>	<u>19,197,667</u>	<u>17,850,898</u>
Plan fiduciary net position - ending (b)	<u>23,353,520</u>	<u>22,823,124</u>	<u>21,105,431</u>	<u>19,382,076</u>	<u>19,197,667</u>
Plan's net OPEB liability (a) - (b)	<u>\$ 64,778,868</u>	<u>\$ 34,553,576</u>	<u>\$ 36,347,032</u>	<u>\$ 43,974,583</u>	<u>\$ 45,367,883</u>
Plan fiduciary net position as a percentage of the total OPEB liability	26.50%	39.78%	36.74%	30.59%	29.73%
Covered payroll	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Net OPEB liability as a percentage of covered payroll	1112.45%	614.16%	668.65%	852.21%	909.98%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Medical Trust
 Schedule of Municipality's Contributions
 Last Five Calendar Years

<u>Gentile Group Plan</u>	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 3,357,746	\$ 4,055,590	\$ 3,580,877	\$ 4,290,275	\$ 4,270,000
Contributions in relation to the actuarially determined contribution	11,538,792	11,807,381	11,935,465	11,790,796	10,096,430
Contribution deficiency (excess)	<u>\$ (8,181,046)</u>	<u>\$ (7,751,791)</u>	<u>\$ (8,354,588)</u>	<u>\$ (7,500,521)</u>	<u>\$ (5,826,430)</u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

<u>Police and Fire Medical Group Plan</u>	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 3,854,445	\$ 4,037,152	\$ 4,108,452	\$ 3,846,815	\$ 3,846,815
Contributions in relation to the actuarially determined contribution	3,672,522	3,579,657	3,516,241	3,477,037	4,919,538
Contribution deficiency (excess)	<u>\$ 181,923</u>	<u>\$ 457,495</u>	<u>\$ 592,211</u>	<u>\$ 369,778</u>	<u>\$ (1,072,723)</u>
Covered payroll	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Contributions as a percentage of covered payroll	63.07%	63.63%	64.69%	67.38%	98.68%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Medical Trust
 Schedule of Investment Returns
 Last Five Calendar Years

<u>Gentile Group Plan</u>	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%	0.00%	0.00%

<u>Police and Fire Medical Group Plan</u>	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	9.00%	6.70%	2.00%	-0.70%	5.40%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Required Supplementary Information
Police and Fire Medical Trust- OPEB Plans
For the year ended December 31, 2021

Gentile Group- Defined Benefit OPEB Plan

“Covered-employee Payroll” is defined in GASB Statement No. 74 as “the payroll of employees that are provided with OPEB through the OPEB plan.” The Gentile Group is a defined group of retirees resulting from a lawsuit, Municipality of Anchorage v. Gentile (8/16/96), 922 P 2d 248. The Municipality pays for 100 percent of the retiree’s medical premiums, with optional dental, vision and audio available. This is a “pay as you go” plan with no plan assets and no covered-employee payroll.

Schedule of Changes in Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2021.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of the Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- The Gentile Group defined benefit plan is a “pay as you go” plan with no plan assets, therefore there is no investment returns for this plan.

Police and Fire Medical Group- Defined Benefit OPEB Plan

“Covered Payroll” is defined in GASB Statement No. 85 as the payroll of employees on which contributions to the OPEB Plan are based as a measure of pay. The OPEB tables are intended to present 10 years of information. Additional year’s information will be added to the schedules as it becomes available.

Schedule of Changes in the Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2021.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- Plan assets are invested in the Municipal Cash Pool and governed by the investment policies disclosed in Note 3 of the financial statements. Investment returns are consistent with the rate of return on the investment pool.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
PERS- Defined Benefit OPEB Plans
Schedule of the Municipality's Proportionate Share of Net OPEB Asset/Liability
Last Five Fiscal Years

ARHCT

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net OPEB Liability/(Asset)	Municipality's Proportionate Share of the Net OPEB Liability/(Asset)	State of Alaska's Proportionate Share of the Net OPEB Liability/(Asset)	Total Municipality Net OPEB Liability/(Asset)	Municipality's Proportion of the Covered Payroll	Municipality's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2021	2021	8.67301%	\$ (222,493,393)	\$ (29,140,872)	\$ (251,634,265)	\$ 234,337,418	94.95%	135.54%
2020	2020	7.10320%	(32,167,325)	(13,345,353)	(45,512,678)	236,393,735	13.61%	106.15%
2019	2019	6.46430%	9,591,733	3,813,875	13,405,608	222,683,365	4.31%	98.13%
2018	2018	7.26927%	74,603,636	21,656,677	96,260,313	219,633,972	33.97%	88.12%
2017	2017	6.72970%	56,849,394	21,194,336	78,043,730	209,843,388	27.09%	89.68%

RMP

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net OPEB Liability/(Asset)	Municipality's Proportionate Share of the Net OPEB Liability/(Asset)	State of Alaska's Proportionate Share of the Net OPEB Liability/(Asset)	Total Municipality Net OPEB Liability/(Asset)	Municipality's Proportion of the Covered Payroll	Municipality's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2021	2021	8.83072%	\$ (2,370,341)	\$ -	\$ (2,370,341)	\$ 234,337,418	1.01%	115.10%
2020	2020	8.63482%	612,468	-	612,468	236,393,735	0.26%	95.23%
2019	2019	8.50957%	2,035,830	-	2,035,830	222,683,365	0.91%	83.17%
2018	2018	8.45717%	1,076,174	-	1,076,174	219,633,972	0.49%	88.71%
2017	2017	7.92735%	413,411	-	413,411	209,843,388	0.20%	93.98%

ODD

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net OPEB Asset	Municipality's Proportionate Share of the Net OPEB Asset	State of Alaska's Proportionate Share of the Net OPEB Asset	Total Municipality Net OPEB Asset	Municipality's Proportion of the Covered Payroll	Municipality's Proportionate Share of the Net OPEB Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset
2021	2021	10.94848%	\$ (4,825,323)	\$ -	\$ (4,825,323)	\$ 234,337,418	2.06%	374.22%
2020	2020	11.47188%	(3,127,235)	-	(3,127,235)	236,393,735	1.32%	283.80%
2019	2019	11.42255%	(2,769,397)	-	(2,769,397)	222,683,365	1.24%	297.43%
2018	2018	8.45717%	(1,642,551)	-	(1,642,551)	219,633,972	0.75%	270.62%
2017	2017	7.92735%	(1,124,811)	-	(1,124,811)	209,843,388	0.54%	212.97%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
PERS- Defined Benefit OPEB Plans
Schedule of Municipality Contributions
Last Five Calendar Years

ARHCT

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	2021	\$ 6,561,715	\$ 6,561,715	\$ -	\$ 235,583,497	2.79%
2020	2020	9,324,769	9,324,769	-	231,875,142	4.02%
2019	2019	10,714,150	10,714,150	-	224,487,144	4.77%
2018	2018	9,665,350	9,665,350	-	221,619,627	4.36%
2017	2017	10,416,994	10,416,994	-	215,244,809	4.84%

RMP

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	2021	\$ 1,554,735	\$ 1,554,735	\$ -	\$ 235,583,497	0.66%
2020	2020	1,617,474	1,617,474	-	231,875,142	0.70%
2019	2019	1,268,460	1,268,460	-	224,487,144	0.57%
2018	2018	997,360	997,360	-	221,619,627	0.45%
2017	2017	978,781	978,781	-	215,244,809	0.45%

ODD

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	2021	\$ 603,644	\$ 603,644	\$ -	\$ 235,583,497	0.26%
2020	2020	548,520	548,520	-	231,875,142	0.24%
2019	2019	483,278	483,278	-	224,487,144	0.22%
2018	2018	363,282	363,282	-	221,619,627	0.16%
2017	2017	235,195	235,195	-	215,244,809	0.11%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Medical Trust- Defined Benefit OPEB Plans
 Schedule of the Municipality's Net OPEB Liability
 Last Five Fiscal Years

Gentile Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	2021	100.00%	\$ 72,585,155	\$ -	0.00%	0.00%
2020	2020	100.00%	84,622,918	-	0.00%	0.00%
2019	2019	100.00%	68,090,152	-	0.00%	0.00%
2018	2018	100.00%	72,748,971	-	0.00%	0.00%
2017	2017	100.00%	80,100,471	-	0.00%	0.00%

Police and Fire Medical Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2021	2021	100.00%	\$ 64,778,868	\$ 5,823,093	1112.45%	26.50%
2020	2020	100.00%	34,553,576	5,626,177	614.16%	39.78%
2019	2019	100.00%	36,347,032	5,435,920	668.65%	36.74%
2018	2018	100.00%	43,974,583	5,160,091	852.21%	30.59%
2017	2017	100.00%	45,367,883	4,985,595	909.98%	29.73%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Police and Fire Medical Trust- Defined Benefit OPEB Plans
Schedule of Municipality Contributions
Last Five Calendar Years

Gentile Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2021	2021	\$ 3,357,746	\$ 11,538,792	\$ (8,181,046)	\$ -	0.00%
2020	2020	4,055,590	11,807,381	(7,751,791)	-	0.00%
2019	2019	3,580,877	11,935,465	(8,354,588)	-	0.00%
2018	2018	4,290,275	11,790,796	(7,500,521)	-	0.00%
2017	2017	4,270,000	10,096,430	(5,826,430)	-	0.00%

Police and Fire Medical Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	2021	\$ 3,854,445	\$ 3,672,522	\$ 181,923	\$ 5,823,093	63.07%
2020	2020	4,037,152	3,579,657	457,495	5,626,177	63.63%
2019	2019	4,108,452	3,516,241	592,211	5,435,920	64.69%
2018	2018	4,290,275	3,477,037	813,238	5,160,091	67.38%
2017	2017	4,270,000	4,919,538	(649,538)	4,985,595	98.68%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Required Supplementary Information
OPEB Plans
For the year ended December 31, 2021

Public Employees' Retirement System- Defined Benefit OPEB Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plans are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Both OPEB tables below are presented for each of the three PERS OPEB plans; Alaska Retiree Healthcare Trust Plan (ARHCT), Retiree Medical Plan (RMP), and Occupational Death and Disability Plan (ODD).

Schedule of the Municipality's Proportionate Share of the Net OPEB Asset and Liability

- The tables presented are based on the Plan measurement date. For December 31, 2021, the Plan measurement date is June 30, 2021.
- There were no changes in benefit terms from the prior measurement period.
- For 2021, the Discount Rate remains 7.38 percent, same as for 2020 and 2019.
- The actuarial assumptions used in the June 30, 2021 actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2013 to June 30, 2017. The assumptions used in the June 30, 2021 actuarial valuation are the same as those used in the June 30, 2020 valuation with the following exceptions:
 - Per capita claims costs were updated to reflect recent experience.
 - Retired member contributions were updated to reflect the 5 percent decrease from calendar year 2020 to calendar year 2021.
 - The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from postretirement healthcare plan assets.
- There were no changes in valuation method from the prior measurement period.
- There were no changes in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2021 allocated the net OPEB asset and liability based on the present value of contributions for fiscal year 2022 through 2039, as determined by projections based on the June 30, 2020 actuarial valuation.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the December 31, 2021 statement of net position.

Police and Fire Retiree Medical Trust- Defined Benefit OPEB Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plan are based. "Covered Employee Payroll" is presented when contributions to the OPEB plan are not based on a measure of pay.

Both OPEB tables below are presented for each of the two Police and Fire Retiree Trust OPEB plans: Gentile Group Plan and Police and Fire Medical Group Plan.

Schedule of the Municipality's Net OPEB Liability

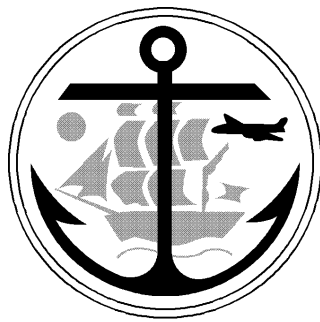
- This table is presented based on the Plan measurement date of December 31, 2021.
- There were no changes in benefit terms from the prior measurement period.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Required Supplementary Information
OPEB Plans
For the year ended December 31, 2021

- There were no changes in assumptions from the prior measurement period, except for a reduction in the Discount Rate for Gentile Group Plan to 2.06 percent and an increase in the Discount Rate for Police and Fire Medical Group Discount Rate to 4.10 percent.
- There were no changes in valuation method from the prior measurement period.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the statement of net position.



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SUPPLEMENTARY INFORMATION

Additional Budgetary Comparison Schedules

The **General Fund Sub-funds** budgetary comparison schedule and reconciliation to GAAP is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the fund and sub-fund level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

The **Department** budgetary comparison schedule and reconciliation to GAAP **for the General Fund** is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the department level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Supplementary Information- Additional Budgetary Comparison Schedule
 by General Fund Sub-Funds
 For the year ended December 31, 2021

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
Revenues and other financing sources:						
Areawide Service Area	\$ 141,842,653	\$ 537,700,304	\$ 536,953,806	\$ -	\$ 536,953,806	\$ (746,498)
Former City Service Area	-	-	80	-	80	80
Areawide EMS Lease Special Levy	-	829,029	830,000	-	830,000	971
Chugiak Fire Service Area	46,189	1,308,334	1,588,767	-	1,588,767	280,433
Glen Alps Service Area	11,040	337,012	330,643	-	330,643	(6,369)
Girdwood Valley Service Area	78,802	3,470,920	3,466,044	-	3,466,044	(4,876)
Areawide APD IT Systems Special Levy	-	1,500,000	1,500,000	-	1,500,000	-
Former Borough Roads and Drainage Service Area	-	-	(2,891)	-	(2,891)	(2,891)
Fire Service Area	2,779,605	51,184,730	53,590,218	-	53,590,218	2,405,488
Roads and Drainage Service Area	3,413,336	72,659,881	91,907,722	-	91,907,722	19,247,841
Limited Service Areas	258,336	10,291,527	10,449,483	-	10,449,483	157,956
Anchorage Metropolitan Police Service Area	9,388,200	80,682,777	83,176,293	-	83,176,293	2,493,516
Turnagain Arm Police Service Area	20	24,866	24,270	-	24,270	(596)
Anchorage Bowl Parks and Recreation Service Area	2,803,969	24,775,719	27,344,351	-	27,344,351	2,568,632
Eagle River Chugiak Parks and Recreational Service Area	544,966	4,700,998	4,522,309	-	4,522,309	(178,689)
Building Safety Service Area	4,941,610	5,003,610	5,699,109	-	5,699,109	695,499
Public Finance and Investment	2,512,157	2,882,157	1,825,046	-	1,825,046	(1,057,111)
Police and Fire Retiree Medical Defined Contribution Support	11,420	13,410	10,401	-	10,401	(3,009)
MLP Sale Proceeds	-	118,000	574	-	574	(117,426)
SOA PERs On-Behalf Payments	-	-	-	(1) 15,748,109	15,748,109	-
Total revenues and other finance sources	<u>168,632,303</u>	<u>797,483,274</u>	<u>823,216,225</u>	<u>15,748,109</u>	<u>838,964,334</u>	<u>25,732,951</u>
Expenditures and other financing uses:						
Areawide Service Area	153,386,937	515,768,902	541,620,946	-	541,620,946	25,852,044
Former City Service Area	-	-	-	-	-	-
Areawide EMS Lease Special Levy	829,028	829,028	829,028	-	829,028	-
Chugiak Fire Service Area	1,354,509	1,308,334	1,212,176	-	1,212,176	(96,158)
Glen Alps Service Area	323,139	537,012	330,197	-	330,197	(206,815)
Girdwood Valley Service Area	3,485,716	3,889,233	3,765,050	-	3,765,050	(124,183)
Areawide APD IT Systems Special Levy	-	1,500,000	-	-	-	(1,500,000)
Former Borough Roads and Drainage Service Area	-	-	-	-	-	-
Fire Service Area	83,583,544	85,013,907	86,491,897	-	86,491,897	1,477,990
Roads and Drainage Service Area	74,935,187	74,834,016	92,956,530	-	92,956,530	18,122,514
Limited Service Areas	10,433,752	11,136,422	10,359,220	-	10,359,220	(777,202)
Anchorage Metropolitan Police Service Area	133,341,914	136,059,021	134,455,755	-	134,455,755	(1,603,266)
Turnagain Arm Police Service Area	24,947	24,866	20,084	-	20,084	(4,782)
Anchorage Bowl Parks and Recreation Service Area	24,656,011	24,238,763	25,373,535	-	25,373,535	1,134,772
Eagle River Chugiak Parks and Recreational Service Area	4,804,900	4,700,998	3,915,446	-	3,915,446	(785,552)
Building Safety Service Area	8,191,796	8,194,446	7,867,992	-	7,867,992	(326,454)
Public Finance and Investment	2,187,429	2,549,728	2,179,335	-	2,179,335	(370,393)
Police and Fire Retiree Medical Defined Contribution Support	206,973	206,886	176,422	-	176,422	(30,464)
MLP Sale Proceeds	-	10,000,000	50,000	-	50,000	(9,950,000)
SOA PERs On-Behalf Payments	-	-	-	(1) 15,748,109	15,748,109	-
Total expenditures and other financing uses	<u>501,745,782</u>	<u>880,791,562</u>	<u>911,603,613</u>	<u>15,748,109</u>	<u>927,351,722</u>	<u>30,812,051</u>
Net change in fund balance	(333,113,479)	(83,308,288)	(88,387,388)	-	(88,387,388)	(5,079,100)
Fund balance, beginning of year	99,992,970	99,992,970	99,992,970	-	99,992,970	-
Fund balance, end of year	<u>\$ (233,120,509)</u>	<u>\$ 16,684,682</u>	<u>\$ 11,605,582</u>	<u>\$ -</u>	<u>\$ 11,605,582</u>	<u>\$ (5,079,100)</u>

Explanation of differences:

(1) Effective July 1, 2008, Anchorage changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. The on-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly over the past few years. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, Anchorage has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

Note:

This schedule is for informational purposes only. This schedule provides revenues and other financing sources and expenditures and other financing uses for the General Fund by sub-fund. The legal level of budgetary control is adopted for revenues and other financing sources at the fund and sub-fund level. Expenditures and other financing uses are legally budgeted at the department level and are presented at the sub-fund level for informational purposes only.

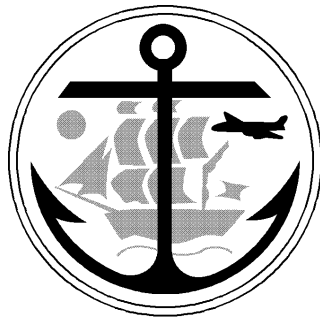
MUNICIPALITY OF ANCHORAGE, ALASKA
 Supplementary Information - Additional Budgetary Comparison Schedule
 by Department for the General Fund
 For the year ended December 31, 2021

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
Expenditures and other financing uses:						
Assembly	\$ 4,778,029	\$ 5,707,690	\$ 5,476,552	(1) \$ 81,022	\$ 5,557,574	\$ (231,138)
Chief Fiscal Officer	636,143	1,714,306	928,023	(1) 27,042	955,065	(786,283)
Economic and Community Development	59,525,574	79,369,988	78,036,094	(1) 1,361,567	79,397,661	(1,333,894)
Education	-	293,679,596	293,429,596	-	293,429,596	(250,000)
Equal Rights Commission	763,176	760,379	709,196	18,186	727,382	(51,183)
Equity and Justice	339,483	256,256	256,256	(1) -	256,256	-
Finance	13,990,556	15,538,227	14,622,218	493,871	15,116,089	(916,009)
Fire	105,214,732	107,040,222	110,259,820	(1) 5,237,868	115,497,688	3,219,598
Health and Human Services	15,096,578	54,451,458	82,568,205	(1) 524,882	83,093,087	28,116,747
Human Resources	5,108,031	5,242,064	5,089,184	(1) 66,226	5,155,410	(152,880)
Information Technology	2,961,122	2,870,415	2,465,203	246,068	2,711,271	(405,212)
Internal Audit	785,178	788,434	746,424	(1) 44,887	791,311	(42,010)
Maintenance and Operations	53,779,325	55,369,964	53,187,283	(1) 382,294	53,569,577	(2,182,681)
Management and Budget	1,104,515	1,107,939	911,257	(1) 56,857	968,114	(196,682)
Mayor	2,148,494	2,846,442	2,446,478	(1) 44,856	2,491,334	(399,964)
Municipal Attorney	8,073,239	8,250,942	7,494,714	(1) 306,267	7,800,981	(756,228)
Municipal Manager	2,090,249	3,170,082	3,232,854	(1) 31,869	3,264,723	62,772
Non Departmental - TANS	342,001	10,837,963	1,083,395	(1) -	1,083,395	(9,754,568)
Police and Fire Retiree Medical	190,212	190,173	159,664	(1) 18,527	178,191	(30,509)
Police	123,313,898	127,505,742	126,268,762	5,299,423	131,568,185	(1,236,980)
Public Transportation	26,156,527	26,570,380	26,441,837	(1) 651,050	27,092,887	(128,543)
Public Works	55,767,143	56,551,997	75,265,515	(1) 799,033	76,064,548	18,713,518
Purchasing	2,143,125	2,186,838	1,900,052	(1) 56,314	1,956,366	(286,786)
Real Estate Services	7,551,778	8,700,859	8,556,225	(1) -	8,556,225	(144,634)
Total expenditures and other financing uses	<u>\$ 491,859,108</u>	<u>\$ 870,708,356</u>	<u>901,534,807</u>	<u>15,748,109</u>	<u>917,282,916</u>	<u>30,826,451</u>
Less: net intragovernmental costs and billings	<u>9,886,674</u>	<u>10,083,206</u>	<u>10,068,806</u>	<u>-</u>	<u>10,068,806</u>	<u>(14,400)</u>
Total expenditures and other financing uses	<u>\$ 501,745,782</u>	<u>\$ 880,791,562</u>	<u>\$ 911,603,613</u>	<u>\$ 15,748,109</u>	<u>\$ 927,351,722</u>	<u>\$ 30,812,051</u>

Explanation of differences:

(1) Effective July 1, 2008, Anchorage changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. The on-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly over the past few years. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, Anchorage has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

Note:
 This schedule does not provide detail by departments for revenues and other financing sources. This is because the legal level of budgetary control is adopted only for expenditures and other financing uses at the department level. Intragovernmental Costs and Billings are not budgeted by the Assembly. They are presented for comparison purposes for total expenditures only.



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The **Heritage Land Bank Fund** accounts for Municipal-owned real estate.

The **Federal/State Fines and Forfeitures Fund** accounts for the proceeds from sale of property seized by the Police Department, State and Federal agencies.

The **Convention Center Operating Reserve Fund** accounts for the dedicated bed tax collections and transfers associated with the construction of the new convention and civic center and related tourism activities.

The **E911 Surcharge Fund** accounts for financial resources for acquisition, implementation and maintenance of the enhanced 911 emergency system.

The **State Grants Fund** accounts for financial resources which may be used only in accordance with State grant agreements.

The **Federal Grants Fund** accounts for financial resources which may be used only in accordance with Federal grant agreements.

The **49th State Angel Fund** accounts for financial resources which may be used only in accordance with all provisions and requirements of the Small Business Jobs Act and the policy guidelines from the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI).

The **Police and Fire Retiree Medical Liability Fund** accounts for contributions and earnings which are used to fund the Police and Fire Retiree Medical Trust.

The **Alcoholic Beverages Retail Sales Tax Fund** accounts for monies collected from the sales tax on alcoholic beverages to be used for funding police and first responders, address child abuse, sexual assault and domestic violence, and substance abuse treatment, mental and behavioral health, and homelessness.

The **Nuisance Property Abatement Fund** accounts for monies dedicated to addressing, mitigating, and abating nuisances on private property within the Municipality.

The **Miscellaneous Operational Grants Fund** accounts for the use of miscellaneous restricted contributions and donations.

The **Other Restricted Resources Fund** accounts for the use of other specific revenues that are legally restricted for specified purposes.

Debt Service Funds

The **ACPA Surcharge Revenue Bond Fund** accounts for the performing arts center surcharge revenue and debt service on the roof repair loan.

The **CIVICventures Revenue Bond Fund** accounts for the accumulation of lodging revenue transfers and investment earnings and debt service on the convention and civic revenue bonds.

The **Police and Fire Certificate of Participation Bond Fund** accounts for the certificate of participation bond issued to fund the Police and Fire Pension Trust Fund.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Areawide Capital Projects Fund** accounts for general government construction projects not accounted for in other funds.

The **Public Safety Capital Projects Fund** accounts for capital improvement projects in support of police, fire and rescue operations.

The **Public Transportation Capital Projects Fund** accounts for capital improvement projects for transit facilities and equipment.

The **Miscellaneous Capital Projects Fund** accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

The **Parks and Recreation Capital Projects Fund** accounts for parks and recreation capital improvement projects in the taxing districts which receive parks and recreation services.

The **Historic Preservation Capital Projects Fund** accounts for the preservation of historic structures.

The **Heritage Land Bank Capital Projects Fund** accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

The **Cemetery Perpetual Maintenance Permanent Fund** accounts for contributions, revenues and expenditures for perpetual maintenance of the Anchorage Memorial Park Cemetery.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue					
	Heritage Land Bank	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants
Assets						
Cash	\$ -	\$ 72,763	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	3,388,146	981,176	26,136,110	1,509,950	5,997,270	12,488,692
Investments	-	-	-	-	-	-
Accrued interest on investments	-	-	-	-	-	-
Due from other funds	85,000	-	-	-	5,108,069	-
Due from component units	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	2,536,153	767,516	159,876	2,887,797
Intergovernmental receivables	-	-	-	-	21,250,029	8,542,374
Special assessments receivable, net	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Loans receivable	1,294,347	-	-	-	-	2,371,880
Advances to other funds	935,000	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	-
Total assets	<u>5,702,493</u>	<u>1,053,939</u>	<u>28,672,263</u>	<u>2,277,466</u>	<u>32,515,244</u>	<u>26,290,743</u>
Deferred Outflow of Resources						
Deferred grant advancement	-	-	-	-	200,370	-
Deferred outflow of resources	-	-	-	-	200,370	-
Total assets and deferred outflow of resources	<u>5,702,493</u>	<u>1,053,939</u>	<u>28,672,263</u>	<u>2,277,466</u>	<u>32,715,614</u>	<u>26,290,743</u>
Liabilities						
Accounts payable and retainages	87,265	2,791	2,442,994	161,844	2,769,248	2,243,482
Accrued payroll liabilities	8,462	-	-	-	134,516	20,598
Due to other funds	-	-	-	-	5,673,872	-
Unearned revenue and deposits	85,680	-	-	-	1,420,268	22,410,498
Advances from other funds	-	-	-	-	12,438,547	-
Total liabilities	<u>181,407</u>	<u>2,791</u>	<u>2,442,994</u>	<u>161,844</u>	<u>22,436,451</u>	<u>24,674,578</u>
Deferred Inflows of Resources						
Unavailable revenue-intergovernmental revenues	-	-	-	-	1,793,769	1,002,140
Unavailable revenue-special assessments	-	-	-	-	-	-
Unavailable revenue-land sales	1,243,352	-	-	-	-	-
Total deferred inflows of resources	<u>1,243,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,793,769</u>	<u>1,002,140</u>
Fund Balances (Deficits)						
Nonspendable	985,995	-	-	-	-	-
Restricted	-	1,047,140	20,841,916	2,107,772	192,265	614,025
Committed	3,291,739	-	-	-	-	-
Assigned	-	4,008	5,387,353	7,850	8,293,129	-
Unassigned (Deficit)	-	-	-	-	-	-
Total fund balances (deficits)	<u>4,277,734</u>	<u>1,051,148</u>	<u>26,229,269</u>	<u>2,115,622</u>	<u>8,485,394</u>	<u>614,025</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 5,702,493</u>	<u>\$ 1,053,939</u>	<u>\$ 28,672,263</u>	<u>\$ 2,277,466</u>	<u>\$ 32,715,614</u>	<u>\$ 26,290,743</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue (Continued)					
	49th State Angel Fund	Police and Fire Retiree Medical Liability	Alcoholic Beverages Retail Sales Tax	Nuisance Property Abatement	Miscellaneous Operational Grants	Other Restricted Resources
Assets						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	6,020,962	35,821	9,534,306	192,959	859,467	-
Investments	-	41,540,426	-	-	-	-
Accrued interest on investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	1,657,249	1,645	20,000	-
Intergovernmental receivables	-	-	-	-	-	-
Special assessments receivable, net	-	-	-	-	-	164,154
Prepaid items and deposits	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Investments in Angel Fund program	4,146,700	-	-	-	-	-
Total assets	<u>10,167,662</u>	<u>41,576,247</u>	<u>11,191,555</u>	<u>194,604</u>	<u>879,467</u>	<u>164,154</u>
Deferred Outflow of Resources						
Deferred grant advancement	-	-	73,250	-	-	-
Deferred outflow of resources	-	-	73,250	-	-	-
Total assets and deferred outflow of resources	<u>10,167,662</u>	<u>41,576,247</u>	<u>11,264,805</u>	<u>194,604</u>	<u>879,467</u>	<u>164,154</u>
Liabilities						
Accounts payable and retainages	17,533	-	2,436,852	32,394	77,527	6,619
Accrued payroll liabilities	6,609	-	65,154	-	1,251	-
Due to other funds	-	-	-	-	-	193,928
Unearned revenue and deposits	-	-	-	-	20,000	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>24,142</u>	<u>-</u>	<u>2,502,006</u>	<u>32,394</u>	<u>98,778</u>	<u>200,547</u>
Deferred Inflows of Resources						
Unavailable revenue-intergovernmental revenues	-	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-	-
Unavailable revenue-land sales	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)						
Nonspendable	-	-	-	-	-	-
Restricted	10,143,520	41,576,247	8,759,743	153,852	-	-
Committed	-	-	-	-	777,965	-
Assigned	-	-	3,056	8,358	2,724	-
Unassigned (Deficit)	-	-	-	-	-	(36,393)
Total fund balances (deficits)	<u>10,143,520</u>	<u>41,576,247</u>	<u>8,762,799</u>	<u>162,210</u>	<u>780,689</u>	<u>(36,393)</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 10,167,662</u>	<u>\$ 41,576,247</u>	<u>\$ 11,264,805</u>	<u>\$ 194,604</u>	<u>\$ 879,467</u>	<u>\$ 164,154</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue (Continued)	Debt Service			
		ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
	Total Special Revenue				
Assets					
Cash	\$ 72,763	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	67,144,859	661,134	-	-	661,134
Investments	41,540,426	-	13,327,394	820,461	14,147,855
Accrued interest on investments	-	-	7,252	7	7,259
Due from other funds	5,193,069	-	-	-	-
Due from component units	-	19,242	-	-	19,242
Receivables (net of allowance for uncollectibles)	8,030,236	-	-	-	-
Intergovernmental receivables	29,792,403	-	-	-	-
Special assessments receivable, net	164,154	-	-	-	-
Prepaid items and deposits	-	-	-	-	-
Loans receivable	3,666,227	-	-	-	-
Advances to other funds	935,000	-	-	-	-
Investments in Angel Fund program	4,146,700	-	-	-	-
Total assets	<u>160,685,837</u>	<u>680,376</u>	<u>13,334,646</u>	<u>820,468</u>	<u>14,835,490</u>
Deferred Outflow of Resources					
Deferred grant advancement	273,620	-	-	-	-
Deferred outflow of resources	273,620	-	-	-	-
Total assets and deferred outflow of resources	<u>160,959,457</u>	<u>680,376</u>	<u>13,334,646</u>	<u>820,468</u>	<u>14,835,490</u>
Liabilities					
Accounts payable and retainages	10,278,549	-	-	-	-
Accrued payroll liabilities	236,590	-	-	-	-
Due to other funds	5,867,800	-	-	820,305	820,305
Unearned revenue and deposits	23,936,446	-	-	-	-
Advances from other funds	12,438,547	-	-	-	-
Total liabilities	<u>52,757,932</u>	<u>-</u>	<u>-</u>	<u>820,305</u>	<u>820,305</u>
Deferred Inflows of Resources					
Unavailable revenue-intergovernmental revenues	2,795,909	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-land sales	1,243,352	-	-	-	-
Total deferred inflows of resources	<u>4,039,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)					
Nonspendable	985,995	-	-	-	-
Restricted	85,436,480	680,376	13,334,646	163	14,015,185
Committed	4,069,704	-	-	-	-
Assigned	13,706,478	-	-	-	-
Unassigned (Deficit)	(36,393)	-	-	-	-
Total fund balances (deficits)	<u>104,162,264</u>	<u>680,376</u>	<u>13,334,646</u>	<u>163</u>	<u>14,015,185</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 160,959,457</u>	<u>\$ 680,376</u>	<u>\$ 13,334,646</u>	<u>\$ 820,468</u>	<u>\$ 14,835,490</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

Capital Projects

	Areawide	Public Safety	Public Transportation	Miscellaneous	Parks and Recreation
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	28,506,049	5,033,159	887,307	292,571	9,167,984
Investments	-	-	-	-	-
Accrued interest on investments	-	-	-	-	-
Due from other funds	908,317	-	-	-	-
Due from component units	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	173,525	-	-	-	144,359
Intergovernmental receivables	7,696	-	1,084,094	74,081	418,346
Special assessments receivable, net	4	-	-	-	-
Prepaid items and deposits	-	2,320,240	-	-	76,300
Loans receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-
Total assets	<u>29,595,591</u>	<u>7,353,399</u>	<u>1,971,401</u>	<u>366,652</u>	<u>9,806,989</u>
Deferred Outflow of Resources					
Deferred grant advancement	-	-	-	-	-
Deferred outflow of resources	-	-	-	-	-
Total assets and deferred outflow of resources	<u>29,595,591</u>	<u>7,353,399</u>	<u>1,971,401</u>	<u>366,652</u>	<u>9,806,989</u>
Liabilities					
Accounts payable and retainages	6,887,005	441,097	401,261	66,181	240,235
Accrued payroll liabilities	645	-	96	-	377
Due to other funds	89,911	908,317	-	-	-
Unearned revenue and deposits	-	-	874	30,058	44,464
Advances from other funds	410,289	-	-	-	-
Total liabilities	<u>7,387,850</u>	<u>1,349,414</u>	<u>402,231</u>	<u>96,239</u>	<u>285,076</u>
Deferred Inflows of Resources					
Unavailable revenue-intergovernmental revenues	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	2,905	-
Unavailable revenue-land sales	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,905</u>	<u>-</u>
Fund Balances (Deficits)					
Nonspendable	-	2,320,240	-	-	76,300
Restricted	4,542,045	4,632,024	1,569,170	220,379	2,947,862
Committed	17,665,696	65,679	-	47,129	6,214,923
Assigned	-	-	-	-	282,828
Unassigned (Deficit)	-	(1,013,958)	-	-	-
Total fund balances (deficits)	<u>22,207,741</u>	<u>6,003,985</u>	<u>1,569,170</u>	<u>267,508</u>	<u>9,521,913</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 29,595,591</u>	<u>\$ 7,353,399</u>	<u>\$ 1,971,401</u>	<u>\$ 366,652</u>	<u>\$ 9,806,989</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Capital Projects (Continued)			Permanent Fund	Total Nonmajor Governmental Funds
	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 72,763
Cash and investments in central treasury	83,496	2,378,790	46,349,356	633,355	114,788,704
Investments	-	-	-	-	55,688,281
Accrued interest on investments	-	-	-	-	7,259
Due from other funds	-	-	908,317	-	6,101,386
Due from component units	-	-	-	-	19,242
Receivables (net of allowance for uncollectibles)	-	-	317,884	-	8,348,120
Intergovernmental receivables	-	-	1,584,217	-	31,376,620
Special assessments receivable, net	-	-	4	-	164,158
Prepaid items and deposits	-	-	2,396,540	-	2,396,540
Loans receivable	-	-	-	-	3,666,227
Advances to other funds	-	-	-	-	935,000
Investments in Angel Fund program	-	-	-	-	4,146,700
Total assets	83,496	2,378,790	51,556,318	633,355	227,711,000
Deferred Outflow of Resources					
Deferred grant advancement	-	-	-	-	273,620
Deferred outflow of resources	-	-	-	-	273,620
Total assets and deferred outflow of resources	83,496	2,378,790	51,556,318	633,355	227,984,620
Liabilities					
Accounts payable and retainages	7,267	44,820	8,087,866	-	18,366,415
Accrued payroll liabilities	-	-	1,118	-	237,708
Due to other funds	-	-	998,228	-	7,686,333
Unearned revenue and deposits	-	-	75,396	-	24,011,842
Advances from other funds	-	-	410,289	-	12,848,836
Total liabilities	7,267	44,820	9,572,897	-	63,151,134
Deferred Inflows of Resources					
Unavailable revenue-intergovernmental revenues	-	-	-	-	2,795,909
Unavailable revenue-special assessments	-	-	2,905	-	2,905
Unavailable revenue-land sales	-	-	-	-	1,243,352
Total deferred inflows of resources	-	-	2,905	-	4,042,166
Fund Balances (Deficits)					
Nonspendable	-	-	2,396,540	150,000	3,532,535
Restricted	-	-	13,911,480	-	113,363,145
Committed	-	2,333,970	26,327,397	-	30,397,101
Assigned	76,229	-	359,057	483,355	14,548,890
Unassigned (Deficit)	-	-	(1,013,958)	-	(1,050,351)
Total fund balances (deficits)	76,229	2,333,970	41,980,516	633,355	160,791,320
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 83,496	\$ 2,378,790	\$ 51,556,318	\$ 633,355	\$ 227,984,620

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the year ended December 31, 2021

	Special Revenue					
	Heritage Land Bank	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants
Revenues						
Hotel and motel taxes	\$ -	\$ -	\$ 16,538,811	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	12,223	-	-	-	73,220,309	87,758,507
Charges for services	387,438	-	-	-	-	-
Fines and forfeitures	-	247,327	-	-	-	-
E911 surcharges	-	-	-	7,522,495	-	-
Investment income (loss)	93,672	141	103,095	5,982	44,939	-
Restricted contributions	-	-	-	-	-	-
Other	450	-	834,324	-	(34,266)	124,460
Total revenues	<u>493,783</u>	<u>247,468</u>	<u>17,476,230</u>	<u>7,528,477</u>	<u>73,230,982</u>	<u>87,882,967</u>
Expenditures						
Current:						
General government	650,117	-	-	-	1,566,788	1,699,298
Fire services	-	-	-	1,123,308	683,971	125,093
Police services	-	211,111	-	5,605,739	2,391,780	847,317
Health and human services	-	-	-	-	61,216,834	7,026,437
Economic and community development	-	-	9,000,060	-	3,371,116	73,237,772
Public transportation	-	-	-	-	2,178,872	5,033,904
Public works	-	-	-	-	1,946,620	28,495
Maintenance and operations of roads and facilities	-	-	-	-	815,181	-
Debt service:						
Principal	-	-	-	-	9,791	-
Interest and fiscal agent charges	-	-	1,000	-	2,173	-
Bond issuance costs	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total expenditures	<u>650,117</u>	<u>211,111</u>	<u>9,001,060</u>	<u>6,729,047</u>	<u>74,183,126</u>	<u>87,998,316</u>
Excess (deficiency) of revenues over expenditures	(156,334)	36,357	8,475,170	799,430	(952,144)	(115,349)
Other financing sources (uses)						
Transfers from other funds	-	-	331,361	-	38,584,767	239,400
Transfers to other funds	(2,950,000)	-	(7,556,181)	-	(3,361,951)	(185,363)
General obligation bonds issued	-	-	-	-	-	-
Premium on bond sale	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	92,181	-
Proceeds from sale of capital assets	16,648	-	-	-	-	-
Total other financing sources (uses)	<u>(2,933,352)</u>	<u>-</u>	<u>(7,224,820)</u>	<u>-</u>	<u>35,314,997</u>	<u>54,037</u>
Net change in fund balances	(3,089,686)	36,357	1,250,350	799,430	34,362,853	(61,312)
Fund balances (deficits), beginning of year	7,367,420	1,014,791	24,978,919	1,316,192	(25,877,459)	675,337
Fund balances (deficits), end of year	<u>\$ 4,277,734</u>	<u>\$ 1,051,148</u>	<u>\$ 26,229,269</u>	<u>\$ 2,115,622</u>	<u>\$ 8,485,394</u>	<u>\$ 614,025</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
 Nonmajor Governmental Funds
 For the year ended December 31, 2021

	Special Revenue (Continued)					
	49th State Angel Fund	Police and Fire Retiree Medical Liability	Alcoholic Beverages Retail Sales Tax	Nuisance Property Abatement	Miscellaneous Operational Grants	Other Restricted Resources
Revenues						
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	13,978,818	-	-	-
Special assessments	-	-	-	-	-	1,167,421
Intergovernmental	-	-	-	-	-	-
Charges for services	5,000	-	-	11,614	-	-
Fines and forfeitures	-	-	-	110,800	-	-
E911 surcharges	-	-	-	-	-	-
Investment income (loss)	432,135	4,727,548	1,609	1,003	(27)	(18,534)
Restricted contributions	-	-	-	-	154,660	-
Other	236	-	1,447	-	-	-
Total revenues	<u>437,371</u>	<u>4,727,548</u>	<u>13,981,874</u>	<u>123,417</u>	<u>154,633</u>	<u>1,148,887</u>
Expenditures						
Current:						
General government	479,696	25,818	393,142	-	10,265	1,085,368
Fire services	-	1,781,031	628,718	-	-	-
Police services	-	1,909,659	130,973	-	13,104	-
Health and human services	-	-	3,558,453	-	253,364	-
Economic and community development	-	-	507,789	137,209	179,866	-
Public transportation	-	-	-	-	-	-
Public works	-	-	-	-	27,916	-
Maintenance and operations of roads and facilities	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total expenditures	<u>479,696</u>	<u>3,716,508</u>	<u>5,219,075</u>	<u>137,209</u>	<u>484,515</u>	<u>1,085,368</u>
Excess (deficiency) of revenues over expenditures	(42,325)	1,011,040	8,762,799	(13,792)	(329,882)	63,519
Other financing sources (uses)						
Transfers from other funds	-	1,086,934	-	-	600,220	-
Transfers to other funds	-	-	-	-	(1,504,433)	-
General obligation bonds issued	-	-	-	-	-	-
Premium on bond sale	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,086,934</u>	<u>-</u>	<u>-</u>	<u>(904,213)</u>	<u>-</u>
Net change in fund balances	(42,325)	2,097,974	8,762,799	(13,792)	(1,234,095)	63,519
Fund balances (deficits), beginning of year	10,185,845	39,478,273	-	176,002	2,014,784	(99,912)
Fund balances (deficits), end of year	<u>\$ 10,143,520</u>	<u>\$ 41,576,247</u>	<u>\$ 8,762,799</u>	<u>\$ 162,210</u>	<u>\$ 780,689</u>	<u>\$ (36,393)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the year ended December 31, 2021

	Special Revenue (Continued)	Debt Service			
	Total Special Revenue	ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
Revenues					
Hotel and motel taxes	\$ 16,538,811	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	13,978,818	-	-	-	-
Special assessments	1,167,421	-	-	-	-
Intergovernmental	160,991,039	-	-	-	-
Charges for services	404,052	-	-	-	-
Fines and forfeitures	358,127	-	-	-	-
E911 surcharges	7,522,495	-	-	-	-
Investment income (loss)	5,391,563	4,848	(38,426)	45	(33,533)
Restricted contributions	154,660	-	-	-	-
Other	926,651	16,407	-	-	16,407
Total revenues	<u>207,433,637</u>	<u>21,255</u>	<u>(38,426)</u>	<u>45</u>	<u>(17,126)</u>
Expenditures					
Current:					
General government	5,910,492	-	-	-	-
Fire services	4,342,121	-	-	-	-
Police services	11,109,683	-	-	-	-
Health and human services	72,055,088	-	-	-	-
Economic and community development	86,433,812	-	-	-	-
Public transportation	7,212,776	-	-	-	-
Public works	2,003,031	-	-	-	-
Maintenance and operations of roads and facilities	815,181	-	-	-	-
Debt service:					
Principal	9,791	150,000	2,580,000	3,695,000	6,425,000
Interest and fiscal agent charges	3,173	147,750	3,829,450	1,739,535	5,716,735
Bond issuance costs	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	<u>189,895,148</u>	<u>297,750</u>	<u>6,409,450</u>	<u>5,434,535</u>	<u>12,141,735</u>
Excess (deficiency) of revenues over expenditures	17,538,489	(276,495)	(6,447,876)	(5,434,490)	(12,158,861)
Other financing sources (uses)					
Transfers from other funds	40,842,682	-	6,144,181	5,434,535	11,578,716
Transfers to other funds	(15,557,928)	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premium on bond sale	-	-	-	-	-
Insurance recoveries	92,181	-	-	-	-
Proceeds from sale of capital assets	16,648	-	-	-	-
Total other financing sources (uses)	<u>25,393,583</u>	<u>-</u>	<u>6,144,181</u>	<u>5,434,535</u>	<u>11,578,716</u>
Net change in fund balances	42,932,072	(276,495)	(303,695)	45	(580,145)
Fund balances (deficits), beginning of year	61,230,192	956,871	13,638,341	118	14,595,330
Fund balances (deficits), end of year	<u>\$ 104,162,264</u>	<u>\$ 680,376</u>	<u>\$ 13,334,646</u>	<u>\$ 163</u>	<u>\$ 14,015,185</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the year ended December 31, 2021

	Capital Projects				
	Areawide	Public Safety	Public Transportation	Miscellaneous	Parks and Recreation
Revenues					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	168,858	12,753	1,578,712	356,863	442,603
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
E911 surcharges	-	-	-	-	-
Investment income (loss)	36,488	-	-	-	6,486
Restricted contributions	289,310	49,825	-	-	194,356
Other	-	-	-	-	-
Total revenues	<u>494,656</u>	<u>62,578</u>	<u>1,578,712</u>	<u>356,863</u>	<u>643,445</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	-	-	-	-
Health and human services	-	-	-	-	-
Economic and community development	-	-	-	-	-
Public transportation	-	-	-	-	-
Public works	-	-	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Bond issuance costs	16,236	22,291	1,682	-	6,434
Capital projects	17,918,932	5,178,703	2,276,474	369,564	5,238,966
Total expenditures	<u>17,935,168</u>	<u>5,200,994</u>	<u>2,278,156</u>	<u>369,564</u>	<u>5,245,400</u>
Excess (deficiency) of revenues over expenditures	(17,440,512)	(5,138,416)	(699,444)	(12,701)	(4,601,955)
Other financing sources (uses)					
Transfers from other funds	4,480,463	1,269,569	476,856	40,000	1,961,494
Transfers to other funds	(750,127)	(173)	(13)	-	(50)
General obligation bonds issued	4,151,845	5,700,870	430,239	-	1,645,273
Premium on bond sale	911,518	1,251,594	94,456	-	361,211
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>8,793,699</u>	<u>8,221,860</u>	<u>1,001,538</u>	<u>40,000</u>	<u>3,967,928</u>
Net change in fund balances	(8,646,813)	3,083,444	302,094	27,299	(634,027)
Fund balances (deficits), beginning of year	30,854,554	2,920,541	1,267,076	240,209	10,155,940
Fund balances (deficits), end of year	<u>\$ 22,207,741</u>	<u>\$ 6,003,985</u>	<u>\$ 1,569,170</u>	<u>\$ 267,508</u>	<u>\$ 9,521,913</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the year ended December 31, 2021

	Capital Projects (Continued)			Permanent Fund	Total Nonmajor Governmental Funds
	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
Revenues					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ 16,538,811
Alcoholic beverages retail sales taxes	-	-	-	-	13,978,818
Special assessments	-	-	-	-	1,167,421
Intergovernmental	-	-	2,559,789	-	163,550,828
Charges for services	-	-	-	13,645	417,697
Fines and forfeitures	-	-	-	-	358,127
E911 surcharges	-	-	-	-	7,522,495
Investment income (loss)	609	-	43,583	3,308	5,404,921
Restricted contributions	20,000	-	553,491	-	708,151
Other	-	-	-	-	943,058
Total revenues	<u>20,609</u>	<u>-</u>	<u>3,156,863</u>	<u>16,953</u>	<u>210,590,327</u>
Expenditures					
Current:					
General government	-	-	-	-	5,910,492
Fire services	-	-	-	-	4,342,121
Police services	-	-	-	-	11,109,683
Health and human services	-	-	-	-	72,055,088
Economic and community development	-	-	-	-	86,433,812
Public transportation	-	-	-	-	7,212,776
Public works	-	-	-	-	2,003,031
Maintenance and operations of roads and facilities	-	-	-	-	815,181
Debt service:					
Principal	-	-	-	-	6,434,791
Interest and fiscal agent charges	-	-	-	-	5,719,908
Bond issuance costs	-	-	46,643	-	46,643
Capital projects	20,000	2,875,888	33,878,527	-	33,878,527
Total expenditures	<u>20,000</u>	<u>2,875,888</u>	<u>33,925,170</u>	<u>-</u>	<u>235,962,053</u>
Excess (deficiency) of revenues over expenditures	609	(2,875,888)	(30,768,307)	16,953	(25,371,726)
Other financing sources (uses)					
Transfers from other funds	-	2,950,000	11,178,382	-	63,599,780
Transfers to other funds	-	-	(750,363)	-	(16,308,291)
General obligation bonds issued	-	-	11,928,227	-	11,928,227
Premium on bond sale	-	-	2,618,779	-	2,618,779
Insurance recoveries	-	-	-	-	92,181
Proceeds from sale of capital assets	-	-	-	-	16,648
Total other financing sources (uses)	<u>-</u>	<u>2,950,000</u>	<u>24,975,025</u>	<u>-</u>	<u>61,947,324</u>
Net change in fund balances	609	74,112	(5,793,282)	16,953	36,575,598
Fund balances (deficits), beginning of year	75,620	2,259,858	47,773,798	616,402	124,215,722
Fund balances (deficits), end of year	<u>\$ 76,229</u>	<u>\$ 2,333,970</u>	<u>\$ 41,980,516</u>	<u>\$ 633,355</u>	<u>\$ 160,791,320</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 MOA Trust
 Permanent Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income	\$ 1,950,000	\$ 46,830,338	\$ 44,880,338
Total revenues	<u>1,950,000</u>	<u>46,830,338</u>	<u>44,880,338</u>
Expenditures			
Current:			
General government	2,074,376	975,401	1,098,975
Total expenditures	<u>2,074,376</u>	<u>975,401</u>	<u>1,098,975</u>
Excess (deficiency) of revenues over expenditures	(124,376)	45,854,937	45,979,313
Other financing sources (uses)			
Transfers to other funds	(18,800,000)	(18,800,000)	-
Transfers from other funds	-	2,970,049	2,970,049
Total other financing sources (uses)	<u>(18,800,000)</u>	<u>(15,829,951)</u>	<u>2,970,049</u>
Net change in fund balance	(18,924,376)	30,024,986	48,949,362
Fund balance, beginning of year	418,070,531	418,070,531	-
Fund balance, end of year	<u>\$ 399,146,155</u>	<u>\$ 448,095,517</u>	<u>\$ 48,949,362</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Heritage Land Bank
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Intergovernmental	\$ -	\$ 12,223	\$ 12,223
Charges for services	518,030	387,438	(130,592)
Investment income	80,000	93,672	13,672
Other	-	450	450
Total revenues	<u>598,030</u>	<u>493,783</u>	<u>(104,247)</u>
Expenditures			
Current:			
General government	955,572	650,117	305,455
Total expenditures	<u>955,572</u>	<u>650,117</u>	<u>305,455</u>
Deficiency of revenues over expenditures	(357,542)	(156,334)	201,208
Other financing sources (uses)			
Transfers to other funds	(2,950,000)	(2,950,000)	-
Proceeds from sale of capital assets	16,648	16,648	-
Total other financing sources (uses)	<u>(2,933,352)</u>	<u>(2,933,352)</u>	<u>-</u>
Net change in fund balance	(3,290,894)	(3,089,686)	201,208
Fund balance, beginning of year	7,367,420	7,367,420	-
Fund balance, end of year	<u>\$ 4,076,526</u>	<u>\$ 4,277,734</u>	<u>\$ 201,208</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Convention Center Operating Reserve
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Hotel and motel taxes	\$ 13,522,185	\$ 16,538,811	\$ 3,016,626
Investment income (loss)	(11,000)	103,095	114,095
Other	-	834,324	834,324
Total revenues	<u>13,511,185</u>	<u>17,476,230</u>	<u>3,965,045</u>
Expenditures			
Current:			
Economic and community development	8,668,686	9,000,060	(331,374)
Debt service:			
Interest and fiscal agent charges	2,000	1,000	1,000
Total expenditures	<u>8,670,686</u>	<u>9,001,060</u>	<u>(330,374)</u>
Excess of revenues over expenditures	4,840,499	8,475,170	3,634,671
Other financing sources (uses)			
Transfers to other funds	(7,962,950)	(7,556,181)	406,769
Transfers from other funds	331,362	331,361	(1)
Total other financing sources (uses)	<u>(7,631,588)</u>	<u>(7,224,820)</u>	<u>406,768</u>
Net change in fund balance	(2,791,089)	1,250,350	4,041,439
Fund balance, beginning of year	24,978,919	24,978,919	-
Fund balance, end of year	<u>\$ 22,187,830</u>	<u>\$ 26,229,269</u>	<u>\$ 4,041,439</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 E911 Surcharge
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
E911 surcharges	\$ 7,591,489	\$ 7,522,495	\$ (68,994)
Investment income	7,000	5,982	(1,018)
Total revenues	<u>7,598,489</u>	<u>7,528,477</u>	<u>(70,012)</u>
Expenditures			
Current:			
Fire services	1,080,721	1,123,308	(42,587)
Police services	6,503,768	5,605,739	898,029
Total expenditures	<u>7,584,489</u>	<u>6,729,047</u>	<u>855,442</u>
Net change in fund balance	14,000	799,430	785,430
Fund balance, beginning of year	1,316,192	1,316,192	-
Fund balance, end of year	<u>\$ 1,330,192</u>	<u>\$ 2,115,622</u>	<u>\$ 785,430</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Police and Fire Retiree Medical Liability
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income	\$ 6,125,828	\$ 4,727,548	\$ (1,398,280)
Total revenues	<u>6,125,828</u>	<u>4,727,548</u>	<u>(1,398,280)</u>
Expenditures			
Current:			
General government	88,000	25,818	62,182
Fire services	1,929,588	1,781,031	148,557
Police services	1,799,616	1,909,659	(110,043)
Total expenditures	<u>3,817,204</u>	<u>3,716,508</u>	<u>100,696</u>
Excess of revenues over expenditures	2,308,624	1,011,040	(1,297,584)
Other financing sources			
Transfers from other funds	-	1,086,934	1,086,934
Total other financing sources	<u>-</u>	<u>1,086,934</u>	<u>1,086,934</u>
Net change in fund balance	2,308,624	2,097,974	(210,650)
Fund balance, beginning of year	39,478,273	39,478,273	-
Fund balance, end of year	<u>\$ 41,786,897</u>	<u>\$ 41,576,247</u>	<u>\$ (210,650)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Alcoholic Beverages Retail Sales Tax
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Alcoholic beverages retail sales taxes	\$ 11,830,150	\$ 13,978,818	\$ 2,148,668
Investment income	-	1,609	1,609
Other	-	1,447	1,447
Total revenues	<u>11,830,150</u>	<u>13,981,874</u>	<u>2,151,724</u>
Expenditures			
Current:			
General government	664,478	393,142	271,336
Fire services	1,628,606	628,718	999,888
Police services	922,885	130,973	791,912
Health and human services	7,781,021	3,558,453	4,222,568
Economic and community development	714,424	507,789	206,635
Total expenditures	<u>11,711,414</u>	<u>5,219,075</u>	<u>6,492,339</u>
Net change in fund balance	118,736	8,762,799	8,644,063
Fund balance, beginning of year	-	-	-
Fund balance, end of year	<u>\$ 118,736</u>	<u>\$ 8,762,799</u>	<u>\$ 8,644,063</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Nuisance Property Abatement
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Charges for services	\$ 51,000	\$ 11,614	\$ (39,386)
Fines and forfeitures	129,000	110,800	(18,200)
Investment income	-	1,003	1,003
Total revenues	<u>180,000</u>	<u>123,417</u>	<u>(56,583)</u>
Expenditures			
Current:			
Economic and community development	180,000	137,209	42,791
Total expenditures	<u>180,000</u>	<u>137,209</u>	<u>42,791</u>
Net change in fund balance	-	(13,792)	(13,792)
Fund balance, beginning of year	176,002	176,002	-
Fund balance, end of year	<u>\$ 176,002</u>	<u>\$ 162,210</u>	<u>\$ (13,792)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Other Restricted Resources
 Special Revenue Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Special assessments	\$ 1,085,368	\$ 1,167,421	\$ 82,053
Investment loss	(3,000)	(18,534)	(15,534)
Total revenues	<u>1,082,368</u>	<u>1,148,887</u>	<u>66,519</u>
Expenditures			
Current:			
General government	1,085,368	1,085,368	-
Total expenditures	<u>1,085,368</u>	<u>1,085,368</u>	<u>-</u>
Net change in fund deficit	(3,000)	63,519	66,519
Fund deficit, beginning of year	(99,912)	(99,912)	-
Fund deficit, end of year	<u>\$ (102,912)</u>	<u>\$ (36,393)</u>	<u>\$ 66,519</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 ACPA Surcharge Revenue Bond
 Debt Service Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income	\$ 8,000	\$ 4,848	\$ (3,152)
Other	286,000	16,407	(269,593)
Total revenues	<u>294,000</u>	<u>21,255</u>	<u>(272,745)</u>
Expenditures			
Debt service:			
Principal	150,000	150,000	-
Interest and fiscal agent charges	147,750	147,750	-
Total expenditures	<u>297,750</u>	<u>297,750</u>	<u>-</u>
Net change in fund balance	(3,750)	(276,495)	(272,745)
Fund balance, beginning of year	956,871	956,871	-
Fund balance, end of year	<u>\$ 953,121</u>	<u>\$ 680,376</u>	<u>\$ (272,745)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Budgetary Comparison Schedule
 Police and Fire Retirement Certificate of Participation Bond
 Debt Service Fund
 For the year ended December 31, 2021

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income	\$ -	\$ 45	\$ 45
Total revenues	-	45	45
Expenditures			
Debt service:			
Principal	3,695,000	3,695,000	-
Interest and fiscal agent charges	1,739,536	1,739,535	1
Total expenditures	5,434,536	5,434,535	1
Deficiency of revenues over expenditures	(5,434,536)	(5,434,490)	46
Other financing sources			
Transfers from other funds	5,434,529	5,434,535	6
Total other financing sources	5,434,529	5,434,535	6
Net change in fund balance	(7)	45	52
Fund balance, beginning of year	118	118	-
Fund balance, end of year	\$ 111	\$ 163	\$ 52

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for activities for which a fee is charged to external users for goods or services received.

The **Refuse Utility Fund** accounts for the Municipal-owned refuse collection services.

The **Disposal Utility Fund** accounts for the Municipal-owned landfill and transfer station operations.

The **Municipal Airport Fund** accounts for the operations of Merrill Field, a Municipal-owned airport.

The **Electric Utility Fund** accounts for the remaining activity after the sale of the Electric Utility.

The **Anchorage Hydropower Fund** accounts for the remaining assets from the Electric Utility sale and the installment sale revenues.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021

Assets	Refuse Utility	Disposal Utility	Municipal Airport
Current assets:			
Cash	\$ 1,051	\$ 2,424	\$ 200
Cash and investments in central treasury	4,839,522	31,133,451	1,369,984
Equity in bond and grant capital acquisition and construction pool	2,876,384	6,934,021	-
Accrued interest on investments	155,361	-	-
Intergovernmental receivables	-	-	1,018,656
Receivables (net of allowance for uncollectibles)	1,529,522	1,820,479	11,347
Prepaid items and deposits	3,155	5,934	2,261
Restricted assets:			
Investments from proceeds of Electric Utility sale	-	-	-
Intergovernmental receivable	24,309	5,146,179	-
Total current assets	9,429,304	45,042,488	2,402,448
Noncurrent assets:			
Receivable- installment sale of Electric Utility	-	-	-
Net OPEB asset	1,749,743	435,376	298,052
Regulatory and other assets	-	-	-
Restricted assets:			
Intergovernmental receivable	-	-	1,129,843
Landfill postclosure cash reserve	-	19,351,367	-
Investments for operations	-	-	-
Capital assets, net	35,670,467	118,286,946	87,364,569
Total noncurrent assets	37,420,210	138,073,689	88,792,464
Total assets	46,849,514	183,116,177	91,194,912
Deferred Outflows of Resources			
Related to pension	223,053	55,501	37,995
Related to OPEB	39,061	9,719	6,655
Total deferred outflows of resources	262,114	65,220	44,650
Total assets and deferred outflows of resources	47,111,628	183,181,397	91,239,562
Liabilities			
Current liabilities:			
Accounts payable and retainages	91,359	2,792,190	219,859
Accrued interest payable	40,845	107,145	-
Accrued payroll liabilities	154,713	435,036	49,734
Capital acquisition and construction accounts and retainage payable	2,821,576	2,606,848	28,667
Compensated absences	195,666	530,148	67,057
Due to other funds	-	5,108,069	-
Long-term obligations maturing within one year	-	1,038,590	-
Unearned revenues	141,381	-	81,032
Total current liabilities	3,445,540	12,618,026	446,349
Noncurrent liabilities:			
Alaska Clean Water loans payable	-	7,718,863	-
Compensated absences	-	56,893	-
Future landfill closure costs	-	39,265,492	-
Notes payable	24,368,154	44,080,968	-
Net pension liability	2,413,731	600,591	411,157
Total noncurrent liabilities	26,781,885	91,722,807	411,157
Total liabilities	30,227,425	104,340,833	857,506
Deferred Inflows of Resources			
Related to pension	962,543	239,503	163,960
Related to OPEB	926,169	230,452	157,764
Related to installment sale of Electric Utility	-	-	-
Total deferred inflows of resources	1,888,712	469,955	321,724
Net Position			
Net investment in capital assets	8,480,737	62,841,677	87,335,902
Restricted for capital construction	24,309	5,146,179	1,129,843
Restricted for operations	-	-	-
Restricted proceeds from Electric Utility sale	-	-	-
Unrestricted	6,490,445	10,382,753	1,594,587
Total net position	14,995,491	78,370,609	90,060,332
Total liabilities, deferred inflows of resources and net position	\$ 47,111,628	\$ 183,181,397	\$ 91,239,562

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021

Assets	Electric Utility	Anchorage Hydropower	Total Nonmajor Enterprise Funds
Current assets:			
Cash	\$ -	\$ -	\$ 3,675
Cash and investments in central treasury	7,574,832	1,826,512	46,744,301
Equity in bond and grant capital acquisition and construction pool	-	219,725	10,030,130
Accrued interest on investments	-	-	155,361
Intergovernmental receivables	-	-	1,018,656
Receivables (net of allowance for uncollectibles)	884,354	240,231	4,485,933
Prepaid items and deposits	-	-	11,350
Restricted assets:			
Investments from proceeds of Electric Utility sale	9,695,221	-	9,695,221
Intergovernmental receivable	-	-	5,170,488
Total current assets	18,154,407	2,286,468	77,315,115
Noncurrent assets:			
Receivable- installment sale of Electric Utility	-	101,946,124	101,946,124
Net OPEB asset	-	-	2,483,171
Regulatory and other assets	-	770,001	770,001
Restricted assets:			
Intergovernmental receivable	-	-	1,129,843
Landfill postclosure cash reserve	-	-	19,351,367
Investments for operations	-	3,000,000	3,000,000
Capital assets, net	-	7,652,003	248,973,985
Total noncurrent assets	-	113,368,128	377,654,491
Total assets	18,154,407	115,654,596	454,969,606
Deferred Outflows of Resources			
Related to pension	-	-	316,549
Related to OPEB	-	-	55,435
Total deferred outflows of resources	-	-	371,984
Total assets and deferred outflows of resources	18,154,407	115,654,596	455,341,590
Liabilities			
Current liabilities:			
Accounts payable and retainages	6,262	9,082	3,118,752
Accrued interest payable	-	-	147,990
Accrued payroll liabilities	-	-	639,483
Capital acquisition and construction accounts and retainage payable	-	258,113	5,715,204
Compensated absences	-	-	792,871
Due to other funds	-	-	5,108,069
Long-term obligations maturing within one year	-	-	1,038,590
Unearned revenues	-	-	222,413
Total current liabilities	6,262	267,195	16,783,372
Noncurrent liabilities:			
Alaska Clean Water loans payable	-	-	7,718,863
Compensated absences	-	-	56,893
Future landfill closure costs	-	-	39,265,492
Notes payable	-	-	68,449,122
Net pension liability	-	-	3,425,479
Total noncurrent liabilities	-	-	118,915,849
Total liabilities	6,262	267,195	135,699,221
Deferred Inflows of Resources			
Related to pension	-	-	1,366,006
Related to OPEB	-	-	1,314,385
Related to installment sale of Electric Utility	-	101,946,124	101,946,124
Total deferred inflows of resources	-	101,946,124	104,626,515
Net Position			
Net investment in capital assets	-	7,393,890	166,052,206
Restricted for capital construction	-	-	6,300,331
Restricted for operations	-	3,000,000	3,000,000
Restricted proceeds from Electric Utility sale	9,695,221	-	9,695,221
Unrestricted	8,452,924	3,047,387	29,968,096
Total net position	18,148,145	13,441,277	215,015,854
Total liabilities, deferred inflows of resources and net position	\$ 18,154,407	\$ 115,654,596	\$ 455,341,590

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2021

	Refuse Utility	Disposal Utility	Municipal Airport
Operating revenues			
Charges for sales and services	\$ 12,687,546	\$ 25,706,354	\$ 2,073,155
Other	99,264	148,428	-
Total operating revenues	<u>12,786,810</u>	<u>25,854,782</u>	<u>2,073,155</u>
Operating expenses			
Operations	9,719,845	16,442,807	2,810,146
Change in landfill closure liability	-	1,532,265	-
Depreciation and amortization	1,395,215	4,566,586	3,106,688
Total operating expenses	<u>11,115,060</u>	<u>22,541,658</u>	<u>5,916,834</u>
Operating income (loss)	<u>1,671,750</u>	<u>3,313,124</u>	<u>(3,843,679)</u>
Nonoperating revenues (expenses)			
Investment income	66,684	2,725,143	9,966
Intergovernmental revenue	(39,658)	(19,048)	1,233,818
Installment sale	-	-	-
Other revenues	-	-	-
Interest expense	(202,182)	(512,671)	-
Gain on sale of capital assets	6,841	324,361	-
Net nonoperating revenues (expenses)	<u>(168,315)</u>	<u>2,517,785</u>	<u>1,243,784</u>
Income (loss) before capital contributions, transfers and special item	1,503,435	5,830,909	(2,599,895)
Capital contributions	-	5,146,179	5,750,052
Transfers from other funds	-	2,932,571	-
Transfers to other funds	(506,341)	(7,068,794)	(71,704)
Special item - gain on disposal of operations	-	-	-
Change in net position	<u>997,094</u>	<u>6,840,865</u>	<u>3,078,453</u>
Net position, beginning of year	13,998,397	71,529,744	86,981,879
Net position, end of year	<u>\$ 14,995,491</u>	<u>\$ 78,370,609</u>	<u>\$ 90,060,332</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2021

	Electric Utility	Anchorage Hydropower	Total Nonmajor Enterprise Funds
Operating revenues			
Charges for sales and services	\$ -	\$ 1,764,371	\$ 42,231,426
Other	90,792	322,118	660,602
Total operating revenues	<u>90,792</u>	<u>2,086,489</u>	<u>42,892,028</u>
Operating expenses			
Operations	937,141	209,429	30,119,368
Change in landfill closure liability	-	-	1,532,265
Depreciation and amortization	-	237,744	9,306,233
Total operating expenses	<u>937,141</u>	<u>447,173</u>	<u>40,957,866</u>
Operating income (loss)	<u>(846,349)</u>	<u>1,639,316</u>	<u>1,934,162</u>
Nonoperating revenues (expenses)			
Investment income	97,853	24,828	2,924,474
Intergovernmental revenue	-	-	1,175,112
Installment sale	-	2,514,561	2,514,561
Other revenues	-	183,099	183,099
Interest expense	-	-	(714,853)
Gain on sale of capital assets	-	-	331,202
Net nonoperating revenues (expenses)	<u>97,853</u>	<u>2,722,488</u>	<u>6,413,595</u>
Income (loss) before capital contributions, transfers and special item	(748,496)	4,361,804	8,347,757
Capital contributions	-	-	10,896,231
Transfers from other funds	-	-	2,932,571
Transfers to other funds	(9,090,629)	(3,105,180)	(19,842,648)
Special item - gain on disposal of operations	455,318	-	455,318
Change in net position	<u>(9,383,807)</u>	<u>1,256,624</u>	<u>2,789,229</u>
Net position, beginning of year	27,531,952	12,184,653	212,226,625
Net position, end of year	<u>\$ 18,148,145</u>	<u>\$ 13,441,277</u>	<u>\$ 215,015,854</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2021

	Refuse Utility	Disposal Utility	Municipal Airport
Cash flows from (for) operating activities			
Receipts from customers	\$ 12,338,329	\$ 26,265,323	\$ 2,126,324
Other cash receipts	-	-	-
Payments to employees	(4,548,388)	(8,658,579)	(1,159,858)
Payments to vendors	(4,017,610)	(4,926,853)	(1,143,713)
Payments for interfund services used	(1,388,289)	(1,408,611)	(584,113)
Net cash from (for) operating activities	<u>2,384,042</u>	<u>11,271,280</u>	<u>(761,360)</u>
Cash flows from (for) non-capital financing activities			
Intergovernmental revenue	-	-	362,768
Transfers to other funds	(506,341)	(7,068,794)	(71,704)
Due to other funds	-	5,108,069	-
Proceeds from installment sale	-	-	-
Net cash from (for) non-capital financing activities	<u>(506,341)</u>	<u>(1,960,725)</u>	<u>291,064</u>
Cash flows from (for) capital and related financing activities			
Principal payments on long-term obligations	-	(1,038,589)	-
Interest payments on long-term obligations	(178,659)	(499,249)	-
Acquisition and construction of capital assets	(17,805,521)	(30,815,551)	(5,905,016)
Interest subsidy on Build America Bonds	-	-	-
Transfers from other funds	-	2,932,571	-
Proceeds from issuance of debt	13,546,871	21,756,077	-
Proceeds from the sale or disposition of capital assets	15,090	337,100	-
Grant proceeds capital	12,587	-	-
Capital contributions	-	-	6,380,198
Receipts from disposal of operations	-	-	-
Net cash from (for) capital and related financing activities	<u>(4,409,632)</u>	<u>(7,327,641)</u>	<u>475,182</u>
Cash flows from investing activities			
Investment income received	4,819	2,725,143	9,966
Net cash from investing activities	<u>4,819</u>	<u>2,725,143</u>	<u>9,966</u>
Net increase (decrease) in cash	(2,527,112)	4,708,057	14,852
Cash, beginning of year	10,244,069	52,713,206	1,355,332
Cash, end of year	<u>7,716,957</u>	<u>57,421,263</u>	<u>1,370,184</u>
Cash	1,051	2,424	200
Cash and investments in central treasury	4,839,522	31,133,451	1,369,984
Capital acquisition and construction accounts	2,876,384	6,934,021	-
Restricted for proceeds from Electric Utility sale	-	-	-
Restricted for Landfill postclosure cash reserve	-	19,351,367	-
Restricted investments for operations	-	-	-
Cash, December 31	<u>\$ 7,716,957</u>	<u>\$ 57,421,263</u>	<u>\$ 1,370,184</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2021

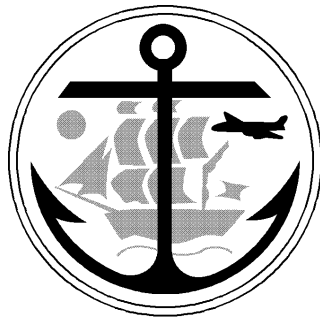
	Electric Utility	Anchorage Hydropower	Total Nonmajor Enterprise Funds
Cash flows from (for) operating activities			
Receipts from customers	\$ 9,204,055	\$ 2,015,130	\$ 51,949,161
Other cash receipts	-	505,217	505,217
Payments to employees	(14,199)	-	(14,381,024)
Payments to vendors	(1,886,679)	(225,419)	(12,200,274)
Payments for interfund services used	-	-	(3,381,013)
Net cash from (for) operating activities	<u>7,303,177</u>	<u>2,294,928</u>	<u>22,492,067</u>
Cash flows from (for) non-capital financing activities			
Intergovernmental revenue	-	-	362,768
Transfers to other funds	(9,090,629)	(3,105,180)	(19,842,648)
Due to other funds	-	-	5,108,069
Proceeds from installment sale	-	2,514,561	2,514,561
Net cash from (for) non-capital financing activities	<u>(9,090,629)</u>	<u>(590,619)</u>	<u>(11,857,250)</u>
Cash flows from (for) capital and related financing activities			
Principal payments on long-term obligations	-	-	(1,038,589)
Interest payments on long-term obligations	-	-	(677,908)
Acquisition and construction of capital assets	-	(487,253)	(55,013,341)
Interest subsidy on Build America Bonds	1,015,998	-	1,015,998
Transfers from other funds	-	-	2,932,571
Proceeds from issuance of debt	-	-	35,302,948
Proceeds from the sale or disposition of capital assets	-	-	352,190
Grant proceeds capital	-	-	12,587
Capital contributions	-	-	6,380,198
Receipts from disposal of operations	550,000	-	550,000
Net cash from (for) capital and related financing activities	<u>1,565,998</u>	<u>(487,253)</u>	<u>(10,183,346)</u>
Cash flows from investing activities			
Investment income received	97,853	24,828	2,862,609
Net cash from investing activities	<u>97,853</u>	<u>24,828</u>	<u>2,862,609</u>
Net increase (decrease) in cash	(123,601)	1,241,884	3,314,080
Cash, beginning of year	17,393,654	3,804,353	85,510,614
Cash, end of year	<u>17,270,053</u>	<u>5,046,237</u>	<u>88,824,694</u>
Cash	-	-	3,675
Cash and investments in central treasury	7,574,832	1,826,512	46,744,301
Capital acquisition and construction accounts	-	219,725	10,030,130
Restricted for proceeds from Electric Utility sale	9,695,221	-	9,695,221
Restricted for Landfill postclosure cash reserve	-	-	19,351,367
Restricted investments for operations	-	3,000,000	3,000,000
Cash, December 31	<u>\$ 17,270,053</u>	<u>\$ 5,046,237</u>	<u>\$ 88,824,694</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2021

	Refuse Utility		Disposal Utility		Municipal Airport
Reconciliation of operating income (loss) to net cash from (for) operating activities:					
Operating income (loss)	\$ 1,671,750	\$	3,313,124	\$	(3,843,679)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:					
Change in landfill closure liability	-		1,532,265		-
Depreciation and amortization	1,395,215		4,566,586		3,106,688
Pension and OPEB relief-noncash expense	(76,554)		(19,048)		(13,040)
Allowance for uncollectible accounts	-		-		-
Other revenues	-		-		-
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:					
Accounts receivable, net	(460,846)		418,306		(5,956)
Net OPEB asset	(1,500,737)		(331,784)		(236,599)
Prepaid items and deposits	1,024		2,736		711
Deferred outflows of resources related to pension	70,057		66,439		34,343
Deferred outflows of resources related to OPEB	108,141		51,520		29,674
Accounts payable and retainages	(11,870)		2,016,275		187,865
Accrued payroll liabilities	49,363		(21,635)		42
Compensated absences payable	(14,990)		(71,105)		(33,218)
Unearned revenue and deposits	12,365		(7,765)		59,125
Net pension liability	(544,765)		(630,210)		(318,985)
Net OPEB liability	(4,321)		(1,798)		(1,066)
Deferred inflows of resources related to pension	962,543		147,871		163,960
Deferred inflows of resources related to OPEB	727,667		239,503		108,775
Total cash from (for) operating activities	<u>2,384,042</u>		<u>11,271,280</u>		<u>(761,360)</u>
Noncash investing, capital, and financing activities:					
Capital purchases on account	2,821,576		2,606,848		28,667
Contributed capital and equipment	-		5,146,179		5,750,052
Disposal of assets and liabilities pursuant to sale of Electric Utility	-		-		-
Total noncash investing, capital, and financing activities	<u>\$ 2,821,576</u>	<u>\$</u>	<u>7,753,027</u>	<u>\$</u>	<u>5,778,719</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2021

	Electric Utility	Anchorage Hydropower	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash from (for)			
operating activities:			
Operating income (loss)	\$ (846,349)	\$ 1,639,316	\$ 1,934,162
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Change in landfill closure liability	-	-	1,532,265
Depreciation and amortization	-	237,744	9,306,233
Pension and OPEB relief-noncash expense	-	-	(108,642)
Allowance for uncollectible accounts	467,091	-	467,091
Other revenues	-	183,099	183,099
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:			
Accounts receivable, net	9,483,183	250,759	9,685,446
Net OPEB asset	-	-	(2,069,120)
Prepaid items and deposits	368,647	-	373,118
Deferred outflows of resources related to pension	-	-	170,839
Deferred outflows of resources related to OPEB	-	-	189,335
Accounts payable and retainages	(1,785,276)	(15,990)	391,004
Accrued payroll liabilities	(14,199)	-	13,571
Compensated absences payable	-	-	(119,313)
Unearned revenue and deposits	(369,920)	-	(306,195)
Net pension liability	-	-	(1,493,960)
Net OPEB liability	-	-	(7,185)
Deferred inflows of resources related to pension	-	-	1,274,374
Deferred inflows of resources related to OPEB	-	-	1,075,945
Total cash from (for) operating activities	<u>7,303,177</u>	<u>2,294,928</u>	<u>22,492,067</u>
Noncash investing, capital, and financing activities:			
Capital purchases on account	-	258,113	5,715,204
Contributed capital and equipment	-	-	10,896,231
Disposal of assets and liabilities pursuant to sale of Electric Utility	94,682	-	94,682
Total noncash investing, capital, and financing activities	<u>\$ 94,682</u>	<u>\$ 258,113</u>	<u>\$ 16,706,117</u>



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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis.

Three **Risk Management Funds** account for money received from other Municipal funds to pay for the costs of self-insurance claims in the following categories:

- General liability, automobile liability, workers' compensation
- Medical/Dental
- Unemployment compensation

The **Equipment Maintenance Fund** accounts for the management and maintenance of general government equipment and vehicles.

The **Information Technology Fund** accounts for management information services.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position (Deficit)
Internal Service Funds
December 31, 2021

	Risk Management		
	General Liability/ Workers' Compensation	Medical/ Dental	Unemployment Compensation
Assets			
Current assets:			
Cash and investments in central treasury	\$ 12,950,670	\$ 36,748,351	\$ 3,341,189
Equity in bond and grant capital acquisition and construction pool	-	-	-
Receivables (net of allowance for uncollectibles)	16,793	-	-
Inventories	-	-	-
Prepaid items and deposits	785,060	-	-
Total current assets	<u>13,752,523</u>	<u>36,748,351</u>	<u>3,341,189</u>
Noncurrent assets:			
Advances to other funds	5,811,513	91,595	-
Net OPEB asset	211,633	-	-
Capital assets, net	-	-	-
Total noncurrent assets	<u>6,023,146</u>	<u>91,595</u>	<u>-</u>
Total assets	<u>19,775,669</u>	<u>36,839,946</u>	<u>3,341,189</u>
Deferred Outflows of Resources			
Related to pension	26,978	-	-
Related to OPEB	4,724	-	-
Total deferred outflows of resources	<u>31,702</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>19,807,371</u>	<u>36,839,946</u>	<u>3,341,189</u>
Liabilities			
Current liabilities:			
Accounts payable and retainages	8	228,781	-
Accrued payroll liabilities	13,944	12,814	-
Capital acquisition and construction accounts and retainage payable	-	-	-
Compensated absences	32,218	16,963	-
Claims payable and incurred but not reported	20,888,098	6,127,409	93,496
Due to other funds	-	-	-
Accrued interest payable	-	-	-
Long-term obligations maturing within one year	-	-	-
Total current liabilities	<u>20,934,268</u>	<u>6,385,967</u>	<u>93,496</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	7,489	30,631	-
Capital leases payable	-	-	-
Claims payable and incurred but not reported	7,771,841	-	-
Net pension liability	291,943	-	-
Total noncurrent liabilities	<u>8,071,273</u>	<u>30,631</u>	<u>-</u>
Total liabilities	<u>29,005,541</u>	<u>6,416,598</u>	<u>93,496</u>
Deferred Inflows of Resources			
Related to pension	116,420	-	-
Related to OPEB	112,021	-	-
Total deferred inflows of resources	<u>228,441</u>	<u>-</u>	<u>-</u>
Net Position (Deficit)			
Net investment in capital assets	-	-	-
Unrestricted (deficit)	(9,426,611)	30,423,348	3,247,693
Total net position (deficit)	<u>(9,426,611)</u>	<u>30,423,348</u>	<u>3,247,693</u>
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 19,807,371</u>	<u>\$ 36,839,946</u>	<u>\$ 3,341,189</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position (Deficit)
Internal Service Funds
December 31, 2021

Assets	Equipment Maintenance	Information Technology	Total Internal Service Funds
Current assets:			
Cash and investments in central treasury	\$ 1,156,514	\$ -	\$ 54,196,724
Equity in bond and grant capital acquisition and construction pool	7,985,123	-	7,985,123
Receivables (net of allowance for uncollectibles)	21,932	-	38,725
Inventories	455,221	-	455,221
Prepaid items and deposits	-	1,851,940	2,637,000
Total current assets	9,618,790	1,851,940	65,312,793
Noncurrent assets:			
Advances to other funds	-	-	5,903,108
Net OPEB asset	2,049,617	3,434,070	5,695,320
Capital assets, net	16,622,113	55,986,822	72,608,935
Total noncurrent assets	18,671,730	59,420,892	84,207,363
Total assets	28,290,520	61,272,832	149,520,156
Deferred Outflows of Resources			
Related to pension	261,280	437,767	726,025
Related to OPEB	45,756	76,662	127,142
Total deferred outflows of resources	307,036	514,429	853,167
Total assets and deferred outflows of resources	28,597,556	61,787,261	150,373,323
Liabilities			
Current liabilities:			
Accounts payable and retainages	251,954	1,648,112	2,128,855
Accrued payroll liabilities	165,809	390,455	583,022
Capital acquisition and construction accounts and retainage payable	31,119	175,731	206,850
Compensated absences	219,309	534,019	802,509
Claims payable and incurred but not reported	-	-	27,109,003
Due to other funds	85,000	25,145,039	25,230,039
Accrued interest payable	-	152,653	152,653
Long-term obligations maturing within one year	-	8,121,512	8,121,512
Total current liabilities	753,191	36,167,521	64,334,443
Noncurrent liabilities:			
Advances from other funds	935,000	-	935,000
Compensated absences	-	209,820	247,940
Capital leases payable	-	14,095,908	14,095,908
Claims payable and incurred but not reported	-	-	7,771,841
Net pension liability	2,827,401	4,737,224	7,856,568
Total noncurrent liabilities	3,762,401	19,042,952	30,907,257
Total liabilities	4,515,592	55,210,473	95,241,700
Deferred Inflows of Resources			
Related to pension	1,127,504	1,889,099	3,133,023
Related to OPEB	1,084,897	1,817,712	3,014,630
Total deferred inflows of resources	2,212,401	3,706,811	6,147,653
Net Position (Deficit)			
Net investment in capital assets	16,590,994	33,593,671	50,184,665
Unrestricted (deficit)	5,278,569	(30,723,694)	(1,200,695)
Total net position (deficit)	21,869,563	2,869,977	48,983,970
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 28,597,556	\$ 61,787,261	\$ 150,373,323

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)
Internal Service Funds
For the year ended December 31, 2021

	Risk Management		
	General Liability/ Workers' Compensation	Medical/ Dental	Unemployment Compensation
Operating revenues			
Charges for sales and services	\$ 12,092,642	\$ 55,001,995	\$ 515,962
Other	9,363	520,663	-
Total operating revenues	<u>12,102,005</u>	<u>55,522,658</u>	<u>515,962</u>
Operating expenses			
Operations	16,396,536	50,378,447	182,308
Depreciation and amortization	-	-	-
Total operating expenses	<u>16,396,536</u>	<u>50,378,447</u>	<u>182,308</u>
Operating income (loss)	<u>(4,294,531)</u>	<u>5,144,211</u>	<u>333,654</u>
Nonoperating revenues (expenses)			
Intergovernmental revenue	(9,259)	-	-
Investment income (loss)	402,897	189,844	15,969
Other revenues	-	-	-
Other expenses	-	-	-
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Net nonoperating revenues (expenses)	<u>393,638</u>	<u>189,844</u>	<u>15,969</u>
Income (loss) before capital contributions and transfers	(3,900,893)	5,334,055	349,623
Capital contributions	-	-	-
Transfers from other funds	1,043,473	-	-
Change in net position	<u>(2,857,420)</u>	<u>5,334,055</u>	<u>349,623</u>
Net position (deficit), beginning of year	<u>(6,569,191)</u>	<u>25,089,293</u>	<u>2,898,070</u>
Net position (deficit), end of year	<u>\$ (9,426,611)</u>	<u>\$ 30,423,348</u>	<u>\$ 3,247,693</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)
Internal Service Funds
For the year ended December 31, 2021

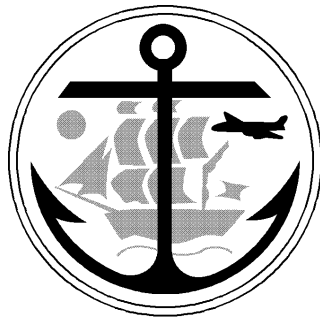
	Equipment Maintenance	Information Technology	Total Internal Service Funds
Operating revenues			
Charges for sales and services	\$ 11,148,293	\$ 26,113,593	\$ 104,872,485
Other	-	-	530,026
Total operating revenues	11,148,293	26,113,593	105,402,511
Operating expenses			
Operations	8,311,112	15,539,537	90,807,940
Depreciation and amortization	3,313,759	10,236,829	13,550,588
Total operating expenses	11,624,871	25,776,366	104,358,528
Operating income (loss)	(476,578)	337,227	1,043,983
Nonoperating revenues (expenses)			
Intergovernmental revenue	(89,674)	(150,246)	(249,179)
Investment income (loss)	39,905	(789,219)	(140,604)
Other revenues	101,034	9,345	110,379
Other expenses	-	(10,750)	(10,750)
Interest expense	(31,872)	(729,498)	(761,370)
Loss on sale of capital assets	(47,381)	(60,156)	(107,537)
Net nonoperating revenues (expenses)	(27,988)	(1,730,524)	(1,159,061)
Income (loss) before capital contributions and transfers	(504,566)	(1,393,297)	(115,078)
Capital contributions	1,519,838	-	1,519,838
Transfers from other funds	526,200	3,099,466	4,669,139
Change in net position	1,541,472	1,706,169	6,073,899
Net position (deficit), beginning of year	20,328,091	1,163,808	42,910,071
Net position (deficit), end of year	\$ 21,869,563	\$ 2,869,977	\$ 48,983,970

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2021

	Risk Management		
	General Liability/ Workers' Compensation	Medical/ Dental	Unemployment Compensation
Cash flows from (for) operating activities			
Receipts for interfund services provided	\$ 12,100,721	\$ 55,522,658	\$ 515,962
Payments to employees	(552,957)	(343,257)	-
Payments to vendors	(11,448,068)	(49,694,475)	(171,007)
Payments for interfund services used	(1,226,503)	(70,953)	-
Net cash from (for) operating activities	<u>(1,126,807)</u>	<u>5,413,973</u>	<u>344,955</u>
Cash flows from non-capital financing activities			
Transfers from other funds	1,043,473	-	-
Due to other funds	-	-	-
Advance to other funds	396,397	38,436	-
Net cash from non-capital financing activities	<u>1,439,870</u>	<u>38,436</u>	<u>-</u>
Cash flows from (for) capital and related financing activities			
Principal payments on long-term obligations	-	-	-
Interest payments on long-term obligations	-	-	-
Acquisition and construction of capital assets	-	-	-
Transfers from other funds	-	-	-
Principal payments on interfund loans	-	-	-
Interest payments on interfund loans	-	-	-
Proceeds from issuance of debt	-	-	-
Proceeds from the sale or disposition of capital assets	-	-	-
Capital Contributions	-	-	-
Net cash (for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from (for) investing activities			
Investment income (loss)	402,897	189,844	15,969
Net cash from (for) investing activities	<u>402,897</u>	<u>189,844</u>	<u>15,969</u>
Net increase in cash	715,960	5,642,253	360,924
Cash, beginning of year	12,234,710	31,106,098	2,980,265
Cash, end of year	<u>12,950,670</u>	<u>36,748,351</u>	<u>3,341,189</u>
Cash and investments in central treasury	12,950,670	36,748,351	3,341,189
Equity in bond and capital acquisition and construction accounts	-	-	-
Cash, December 31	<u>\$ 12,950,670</u>	<u>\$ 36,748,351</u>	<u>\$ 3,341,189</u>
Reconciliation of operating income (loss) to net cash from (for) operating activities:			
Operating income (loss)	\$ (4,294,531)	\$ 5,144,211	\$ 333,654
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Depreciation and amortization	-	-	-
Pension and OPEB relief-noncash expense	(9,259)	-	-
Other revenues	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:			
Accounts receivable, net	(1,284)	-	-
Prepaid items and deposits	(22,155)	-	-
Inventories	-	-	-
Net OPEB asset	(205,853)	-	-
Deferred outflows of resources related to pension	(20,174)	-	-
Deferred outflows of resources related to OPEB	(1,307)	-	-
Accounts payable and retainages	(21)	(169,678)	-
Accrued payroll liabilities	1,594	8,843	-
Compensated absences payable	(7,251)	(1,308)	-
Unearned revenue and deposits	-	-	-
Claims payable	2,986,431	431,905	11,301
Net pension liability	223,270	-	-
Net OPEB liability	(100)	-	-
Deferred inflows of resources related to pension	116,420	-	-
Deferred inflows of resources related to OPEB	107,413	-	-
Total cash from (for) operating activities	<u>(1,126,807)</u>	<u>5,413,973</u>	<u>344,955</u>
Noncash investing, capital, and financing activities:			
Capital purchases on account	-	-	-
Contributed capital and equipment	-	-	-
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2021

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Cash flows from (for) operating activities			
Receipts for interfund services provided	\$ 11,175,770	\$ 26,113,593	\$ 105,428,704
Payments to employees	(4,785,902)	(10,494,424)	(16,176,540)
Payments to vendors	(2,193,546)	(6,367,972)	(69,875,068)
Payments for interfund services used	(1,847,729)	(790,324)	(3,935,509)
Net cash from (for) operating activities	<u>2,348,593</u>	<u>8,460,873</u>	<u>15,441,587</u>
Cash flows from non-capital financing activities			
Transfers from other funds	-	-	1,043,473
Due to other funds	-	2,204,224	2,204,224
Advance to other funds	-	-	434,833
Net cash from non-capital financing activities	<u>-</u>	<u>2,204,224</u>	<u>3,682,530</u>
Cash flows from (for) capital and related financing activities			
Principal payments on long-term obligations	-	(10,238,914)	(10,238,914)
Interest payments on long-term obligations	-	(803,656)	(803,656)
Acquisition and construction of capital assets	(1,315,423)	(2,557,848)	(3,873,271)
Transfers from other funds	526,200	3,099,466	3,625,666
Principal payments on interfund loans	(85,000)	-	(85,000)
Interest payments on interfund loans	(31,872)	-	(31,872)
Proceeds from issuance of debt	-	625,074	625,074
Proceeds from the sale or disposition of capital assets	(1,456,185)	-	(1,456,185)
Capital Contributions	1,519,838	-	1,519,838
Net cash (for) capital and related financing activities	<u>(842,442)</u>	<u>(9,875,878)</u>	<u>(10,718,320)</u>
Cash flows from (for) investing activities			
Investment income (loss)	39,905	(789,219)	(140,604)
Net cash from (for) investing activities	<u>39,905</u>	<u>(789,219)</u>	<u>(140,604)</u>
Net increase in cash	1,546,056	-	8,265,193
Cash, beginning of year	7,595,581	-	53,916,654
Cash, end of year	<u>9,141,637</u>	<u>-</u>	<u>62,181,847</u>
Cash and investments in central treasury	1,156,514	-	54,196,724
Equity in bond and capital acquisition and construction accounts	7,985,123	-	7,985,123
Cash, December 31	<u>\$ 9,141,637</u>	<u>\$ -</u>	<u>\$ 62,181,847</u>
Reconciliation of operating income (loss) to net cash from (for) operating activities:			
Operating income (loss)	\$ (476,578)	\$ 337,227	\$ 1,043,983
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Depreciation and amortization	3,313,759	10,236,829	13,550,588
Pension and OPEB relief-noncash expense	(89,674)	(150,246)	(249,179)
Other revenues	101,034	9,345	110,379
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:			
Accounts receivable, net	(21,932)	-	(23,216)
Prepaid items and deposits	-	475,381	453,226
Inventories	(23,396)	-	(23,396)
Net OPEB asset	(1,751,669)	(2,709,778)	(4,667,300)
Deferred outflows of resources related to pension	89,441	414,813	484,080
Deferred outflows of resources related to OPEB	130,378	351,510	480,581
Accounts payable and retainages	(72,042)	317,479	75,738
Accrued payroll liabilities	1,397	(7,244)	4,590
Compensated absences payable	(57,627)	(63,028)	(129,214)
Unearned revenue and deposits	(51,625)	-	(51,625)
Claims payable	-	-	3,429,637
Net pension liability	(712,587)	(3,868,267)	(4,357,584)
Net OPEB liability	(5,170)	(12,569)	(17,839)
Deferred inflows of resources related to pension	1,127,504	1,889,099	3,133,023
Deferred inflows of resources related to OPEB	847,380	1,240,322	2,195,115
Total cash from (for) operating activities	<u>2,348,593</u>	<u>8,460,873</u>	<u>15,441,587</u>
Noncash investing, capital, and financing activities:			
Capital purchases on account	31,119	175,731	206,850
Contributed capital and equipment	1,519,838	-	1,519,838
Total noncash investing, capital, and financing activities	<u>\$ 1,550,957</u>	<u>\$ 175,731</u>	<u>\$ 1,726,688</u>



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FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

The **Police and Fire Retirement Trust Funds** account for the contributions, revenues, expenses and distributions of the three Municipal Police and Fire Retirement Plans.

The **Police and Fire Retiree Medical Trust Funds** account for contributions and distributions on behalf of the Police and Fire retirees who are eligible for the plan covered by the Trust.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Fiduciary Funds
December 31, 2021

	Police and Fire Retirement Trust Funds			
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total
Assets				
Cash and cash equivalents	\$ 36,245	\$ 29,277	\$ 126,428	\$ 191,950
Securities lending collateral	1,299,000	1,049,276	4,531,064	6,879,340
Accrued interest	122,326	98,809	426,686	647,821
Investments:				
Money market funds	740,892	598,462	2,584,323	3,923,677
Certificate of deposit	-	-	-	-
U.S. treasuries	-	-	-	-
U.S. agencies	-	-	-	-
Corporate fixed income securities	14,752,922	11,916,780	51,459,934	78,129,636
Fixed income funds	-	-	-	-
International fixed income funds	-	-	-	-
Domestic equity securities	32,447,013	26,209,309	113,179,005	171,835,327
International equity securities	18,975,507	15,327,603	66,188,807	100,491,917
Real estate funds	10,963,225	8,855,625	38,241,022	58,059,872
Total investments	<u>77,879,559</u>	<u>62,907,779</u>	<u>271,653,091</u>	<u>412,440,429</u>
Capital assets, net	397	321	1,385	2,103
Total assets	<u>79,337,527</u>	<u>64,085,462</u>	<u>276,738,654</u>	<u>420,161,643</u>
Liabilities				
Accounts payable and accrued expenses	12,573	10,156	43,856	66,585
Payable under securities lending program	1,299,000	1,049,276	4,531,064	6,879,340
Total liabilities	<u>1,311,573</u>	<u>1,059,432</u>	<u>4,574,920</u>	<u>6,945,925</u>
Net Position				
Restricted for:				
Pensions	78,025,954	63,026,030	272,163,734	413,215,718
Postemployment benefits other than pensions	-	-	-	-
Total net position	<u>\$ 78,025,954</u>	<u>\$ 63,026,030</u>	<u>\$ 272,163,734</u>	<u>\$ 413,215,718</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Fiduciary Funds
December 31, 2021

Police and Fire Retiree Medical Trust Fund

	Police/Fire Medical Group	Gentile Medical Group	Total	Total Fiduciary Funds
Assets				
Cash and cash equivalents	\$ 881	\$ -	\$ 881	\$ 192,831
Securities lending collateral	-	-	-	6,879,340
Accrued interest	46,486	-	46,486	694,307
Investments:				
Money market funds	1,588,647	-	1,588,647	5,512,324
Certificate of deposit	7,050,433	-	7,050,433	7,050,433
U.S. treasuries	5,022,664	-	5,022,664	5,022,664
U.S. agencies	4,236,527	-	4,236,527	4,236,527
Corporate fixed income securities	-	-	-	78,129,636
Fixed income funds	1,227,841	-	1,227,841	1,227,841
International fixed income funds	374,000	-	374,000	374,000
Domestic equity securities	2,416,584	-	2,416,584	174,251,911
International equity securities	1,552,770	-	1,552,770	102,044,687
Real estate funds	-	-	-	58,059,872
Total investments	<u>23,469,466</u>	<u>-</u>	<u>23,469,466</u>	<u>435,909,895</u>
Capital assets, net	-	-	-	2,103
Total assets	<u>23,516,833</u>	<u>-</u>	<u>23,516,833</u>	<u>443,678,476</u>
Liabilities				
Accounts payable and accrued expenses	11,826	-	11,826	78,411
Payable under securities lending program	-	-	-	6,879,340
Total liabilities	<u>11,826</u>	<u>-</u>	<u>11,826</u>	<u>6,957,751</u>
Net Position				
Restricted for:				
Pensions	-	-	-	413,215,718
Postemployment benefits other than pensions	23,505,007	-	23,505,007	23,505,007
Total net position	<u>\$ 23,505,007</u>	<u>\$ -</u>	<u>\$ 23,505,007</u>	<u>\$ 436,720,725</u>

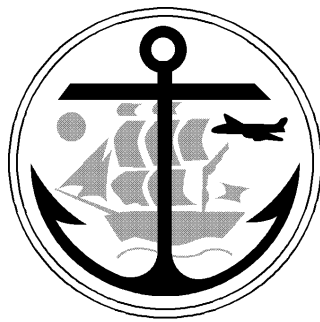
MUNICIPALITY OF ANCHORAGE, ALASKA
 Combining Statement of Changes in Net Position
 Fiduciary Funds
 For the year ended December 31, 2021

	Police and Fire Retirement Trust Funds			Total
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	
Additions				
Contributions from the Municipality	\$ -	\$ -	\$ -	-
Contributions from plan members	-	-	52,169	52,169
Investment income:				
Interest	338,682	272,161	1,166,177	1,777,020
Dividends	670,234	538,713	2,309,108	3,518,055
Net increase in fair value of investments	9,583,145	7,694,135	32,925,588	50,202,868
Less: investment expense	(382,205)	(307,075)	(1,315,379)	(2,004,659)
Net investment income	<u>10,209,856</u>	<u>8,197,934</u>	<u>35,085,494</u>	<u>53,493,284</u>
Total additions	<u>10,209,856</u>	<u>8,197,934</u>	<u>35,137,663</u>	<u>53,545,453</u>
Deductions				
Regular benefit payments	7,895,229	5,635,913	19,589,758	33,120,900
Administrative expenses	130,121	104,609	447,964	682,694
Total deductions	<u>8,025,350</u>	<u>5,740,522</u>	<u>20,037,722</u>	<u>33,803,594</u>
Change in fiduciary net position	2,184,506	2,457,412	15,099,941	19,741,859
Net position, beginning of year	75,841,448	60,568,618	257,063,793	393,473,859
Net position, end of year	<u>\$ 78,025,954</u>	<u>\$ 63,026,030</u>	<u>\$ 272,163,734</u>	<u>\$ 413,215,718</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2021

Police and Fire Retiree Medical Trust Fund

	Police/Fire Medical Group	Gentile Medical Group	Total	Total Fiduciary Funds
Additions				
Contributions from the Municipality	\$ 3,672,522	\$ -	\$ 3,672,522	\$ 3,672,522
Contributions from plan members	-	-	-	52,169
Investment income:				
Interest	(1,885)	-	(1,885)	1,775,135
Dividends	391,993	-	391,993	3,910,048
Net increase in fair value of investments	117,684	-	117,684	50,320,552
Less: investment expense	(17,623)	-	(17,623)	(2,022,282)
Net investment income	490,169	-	490,169	53,983,453
Total additions	4,162,691	-	4,162,691	57,708,144
Deductions				
Regular benefit payments	3,398,805	-	3,398,805	36,519,705
Administrative expenses	78,007	-	78,007	760,701
Total deductions	3,476,812	-	3,476,812	37,280,406
Change in fiduciary net position	685,879	-	685,879	20,427,738
Net position, beginning of year	22,819,128	-	22,819,128	416,292,987
Net position, end of year	\$ 23,505,007	\$ -	\$ 23,505,007	\$ 436,720,725



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STATISTICAL SECTION

The **Financial Trend Data** presented in Tables 1-6 is provided to help understand and assess how our financial position has changed over the past ten years.

The **Revenue Capacity Data** presented in Tables 7-12 is provided to help understand and assess our ability to generate own-source revenues, such as property taxes.

The **Debt Capacity Data** presented in Tables 13-17 is provided to help understand and assess our debt burden and ability to issue additional debt in the future.

The **Demographic and Economic Information** presented in Tables 18-19 is provided to help understand our demographic and economic environment and facilitate comparisons of financial statement information over time.

The **Operating Information** presented in Tables 20-21 is provided to help understand our operations and resources as well as provide a context for understanding and assessing our economic condition.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

Table 1

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	As Restated 2015	As Restated 2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 2,861,866,405	\$ 2,863,992,898	\$ 2,857,704,423	\$ 2,846,124,341	\$ 2,903,190,855	\$ 2,809,346,703	\$ 2,753,762,553	\$ 2,712,415,165	\$ 2,711,369,340	\$ 2,645,091,616
Restricted	566,720,410	522,188,588	276,280,687	248,671,058	251,415,621	246,631,274	252,408,288	226,230,204	221,075,432	206,054,665
Unrestricted (deficit)	(497,271,738)	(462,429,644)	(472,599,604)	(607,291,203)	(325,576,279)	(273,896,524)	(185,258,144)	135,703,277	108,779,489	123,707,347
Total governmental activities net position	2,931,315,077	2,923,751,842	2,661,385,506	2,587,504,196	2,829,030,197	2,782,081,453	2,820,912,697	3,074,348,646	3,041,224,261	2,974,843,618
Business-type activities:										
Net investment in capital assets	696,239,152	647,839,865	795,169,631	700,723,217	669,846,289	639,217,895	613,548,627	629,847,882	493,665,151	525,892,917
Restricted	29,079,836	44,884,003	45,278,475	33,783,359	32,789,940	30,709,991	24,846,151	22,000,520	77,596,655	184,402,233
Unrestricted	100,042,546	85,750,948	132,196,138	141,040,698	132,599,711	105,289,700	90,520,085	103,208,314	153,743,558	48,518,687
Total business-type activities net position	825,361,534	778,474,816	972,644,244	875,547,274	835,235,940	775,217,586	729,914,863	755,056,716	725,005,364	758,813,837
Total primary government:										
Net investment in capital assets	3,558,105,557	3,511,832,763	3,652,874,054	3,546,847,558	3,573,037,144	3,448,564,598	3,367,311,180	3,269,933,535	3,205,034,491	3,170,974,533
Restricted	595,800,246	567,072,591	321,559,162	282,454,417	284,205,561	277,341,265	277,254,439	286,892,971	298,672,087	390,456,888
Unrestricted (deficit)	(397,229,192)	(376,678,696)	(340,403,466)	(366,250,505)	(192,976,568)	(168,606,824)	(94,738,059)	209,403,119	262,523,047	172,226,034
Total primary government net position	\$ 3,756,676,611	\$ 3,702,226,658	\$ 3,634,029,750	\$ 3,463,051,470	\$ 3,664,266,137	\$ 3,557,299,039	\$ 3,549,827,560	\$ 3,829,405,362	\$ 3,766,229,625	\$ 3,733,657,455

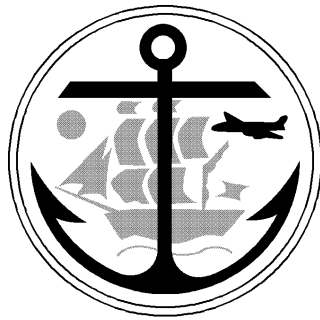
Notes:

In 2020, the Municipality sold the Electric Utility to Chugach Electric Association (CEA), which caused a significant decrease in the business-type activities net position. The sale resulted in a large deposit of proceeds in the MOA Trust Fund, which caused a large increase in restricted net position for the governmental activities.

In 2018, the Municipality implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", which added significant liabilities to the Statement of Net Position. These liabilities caused a large swing in Unrestricted Net Position for Governmental Activities.

In 2015, the Municipality implemented GASB 68 "Accounting and Reporting for Pension Plans", which added significant liabilities to the Statement of Net Position. These liabilities caused a large swing in Unrestricted Net Position for Governmental Activities.

Source: Municipality of Anchorage, Finance Department



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MUNICIPALITY OF ANCHORAGE, ALASKA

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	As Restated 2015	As Restated 2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 29,329,903	\$ 42,803,323	\$ 30,451,921	\$ 30,186,742	\$ 28,136,062	\$ 31,777,644	\$ 29,239,850	\$ 28,921,894	\$ 23,954,989	\$ 21,709,649
Fire services	107,392,772	142,704,738	104,391,175	114,239,639	120,767,761	127,750,790	128,860,990	112,672,964	105,134,071	96,285,981
Police services	131,989,568	169,314,251	130,800,420	146,507,459	143,011,770	146,997,658	149,235,914	129,723,388	127,840,572	118,098,035
Health and human services	130,779,416	81,179,458	27,192,219	25,088,173	29,657,409	27,028,516	25,915,204	26,688,108	24,620,859	25,029,632
Economic and community development	181,820,828	159,026,762	78,808,553	91,304,455	92,031,067	78,163,980	74,741,068	78,793,403	68,950,920	78,494,540
Public transportation	35,048,892	35,518,875	33,695,445	35,083,499	36,955,189	37,258,533	36,621,802	36,937,350	35,985,169	34,906,057
Public works	51,399,082	50,789,353	39,263,751	36,192,471	73,918,843	91,116,000	90,595,542	111,694,584	99,892,660	85,163,740
Maintenance and operations of roads and facilities	37,998,624	40,095,055	35,070,916	36,718,349	36,933,039	36,994,141	35,416,462	35,860,531	34,057,619	47,777,794
Education	293,429,596	269,957,290	247,223,433	247,167,935	247,406,848	243,841,632	240,239,749	240,752,791	241,279,103	238,519,174
Interest on long-term debt	14,516,196	14,152,203	22,112,910	16,803,796	21,607,955	22,793,843	19,782,373	24,517,693	25,530,454	26,120,599
Total governmental activities expenses	1,013,684,877	1,005,541,308	749,010,743	799,292,518	830,425,943	843,722,737	830,648,954	828,542,686	787,246,416	772,105,201
Business-type activities:										
Electric	937,141	126,193,353	153,284,121	153,787,566	165,063,796	171,654,101	152,868,514	123,896,740	109,982,575	110,603,719
Water	43,183,928	44,764,464	42,939,018	44,588,586	43,805,910	47,332,911	44,769,187	40,796,522	39,520,676	40,675,916
Wastewater	44,816,801	48,086,356	44,634,405	42,696,104	41,681,971	43,372,095	42,494,673	37,609,422	36,466,069	35,200,590
Port	21,570,735	20,051,483	18,201,895	20,818,360	18,092,680	21,755,534	26,544,273	16,657,324	12,346,924	11,840,713
Refuse	11,258,138	11,145,858	10,573,370	10,978,243	9,254,420	9,997,351	9,109,248	8,566,651	8,649,190	8,644,522
Disposal	22,705,066	25,431,862	19,198,334	23,007,777	20,478,900	19,913,585	21,710,342	18,124,824	18,285,807	18,973,897
Municipal Airport	5,908,421	5,178,888	3,922,654	4,431,211	4,659,241	4,636,998	5,475,101	3,701,188	3,632,872	4,196,663
Anchorage Hydropower	447,173	63,727	63,727	-	-	-	-	-	-	-
Total business-type expenses	150,827,403	280,915,991	292,753,797	300,307,847	303,036,918	318,662,575	302,971,338	249,352,671	228,884,113	230,135,980
Total primary government expenses	1,164,512,280	1,286,457,299	1,041,764,540	1,099,600,365	1,133,462,861	1,162,385,312	1,133,620,292	1,075,895,357	1,016,130,529	1,002,241,181
Program revenues: (see also Table 3)										
Governmental activities:										
Charges for services:										
General government	5,795,407	10,842,209	8,202,007	6,953,798	7,463,058	7,397,112	7,085,977	7,264,871	7,901,979	7,306,404
Fire services	12,104,078	10,293,992	11,456,717	11,806,583	11,723,566	11,218,269	12,282,488	11,174,742	8,547,852	8,347,086
Police services	16,553,343	14,622,179	15,515,328	14,703,037	13,849,906	11,883,107	13,601,445	14,623,458	14,481,855	14,227,237
Health and human services	1,429,070	1,855,952	2,695,832	2,405,510	2,344,942	2,606,170	2,798,396	2,803,642	2,411,024	2,932,137
Economic and community development	12,828,663	11,263,500	13,159,269	11,968,430	11,688,921	2,566,183	4,200,935	4,689,244	4,498,090	5,036,711
Public transportation	2,747,684	2,368,220	4,012,257	3,867,693	7,088,924	4,387,796	4,804,523	5,243,968	5,227,218	5,140,290
Public works	899,057	707,413	986,864	657,793	1,012,340	9,421,991	12,821,050	14,389,898	12,770,454	14,426,299
Maintenance and operations of roads and facilities	319,797	104,525	206,532	178,093	171,680	318,988	233,380	645,552	367,072	170,343
Total charges for services revenues	52,677,269	52,057,990	56,234,806	52,540,806	55,343,337	49,799,616	57,828,194	60,835,375	56,205,544	57,586,506
Operating grants and contributions	149,004,224	207,394,168	25,374,398	38,139,130	44,734,752	32,198,909	41,331,023	94,699,088	70,455,494	76,838,701
Capital grants and contributions	6,595,335	19,056,084	19,648,745	18,527,333	84,936,667	80,818,695	104,864,898	84,027,472	94,316,487	61,810,688
Total governmental activities program revenues	208,276,828	278,508,242	101,257,949	109,207,400	185,014,756	162,817,220	204,024,115	239,561,935	220,977,525	196,235,895
Business-type activities:										
Charges for services:										
Operating grants and contributions	192,846,381	305,153,257	346,225,610	348,342,158	352,319,381	344,715,159	329,065,077	303,945,145	274,454,359	279,360,413
Operating grants and contributions	184,210	1,726,146	(671,399)	1,342,888	1,688,418	1,682,042	958,210	260,620	121,173	116,452
Capital grants and contributions	36,083,121	51,910,346	49,779,931	28,512,750	22,794,161	23,034,786	11,490,032	5,021,006	6,634,793	8,797,587
Total business-type activities revenues	229,113,712	358,789,749	395,334,142	378,197,796	376,801,960	369,431,987	341,513,319	309,226,771	281,210,325	288,274,452
Total primary government program revenues	437,390,540	637,297,991	496,592,091	487,405,196	561,816,716	532,249,207	545,537,434	548,788,706	502,187,850	484,510,347
Net (Expense)/Revenue										
Governmental activities	(805,408,049)	(727,033,066)	(647,752,794)	(690,085,118)	(645,411,187)	(680,905,517)	(626,624,839)	(566,980,751)	(566,268,891)	(575,869,306)
Business-type activities	78,286,309	77,873,758	102,580,345	77,889,949	73,765,042	50,769,412	38,541,981	59,874,100	52,326,212	58,138,472
Total primary government net expense	\$ (727,121,740)	\$ (649,159,308)	\$ (545,172,449)	\$ (612,195,169)	\$ (571,646,145)	\$ (630,136,105)	\$ (588,082,858)	\$ (527,106,651)	\$ (513,942,679)	\$ (517,730,834)

MUNICIPALITY OF ANCHORAGE, ALASKA
 Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	As Restated 2018	2017	2016	As Restated 2015	As Restated 2014	2013	2012
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 612,857,898	\$ 587,740,416	\$ 558,102,448	\$ 554,032,277	\$ 557,174,206	\$ 528,814,024	\$ 497,351,213	\$ 483,148,928	\$ 490,581,658	\$ 490,581,658
Motor vehicle taxes	17,716,082	13,988,622	17,638,412	16,963,827	17,224,364	17,394,515	17,366,210	16,652,166	15,980,553	15,980,553
Hotel and motel taxes	29,116,727	12,708,781	30,895,474	27,677,314	25,666,253	24,920,069	26,083,585	25,002,097	22,988,779	23,013,548
Alcoholic beverages taxes	13,978,818	-	-	-	-	-	-	-	-	-
Tobacco taxes	20,266,292	19,144,028	19,871,214	20,002,707	20,377,976	22,281,630	24,100,565	21,950,759	22,790,309	22,219,610
Marijuana taxes	5,747,044	5,311,395	4,083,340	3,061,091	-	-	-	-	-	-
Fuel products taxes	12,248,823	11,701,377	13,470,167	11,672,250	-	-	-	-	-	-
Assessments in lieu of taxes	14,058,953	3,575,052	3,463,769	3,382,960	3,441,656	3,189,013	3,124,513	3,052,584	3,135,217	3,050,828
Grants and entitlements not restricted to specific programs	1,716,231	375,000	4,557,777	6,095,769	7,783,616	9,280,122	14,042,608	14,831,485	14,697,818	21,154,092
Investment earnings (loss)	49,824,225	41,017,266	42,130,512	(6,687,122)	32,363,010	13,403,562	1,877,744	12,510,253	28,258,065	24,297,147
Transfers	35,440,191	293,837,465	27,420,991	29,699,791	28,328,850	22,791,338	32,627,024	28,040,535	26,901,318	26,571,906
Special item - HLB land sale gain	-	-	-	-	-	-	-	-	4,076,934	-
Total governmental activities	812,971,284	989,399,402	721,634,104	665,900,864	692,359,931	642,074,273	628,945,186	620,105,136	632,649,534	626,879,342
Business-type activities:										
Investment income	3,585,282	15,437,679	21,937,616	3,421,654	7,832,162	5,724,649	4,067,761	4,539,450	2,089,947	5,562,131
Other	-	-	-	-	6,750,000	12,600,000	-	-	-	-
Transfers	(35,440,191)	(293,837,465)	(27,420,991)	(29,699,791)	(28,328,850)	(22,791,338)	(32,627,024)	(28,040,535)	(26,901,318)	(26,571,906)
Special item - ANWU land purchase	-	-	-	-	-	-	-	-	238,737	-
Special item - Electric utility sale gain	-	-	-	-	-	-	-	-	-	-
Extraordinary item - Port PIEP impairment	455,318	6,356,600	-	-	-	-	-	-	-	-
Total business-type activities	(31,399,591)	(272,043,186)	(5,483,375)	(26,278,137)	(13,746,688)	(4,468,689)	(28,559,263)	(23,501,085)	(66,134,685)	(21,009,775)
Total primary government	781,571,693	717,356,216	716,150,729	639,622,727	678,613,243	637,607,584	600,385,923	596,604,051	546,514,849	605,869,567
Change in net position:										
Governmental activities	7,563,235	262,366,336	73,881,310	(24,184,254)	46,948,744	(38,831,244)	2,320,347	33,124,385	66,380,643	51,010,036
Business-type activities	46,886,718	(194,169,428)	97,096,970	51,611,812	60,018,354	46,302,723	9,982,718	36,373,015	(33,808,473)	37,128,697
Total primary government	\$ 54,449,953	\$ 68,196,908	\$ 170,978,280	\$ 27,427,558	\$ 106,967,098	\$ 7,471,479	\$ 12,303,065	\$ 69,497,400	\$ 32,572,170	\$ 88,138,733

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
 Charges for Services by Function/Program
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
Program revenues - charges for services:											
Governmental activities:											
General government	\$ 5,795,407	\$ 10,842,209	\$ 8,202,007	\$ 6,953,798	\$ 7,463,058	\$ 7,397,112	\$ 7,085,977	\$ 7,264,871	\$ 7,901,979	\$ 7,306,404	
Fire services	12,104,078	10,293,992	11,456,717	11,806,583	11,723,566	11,218,269	12,282,488	11,174,742	8,547,852	8,347,086	
Police services	16,553,343	14,622,179	15,515,328	14,703,037	13,849,906	11,883,107	13,601,445	14,623,458	14,481,855	14,227,236	
Health and human services	1,429,070	1,855,952	2,695,832	2,405,510	2,344,942	2,606,170	2,798,396	2,803,642	2,411,024	2,932,137	
Economic and community development	12,828,663	11,263,500	13,159,269	11,968,430	11,688,921	2,566,183	4,200,935	4,689,244	4,498,090	5,036,711	
Public transportation	2,747,854	2,368,220	4,012,257	3,867,693	7,088,924	4,387,796	4,804,523	5,243,968	5,227,218	5,140,290	
Public works	899,057	707,413	986,864	657,793	1,012,340	9,421,991	12,821,050	14,389,898	12,770,454	14,426,299	
Maintenance and operations of roads and facilities	319,797	104,525	206,532	178,093	171,680	318,988	233,380	645,552	367,072	170,343	
Total governmental activities	52,677,269	52,057,990	56,234,806	52,540,937	55,343,337	49,799,616	57,828,194	60,835,375	56,205,544	57,586,506	
Business-type activities:											
Electric	90,792	126,678,545	167,385,990	178,356,321	184,949,719	179,751,959	164,910,039	142,382,804	120,158,837	128,070,159	
Water	66,855,334	64,549,158	66,836,412	62,250,611	60,659,490	62,834,038	62,371,849	62,527,066	59,562,890	55,664,095	
Wastewater	63,963,229	59,283,592	61,187,711	57,070,151	56,548,288	52,629,855	52,814,630	51,774,890	50,465,806	48,135,325	
Port	16,438,130	15,476,515	14,405,135	14,787,912	14,410,879	13,975,856	13,861,999	12,099,083	11,555,611	11,701,746	
Refuse	12,786,810	12,008,715	11,478,932	11,075,183	11,047,828	11,112,587	10,996,962	10,754,905	8,807,046	8,787,550	
Disposal	25,854,782	24,488,466	23,421,183	24,659,485	23,112,152	22,898,337	22,601,619	22,957,169	22,498,137	20,949,679	
Municipal Airport	2,073,155	1,696,885	1,579,187	142,495	1,591,025	1,512,527	1,507,979	1,449,228	1,406,032	6,051,859	
Anchorage Hydropower	4,784,149	971,381	-	-	-	-	-	-	-	-	
Total business-type activities	192,846,381	305,153,257	346,225,610	348,342,158	352,319,381	344,715,159	329,065,077	303,945,145	274,454,359	279,360,413	
Total primary government	\$ 245,523,650	\$ 357,211,247	\$ 402,460,416	\$ 400,883,095	\$ 407,662,718	\$ 394,514,775	\$ 386,893,271	\$ 364,780,520	\$ 330,659,903	\$ 336,946,919	

Notes:

The sale of the Electric Utility in 2020 resulted in the creation of the Anchorage Hydropower Fund to account for the remaining hydroelectric assets that were excluded from the sale. This fund contains the hydropower assets that were not included in the sale and also to account for the receipts of the installment sale component until November 2055.

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
Fund Balances (Deficits)- Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Nonspendable										
Restricted	\$ 19,046,422	\$ 42,215,431	\$ 15,967,607	\$ 4,729,678	\$ 2,269,013	\$ 2,295,758	\$ 2,651,599	\$ 3,530,115	\$ 2,932,819	\$ 3,060,774
Committed	2,138,405	650,010	3,387,875	2,680,724	11,155	11,468	11,881	189,145	2,595,783	3,441,095
Assigned	50,974,700	70,878,276	46,220,149	43,392,589	40,768,427	41,615,564	40,024,969	40,811,180	37,267,885	37,093,804
Unassigned (deficit)	(60,553,945)	(13,750,747)	1,346,389	15,899,074	16,762,537	13,893,576	31,776,450	18,450,750	8,104,090	21,031,217
Total general fund	11,605,582	99,992,970	66,922,020	66,712,065	59,811,132	65,058,827	83,627,685	75,715,161	28,429,037	17,210,990
Restricted										
Total MOA trust fund	448,095,517	418,070,531	171,472,513	151,296,330	164,902,606	147,548,268	144,484,348	148,990,379	144,181,374	127,632,975
448,095,517	418,070,531	171,472,513	151,296,330	164,902,606	147,548,268	144,484,348	148,990,379	144,181,374	144,181,374	127,632,975
Restricted										
Committed	2,973,343	3,053,545	-	-	-	17,231,749	21,374,727	3,126,957	4,443,990	10,671,120
Assigned	22,129	292,123	-	-	-	984,651	261,385	301,187	180,611	170,250
Unassigned (deficit)	-	-	(3,781,342)	(156,542)	(19,914,534)	-	-	-	(14,041,418)	1,056,588
Total capital projects roads & drainage fund	2,995,472	3,345,668	(3,781,342)	(156,542)	(19,914,534)	-	-	3,428,144	(9,416,817)	11,897,958
2,995,472	3,345,668	(3,781,342)	(156,542)	(19,914,534)	-	-	3,428,144	(9,416,817)	(9,416,817)	11,897,958
Unassigned (deficit)										
Total state grants fund	-	(25,877,459)	-	-	-	-	-	-	-	-
-	(25,877,459)	-	-	-	-	-	-	-	-	-
Restricted										
Total police and fire certificate of participation bond fund	-	-	1,116	1,942,669	119	-	-	-	-	-
-	-	1,116	1,942,669	119	-	-	-	-	-	-
Nonspendable										
Restricted	3,532,535	1,826,968	1,336,628	263,655	224,857	755,039	1,048,604	1,180,030	1,150,000	1,155,252
Committed	113,363,145	100,264,502	101,269,183	92,772,919	87,907,544	88,969,782	90,917,166	83,244,307	74,971,749	60,947,704
Assigned	30,397,101	41,072,409	21,206,535	18,007,522	13,516,540	19,044,328	18,575,285	18,444,025	19,408,994	18,908,485
Unassigned (deficit)	14,548,890	7,726,336	14,948,644	20,976,622	22,068,899	21,918,179	24,638,722	25,659,464	24,872,398	28,069,626
(1,050,351)	(797,034)	(21,350)	(132,160)	(3,224,814)	(2,662,139)	(45,918)	(57,261)	(965,703)	(636,175)	(636,175)
Total nonmajor governmental funds	160,791,320	150,093,181	138,739,840	131,888,558	120,483,026	128,025,189	135,133,859	128,470,565	119,437,438	108,444,892
160,791,320	150,093,181	138,739,840	131,888,558	120,483,026	128,025,189	135,133,859	128,470,565	119,437,438	119,437,438	108,444,892
Nonspendable										
Restricted	22,578,957	44,042,399	17,304,237	4,993,333	2,493,870	3,050,797	3,700,203	4,710,145	4,082,819	4,216,026
Committed	566,570,410	522,038,588	276,130,687	248,702,642	252,821,424	253,761,267	256,788,122	235,550,788	226,192,896	202,692,894
Assigned	81,393,930	112,242,808	67,426,684	61,400,111	54,284,967	61,644,543	58,861,639	59,556,392	56,857,490	56,172,539
Unassigned (deficit)	14,548,890	7,726,336	14,948,644	20,976,622	22,068,899	29,160,640	33,801,508	38,393,435	32,976,488	50,157,431
(61,604,296)	(40,425,240)	(2,456,303)	15,610,372	(6,376,811)	11,231,437	18,393,489	31,730,532	18,393,489	13,421,916	16,574,815
Total governmental funds fund balance	\$ 623,487,891	\$ 645,624,891	\$ 373,353,947	\$ 351,683,080	\$ 325,282,349	\$ 358,848,664	\$ 384,882,004	\$ 356,604,249	\$ 333,531,609	\$ 329,813,705
\$ 623,487,891	\$ 645,624,891	\$ 373,353,947	\$ 351,683,080	\$ 325,282,349	\$ 358,848,664	\$ 384,882,004	\$ 356,604,249	\$ 333,531,609	\$ 333,531,609	\$ 329,813,705

Notes:

In 2017, there was a new Fund created, the Police and Fire Certificate of Participation Bond Fund. This fund was classified as a major fund.

In 2019, there was a new Fund created, the Nuisance Property Abatement Fund. This fund was classified as a nonmajor fund.

In 2020, the State Grants Fund became a major fund due to the CARES Act grant that was a Federal pass thru grant from the State of Alaska. The Police and Fire Certificate of Participation Bond fund was reclassified as a nonmajor fund.

In 2020, the Municipality sold the Electric Utility to Chugach Electric Association, which resulted in a large deposit of proceeds into the MOA Trust fund.

In 2021, the State Grants Fund reverted back to being a nonmajor governmental fund. The substantial revenue funding from the CARES Act grant was an isolated funding event for 2020.

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
 Changes in Fund Balances- Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes and assessments in lieu of taxes	\$ 729,089,624	\$ 649,140,985	\$ 648,398,120	\$ 633,369,334	\$ 627,005,350	\$ 594,959,804	\$ 580,981,773	\$ 565,413,760	\$ 559,077,522	\$ 555,052,111
Special assessments	1,665,477	1,916,849	1,591,401	1,536,155	1,698,640	1,964,973	2,750,188	1,468,716	1,181,821	1,273,593
Licenses and permits	9,290,280	9,874,923	9,261,229	9,088,153	9,680,014	9,322,822	10,999,964	12,941,960	12,553,278	10,372,797
Intergovernmental	184,986,182	213,714,808	55,707,736	59,289,509	100,732,316	104,152,403	169,459,308	176,098,245	156,098,508	149,037,822
Charges for services	21,387,516	22,641,762	24,262,384	23,705,922	23,375,879	23,900,336	32,197,098	29,019,610	33,139,322	33,242,521
Fines and forfeitures	7,719,075	6,625,500	7,515,608	6,695,257	5,798,490	5,047,749	6,611,034	6,970,300	6,532,511	6,232,471
E911 surcharges	7,522,495	8,004,789	7,591,488	7,906,670	7,930,788	6,568,506	6,378,754	6,766,679	-	-
Investment income (loss)	49,964,829	39,973,818	40,804,239	(6,665,238)	32,156,651	13,039,556	1,658,781	11,934,747	28,223,078	23,591,633
Restricted contributions	1,406,653	1,410,351	346,816	1,683,230	1,937,743	2,787,001	1,820,056	501,774	4,350,631	2,870,846
Other	5,222,373	3,164,116	5,272,733	3,547,374	6,598,670	4,323,451	4,409,634	6,210,488	5,416,074	6,121,264
Total revenues	1,018,254,504	956,467,901	800,751,754	740,156,366	816,914,541	766,146,601	817,266,590	818,126,279	806,572,945	787,795,058
Expenditures:										
General government	34,817,304	39,903,000	36,477,671	29,126,660	28,355,791	26,297,288	28,141,406	29,547,245	22,490,280	20,596,164
Fire services	121,911,846	122,177,037	113,685,311	108,108,837	138,643,694	106,657,739	111,060,154	111,777,871	103,203,797	95,195,623
Police services	150,691,729	148,881,511	146,011,712	139,287,114	169,055,376	124,352,080	130,875,103	132,839,308	129,813,796	115,967,228
Health and human services	126,164,707	79,859,688	28,087,701	24,774,861	28,743,679	22,596,193	24,669,526	25,650,935	23,742,769	24,115,392
Economic and community development	171,795,048	140,750,971	66,934,302	70,473,307	72,148,750	55,273,949	54,666,205	53,875,368	46,870,085	58,099,851
Public transportation	35,126,641	32,546,936	32,409,115	31,138,638	33,170,595	28,817,286	30,758,931	31,549,000	30,396,121	30,241,731
Public works	10,936,840	11,363,922	20,304,575	10,513,245	9,922,579	29,147,266	28,416,543	39,492,078	32,429,999	27,953,465
Maintenance and operations of roads and facilities	37,432,696	37,208,572	34,999,844	35,485,367	34,229,721	32,812,383	31,942,531	34,338,414	32,977,338	35,482,336
Education	293,429,596	269,957,290	247,223,433	247,167,935	247,406,848	243,841,632	240,239,749	240,752,791	241,279,103	238,519,174
Debt service:										
Principal	43,118,653	49,610,726	41,111,963	38,760,000	38,220,000	39,595,000	43,117,998	38,857,577	35,022,883	39,242,119
Interest and fiscal agent charges	24,610,412	25,731,344	29,222,131	23,238,951	24,755,123	23,688,269	23,731,301	24,898,180	26,658,557	27,013,982
Bond issuance costs	478,156	584,431	416,210	294,162	469,528	108,074	877,799	462,954	-	232,046
Capital outlay	79,281,336	66,261,694	51,263,250	57,636,390	115,016,927	111,904,035	126,266,360	105,785,105	108,418,635	98,950,246
Total expenditures	1,129,794,964	1,024,637,122	848,147,218	816,567,424	940,106,654	845,091,194	874,765,606	869,826,826	833,303,363	811,609,357
Deficiencies of revenues over expenditures	(111,540,460)	(68,369,221)	(47,395,464)	(76,411,058)	(123,192,113)	(78,944,593)	(57,499,016)	(51,700,547)	(26,730,418)	(23,814,299)
Other financing sources (uses):										
Transfers from other funds	120,657,578	340,116,350	65,198,035	58,486,953	55,966,496	52,766,641	56,880,063	52,648,722	56,375,764	52,186,974
Transfers to other funds	(89,886,526)	(55,114,610)	(40,673,802)	(27,905,379)	(27,804,919)	(29,940,838)	(24,734,653)	(26,377,947)	(32,447,488)	(25,618,993)
General obligation and refunding bonds issued	70,840,000	104,205,000	64,725,000	82,300,000	58,675,000	24,870,000	256,880,000	122,600,001	-	53,785,000
Draws on capital lease	1,692,040	1,269,607	1,795,600	-	413,243	-	-	-	-	-
Premium on bonds and notes	10,987,777	11,835,527	10,374,667	11,738,947	-	2,672,823	31,361,323	21,857,443	-	7,875,284
Payment to refunded bond escrow agent	(25,491,092)	(63,000,865)	(33,432,224)	(22,580,259)	-	-	(235,296,377)	(97,023,536)	-	(33,418,560)
Insurance recoveries	370,089	180,114	495,509	410,404	308,960	253,654	404,235	349,533	133,596	194,229
Proceeds from sale of capital assets	233,594	1,149,042	583,546	361,123	2,086,998	2,288,993	282,180	718,971	6,386,450	3,431,355
Net other financing sources (uses)	89,403,460	340,640,165	69,066,331	102,811,789	89,625,778	52,911,273	85,776,771	74,773,187	30,448,322	58,435,289
Net change in fund balances	\$ (22,137,000)	\$ 272,270,944	\$ 21,670,867	\$ 26,400,731	\$ (33,566,335)	\$ (26,033,320)	\$ 28,277,755	\$ 23,072,640	\$ 3,717,904	\$ 34,620,990

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
 Debt Service as a Percentage of Noncapital Expenditures
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenditures:										
General government	\$ 34,817,304	\$ 39,903,000	\$ 36,477,671	\$ 29,126,660	\$ 28,355,791	\$ 26,297,288	\$ 28,141,406	\$ 29,547,245	\$ 22,490,280	\$ 20,596,164
Fire services	121,911,846	122,177,037	113,685,311	108,108,837	138,643,694	106,657,739	111,060,154	111,777,871	103,203,797	95,195,623
Police services	150,691,729	148,881,511	146,011,712	139,287,114	169,055,376	124,352,080	130,875,103	132,839,308	129,813,796	115,967,228
Health and human services	126,164,707	79,859,688	28,087,701	24,774,861	28,743,679	22,596,193	24,669,526	25,650,935	23,742,769	24,115,392
Economic and community development	171,795,048	140,750,971	66,934,302	70,473,307	72,148,750	55,273,949	54,666,205	53,875,368	46,870,085	58,099,851
Public transportation	35,126,641	32,546,936	32,409,115	31,700,595	33,136,638	28,817,286	30,758,931	31,549,000	30,396,121	30,241,731
Public works	10,936,840	11,363,922	20,304,575	10,513,245	9,922,579	29,147,266	28,416,543	39,492,078	32,429,999	27,953,465
Maintenance and operations of roads and facilities	293,429,596	37,208,572	34,999,844	35,485,367	34,229,721	32,812,383	31,942,531	34,338,414	32,977,338	35,482,336
Education	37,432,696	269,957,290	247,223,433	247,167,935	247,406,848	243,841,632	240,239,749	240,752,791	241,279,103	238,519,174
Debt service:										
Principal	43,118,653	49,610,726	41,111,963	38,760,000	38,220,000	39,595,000	43,117,998	38,857,577	35,022,883	39,242,119
Interest and fiscal agent charges	24,610,412	25,731,344	29,222,131	23,238,951	24,755,123	23,688,269	23,731,301	24,898,180	26,658,557	27,013,982
Bond issuance costs	478,156	584,431	416,210	294,162	469,528	108,074	877,799	462,954	-	232,046
Capital outlay	79,281,336	66,261,694	51,263,250	57,636,390	115,016,927	111,904,035	126,268,360	105,785,105	108,418,635	98,950,246
Total expenditures	1,129,794,964	1,024,837,122	848,147,218	816,567,424	940,106,654	845,091,194	874,765,606	869,826,826	833,303,363	811,609,357
Less:										
Amounts capitalized	32,041,350	31,741,453	29,974,236	13,425,953	55,850,059	61,107,661	66,564,373	38,131,869	44,186,983	32,391,715
Total non-capital expenditures	\$ 1,097,753,614	\$ 993,095,669	\$ 818,172,982	\$ 803,141,471	\$ 884,256,595	\$ 783,983,533	\$ 808,201,233	\$ 831,694,957	\$ 789,116,380	\$ 779,217,642
Debt service as a percentage of non-capital expenditures	6.17%	7.59%	8.60%	7.72%	7.12%	8.07%	8.27%	7.67%	7.82%	8.50%

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
 Tax Revenue by Source- Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Real Property	Personal Property	Motor Vehicle	Motor Vehicle Rental	Hotel - Motel ⁽³⁾	Tobacco	Fuel Products ⁽²⁾	Marijuana ⁽¹⁾	Alcoholic Beverages ⁽⁴⁾	Other	Total
2021	\$ 563,410,881	\$ 48,359,100	\$ 10,492,568	\$ 7,356,550	\$ 29,023,408	\$ 20,227,922	\$ 12,174,995	\$ 5,731,646	\$ 13,978,818	\$ 4,274,783	\$ 715,030,671
2020	528,949,752	51,195,554	10,895,112	3,130,797	12,645,465	19,101,324	11,693,166	5,269,900	-	4,274,783	647,155,853
2019	509,370,992	46,422,776	10,825,678	6,949,397	30,820,525	19,849,332	13,435,158	4,041,331	-	3,219,162	644,934,351
2018	502,174,794	45,110,190	10,255,498	6,796,389	27,618,716	19,995,191	11,672,010	3,057,876	-	3,305,710	629,986,374
2017	508,912,967	47,244,386	11,082,632	6,267,718	25,597,388	20,376,831	-	1,262,867	-	2,818,905	623,563,694
2016	478,505,375	45,722,887	11,485,431	6,054,818	24,836,967	22,270,476	-	19,884	-	2,874,953	591,770,791
2015	458,731,864	48,522,246	11,712,417	5,800,051	25,986,940	24,081,507	-	-	-	3,022,235	577,857,260
2014	446,813,325	48,181,620	11,818,369	5,637,102	24,936,211	21,926,133	-	-	-	3,048,416	562,361,176
2013	443,778,926	46,571,533	11,448,632	5,265,282	22,949,191	22,789,454	-	-	-	3,139,287	555,942,305
2012	437,675,314	48,684,789	11,303,053	4,817,450	22,700,161	22,219,610	-	-	-	4,600,906	552,001,283

Notes:

⁽¹⁾Excise tax on marijuana revenue created in 2016.

⁽²⁾Excise tax on fuel products created in 2018.

⁽³⁾Due to COVID-19 restrictions, revenues related to tourism, like room tax, were significantly less in 2020 than in prior years.

⁽⁴⁾Alcoholic Beverages Retail Sales tax new in 2021.

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 8

Use of Property Taxes
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Anchorage School District Property Taxes	Anchorage School District Enrollment ⁽¹⁾ (Table 18)	Property Tax Support Per Pupil	Municipality of Anchorage Property Taxes	Municipality of Anchorage Population (Table 18)	Property Tax Support Per Citizen	Total Property Taxes
2021	\$ 293,429,596	\$ 43,390	\$ 6,763	\$ 319,228,023	289,697	\$ 1,102	\$ 612,657,619
2020	268,915,069	41,375	6,499	313,105,157	288,970	1,084	582,020,226
2019	247,221,383	46,229	5,348	306,575,650	291,845	1,050	553,797,033
2018	247,093,515	46,794	5,280	301,634,860	295,365	1,021	548,728,375
2017	247,307,425	47,703	5,184	303,906,395	297,483	1,022	551,213,820
2016	242,707,116	47,756	5,082	284,581,494	299,037	952	527,288,610
2015	239,410,965	47,562	5,034	267,221,678	298,908	894	506,632,643
2014	236,498,047	47,770	4,951	267,464,583	300,549	890	503,962,630
2013	236,691,495	48,493	4,881	253,218,733	301,134	841	489,910,228
2012	238,775,383	48,422	4,931	247,584,720	298,842	828	486,360,103

Notes:

⁽¹⁾Anchorage School District Enrollment includes half-day kindergarten program reported as one-half time.

Source: Municipality of Anchorage Finance Department; Anchorage School District Annual Financial Reports; and the U.S. Census Bureau

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 9

Assessed Value and Estimated Actual
Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real			Personal Property	Total Taxable Assessed Value (Table 14)	Areawide Tax Rate (mils) (Table 10)
	Residential Property	Commercial Property	Total Real			
2021	\$ 21,530,069,694	\$ 10,267,365,948	\$ 31,797,435,642	\$ 2,710,095,806	\$ 34,507,531,448	11.01
2020	21,186,361,700	10,629,545,936	31,815,907,636	2,941,322,866	34,757,230,502	7.61
2019	21,158,079,254	10,610,759,196	31,768,838,450	2,895,064,838	34,663,903,288	7.34
2018	20,835,797,232	10,519,698,864	31,355,496,096	2,879,198,051	34,234,694,147	7.33
2017	22,364,925,134	10,515,742,451	32,880,667,585	2,951,726,961	35,832,394,546	7.32
2016	22,391,683,088	10,429,674,591	32,821,357,679	3,134,642,589	35,956,000,268	6.88
2015	21,626,494,295	10,109,822,456	31,736,316,751	3,302,128,224	35,038,444,975	6.70
2014	20,727,659,820	9,726,237,558	30,453,897,378	3,218,472,804	33,672,370,182	6.71
2013	19,844,447,084	9,394,322,157	29,238,769,241	3,089,891,708	32,328,660,949	6.92
2012	19,617,776,607	9,152,490,728	28,770,267,335	2,944,479,550	31,714,746,885	7.28

Notes:

Municipality of Anchorage assesses properties at 100% of estimated actual value.

Source: Municipality of Anchorage, Property Appraisal Division

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 10

Property Tax Mil Rates
Last Ten Fiscal Years
(rate per \$1,000 assessed value)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Areawide:										
General Government	2.54	(0.14)	0.18	0.10	0.40	0.15	(0.14)	(0.35)	(0.43)	(0.29)
Anchorage School District	8.47	7.75	7.16	7.23	6.92	6.73	6.84	7.06	7.35	7.57
Total Areawide	11.01	7.61	7.34	7.33	7.32	6.88	6.70	6.71	6.92	7.28
Areawide EMS Lease Levy ⁽³⁾	0.02	0.02	-	-	-	-	-	-	-	-
Chugiak Service Area	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.95	1.00	1.00
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Girdwood Service Area	5.07	5.30	5.33	5.40	5.00	4.70	4.08	3.97	4.29	4.14
Fire Service Area	1.49	2.52	2.32	2.39	2.38	2.21	2.22	2.44	2.21	2.13
Roads and Drainage Service Area	2.55	2.54	2.61	2.66	2.22	2.43	2.31	2.36	2.60	2.78
Limited Service Areas ⁽¹⁾	1.29	1.29	1.30	1.30	1.27	1.30	1.30	1.29	1.29	1.31
Anchorage Metropolitan Police Service Area	2.08	3.73	3.43	3.37	3.21	2.82	2.93	2.95	3.23	2.76
Turnagain Arms Police Service Area ⁽²⁾	0.26	0.17	-	-	0.50	-	-	-	-	-
Parks and Recreation Service Area	0.76	0.68	0.66	0.65	0.53	0.55	0.54	0.59	0.60	0.62
Eagle River/Chugiak Parks and Recreation Service Area	1.06	1.04	1.05	0.97	1.01	0.98	1.03	0.97	0.95	1.00
Anchorage Police Dept IT Systems Levy ⁽⁴⁾	0.04	-	-	-	-	-	-	-	-	-

Notes:

⁽¹⁾Property tax rate for Limited Service Areas is an average of the rates for all the Limited Service Areas for the given fiscal year.

⁽²⁾Turnagain Arm Police Service Area is a voter approved levy in 2017.

⁽³⁾Areawide EMS Lease Levy is a new voter approved levy for 2020 to fund EMS medical equipment.

⁽⁴⁾Anchorage Police Dept IT Systems Levy approved in 2021.

Source: Municipality of Anchorage, Assembly Ordinances

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 11

Principal Property Taxpayers
Current Year and Nine Years Ago

2021		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
Calais Company Inc.	\$ 202,660,800	0.59%
GCI Communication Corporation	169,050,826	0.49%
ACS of Anchorage Inc.	154,124,881	0.45%
Fred Meyer Stores Inc.	124,015,458	0.36%
Sisters of Providence	98,744,353	0.29%
700 G Street LLC	96,913,800	0.28%
Galen Hospital Alaska Inc.	93,401,200	0.27%
Alaska Airlines Inc.	81,004,087	0.23%
Hickel Investment Co.	80,153,159	0.23%
North Anchorage Real Estate	77,797,100	0.23%
	<u>\$ 1,177,865,664</u>	<u>3.41%</u>

2012		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
ACS of Anchorage Inc.	\$ 223,409,476	0.70%
GCI Communication Corporation	187,831,505	0.59%
Calais Company Inc.	163,362,519	0.52%
Enstar Natural Gas Company	138,360,594	0.44%
Fred Meyer Stores Inc.	137,098,029	0.43%
Galen Hospital Alaska Inc.	125,871,134	0.40%
BP Exploration (Alaska) Inc.	117,259,049	0.37%
Anchorage Fueling and Service Co.	110,560,707	0.35%
WEC 2000A-Alaska LLC	102,423,641	0.32%
Sisters of Providence	94,183,197	0.30%
	<u>\$ 1,400,359,851</u>	<u>4.42%</u>

Notes:

Assessed values include both real and personal property.

Source: Municipality of Anchorage, Property Appraisal Division, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 12

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 612,657,619	\$ 604,667,663	98.6959%	\$ 4,057,001	\$ 608,724,664	99.3581%
2020	582,020,226	580,524,073	99.7429%	3,606,855	584,130,928	100.3627%
2019	553,797,033	553,652,783	99.9740%	2,802,884	556,455,667	100.4801%
2018	548,728,375	546,992,455	99.6836%	3,175,524	550,167,979	100.2624%
2017	551,213,820	554,594,217	100.6133%	3,762,798	558,357,015	101.2959%
2016	527,288,610	523,466,132	99.2751%	2,784,702	526,250,834	99.8032%
2015	506,632,643	503,903,026	99.4612%	2,708,659	506,611,685	99.9959%
2014	503,962,630	500,594,375	99.3316%	3,088,517	503,682,892	99.9445%
2013	489,910,228	484,545,683	98.9050%	3,328,166	487,873,849	99.5843%
2012	486,360,103	476,715,333	98.0169%	3,635,048	480,350,381	98.7643%

Source: Municipality of Anchorage, Treasury Division

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 13

Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Governmental Activities
	General Obligation Bonds	Revenue Bonds ⁽¹⁾	Certificates of Participation Bonds	Notes and Loans ⁽²⁾	Master Leases ⁽³⁾	
2021	\$ 476,603,180	\$ 87,894,987	\$ 48,820,000	\$ -	\$ 26,696,808	\$ 640,014,975
2020	463,375,209	91,090,973	52,515,000	-	35,025,261	642,006,443
2019	450,469,521	94,119,667	64,020,000	-	47,488,937	656,098,125
2018	455,894,958	96,990,264	62,475,000	-	52,986,149	668,346,371
2017	434,584,581	100,064,405	58,675,000	-	49,541,381	642,865,367
2016	474,667,962	102,449,290	-	-	33,185,002	610,302,254
2015	487,288,591	104,684,175	-	1,350,000	19,153,669	612,476,435
2014	464,818,361	113,216,296	-	1,448,000	15,310,257	594,792,914
2013	451,264,548	118,638,138	-	1,541,000	9,613,451	581,057,137
2012	482,046,822	123,771,966	-	1,629,000	11,634,331	619,082,119

Fiscal Year	Business-type Activities		Total Business-type Activities ⁽⁴⁾	Total Primary Government	Percentage of Personal Income	Total Debt per Capita
	Revenue Bonds	Notes and Loans				
2021	\$ 260,490,802	\$ 359,433,306	\$ 619,924,108	\$ 1,259,939,083	6.69%	\$ 4,349
2020	269,806,257	277,976,476	547,782,733	1,189,789,176	6.28%	4,117
2019	533,275,367	483,095,876	1,016,371,243	1,672,469,368	9.19%	5,731
2018	551,070,698	449,197,187	1,000,267,885	1,668,614,256	8.96%	5,649
2017	569,008,143	424,001,047	993,009,190	1,635,874,557	9.14%	5,499
2016	524,307,127	286,392,495	810,699,622	1,421,001,876	7.98%	4,752
2015	537,971,027	270,764,757	808,735,784	1,421,212,219	7.82%	4,755
2014	551,508,730	245,683,469	797,192,199	1,391,985,113	8.25%	4,631
2013	399,715,871	239,286,318	639,002,189	1,220,059,326	6.85%	4,052
2012	419,246,245	172,754,534	592,000,779	1,211,082,898	7.48%	4,053

Notes:

Details regarding the Municipality of Anchorage's outstanding debt can be found in the notes to the financial statements. The Municipality of Anchorage routinely issues debt on an annual basis to finance new construction and refund prior existing debt for lower cost.

This schedule excludes debt related to the Anchorage School District, the Municipality of Anchorage's largest component unit.

⁽¹⁾Includes CIVICVentures revenue bonds and APAC revenue bonds. Anchorage Jail Facility revenue bonds were paid in full in 2015.

⁽²⁾Includes HUD Section 108 loans which were paid in full in 2016.

⁽³⁾Master Leases issued for the SAP system, the CAMA system, and the Library Automated Materials Handling system.

⁽⁴⁾There was a significant decrease in Business-type Activities debt due to the sale of the Electric Utility in 2020. All Electric Utility debt was liquidated using proceeds from the sale.

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 14

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population (Table 18)	Assessed Value (Table 9)	General Obligation Bonds (Table 13)	Less: Available Resources	Net General Obligation Bonds	Ratio of GO Debt to Assessed Value of Property	Net GO Debt Per Capita
2021	289,697	\$ 34,507,531,448	\$ 476,603,180	\$ 1,935,713	\$ 474,667,467	1.38%	\$ 1,638
2020	288,970	34,757,230,502	463,375,209	2,345,347	461,029,862	1.33%	1,595
2019	291,845	34,663,903,288	450,469,521	3,077,598	447,391,923	1.29%	1,533
2018	295,365	34,234,694,147	455,894,958	3,113,954	452,781,004	1.32%	1,533
2017	297,483	35,832,394,546	434,584,581	3,393,995	431,190,586	1.20%	1,449
2016	299,037	35,956,000,268	474,667,962	3,463,121	471,204,841	1.31%	1,576
2015	298,908	35,038,444,975	487,288,591	4,247,169	483,041,422	1.38%	1,616
2014	300,549	33,672,370,182	464,818,361	3,605,168	461,213,193	1.37%	1,535
2013	301,134	32,328,660,949	451,264,548	3,542,694	447,721,854	1.38%	1,487
2012	298,842	31,714,746,885	482,046,822	3,830,794	478,216,028	1.51%	1,600

Notes:

This schedule includes all general obligation bonds of the Municipality of Anchorage from Governmental Activities and Business-type Activities, if applicable.

This schedule excludes the general obligation bonds of the Anchorage School District. That debt is reported in Table 15, direct and overlapping debt.

Source: Municipality of Anchorage, Treasury Division and Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA

Direct and Overlapping Debt
December 31, 2021

Table 15

	Debt Outstanding	Percentage Overlap	Share of Direct and Overlapping Debt
Anchorage School District overlapping debt	\$ 452,010,000	100%	\$ 452,010,000
Municipality of Anchorage's direct debt (Table 13)			<u>640,014,975</u>
Total direct and overlapping debt			<u>\$ 1,092,024,975</u>

Notes:

Anchorage School District overlapping debt includes general obligation school bonds. The Municipality of Anchorage's direct debt includes all debt reported for governmental activities (see Table 13).

Percentage of overlap is based on assessed property values.

Source: Debt outstanding balance obtained from the Anchorage School District's ACFR for the fiscal year ending June 30, 2021. Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA

Legal Debt Margin
December 31, 2021

Legal Debt Margin

The Municipality of Anchorage has no legal debt limit mandated by the Municipal Charter, Municipal Code or state law.

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
Pledged- Revenue Coverage
Last Ten Fiscal Years

Table 17

Electric Utility							
Fiscal Year	Revenue ⁽¹⁾⁽²⁾	Operating Expenses ⁽³⁾	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage ⁽⁵⁾
				Principal ⁽⁴⁾	Interest ⁽²⁾⁽⁴⁾	Total	
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020 ⁽⁶⁾	-	-	-	-	-	-	-
2019	173,869,422	113,742,677	60,126,745	7,730,000	14,507,701	22,237,701	2.70
2018	179,159,110	119,287,644	59,871,466	7,865,000	14,875,691	22,740,691	2.63
2017	186,859,566	119,179,510	67,680,056	7,520,000	15,197,731	22,717,731	2.98
2016	168,290,963	117,808,701	50,482,262	7,465,000	15,561,997	23,026,997	2.19
2015	164,652,279	111,475,302	53,176,977	7,440,000	15,868,460	23,308,460	2.28
2014	140,578,329	85,614,254	54,964,075	17,910,000	10,719,674	28,629,674	1.92
2013	116,439,242	69,979,738	46,459,504	17,085,000	10,684,851	27,769,851	1.67
2012	122,973,354	73,853,642	49,119,712	16,915,000	13,953,484	30,868,484	1.59

Notes:

- (1) Excludes interest charged to construction and interest restricted for construction.
- (2) Excludes Federal subsidy for 2015 through 2019.
- (3) Includes Municipal Utility Service Assessment per Municipal Ordinance AO 83-58 and excludes depreciation.
- (4) 2014 Principal and interest do not include the debt service for 1996 Senior Lien Bonds defeased during the year.
- (5) The required minimum revenue bond coverage is 1.35 and the all-debt minimum coverage is 1.10. Notes payable are not reflected on this schedule. If it were included, all-debt coverage for fiscal years 2019 and 2018 would be 1.73 and 1.70, respectively.
- (6) The Electric Utility was sold to CEA on October 30, 2020. All the debt was paid off with the proceeds of the sale.

Refuse and Disposal Utilities							
Fiscal Year	Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage ⁽³⁾
				Principal	Interest	Total	
2021	\$ 39,320,845	\$ 28,430,393	\$ 10,890,452	\$ -	\$ 573,188	\$ 573,188	19.00
2020	42,176,740	26,725,588	15,451,152	-	489,376	489,376	31.57
2019	41,733,869	25,426,489	16,307,380	-	677,492	677,492	24.07
2018	22,964,130	17,479,050	5,485,080	-	-	-	-
2017	23,829,273	28,071,437	(4,242,164)	-	-	-	-
2016	23,639,543	15,251,112	8,388,431	-	-	-	-
2015	22,864,028	17,435,075	5,428,953	-	-	-	-
2014	23,329,004	14,536,455	8,792,549	-	-	-	-
2013	22,622,652	14,986,951	7,635,701	-	-	-	-
2012	20,668,046	14,207,765	6,460,281	-	-	-	-

Notes:

- (1) Excludes interest charged to construction.
- (2) Excludes depreciation and Municipal Utility Service Assessment.
- (3) Required minimum coverage 1.25.

MUNICIPALITY OF ANCHORAGE, ALASKA
Pledged- Revenue Coverage
Last Ten Fiscal Years

Table 17 (continued)

Port								
Fiscal Year	Revenue ⁽¹⁾⁽²⁾	Operating Expenses ⁽³⁾	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage ⁽⁵⁾	
				Principal	Interest ⁽⁴⁾	Total		
2021	\$ 16,445,782	\$ 13,865,915	\$ 2,579,867	\$ -	\$ -	\$ -	n/a	
2020	16,539,950	12,590,845	3,949,105	-	791,410	791,410	4.99	
2019	14,405,135	10,092,753	4,312,382	-	1,290,712	1,290,712	3.34	
2018	14,006,081	12,584,857	1,421,224	-	1,152,083	1,152,083	1.23	
2017	20,090,884	10,167,001	9,923,883	-	677,192	677,192	14.65	
2016	26,964,376	14,013,332	12,951,044	-	541,719	541,719	23.91	
2015	13,861,999	18,098,563	(4,236,564)	-	407,004	407,004	(10.41)	
2014	12,310,089	7,451,830	4,858,259	-	397,024	397,024	12.24	
2013	11,633,618	8,315,872	3,317,746	-	707,003	707,003	4.69	
2012	12,062,773	7,863,295	4,199,478	-	744,704	744,704	5.64	

Notes:

- ⁽¹⁾ Excludes interest charged to construction and PERS on-behalf revenue. Includes non-operating revenue.
- ⁽²⁾ 2017 includes legal settlements of \$6,750,000 and 2016 includes legal settlements of \$12,600,000.
- ⁽³⁾ Excludes depreciation and Municipal Utility Service Assessment and PERS on-behalf and pension and OPEB expenses. Includes routine non-operating expenses.
- ⁽⁴⁾ Beginning in 2021, excludes amounts funded out of bond proceeds.
- ⁽⁵⁾ Beginning in 2021, required minimum coverage is 1.35.

Water Utility									
Fiscal Year	Revenue ⁽¹⁾	Assessment Collections ⁽²⁾	Operating Expenses ⁽³⁾	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage ⁽⁴⁾	
					Principal	Interest	Total		
2021	\$ 66,595,961	\$ 303,012	\$ 37,238,490	\$ 29,660,483	\$ 4,240,000	\$ 4,556,536	\$ 8,796,536	3.37	
2020	65,576,197	428,995	35,977,170	30,028,022	4,135,000	4,657,907	8,792,907	3.42	
2019	68,602,501	241,257	36,550,617	32,293,141	4,080,000	4,797,440	8,877,440	3.64	
2018 *	61,886,218	307,718	35,892,160	26,301,776	4,025,000	5,188,855	9,213,855	2.85	
2017 *	60,286,693	609,626	35,759,018	25,137,301	3,855,000	2,655,579	6,510,579	3.86	
2016	61,126,530	532,065	32,848,108	28,810,487	3,710,000	5,243,236	8,953,236	3.22	
2015	61,488,680	282,443	33,931,324	27,839,799	3,570,000	5,393,402	8,963,402	3.11	
2014	62,165,080	471,667	30,728,442	31,908,305	4,880,000	5,588,355	10,468,355	3.05	
2013	59,140,595	248,752	29,916,083	29,473,264	6,015,000	5,785,568	11,800,568	2.50	
2012	55,900,765	241,708	31,362,002	24,780,471	5,810,000	6,000,111	11,810,111	2.10	

Notes:

- ⁽¹⁾ Excludes allowance for funds used during construction, includes non-operating revenue. Excludes payments received for PERS relief from State of Alaska.
- ⁽²⁾ Assessment collections represent payments made by benefited property owners.
- ⁽³⁾ Excludes pension expense, PERS on behalf expense, OPEB on behalf expense, OPEB expense, and depreciation; but includes special items and transfers to other funds.
- ⁽⁴⁾ Required minimum coverage is 1.15.
- * Revised calculation removing pension and OPEB revenue and expense as stated in sections (1) and (3) above.

MUNICIPALITY OF ANCHORAGE, ALASKA
Pledged- Revenue Coverage
Last Ten Fiscal Years

Table 17 (continued)

Wastewater Utility									
Fiscal Year	Revenue ⁽¹⁾	Assessment Collections ⁽²⁾	Operating Expenses ⁽³⁾	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage ⁽⁵⁾	
					Principal ⁽⁴⁾	Interest	Total		
2021	\$ 63,180,187	\$ 328,634	\$ 39,045,936	\$ 24,462,885	\$ 2,910,000	\$ 3,366,317	\$ 6,276,317	3.90	
2020	59,414,488	537,763	38,131,952	21,820,299	2,870,000	3,437,155	6,307,155	3.46	
2019	61,696,662	273,759	38,142,914	23,827,507	2,840,000	3,606,692	6,446,692	3.70	
2018 *	56,266,665	328,678	35,595,219	21,000,124	2,565,000	3,853,999	6,418,999	3.27	
2017 *	56,247,049	328,627	35,117,730	21,457,946	840,000	1,636,932	2,476,932	8.66	
2016	51,591,772	574,187	32,974,054	19,191,905	800,000	3,002,719	3,802,719	5.05	
2015	51,619,089	416,239	34,440,700	17,594,628	765,000	3,037,578	3,802,578	4.63	
2014	51,711,625	351,374	31,018,722	21,044,277	730,000	4,118,817	4,848,817	4.34	
2013	49,606,871	254,484	29,856,569	20,004,786	705,000	3,099,794	3,804,794	5.26	
2012	47,373,573	308,997	29,383,573	18,298,997	670,000	3,127,634	3,797,634	4.82	

Notes:

- (1) Excludes allowance for funds used during construction, includes non-operating revenue. Excludes payments received for PERS relief from the State of Alaska.
- (2) Assessment collections represent payments made by benefited property owners.
- (3) Excludes pension expense, PERS on behalf expense, OPEB on behalf expense, OPEB expense, and depreciation, but includes special items and transfers from other funds.
- (4) Represents total principal payments on revenue bonds.
- (5) Required minimum coverage is 1.15.
- * Revised calculation removing pension and OPEB revenue and expense as stated in sections (1) and (3) above.

CIVICVentures							
Fiscal Year	Hotel & Motel Tax Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2021	\$ 6,144,181	NA	\$ 6,144,181	\$ 2,580,000	\$ 3,829,450	\$ 6,409,450	0.96
2020	6,361,490	N/A	6,361,490	2,405,000	3,925,650	6,330,650	1.00
2019	5,979,235	N/A	5,979,235	2,240,000	4,015,250	6,255,250	0.96
2018	6,177,077	N/A	6,177,077	2,080,000	4,098,450	6,178,450	1.00
2017	6,089,471	N/A	6,089,471	1,935,000	4,156,500	6,091,500	1.00
2016	5,911,847	N/A	5,911,847	1,790,000	4,227,236	6,017,236	0.98
2015	5,992,742	N/A	5,992,742	1,690,000	5,244,504	6,934,504	0.86
2014	6,461,469	N/A	6,461,469	1,555,000	4,840,010	6,395,010	1.01
2013	6,373,713	N/A	6,373,713	1,425,000	4,897,010	6,322,010	1.01
2012	6,322,010	N/A	6,322,010	1,300,000	4,945,760	6,245,760	1.01

Source: Municipality of Anchorage Finance Department; Municipal Light & Power Finance Department, Anchorage Water & Wastewater Finance Department, and Port of Anchorage Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 18

Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income ⁽¹⁾	Total Personal Income (in thousands)	Anchorage School District Enrollment	Unemployment Rate ⁽²⁾	Registered Voters
2021	289,697	\$ 65,026	\$ 18,837,837	43,390	5.6	236,619
2020	288,970	65,597	18,955,565	41,375	7.4	241,820
2019	291,845	62,361	18,199,746	46,229	5.1	227,210
2018	295,365	63,063	18,626,603	46,794	5.5	218,388
2017	297,483	60,139	17,890,330	47,703	5.8	218,000
2016	299,037	59,558	17,810,046	47,756	5.5	209,909
2015	298,908	60,822	18,180,182	47,562	5.0	208,759
2014	300,549	56,140	16,872,821	47,770	5.2	199,606
2013	301,134	59,158	17,814,485	48,493	5.2	204,360
2012	298,842	54,196	16,196,041	48,422	5.4	211,989

Notes:

⁽¹⁾ The Alaska Department of Labor and Workforce Development (ADLWD) no longer publishes Per Capita Personal Income for the Anchorage Municipal Area. Per Capita Personal Income is therefore estimated using the five previous years average increase or decrease for Per Capita Personal Income supplied by the U.S. Census Bureau. A further adjusting in the average is made for the net increase or decrease to the annual Alaska Permanent Fund Dividend paid to Alaska's citizens.

⁽²⁾ The Alaska Department of Labor and Workforce Development amends every month the unemployment rate data for the previous month and again at the end of every calendar year. We change the prior fiscal year to match updated statistical information reported. For some consistency, other prior years remain unchanged.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Census Bureau; the Anchorage School District, Annual Comprehensive Financial Report; Bureau of Economic Analysis; and the Municipality of Anchorage, Clerk's Office

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 19

Principal Employment by Industry
Current Year and Nine Years Ago

2021*			
Standard Occupation Code	Industry Title	Average Quarterly Employment	% of Total Employment
412031	Retail Salespersons	5,161	16.98%
353023	Combined Food Preparation and Service Workers, Including Fast Food***	4,567	15.03%
291141	Registered Nurses**	3,675	12.09%
439199	Office and Administrative Support Workers, All Other****	3,168	10.42%
412011	Cashiers	2,554	8.40%
311122	Personal Care Aides	2,347	7.72%
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,254	7.42%
536099	Transportation Workers, All Other	2,485	8.18%
439061	Office Clerks, General	2,167	7.13%
537062	Laborers and Freight, Stock, and Material Movers, Hand	2,017	6.64%
	Total Employment	<u>30,395</u>	

2012			
Standard Occupation Code	Industry Title	Average Quarterly Employment	% of Total Employment
412031	Retail Salespersons	6,236	19.20%
412011	Cashiers	3,996	12.30%
439199	Office and Administrative Support Workers, All Other****	3,234	9.96%
439061	Office Clerks, General	3,086	9.50%
291141	Registered Nurses**	3,066	9.44%
353021	Combined Food Preparation and Serving Workers, Including Fast Food	2,996	9.23%
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,634	8.11%
353031	Waiters and Waitresses	2,604	8.02%
399021	Personal Care Aides	2,456	7.56%
537062	Laborers and Freight, Stock, and Material Movers, Hand	2,167	6.67%
	Total Employment	<u>32,475</u>	

Notes:

Due to new federal confidentiality laws, the data for this table will now be based on major industry rather than principal employers.

* The 2021 data combines the 4th quarter of 2020 with the 1st through 3rd quarters of 2021 to produce the average quarterly worker counts.

** The Registered Nurses occupation for 2021 and 2012 includes the worker counts for Nurse Anesthetists, Nurse Midwives, and Nurse Practitioners.

*** Due to 2018 SOC Taxonomy change 353021 - Fast Food and Counter Workers includes; Combined Food Preparation and Serving Worker, including Fast Food and Counter Attendants, Cafeteria, Food Concession, and Coffee Shop.

**** The Office and Admin Support Workers, All Other occupation includes Financial Clerks.

Source: State of Alaska Department of Labor Workforce and Development, Research and Analysis Section

MUNICIPALITY OF ANCHORAGE, ALASKA
 Full-time Equivalent Employees
 Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government										
Fire services	399	393	388	396	380	371	371	376	372	383
Police services	606	592	580	584	553	512	502	484	505	529
Subtotal - public safety	1,005	985	968	980	933	883	873	860	877	912
General government	401	404	395	369	343	334	317	315	318	309
Health and human services	114	104	102	99	96	91	103	103	98	120
Economic and community development	245	249	239	246	175	176	237	238	218	226
Public transportation	170	171	147	149	157	154	150	152	147	142
Public works ⁽¹⁾	329	322	318	336	344	345	275	287	278	285
Subtotal - other	1,259	1,250	1,201	1,199	1,115	1,100	1,082	1,095	1,059	1,082
Total - general government	2,264	2,235	2,169	2,179	2,048	1,983	1,955	1,955	1,936	1,994
Enterprise Funds										
Water	128	133	134	136	126	129	129	122	127	133
Wastewater	129	134	135	135	126	128	128	122	127	133
Electric ⁽²⁾	0	221	237	252	233	231	232	215	230	228
Port	21	18	20	20	20	29	20	19	22	21
Municipal airport	9	9	9	8	10	9	9	9	8	9
Disposal	82	78	78	73	71	69	69	68	66	72
Refuse	23	24	25	26	25	25	23	27	27	21
Total - enterprise funds	392	617	638	650	611	620	610	582	607	617
Total	2,656	2,852	2,807	2,829	2,659	2,603	2,565	2,537	2,543	2,611

Notes:

This table includes regular, seasonal and temporary full-time employees. All election workers, Assembly members, and Board and Commission members were excluded.

⁽¹⁾ Public works full time equivalent employees includes Maintenance and Operations employees.

⁽²⁾ Electric Utility; Municipal Light & Power was sold October 2020.

Source: Municipality of Anchorage, Human Resources Department

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fire services^(*)										
Number of stations	21	19	19	19	19	13	13	13	13	14
Fire incidents, other	12,089	12,674	12,781	12,120	11,813	11,074	10,804	10,426	11,497	11,323
Emergency medical service incidents	28,370	25,048	25,449	25,176	25,861	24,188	22,563	20,719	21,183	21,485
Police services										
Number of Stations ⁽¹⁹⁾	8	9	10	11	11	11	11	11	13	12
Health and human services										
Health clinic visits:										
Disease prevention and control ⁽¹⁾	3,703	6,342	13,685	12,119	10,899	10,369	10,752	12,079	11,094	12,628
Reproductive health clinic ⁽¹⁾	1,122	1,264	3,615	3,328	3,416	3,810	4,806	4,694	9,217	5,768
Women, Infants and Children ⁽²⁾	19,493	18,048	17,950	19,590	20,220	27,008	25,636	23,685	22,958	22,601
Environmental service customers:										
Customer service counter ^{(1) and (3)}	-	-	7,085	-	-	3,073	2,391	9,224	7,404	6,135
Public facility inspections ^{(1) and (4)}	1,106	740	2,325	1,881	2,491	2,826	2,546	2,327	2,260	2,225
Noise, nuisance, housing ⁽⁵⁾	738	815	2,962	706	541	610	642	733	817	1,169
Air quality and vehicle IM	-	-	-	-	-	-	-	-	-	-
Daycare assistance families	-	-	-	-	-	-	-	-	-	-
Licensed child care centers	114	118	119	119	120	123	123	117	112	106
Licensed child care homes	111	124	134	134	155	149	146	150	159	157
Economic and community development										
Cultural and recreation services:										
Total park acres	16,093	16,093	16,093	16,093	16,093	16,093	16,093	16,061	16,061	16,061
Parks	263	263	263	263	263	263	263	262	262	248
Swim pools, indoor	6	6	6	6	6	6	6	6	6	6
Bike/ski trails (Miles)	282	282	282	282	282	282	282	282	282	270
Ski trails (Km)	212	212	212	212	212	212	212	212	212	149
Community recreation centers ⁽⁶⁾	12	12	12	12	12	14	15	15	15	15
Historic sites	27	27	27	27	27	27	27	27	27	27
Anchorage Museum at Rasmuson Center:										
Number of visitors ^{(1) and (7)}	88,559	31,083	218,286	215,710	195,223	191,347	200,218	200,000	179,052	186,603
Value of museum collection	\$ 13,284,935	\$ 12,908,310	\$ 12,873,552	\$ 12,540,056	\$ 12,369,716	\$ 12,161,146	\$ 12,052,655	\$ 11,911,955	\$ 11,837,463	\$ 11,215,858
MOA Public Works 1% for Art Program	\$ 15,395,824	\$ 15,266,324	\$ 15,187,924	\$ 14,745,655	\$ 14,669,855	\$ 14,143,430	\$ 13,632,930	\$ 13,632,930	\$ 13,169,276	\$ 12,843,530
Anchorage Public Library:										
Branches	5	5	5	5	5	5	5	5	5	5
Items	397,626	395,533	401,900	430,603	444,179	516,500	499,955	669,586	604,716	624,477
Items circulated ^{(1) and (8)}	645,559	446,410	1,405,226	1,726,134	1,602,702	1,573,395	1,808,530	1,834,266	1,520,188	1,743,508
Reference responses ⁽⁹⁾	43,926	20,988	40,000	78,883	68,285	54,306	67,785	84,193	99,966	158,414
William Egan Civic and Convention Center: ⁽¹⁾										
Events	38	34	204	241	223	235	227	268	211	231
Attendance	21,821	11,703	114,747	114,160	118,035	136,307	118,031	133,092	106,481	118,488
Denafina Civic and Convention Center: ⁽¹⁾										
Events	100	76	316	293	299	349	406	398	445	412
Attendance	21,594	28,463	157,448	174,170	168,517	165,339	212,609	220,171	198,411	211,315

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Alaska Center for the Performing Arts: ⁽¹⁾										
Events	55	122	395	383	427	481	502	497	532	602
Attendance	14,283	41,138	192,189	185,642	198,175	226,769	224,361	228,705	220,391	266,205
George Sullivan Sports Arena: ⁽¹⁾										
Events	-	129	168	183	136	107	129	136	130	105
Attendance ⁽¹⁰⁾	-	7,536	124,610	125,105	212,118	155,933	218,934	296,296	267,404	269,981
Anchorage Golf Course:										
Rounds played	29,092	36,348	34,595	31,725	26,092	31,017	31,648	29,721	28,088	31,303
Public transportation ⁽¹⁾										
Average daily ridership:										
Weekdays	6,540	6,725	11,598	11,007	11,928	11,632	12,334	13,079	13,511	13,848
Saturdays	3,392	3,364	5,699	5,395	5,919	5,729	6,022	6,351	6,640	6,797
Sundays	2,587	2,568	4,116	3,752	3,423	3,308	3,457	3,753	3,777	3,848
Total annual ridership	1,953,114	1,710,144	3,410,103	3,227,500	3,241,607	3,450,261	3,649,698	3,860,714	3,986,877	4,088,549
Annual mileage	2,365,459	2,009,381	2,350,312	2,391,930	2,140,969	2,166,286	2,160,517	1,906,241	1,882,191	1,955,591
Timetable revenue hours	191,573	160,584	140,594	139,557	126,597	125,878	125,020	124,826	123,303	122,673
Public works										
Miles of streets and alleys:										
Anchorage Road Service Area										
Unpaved ⁽¹¹⁾	3	3	3	6	6	6	6	6	6	7
Paved	625	625	625	623	622	667	666	663	617	614
Limited Road Service Area	328	328	327	327	327	315	315	315	313	316
Alleys	44	44	44	44	44	42	42	42	44	44
Port										
Tonnage ⁽¹²⁾	4,987,806	4,704,101	4,265,763	3,948,665	3,497,845	3,488,171	3,773,584	3,455,707	3,396,544	3,754,231
Municipal airport										
Landings and take-offs										
	165,671	149,639	152,394	151,368	126,015	137,613	120,541	125,588	128,031	131,777
Water										
Number of customers										
Average treatment plant production ⁽¹³⁾										
(gallons/day)	21,700,000	22,500,000	22,299,123	22,148,175	22,300,000	22,700,000	23,600,000	22,183,241	22,900,000	22,100,000
Treatment plant capacity (gallons/day)	69,000,000	69,000,000	68,060,000	67,000,000	67,000,000	62,000,000	67,000,000	64,000,000	65,000,000	65,000,000
Average well production (gallons/day) ⁽¹⁴⁾	300,000	600,000	1,841,304	2,379,872	2,200,000	2,700,000	3,000,000	2,078,812	1,523,288	728,767
Miles of water mains	851	849	848	847	846	845	843	839	838	836
Public fire hydrants	6,104	6,088	6,069	6,051	6,038	6,027	5,999	5,949	5,917	5,897
Private fire hydrants	1,473	1,468	1,462	-	-	-	-	-	-	1,368

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Wastewater										
Number of customers	57,598	57,472	57,382	57,273	57,273	57,163	57,086	56,711	56,432	56,251
Average treatment (gallons/day) ⁽¹⁵⁾	29,300,000	28,700,000	28,750,000	27,970,000	28,520,000	27,710,000	27,000,000	28,700,000	30,800,000	29,500,000
Treatment plant capacity (gallons/day)	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000
Miles of wastewater lines:										
Interceptors	45	45	45	45	45	45	45	45	45	45
Trunks	81	81	81	84	84	84	84	84	83	83
Laterals	639	638	635	631	629	629	628	625	622	634
Electric⁽¹⁶⁾										
Number of customers	-	-	31,082	31,112	31,074	31,081	30,932	30,791	30,786	30,747
Number of street lights	-	-	3,794	3,837	3,879	3,891	3,897	3,900	3,908	3,924
Circuit miles of overhead distribution lines	-	-	113	114	118	118	133	122	123	124
Miles of underground distribution lines	-	-	289	250	254	253	253	254	248	250
Plant generation capacity ⁽¹⁷⁾ (30 degrees Fahrenheit) - KW	-	-	443,780	424,560	424,560	544,260	424,560	424,560	424,560	364,500
Disposal Utility										
Total landfill/disposal customers	298,324	312,571	278,345	274,021	241,485	263,544	260,477	253,397	253,872	256,479
Total waste land filled (tons) ⁽¹⁸⁾	306,975	301,061	314,265	350,024	308,151	330,806	284,050	306,723	308,164	331,413
Refuse Utility										
Average residential billed customers	10,137	10,068	10,016	10,323	10,422	10,970	9,947	9,974	10,002	10,020
Residential tons collected	9,775	10,034	9,567	9,528	9,449	9,566	9,358	8,723	9,516	9,644
Average commercial billed customers	1,875	1,878	1,964	2,074	1,960	1,902	1,862	1,855	1,847	1,880
Commercial tons collected	24,714	23,211	24,991	25,829	26,250	27,267	21,023	24,802	26,985	26,922

Notes:

(*) In 2017, Fire services are now being reported for the Chugiak, Girdwood and Anchorage service areas. In 2016, in order to report fire data more accurately, the Deputy Chief requested wording of "Fire suppression incidents" be changed to "Fire incidents, other" in 2016. This change would not impact the data reported for the fiscal years 2015 through 2011 but would be a more appropriate representation of the numbers provided.

(1) Due to COVID-19 pandemic and various local emergency orders issued in 2020 customer counters were closed, public facilities were closed intermittently, convention and other events were canceled, public transit ridership dropped and some of the recreation facilities were utilized as homeless care facilities. This continued through 2021.

(2) A discrepancy was found in how the predecessors of the new 2016 WIC Management team arrived at the annual visit total. The formula used by the new 2016 Management team is derived by taking the average annual caseload of WIC participants multiplied by 4 (participants are seen 4 times a year). To be consistent, 2011-2015 was recalculated using this formula.

(3) In 2017 and 2018 the Customer Service Counter transactions were not tracked due to reduction of programs and staff, but a new tracking system was implemented in 2019. However, 2020 was not tracked.

(4) The 2019 Public Facility Inspections are significantly higher due to a new inspector that replaced one that retired in 2018.

(5) The 2019 Noise, Nuisance, and Housing includes earthquake inspections which were not included in 2018 and 2020.

(6) Due to the age of the buildings and their deteriorated conditions the Government Hill Recreation Center was closed in 2016 and the Ure Park building was demolished.

(7) In 2020, the "Number of Visitors" is lower due to the COVID-19 Pandemic, multiple Emergency Order closures and lack of cruise ships/group tours. This continued through 2021 although there was somewhat of a rebound in 2021 over 2020 due to significant independent travelers to Alaska.

(8) In 2020, the "Items circulated" were reduced due to the emergency orders of COVID-19. In 2016, the "Items circulated" were reduced because fewer people are coming to Loussac to check out materials due to the renovation. This continued through 2021.

(9) In 2016, the "Reference responses" decreased because customers have greater access to information via the internet.

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Table 21 (Continued)

(10) In 2016 the Sullivan Arena experienced less events. In addition, Alaska Aces Hockey attendance experienced a 16,000 decrease in attendance, while UAA hockey attendance dropped by 6,000. In 2019, a comedy show had to be canceled for 6,500+ tickets on March 14th. For most of 2020 the Sullivan Arena was used as a homeless care facility. This continued for all of 2021

(11) In 2017 a new technology (GIS tools) was incorporated to breakdown mileage. This technology shows a slightly different mileage but is more accurate than the manually updated spreadsheet used prior. Also Donated Roads are now being included in the stats and have been updated in the 2015 and 2016 stats.

(12) In 2019, the Port reported an excess of 8,751 tons, due to its oversight and reporting tonnage error from the cargo user in the Vans/Flats/Containers which was revised/corrected in March 2020.

(13) In 2012, the change in capacity is due to standardization of the numbers being used. There has been some mixing of design capacity numbers with plant flow capacity in the past. The numbers represent the agreed upon system capacity at the current time.

(14) In 2014 well production increased because Eklutna treatment plant was shut down for a couple of months for maintenance in the fall which increased well production. A change was made to 2013 average well production because Girdwood wells were not included in the average well production.

(15) In 2014, the change in the average wastewater treatment is attributed to the reduction in rainfall, water production and repairs of the wastewater collection system.

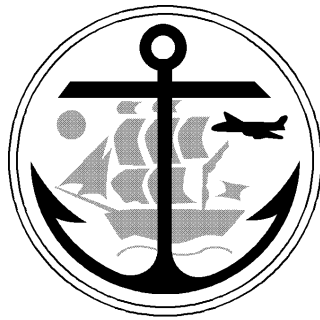
(16) In October 2020, the Electric Utility was sold to Chugach Electric Association.

(17) In 2017, when the new generation units came on line in 2016, four other generations were retired. This fluctuation per MLP is according to the generation base ratings for each unit.

(18) In 2018, increased landfill disposal tons can be attributed to some large projects involving high quantities of dynamic materials, contaminated soil, and power plant debris; which did not happen in 2019.

(19) In 2021, Anchorage Police Department relinquished small substation space back to Anchorage Fire Department whom began utilizing the space.

Source: Municipality of Anchorage, Various Departments



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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*

Honorable Mayor and
Members of the Assembly
Municipality of Anchorage, Alaska

We have audited, in accordance with the 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 the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, Alaska (Anchorage), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements, and have issued our report thereon dated September 30, 2022. The financial statements of the Anchorage Police and Fire Retirement System were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Anchorage Police and Fire Retirement System.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Anchorage's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Anchorage's internal control. Accordingly, we do not express an opinion on the effectiveness of Anchorage'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 Anchorage'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.

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anchorage'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 financial statements. 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Anchorage's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Anchorage's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. Anchorage's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Anchorage's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
September 30, 2022

Municipality of Anchorage, Alaska

Schedule of Findings and Responses For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no
Significant deficiency(ies) identified? yes (none reported)

Noncompliance material to financial statements noted? yes no

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

Finding 2021-001 Recording of Fund Classification Adjustments - Material Weakness in Financial Reporting

Criteria

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the evaluation of proper fund reporting in line with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and recording related fund activity in the proper fund classification in the financial records.

GASB No. 54 paragraphs 30-31 note the following criteria for special revenue funds:

"Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources."

The books and records of the Municipality should reflect the evaluations performed related to GASB 54.

Municipality of Anchorage, Alaska

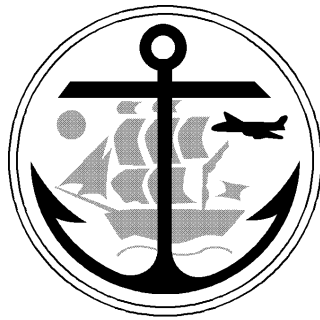
Schedule of Findings and Responses, continued For the Year Ended December 31, 2021

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards, continued

<i>Condition</i>	<p>The Municipality's Finance Department performed an evaluation of the use of the special revenue fund classification for certain COVID-19 pandemic-related shelter expenses and some other budgeted costs. Based on that analysis, it was determined that there were no identified revenue sources that could be documented for the fiscal year as being substantially expected to cover certain of these expenses. As a result, the financial statements were adjusted to report these costs in the General Fund and applicable enterprise funds in line with the provisions of GASB No. 54. However, the Finance Department does not have the ability to adjust the fund classifications in the SAP software system, so the general ledger and internal financial statements of the Municipality have not been adjusted to reflect this fund classification change. Therefore, the underlying books and records of the Municipality do not agree to the issued and audited basic financial statements.</p>
<i>Cause</i>	<p>The design of the internal controls related to fund classification is such that changes to the fund classification in SAP are only authorized to be made by individuals outside of the Finance Department. This classification change was communicated, but not made prior to the preparation of the financial statements. Underlying this is an expectation that certain costs may ultimately be covered under federal grant assistance. However, funding obligations have not yet been issued to allow the Municipality to recover these costs.</p>
<i>Effect or potential effect</i>	<p>The internal books and records of the Municipality have not reflected the adjustment related to the classification of these costs. Initially, approximately \$31.9 million in 2021 expenditures were recorded in special revenue funds. These funds also had expenditures of approximately \$31.2 million in prior years (funded through General Fund advances) that were anticipated to be funded through disaster relief or other sources that were offset with transfers from the General Fund in 2021. The financial statements, therefore, reflect a reduction in unassigned fund balance of the General Fund. At December 31, 2021, the General Fund reported an unassigned fund deficit of \$60.6 million.</p>
<i>Recommendation</i>	<p>We recommend the Municipality review and enhance the design of internal controls related to fund classifications to ensure that the books and records properly reflect all financial information in line with GASB requirements. While it is important that budgetary controls be in place related to the spending of funds in line with Assembly-approved budgets, the classification of funds for financial reporting purposes typically would rest with those responsible for the statements themselves. Determinations of fund classifications should be reviewed and approved by appropriate individuals with knowledge of GAAP-based financial reporting, which is designed to provide full transparency regarding fund-level financial results in a timely manner. The books and records of the Municipality should reflect the evaluations performed related to GASB No. 54.</p>
<i>Views of responsible officials</i>	<p>Management agrees with this finding. Management plans to establish procedures to ensure fund classifications are properly reported and reflected in the books and records.</p>

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**Municipality of Anchorage's Response to
Financial Statement Findings Required to be Reported in
Accordance with *Government Auditing Standards* (Unaudited)**



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APPENDIX B

GENERAL AND ECONOMIC INFORMATION MUNICIPALITY OF ANCHORAGE

Situated on a broad plain at the head of Cook Inlet in southcentral Alaska, the Anchorage area (known as the Anchorage Bowl) was settled in 1915 as a construction base for the Alaska Railroad, which was built by the federal government. The railroad runs from the Gulf of Alaska at Seward Alaska to Fairbanks in interior Alaska. The largest of Alaska's cities, the Municipality is a modern, progressive and dynamic metropolitan center with a 2022 estimated population of 289,810.

The Municipality is the leading trade, supply, banking and communications center of Alaska as well as the headquarters city in Alaska for many of the national and international firms participating in the development of the petroleum, natural gas and other natural resources of the State. The Municipality is also home to several of the corporate headquarters of the Twelve Native Regional Corporations established under the 1971 Alaska Native Regional Claims Settlement Act passed by U.S. Congress. The Municipality is also an important seaport, a world air transportation center, the headquarters city for the Alaska Railroad and the site of two large and historically stable military bases-Fort Richardson Army Base and Elmendorf Air Force Base (which were consolidated by the Department of Defense in 2010 and are now referred to as Joint Base Elmendorf & Richardson ("JBER")). Federal and State government offices and tourism are also major factors in the economic base of the Municipality.

Population

The population of the Municipality and the State of Alaska is shown in the following chart:

	Population ⁽¹⁾	
	Municipality	State
2022 Estimate	289,810	736,556
2021 Estimate	290,410	736,105
2020 U.S. Census	291,247	733,391
2019 Estimate	292,487	732,734
2018 Estimate	294,973	735,367
2017 Estimate	298,176	738,920
2016 Estimate	299,330	740,637
2015 Estimate	298,933	737,786
2014 Estimate	300,252	737,053
2013 Estimate	301,223	736,552
2012 Estimate	298,306	731,005
2011 Estimate	295,713	722,473
2010 U.S. Census	291,826	710,231
2000 U.S. Census	260,283	626,931
1990 U.S. Census	226,338	550,043
1980 U.S. Census	174,431	401,851
1970 U.S. Census	126,385	302,361
1960 U.S. Census	82,833	226,167
1950 U.S. Census	19,432	128,643

Source: Alaska Department of Labor and Workforce Development

(1) Estimates are as of July 2022 from the Alaska Department of Labor and Workforce Development, Research and Analysis Section.

Construction Activity

New building activity in the Municipality from 2011 to 2021 is reflected in the following table, which sets forth the construction value of building permits issued by the Municipality.

Municipality Construction Activity (Dollars in Thousands)

<u>Year</u>	<u>Commercial Permits</u>	<u>Residential Permits</u>	<u>Total Permits</u>
2021	\$ 205,759	\$ 153,519	\$ 359,278
2020	199,832	165,333	365,165
2019	260,572	147,383	407,955
2018	269,655	132,187	401,843
2017	274,322	152,680	427,002
2016	334,900	132,031	466,931
2015	374,017	175,355	549,372
2014	486,830	194,096	680,927
2013	462,441	168,786	631,227
2012	298,699	149,914	448,613
2011	320,014	111,887	431,901

Source: Municipality of Anchorage, Permitting & Planning Division.

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Employment

The following table shows estimated wage and salary employment (exclusive of self-employed, domestic and agricultural workers) for the Municipality area by industry. Totals may not foot due to rounding.

Average Annual Wage and Salary Employment by Industry

	2016	2017	2018	2019	2020	2021
Goods Producing						
Mining (Oil/Gas) & Logging	3,000	2,700	2,600	2,700	2,200	1,800
Construction	7,500	7,200	7,500	7,700	7,100	7,300
Manufacturing	2,000	2,000	2,000	2,100	1,900	2,000
Total Goods Producing	<u>12,500</u>	<u>11,900</u>	<u>12,200</u>	<u>12,400</u>	<u>11,200</u>	<u>11,000</u>
Service Producing						
Transportation	11,000	11,100	11,200	11,000	10,400	11,500
Trade						
Wholesale	4,800	4,800	4,800	4,900	4,700	4,700
Retail	18,000	17,600	17,200	16,500	15,100	15,300
Total Trade	<u>33,800</u>	<u>33,400</u>	<u>33,100</u>	<u>32,600</u>	<u>30,200</u>	<u>31,400</u>
Finance, Insurance and Real Estate	7,500	7,400	7,300	7,200	6,900	6,800
Services & Miscellaneous	72,000	71,400	70,800	71,000	63,900	65,700
Federal	8,600	8,500	8,400	8,400	8,600	8,500
State	10,200	9,900	9,900	9,700	9,500	9,600
Local	10,400	10,400	10,100	10,000	9,200	9,000
Total Government	<u>29,200</u>	<u>28,800</u>	<u>28,400</u>	<u>28,000</u>	<u>27,200</u>	<u>27,100</u>
Total Service Producing	<u>142,400</u>	<u>141,000</u>	<u>139,600</u>	<u>138,900</u>	<u>128,000</u>	<u>130,900</u>
Total Goods and Service Producing	155,000	152,900	151,800	151,300	139,300	141,900

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The following table shows a comparison of the annual unemployment rates for the United States, Alaska and the Municipality for the period of 2017 through 2022.

	Annual Unemployment Rate					
	2017	2018	2019	2020	2021	2022
United States	4.4%	3.9%	3.7%	8.1%	5.3%	3.6%
Alaska	6.5	6.0	5.5	8.2	6.4	N/A
Anchorage	5.4	5.0	4.5	7.8	5.8	N/A

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section (as of November 2022).

Oil and Gas Industry

Since 1968, when the first large oil and gas reservoir on the Arctic Coast was discovered, oil exploration and production have had a significant impact on the State's finances. The Trans-Alaska Pipeline System ("TAPS"), an 800-mile, 48-inch crude oil pipeline from the State's Arctic Coast to Valdez in south-central Alaska, was constructed in the 1970s and came online in 1977. This nationally important piece of infrastructure has transmitted more than 18.5 billion barrels of crude oil from the North Slope of Alaska to market between 1978 and 2022, with peak production of more than 2 million barrels per day in 1988.

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

Oil and Gas Property Tax. The State levies an oil and gas property tax on the value of taxable oil and gas exploration, production and pipeline transportation property in the State at a rate of 20 mills (two percent) of the assessed value of the property. This is the only centrally assessed statewide property tax program in Alaska. Oil and gas reserves, oil or gas leases, the rights to explore or produce oil or gas, and intangible drilling expenses are not considered taxable property under the statute. The most notable properties that are subject to this tax are TAPS, including the terminal at Valdez and the field production systems at Prudhoe Bay. The assessed value of all existing properties subject to this tax was approximately \$28.2 billion as of January 1, 2021, \$29.0 billion as of January 1, 2020, \$28.5 billion as of January 1, 2019, and \$28.2 billion as of January 1, 2018.

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

When the oil and gas property is located within the jurisdiction of a municipality, the municipality may also levy a tax on the property at the same rate the municipality taxes all other non-oil and gas property. The tax paid to a municipality on oil and gas property acts as a credit toward the payment to the State. Of the \$571.4 million of gross tax levied in fiscal year 2022 on oil and gas property in the State, the State's share was \$123.0 million; \$122.4 million of gross tax was actually collected due to a combination of credits and late payments. In the State of Alaska Fall 2022 Revenue Forecast, the State forecasts income from the oil and gas property tax to be approximately \$116.3 million in fiscal year 2023 and \$114.0 million in fiscal year 2024.

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

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

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

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

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

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

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

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

Taxpayers are required to make monthly estimated payments, based upon activities of the preceding month. These payments are due on the last day of the following month, and taxpayers are required to file an annual tax return to “true up” any tax liabilities or overpayments made during the year. From fiscal year 2007 through fiscal year 2017, as an incentive for new exploration, companies without tax liability against which to apply credits could apply for a refund of the value of most of the credits, subject to appropriation. In fiscal year 2016, the State credited for potential purchase \$498 million from companies claiming such credits. For fiscal year 2017, the State appropriated the minimum provided for in the statutorily based formula of \$30 million for payments of such credits. In fiscal year 2018, the State purchased \$78 million in tax credits through the Oil and Gas Tax Credit Fund and purchased an additional \$100 million in fiscal year 2019. No funds were appropriated for the purchase of tax credit certificates for fiscal year 2020 or fiscal year 2021, and \$54 million of general funds were appropriated in the fiscal year 2022 budget. In the enacted fiscal year 2023 budget, \$60 million of general funds were appropriated to the Oil and Gas Tax Credit Fund. Additionally, an amount equal to 10 percent of all revenues from taxes levied by AS 43.55.011 that is not required to be deposited in the budget reserve fund, not to exceed \$330 million, is appropriated from the General Fund to the Oil and Gas Tax Credit Fund. As of the date of the State of Alaska Fall 2022 Revenue Forecast, an estimated \$384 million in tax credits are projected to be available for State repurchase, with the majority of those being credits earned in prior years. Payments of these credits are subject to future fiscal year appropriation.

In 2017, House Bill 111 (“HB 111”) was enacted, making multiple changes to the State’s oil and gas production tax and tax credit statutes. Following passage of HB 111, new credits will no longer be eligible for cash

repurchase. Instead, companies will retain their credits until such time as they owe a tax liability to the State, at which time the credits could be used to offset the company's oil and gas production taxes.

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

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

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

Military Bases

Elmendorf Air Force Base and Fort Richardson Army Base, two military bases located in Anchorage, are an important part of the economy of the Municipality. In 2010, the bases were joined under a shared command and new name. JBER, the acronym for the Joint Base Elmendorf/Richardson, (pronounced "jay-bear") is the name of the combined installations. JBER houses an airborne brigade, a support brigade, an F22 Wing, a C-17 Wing, and numerous other support and tenant organizations. As of July 2019, the total JBER population estimate was 12,697. The location of Anchorage on the globe is recognized by the military as an extremely favorable logistical location for the fast and efficient deployment of troops and equipment.

Port of Alaska

Port of Alaska ("PoA") is Alaska's main cargo terminal. It handles approximately 4.0 million tons of fuel and freight annually that is distributed to 90 percent of all Alaska residents and businesses located in communities, military bases and other destinations across the state (see table below). It is Alaska's main intermodal transport hub and connects the state's marine, roadway, rail, pipeline and air cargo systems.

PoA is one of 17 Department of Defense-designated commercial strategic seaport nationwide. It is Alaska's only Foreign Trade Zone (FTZ no. 160) that currently incorporates some 1,000 acres located at the Port of Alaska, Ted Stevens Anchorage International Airport and other Anchorage-area sites. Half of the state's inbound freight crosses PoA docks annually, and half of this cargo is transported to destinations outside of Anchorage. PoA serves deep-water vessels operating year round, including four scheduled, weekly container ships from the Port of Tacoma. Both domestic and foreign carriers provide routine bulk deliveries of petroleum products, cement, building materials and other commodities.

PoA facilities include: three general cargo terminals, two petroleum terminals, a dry barge landing, bulk cement-handling, gantry cranes and roll on/roll-off capability. Its docks are maintained at a full seaway depth of 35 ft. MLLW. PoA has or is adjacent to 125 acres of cargo handling and storage yard, 59,200 tons of bulk cement storage and 3.4 million barrels of liquid fuel storage.

Port of Alaska Ten-Year Annual Dock Tonnage Report

<u>Commodities Across Facility</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Freight NOS	181	36	689	1,167	2,199
Dry Bulk Goods	117,837	87,692	101,853	109,956	105,326
Petroleum, NOS (vessel fueling)	42,262	47,888	58,728	222,536	129,828
Vans/Flats/Containers	1,642,100	1,638,486	1,642,547	1,655,612	1,631,303
Vehicles	-	-	-	-	-
Petroleum, Shoreside	1,193,446	1,061,820	902,439	802,093	505,980
Petroleum, Bulk - Dockside	2,172,109	2,151,884	1,997,845	1,474,399	1,574,029
TOTAL TONS	5,167,935	4,987,806	4,704,101	4,265,763	3,948,665
<u>Commodities Across Facility</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Freight NOS	5,876	4,451	-	5,463	6,385
Dry Bulk Goods	97,223	122,006	126,737	140,684	119,271
Petroleum, NOS (vessel fueling)	1,467	893	5,013	2,031	2,615
Vans/Flats/Containers	1,592,473	1,582,951	1,681,222	1,811,136	1,738,601
Vehicles	-	-	-	-	2,615
Petroleum, Shoreside	471,717	368,708	368,294	916,050	952,631
Petroleum, Bulk - Dockside	1,329,089	1,419,162	1,592,317	580,343	586,041
TOTAL TONS	3,497,845	3,498,171	3,773,584	3,455,707	3,408,158

Source: Municipality of Anchorage, Port of Alaska

Transportation

Anchorage International Airport

The State operates the Ted Stevens Anchorage International Airport (the "ANC") which serves as the primary passenger airport in Alaska and is an important cargo airport globally. ANC, including both domestic and international terminals and general aviation and air tax base around Lake Hood, covers approximately 4,837 acres of land. ANC is located approximately three miles southwest of the principal business district of the Municipality. The airport is classified by the FAA as a medium-hub airport on the basis of passenger enplanement levels. In terms of cargo levels, ANC was ranked as the number two cargo airport in North America and as the number five cargo airport in the world by Airports Council International in calendar year 2018. In fiscal year 2019, all-cargo certificated maximum gross takeoff weight (measured in 1,000 lb. units) was 24,202,128, as compared to 23,908,955 in fiscal year 2018 and 22,277,958 in 2017. In fiscal year 2019, passenger activity at ANC (including passenger enplanements, passenger deplanements and in-transit passengers) was approximately 5.69 million, as compared to 4.88 million in fiscal year 2010.

ANC's passenger terminal facilities include an approximately 834,000 square-foot domestic South Terminal and, connected to it by an enclosed above-ground walkway, an approximately 312,000 square-foot North Terminal used primarily for international flights. Additional facilities include a control tower owned by the FAA, privately-owned maintenance hangars, fueling facilities and catering facilities, State-owned parking facilities for over 4,100 vehicles (including a 1,172 space parking garage, 1,372 additional spaces for paid long-term and short-term parking, a new 335-space "Park, Ride & Fly" lot, and 1,258 employee parking spaces, but excluding over 1200 more spaces in the Consolidated Rental Car Facility), and land leased to the United States Post Office.

ANC is a strategically positioned cargo refueling and trans-loading hub. Cargo activity at ANC includes traffic between the United States and Asia.

Lake Hood and Lake Spenard - Seaplane Base

The Seaplane Base is located to the northeast of, and adjacent to the jet airport facilities of ANC. With approximately 1,000 based aircraft and approximately 81,000 landings in FY 2010, the Seaplane Base is one of the most active seaplane facilities in the world. The facility operates on a year-round basis, but weather conditions in the winter months dictate that the Seaplane Base operate as a ski-plane facility for part of the year.

Private Aircraft

More than 3,100 private aircraft are registered within the Municipality of Anchorage and are served by 11 airfields and two floatplane bases. Merrill Field, operated by the Municipality, is the largest general aviation airport for private aircraft in the State. Its paved runways of 4,000 feet and 2,640 feet handled 152,394 take-offs and landings during 2019.

The Alaska Railroad

The Alaska Railroad Corporation (the "ARRC"), which maintains its headquarters and principal repair shops, warehouses and yards in Anchorage, provides freight and passenger service. The ARRC serves the cities of Anchorage and Fairbanks, the ports of Whittier, Seward, and Anchorage as well as Denali National Park and military installations. Vessel and rail barge connections are provided from Seattle, Washington and Prince Rupert, British Columbia. The ARRC was owned and operated by the federal government from 1924 to January 1985, when ownership was transferred to the State.

The ARRC operates a total of 683 miles of track in Alaska. In 2018, the ARRC carried 3.2 million tons of freight and 531,611 passengers. In 2018, the railroad employed approximately 550 year-round employees.

APPENDIX C

FORM OF NOTE COUNSEL OPINION

April 6, 2023

Municipality of Anchorage
Anchorage, Alaska

J.P. Morgan Securities LLC
New York, New York

Re: Municipality of Anchorage, Alaska, 2023 General Obligation Tax Anticipation Notes - \$125,000,000

Ladies and Gentlemen:

We have acted as note counsel to the Municipality of Anchorage, Alaska (the “Municipality”), and have examined a certified transcript of the proceedings taken in the matter of the issuance by the Municipality of its 2023 General Obligation Tax Anticipation Notes (the “Notes”), dated April 6, 2023, in the aggregate principal amount of \$125,000,000, issued pursuant to Ordinance No. 2023-28 (the “Note Ordinance”) to provide funds to pay the ongoing expenses of the Municipality until sufficient funds are available from the receipt of 2023 ad valorem property taxes and from other revenue sources. Capitalized terms used in this opinion and not otherwise defined herein shall have the meanings given such terms in the Note Ordinance.

The Notes are not subject to redemption prior to their stated maturity.

Regarding questions of fact material to our opinion, we have relied on representations of the Municipality in the Note Ordinance and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Notes have been legally issued and constitute valid and binding general obligations of the Municipality, except to the extent that the enforcement of the rights and remedies of the holders and owners of the Notes may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. Both principal of and interest on the Notes are payable out of annual levies of *ad valorem* taxes to be made upon all of the taxable property within the Municipality without limitation as to rate or amount and in amounts which, together with other available funds, will be sufficient to pay such principal and interest as the same shall become due.

3. Interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the Municipality comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Municipality has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

4. Interest on the Notes is taken into account in determining “adjusted financial statement income” of certain corporations for purposes of computing the alternative minimum tax imposed on “applicable corporations” for tax years beginning after December 31, 2022.

5. Interest on the Notes is not included in taxable income for purposes of the Alaska income tax imposed on corporations.

The Municipality has not designated the Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Notes. Owners of the Notes should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Notes, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the Notes (except to the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the Municipality to provide ongoing disclosure pursuant to Securities and Exchange Commission Rule 15c2-12.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

K&L GATES LLP

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information has been provided by the Depository Trust Company, New York, New York (“DTC”). The Municipality makes no representation regarding the accuracy or completeness thereof. Beneficial Owners (as hereinafter defined) should therefore confirm the following with DTC or the Participants (as hereinafter defined).

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

8. All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Municipality or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Municipality or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but neither the Municipality nor the Underwriters take any responsibility for the accuracy thereof.