



# MUNICIPALITY OF ANCHORAGE, ALASKA COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the fiscal year ended  
December 31, 2020*



This electronic version of the Comprehensive Annual Financial Report of the Municipality of Anchorage obtained from the Municipality's web page is historical information that presents the Municipality's financial position as of December 31, 2020. The Municipality assumes no obligation for updating this financial report.

The Municipality has taken reasonable security measures to protect the integrity of its website and information posted thereon. However, no website can fully ensure against infiltration. Absent any unauthorized act that deletes, edits or somehow manipulates the words or data in this financial report, such financial report is true and correct as of their date.

# **MUNICIPALITY OF ANCHORAGE, ALASKA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended December 31, 2020**

**Dave Bronson  
Mayor**

**Prepared by:  
Controller's Division**

**Travis C. Frisk  
CFO**

**Mollie Morrison  
Controller**

Cover photo courtesy of Todd Sherwood- Legal Department

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Comprehensive Annual Financial Report

December 31, 2020

### Table of Contents

	Page(s)
Introductory Section:	
Letter of Transmittal	i – vi
Certificate of Achievement for Excellence in Financial Reporting	vii
Organizational Chart	viii
Principal Officials	ix
Municipality of Anchorage Vicinity Map	x
Financial Section:	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-21
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	24-27
Statement of Activities	28-29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of Governmental Fund Balance Sheet and Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities	33
Statement of Net Position – Proprietary Funds	34-37
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	38-39
Statement of Cash Flows – Proprietary Funds	40-43
Statement of Net Position – Fiduciary Funds	44
Statement of Changes in Net Position – Fiduciary Funds	45
Notes to Basic Financial Statements – Index	46
Notes to Basic Financial Statements	47-139
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund by Function	141
Notes to Required Supplementary Information – Budgetary Data	142-143
Required Supplementary Information – Condition Rating of Anchorage's Road Network	144
Required Supplementary Information – Pension Plans	145-152
Notes to Required Supplementary Information – Pension Plans	153-154
Required Supplementary Information – OPEB Plans under GASB 74	155-158
Notes to Required Supplementary Information – OPEB Plans under GASB 74	159
Required Supplementary Information – OPEB Plans under GASB 75	160-163
Notes to Required Supplementary Information – OPEB Plans under GASB 75	164-165
Supplementary Information:	
Budgetary Comparison Schedule – General Fund by Sub-Fund	168
Budgetary Comparison Schedule – General Fund by Department	169
Nonmajor Governmental Funds:	
Combining Balance Sheet	173-177
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)	178-182

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Comprehensive Annual Financial Report

December 31, 2020

### Table of Contents

	<b>Page(s)</b>
Budgetary Comparison Schedules:	
MOA Trust	183
Heritage Land Bank	184
Convention Center Operating Reserve	185
E911 Surcharge	186
Police and Fire Retiree Medical Liability	187
Nuisance Property Abatement	188
Other Restricted Resources	189
ACPA Surcharge Revenue Bond	190
Police and Fire Retirement Certificate of Participation Bond	191
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	194
Combining Statement of Revenues, Expenses and Changes in Net Position	195
Combining Statement of Cash Flows	196
Internal Service Funds:	
Combining Statement of Net Position	198-199
Combining Statement of Revenues, Expenses and Changes in Net Position	200-201
Combining Statement of Cash Flows	202-203
Fiduciary Funds:	
Combining Statement of Net Position	206-207
Combining Statement of Changes in Fiduciary Net Position	208-209
Statistical Section:	
Table 1. Net Position by Component	212
Table 2. Change in Net Position	213-214
Table 3. Charges for Services by Function/Program	215
Table 4. Fund Balances- Governmental Funds	216
Table 5. Changes in Fund Balances- Governmental Funds	217
Table 6. Debt Service as a Percentage of Noncapital Expenditures	218
Table 7. Tax Revenues by Source- Governmental Funds	219
Table 8. Use of Property Taxes	220
Table 9. Assessed Value and Estimated Actual Value of Taxable Property	221
Table 10. Property Tax Rates	222
Table 11. Principal Property Taxpayers	223
Table 12. Property Tax Levies and Collections	224
Table 13. Outstanding Debt by Type	225
Table 14. Ratio of General Bonded Debt Outstanding	226
Table 15. Direct and Overlapping Debt	227
Table 16. Legal Debt Margin	228
Table 17. Pledged Revenue Coverage	229-231
Table 18. Demographic Statistics	232
Table 19. Principal Employment by Industry	233
Table 20. Full-Time Equivalent Employees	234
Table 21. Miscellaneous Statistical Data by Function	235-238

# MUNICIPALITY OF ANCHORAGE

Office of the Chief Fiscal Officer



Phone: (907) 343-6610

*Travis C. Frisk, CFO*

September 30, 2021

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

Transmittal of the Comprehensive Annual Financial Report.

The Comprehensive Annual Financial Report (Annual Report) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2020, 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 Annual Report 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, 2020. BDO USA, LLP audited all 2020 financial records except for those of Police & Fire Retirement Pension Trust Funds. BDO USA, LLP reports are included in the financial section of the CAFR and in both financial assistance reports. The Pension Trust Funds were audited by certified public accountants who issued an unmodified opinion.

## **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 288,970.

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 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 eleven 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](http://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 electric, water, wastewater, 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](http://www.muni.org).



## **Global Pandemic**

In late January 2020, the World Health Organization (WHO) announced a global health emergency regarding a new strain of virus called novel coronavirus (COVID-19). This virus originated from within China, and spread globally, including Alaska. In March 2020, the WHO classified COVID-19 as a pandemic. March 12, 2020, the mayor of Anchorage declared a state of emergency to protect and preserve public health and safety, and subsequently closed all civic, cultural, and recreational facilities in the Municipality. The governor of Alaska declared a public health disaster as did the President of the United States.

During 2020 and early 2021, the administrations of the Municipality and the State of Alaska have extended and retracted emergency declarations and refined emergency orders to allow for a measured expansion of economic and social activities within the Municipality and the state. Travel restrictions were modified and then eliminated to allow for more travelers to enter the state for work, commerce, tourism, and other purposes. Municipal facilities, businesses, recreational, cultural, and civic facilities have reopened with few restrictions and new measures designed to preserve the health of patrons and the public.

The full impact of the COVID-19 outbreak 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.

## **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 \$176.2 million in CARES Act funds, \$35.4 million in ERA funds, and \$52 million in ARPA funds. The Municipality is expending the funds primarily for first responder salaries, 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 288,970 which represents a decrease of 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 41,375 students enrolled for the 2019-2020 academic year, a decrease of 10.5 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 increased in 2020. The average unemployment rate in 2020 was 7.4 percent, an increase from 5.1 percent in 2019. The 2020 rate was lower than the national average of 8.1 percent and was lower than the 7.8 percent average for the State of Alaska in 2020. In May 2021 Anchorage saw an increase of 7,500 jobs over May 2020. The number of single-family homes sold year-to-date has increased by 12.8% and the average sale price in 2021 has increased by 10.8%.

The top five companies posting jobs in May 2021 are Providence Health and Services, Alaska Native Tribal Health Consortium, Humana, Anchorage School District and Alaska Teacher Placement.

The Municipality has several major employment sectors that drive the local economy including health care, tourism, construction, and transportation.

Health care employment continued to be a strong leader of the service producing industry for 2020, even though this sector lost 800 jobs in the Municipality during 2020, down 700 jobs from 2019, following a five-year growth period of adding 3,000 new jobs. The health care sector in the Municipality accounted for approximately 20,100 jobs, on average, in 2020.

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. However, the sector is rebounding, with 1,100 additional jobs from May 2020 to May 2021. Patients are returning to clinics, as routine health care is beginning to rebound. However, telehealth visits, which were a mainstay of the healthcare delivery system during 2020, may continue in the future, which could have some effect on health care employment.

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. Current population projectors anticipate this cohort will expand by another 13,000 people by 2025.

The tourism sector is another 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.

We are encouraged by the return of the independent travelers to Alaska and Anchorage. Many visitors are planning domestic vacations since international travel and tourism continues to be negatively affected by the pandemic. Within Anchorage, the leisure and hospitality sector accounts for more than 16,600 jobs, a gain of over 3,300 jobs from 2020, following the loss of 4,300 jobs in this sector in 2020.

Construction employment within the Municipality decreased in 2020 by approximately 700 jobs, bringing average employment to 7,100 jobs. Total building permit applications were up by 6 percent over 2019. Government project permits doubled in 2020 due to earthquake recovery activities. The Municipality added \$18 million in assessed value for commercial properties and \$28 million in assessed value for residential properties in 2020. Significant projects permitted during 2020 include a 20-unit West 32<sup>nd</sup> Avenue family housing project (\$6 million), and South Anchorage Senior Housing Project (\$13 million). 2021 projects begun or planned include the Key Bank building on 5<sup>th</sup> Avenue, a large logistic facility at Anchorage International Airport, Aloft Hotel, Block 96 Flats, the Solid Waste Services Transfer Station, Eagle River Elementary School repairs, as well as an uptick in residential construction due to increased demand.

Transportation is another major sector in the Municipality. 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 by 9.7 percent over 2019. Number of passengers (enplanements) were down by 22 percent from 2019 due to the pandemic restrictions on travel worldwide. However, in 2021, commercial air travel has returned to 90% of pre-pandemic levels.

The State-owned Alaska Railroad also transports freight and passengers. During 2020 passenger service was severely curtailed. Annual ridership went from 522 thousand passengers in 2019 to 32 thousand in 2020. The freight business was also impacted by the pandemic. The slump in oil demand dampened North Slope oilfield activity, and the slowing economy decreased freight shipments in other areas of commerce. The railroad moved 26 percent less tonnage compared to 2019, 2.6 million tons in 2020 versus 3.5 million tons in 2019. However, of note to Anchorage, the Railroad purchased property in the Ship Creek area on First Avenue and widened and paved Depot Drive, a previously dirt roadway west of the Anchorage Historic Depot.

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 4.7 million tons in 2020, the highest volume in 10 years. Petroleum shipments increased 27 percent, as a result of robust activity at Anchorage International Airport and military operations. Container volume incurred a small decrease of less than 1 percent, and dry bulk goods experienced a slight decline of 7 percent. The Port is currently undergoing a modernization project where aging terminals are being replaced with new, state of the art terminals. To date, the program has secured funding to complete Phase 1 of a four-phase project. Phase 1 is the construction of a new petroleum and cement terminal (PCT) and is currently underway and scheduled to be complete and operational by late 2021. The new PCT will provide improved, safe, and efficient petroleum and cement operations, and resiliency in case of earthquakes or other disasters.

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.

### **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-five non-major 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 designation that will become committed fund balance.

Second, it is the policy of the Municipality to prepare and manage its non-major 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 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 2.0 percent and 3.0 percent of current year expenditures as a working capital reserve that will become part of the unassigned fund balance.

With regards to expenditures, they are defined as total expenditures reported in the CAFR'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 AAA by Standard and Poor's (S&P) and AA+ by Fitch Ratings (Fitch). Both ratings are with a stable outlook. Revenue bond covenants stipulating debt service coverage requirements were met in 2020.

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 1.33 percent as of December 31, 2020 and the net direct general obligation debt per capita was \$1,595. The respective amounts as of December 31, 2019 were 1.29 percent and \$1,533. When ASD debt is included, net direct general obligation debt to assessed value as of December 31, 2020 is 3.11 percent (2.62 percent in 2019) and the net direct general obligation debt per capita is \$3,746 (\$3,116 in 2019).

In April 2021, the voters of the Municipality approved the issuance of \$47,835,000 in general obligation bonds. The bonds will be for various projects including area-wide capital improvements, roads and drainage, public safety, fire protection, transit and parks and recreation. New debt is to be issued in the third quarter of 2021. 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.

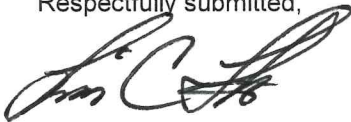
### **Awards and Acknowledgements**

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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Comprehensive Annual 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 Comprehensive Annual 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,



**Travis C. Frisk**  
Chief Fiscal Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Municipality of Anchorage  
Alaska**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

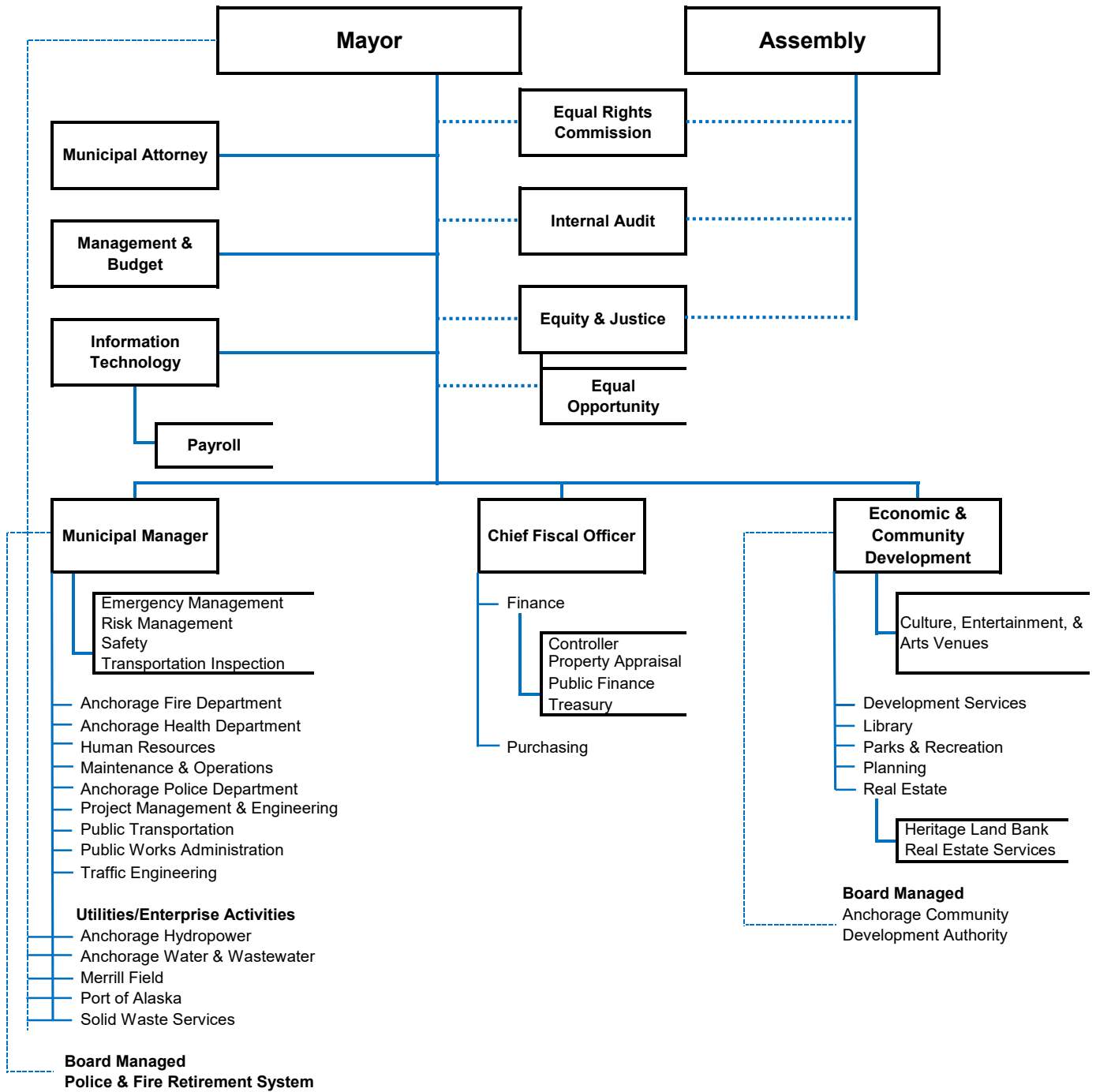
December 31, 2019

*Christopher P. Morill*

Executive Director/CEO



# MUNICIPALITY OF ANCHORAGE



# MUNICIPALITY OF ANCHORAGE

2020

## PRINCIPAL OFFICIALS

### ASSEMBLY

The legislative power of Anchorage is vested in an eleven 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. At December 31, 2020, the following citizens were elected to serve on the Assembly.

Suzanne LaFrance, Chair

Jamie Allard	Kameron Perez-Verdi
Christopher Constant, Vice Chair	Pete Petersen
Forrest Dunbar	John Weddleton
Crystal Kennedy	Meg Zaletel
Felix Rivera	Austin Quinn-Davidson

Barbara A. Jones, Municipal Clerk

### ADMINISTRATION

Dave Bronson, Mayor

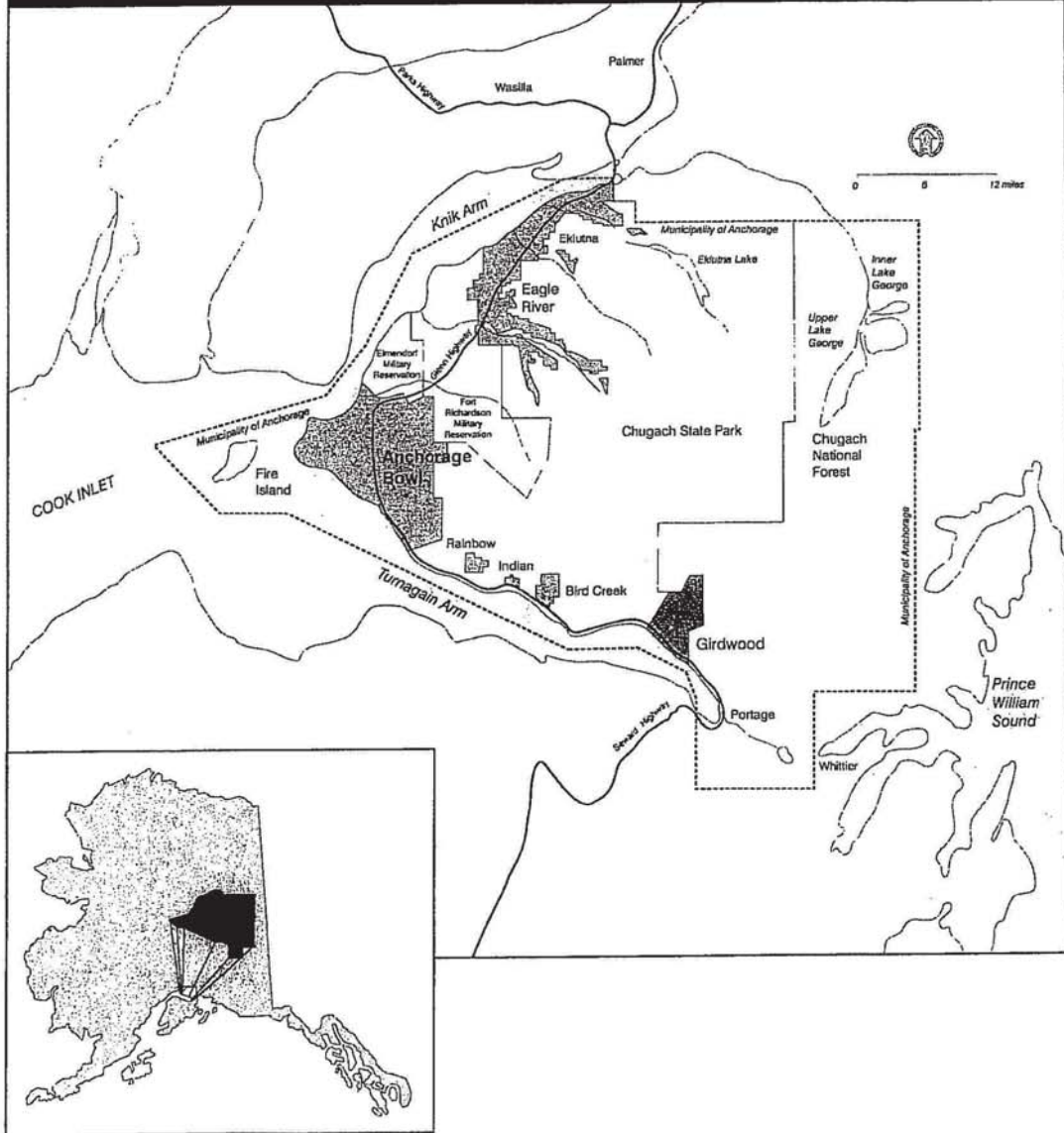
Sami Graham, Chief of Staff

Amy Demboski, Municipal Manager

Patrick Bergt, Municipal Attorney

Travis C. Frisk, Chief Fiscal Officer

# Municipality of Anchorage Vicinity Map







Tel: 907-278-8878  
Fax: 907-278-5779  
www.bdo.com

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, 2020, 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, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position 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 December 31, 2020, 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.

We did not audit the financial statements of the Police/Fire Retirement Trust fiduciary funds, which represent 36%, 50% and 17%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of December 31, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police/Fire Retirement Trust fiduciary funds, is based solely on the report of the other auditors.

#### ***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. The financial statements of the Police/Fire Retirement Trust fiduciary funds were not audited in accordance with *Government Auditing Standards*. 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, Alaska 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.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

### ***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 within one year after the date that the financial statements are issued or available to be issued.

### ***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.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 21 and other required supplementary information on pages 141 through 165 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 and other auditors 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.

### ***Other 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, the combining fund financial statements, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and the combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and based on the report of the other auditors, the 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.

The introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of the Municipality of Anchorage, Alaska'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, Alaska'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, Alaska's internal control over financial reporting and compliance.

*BDO USA, LLP*

Anchorage, Alaska  
September 30, 2021

## **MUNICIPALITY OF ANCHORAGE MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Municipality of Anchorage (Municipality), we offer readers of the Municipality's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2020. 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 2020 with reported net position of \$3.7 billion.
- The Municipality's total net position increased by \$68.2 million or approximately 1.88 percent for 2020. The increase is the net result of an increase in governmental activities net position of \$262.4 million and a decrease in business-type activities net position of \$194.2 million.
- During the year, the governmental activities generated \$974.1 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 \$374.2 million in revenues not including transfers from or special item, that was offset by expenses of \$280.9 million, not including transfers to.
- As of December 31, 2020, the Municipality's governmental funds reported a combined ending fund balance of \$645.6 million, an increase of \$272.3 million. Of the fund balance, \$44.1 million is non-spendable, \$522 million is restricted, \$112.2 million is committed, \$7.7 million is assigned and a deficit of (\$40.4) million is unassigned. Included in the committed fund balances are \$41.3 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.
- 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 2020.
- The Municipality's total capital assets (net of accumulated depreciation) on December 31, 2020 was \$4.9 billion.
- The Municipality's total long-term debt on December 31, 2020 was \$1.2 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) the notes to 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, electric generation, distribution and transmission, 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-five 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, MOA Trust Fund, the Roads and Drainage Capital Project Fund, and the State Grant Fund, which are considered to be major funds in accordance with GASB Statement No. 34. Information from the other twenty-one governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 Services, and Permanent Funds, which are

presented in the non-major combining statement section of the CAFR. 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 water services and wastewater services; electric generation, transmission, and distribution 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 electric generation, distribution, and transmission services; water services; wastewater services; and port services; all of which are considered to be major enterprise funds of the Municipality. Information from the other four proprietary enterprise funds are combined into a single, aggregated presentation as non-major funds of the Municipality. Individual fund data for each of these non-major 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 Financial Statements**

The notes to the 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 benefits.

### **Other Information**

In addition to the required supplementary information elements, the combining statements referred to earlier in connection with non-major governmental funds, non-major 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, 2020 compared to the prior year (reference Table A-1).

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

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 896,937	\$ 538,501	\$ 384,349	\$ 409,950	\$ 1,281,286	\$ 948,451
Capital assets	3,435,662	3,438,327	1,512,827	2,298,939	4,948,489	5,737,266
Total assets	4,332,599	3,976,828	1,897,176	2,708,889	6,229,775	6,685,717
Deferred outflows of resources	66,718	51,196	10,309	11,387	77,027	62,583
Total deferred outflows of resources	66,718	51,196	10,309	11,387	77,027	62,583
Long-term liabilities	1,160,599	1,094,328	615,474	908,592	1,776,073	2,002,920
Other liabilities	259,646	222,629	52,711	275,418	312,357	498,047
Total liabilities	1,420,245	1,316,957	668,185	1,184,010	2,088,430	2,500,967
Deferred inflows of resources	55,320	49,682	460,825	563,622	516,145	613,304
Total deferred inflows of resources	55,320	49,682	460,825	563,622	516,145	613,304
Net investment in capital assets	2,863,993	2,857,704	647,840	795,170	3,511,833	3,652,874
Restricted	522,189	275,783	44,884	45,278	567,073	321,061
Unrestricted (Deficit)	(462,430)	(472,102)	85,751	132,196	(376,679)	(339,906)
Total net position	\$ 2,923,752	\$ 2,661,385	\$ 778,475	\$ 972,644	\$ 3,702,227	\$ 3,634,029

### Overall Analysis

On December 31, 2020, the Municipality's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$3.7 billion. Total net position increased \$68.2 million or 1.88 percent.

The largest portion of the Municipality's net position, \$3.5 billion (95 percent) reflects its investment in capital assets less any outstanding debt used to acquire those assets. The Municipality's capital assets are used to provide services to its citizens, consequently; they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position in the amount of \$567 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 \$30.3 million restricted net position for the acquisition and construction of capital assets, \$3.8 million restricted for operations, \$39.5 million for the Police and Fire Retiree Medical Liability prefunding, \$39.3 million restricted for debt service, \$3.7 million for landfill post closure costs, \$12.8 million restricted for grant activity, \$1.3 million for E911 Surcharge, \$18.3 million restricted for convention center operating reserve, and \$418.1 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 2020, the unrestricted net position was a deficit of (\$376) million. This deficit continues to be primarily due to the net pension and net other post-employment benefits (OPEB) liabilities reported in accordance with GASB 68 - Accounting and Reporting for Pensions and GASB 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.

### Governmental Activities

The governmental activities total net position increased \$262.4 million or 9.86 percent. Most of this increase was due in large part to the sale of the assets of the Electric Utility to Chugach Electric Association, Inc (CEA). Of the total sale proceeds, \$229.6 million was deposited into the MOA Trust Fund, increasing both restricted net position and overall net position. Other current assets, including cash and investments held in the central treasury, increased over the prior year, as did the net OPEB assets and deferred outflows related to refunding bonds. This increase in net position is offset by the increases of \$75.6 million in the net pension and net OPEB liabilities, and an increase of \$16.2 million in due to component unit (ASD) for property taxes collected on their behalf.



Net investment in capital assets increased \$6.3 million or 0.22 percent. While capital assets decreased by \$2.7 million, debt associated with capital assets decreased by \$9 million.

Restricted net position increased \$246.4 million or 89.35 percent. This increase is mainly due to additions to the MOA Trust Fund from the Electric Utility sale proceeds, along with investment earnings during the year. The market value of the MOA Trust Fund investment increased \$246.6 million or 144 percent during 2020. Proceeds from the sale of the assets of the Electric Utility increased the Trust by more than \$229.6 million, increasing the Trust by 134 percent over 2019.

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 net position categories. In 2020, the deficit in unrestricted net position decreased by \$9.7 million or 2.05 percent. This increase in unrestricted net position is mainly due to the revenues recognized from FEMA reimbursements from the 2018 earthquake and COVID-19 expenditures.

### **Business-type Activities**

The business-type activities total net position decreased (\$194.2) million or 19.96 percent. Net investment in capital assets reported a decrease of (\$147.3) million or 18.5 percent. This decrease is primarily due to the sale of the assets of the Electric Utility. The Electric Utility sale caused a decrease of overall net position of (\$271.8) million and a reduction of net investment in capital assets of (\$214.9) million. Outside of the Electric Utility sale, net position increased by \$78 million, and net investment in capital assets increased by \$67.6 million. Net additions of construction work in process and distribution and production assets in the Utilities were \$91.2 million, exclusive of the Electric Utility. Outside of the Electric Utility, debt related to capital assets increased by \$42 million due to the revenue bonds issued by the Port, clean water revolving loans issued by the Water and Wastewater Utilities, and long-term notes issued by the Refuse and Disposal Utilities in 2020.

Restricted net position decreased \$0.39 million or 0.87 percent due to \$24.3 million additional restrictions for debt service in the Water and Wastewater Utilities and the Port Fund, a \$0.4 million increase in investment in excess of liability restricted for post-closure of the landfill in the Solid Waste Utility, and \$3 million restricted for operations in the Anchorage Hydropower Fund; offset by a (\$7.9) million decrease in restrictions for acquisition and construction in the Port Fund, (\$14.4) million released from restrictions in the Electric Utility pursuant to the sale, and (\$5.7) million released from restrictions 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. Any change to unrestricted net position is the reflection of changes in the other two net position categories. In 2020, unrestricted net position decreased by (\$46.4) million or 35.13 percent. The primary reason for this is the decrease of (\$42.1) million in unrestricted net position in the Electric Utility due to the sale in 2020. Additional decreases in unrestricted net position were (\$3.6) million in the Water Utility, (\$4.7) million in the Wastewater Utility, \$6.2 million in the Port, and (\$2) million in non-major enterprise funds.

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 government as a whole and the governmental activities, the Municipality reported positive balances in net investment in capital assets and restricted net position only. Unrestricted net position reported a negative balance for governmental activities and the Municipality as a whole. This continues to be due to the net pension and net OPEB liabilities required to be reported in accordance with GASB standards as noted above.

### **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 2020 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	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 52,058	\$ 56,235	\$ 305,153	\$ 346,226	\$ 357,211	\$ 402,461
Operating grants & contributions	207,394	25,374	1,726	(671)	209,120	24,703
Capital grants & contributions	19,056	19,649	51,910	49,779	70,966	69,428
<b>General revenues:</b>						
Property taxes	587,740	558,102	-	-	587,740	558,102
Other taxes	66,430	89,422	-	-	66,430	89,422
Grants and entitlements not restricted to specific programs	375	4,558	-	-	375	4,558
Other	-	-	-	-	-	-
Investment earnings (loss)	41,017	42,131	15,438	21,938	56,455	64,069
<b>Total revenues</b>	<b>\$ 974,070</b>	<b>\$ 795,471</b>	<b>\$ 374,227</b>	<b>\$ 417,272</b>	<b>\$ 1,348,297</b>	<b>\$ 1,212,743</b>
<b>Expenses:</b>						
General government	\$ 42,803	\$ 30,452	\$ -	\$ -	\$ 42,803	\$ 30,452
Fire services	142,705	104,391	-	-	142,705	104,391
Police services	169,314	130,800	-	-	169,314	130,800
Health and human services	81,180	27,192	-	-	81,180	27,192
Economic and community dev.	159,027	78,809	-	-	159,027	78,809
Public transportation	35,519	33,695	-	-	35,519	33,695
Public works	50,789	39,264	-	-	50,789	39,264
Maintenance and operations	40,095	35,071	-	-	40,095	35,071
Education	269,957	247,224	-	-	269,957	247,224
Interest	14,152	22,113	-	-	14,152	22,113
Electric	-	-	126,193	153,284	126,193	153,284
Water	-	-	44,764	42,939	44,764	42,939
Wastewater	-	-	48,086	44,635	48,086	44,635
Port	-	-	20,052	18,202	20,052	18,202
Refuse	-	-	11,146	10,573	11,146	10,573
Solid waste	-	-	25,432	19,198	25,432	19,198
Municipal airport	-	-	5,179	3,923	5,179	3,923
Anchorage Hydropower	-	-	64	-	64	-
<b>Total expenses</b>	<b>1,005,541</b>	<b>749,011</b>	<b>280,916</b>	<b>292,754</b>	<b>1,286,457</b>	<b>1,041,765</b>
Change in net position prior to transfers	(31,471)	46,460	93,311	124,518	61,840	170,978
Transfers	293,837	27,421	(293,837)	(27,421)	-	-
Special Item - (see Note 23)	-	-	6,357	-	6,357	-
<b>Change in net position</b>	<b>262,366</b>	<b>73,881</b>	<b>(194,169)</b>	<b>97,097</b>	<b>68,197</b>	<b>170,978</b>
Beginning net position	2,661,386	2,587,504	972,644	875,547	3,634,030	3,463,051
<b>Ending net position</b>	<b>\$ 2,923,752</b>	<b>\$ 2,661,385</b>	<b>\$ 778,475</b>	<b>\$ 972,644</b>	<b>\$ 3,702,227</b>	<b>\$ 3,634,029</b>

**Overall Analysis**

The Municipality's total net position of \$3.7 billion increased by \$68.2 million or 1.88 percent as reported in the Statement of Activities. This increase consists of a \$262.4 million increase in governmental activities and a (\$194.2) million decrease in business-type activities, mostly due to the net effect of the sale of the Electric Utility, but also affected by increases in cash and investments, capital assets, overall debt and increases in net pension and net OPEB liabilities. The COVID-19 pandemic increased expenses, and reduced some general revenues, but the

Municipality was able to use federal and state COVID relief funds for many of those increased expenses, which mitigated the effects of the lost general revenues.

**Governmental Activities**

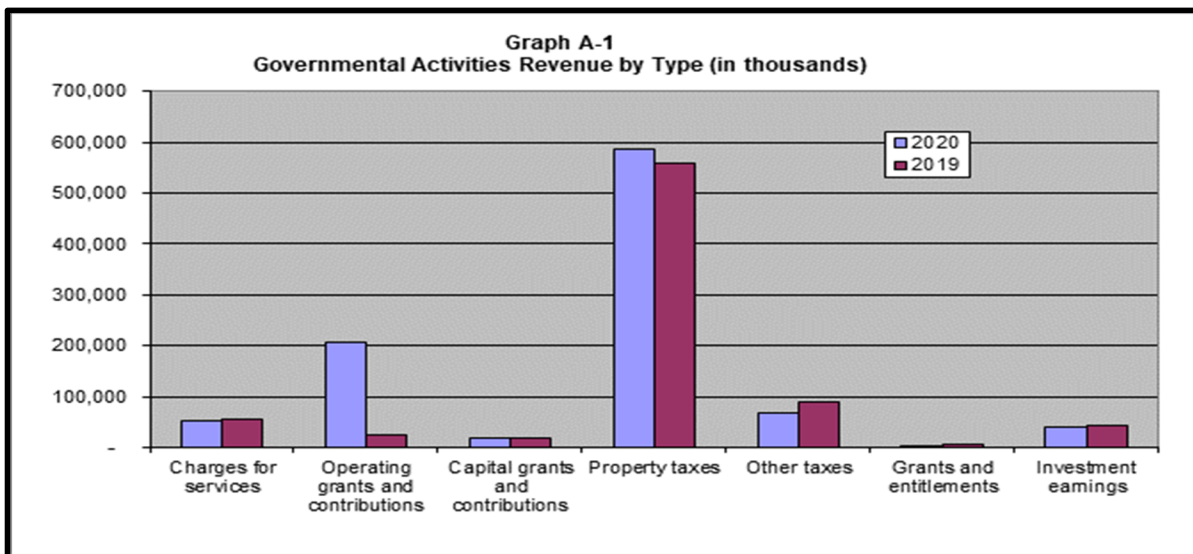
Governmental activities increased the Municipality’s net position by \$262.4 million or 9.86 percent. As mentioned in the analysis of changes in the Statement of Net Position, this increase was due in large part to the sale of the assets of the Electric Utility to CEA. Increases in investment assets led to investment revenues, even though market conditions were not as favorable in 2020 as they were in 2019.

Total governmental activity revenues were \$974.1 million, excluding transfers. Revenues increased \$178.6 million or 22.45 percent over the prior year. Property taxes, the Municipality’s largest single revenue source, increased 5.31 percent, offset by a decrease in other taxes of 25.71 percent, primarily due to the pandemic lockdown and decrease in tourism revenues for the Municipality. Investment earnings decreased 2.64 percent due to less favorable market conditions in 2020. However, the Municipality increased its investment assets considerably during the year. Operating grants and contributions increased 717.35 percent, mainly due to the receipt of CARES grant funds. Capital Grants and Contributions decreased 3.02 percent.

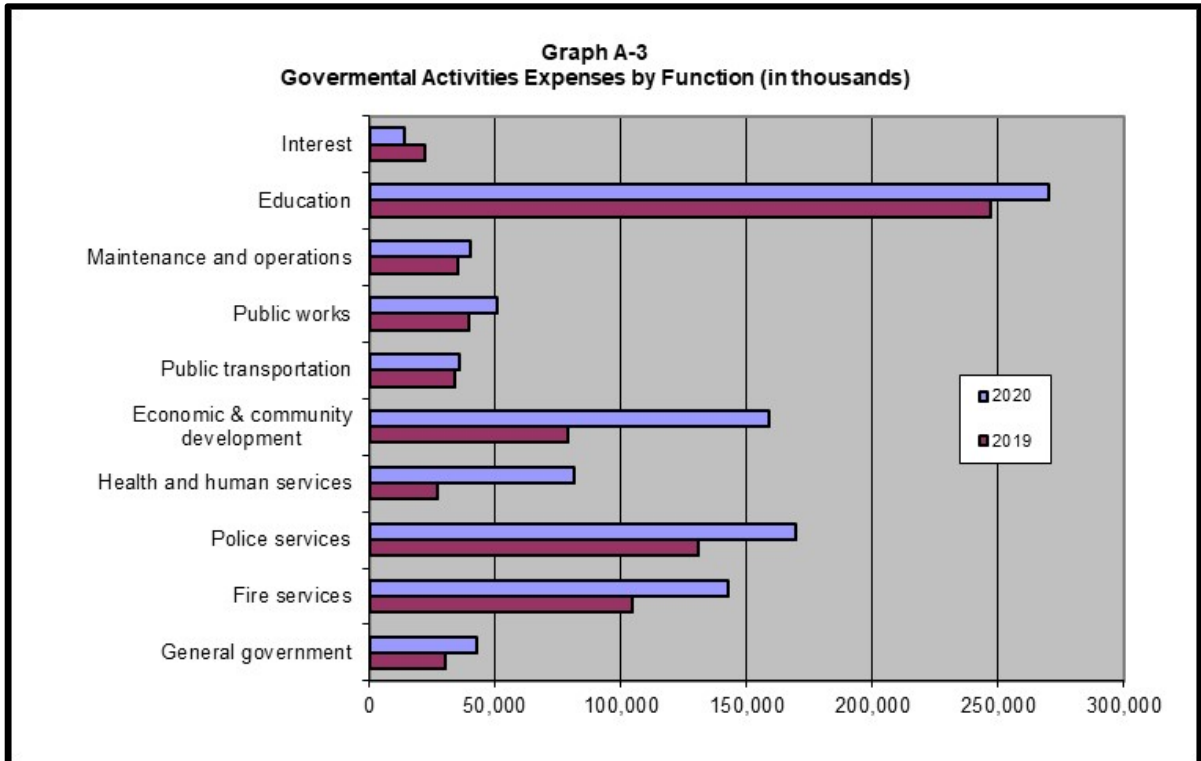
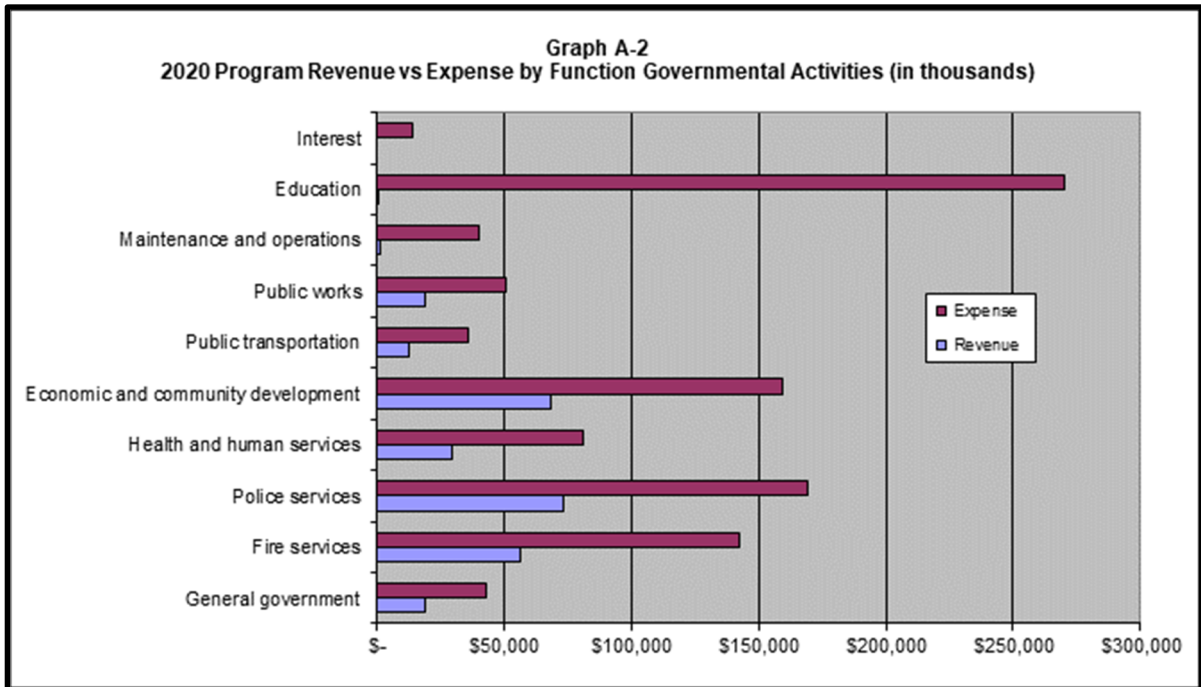
Total governmental activity expenses in 2020 were \$1 billion, excluding transfers, an increase of \$256.5 million or 34.25 percent. Out of the total expenses, \$278.5 million was paid either by those directly benefiting from the programs or by other governments and organizations that subsidize certain programs with grants and contributions. The remaining net expense (total expenses less program revenues) of \$727 million was the cost of governmental services paid by the Municipality’s taxpayers.

Education, Economic and Community Development, Police Services, and Fire Service functional expense categories yielded the largest total expenses of \$270 million, \$159 million, \$169.3 million, and \$142.7 million, respectively. Health and Human Services expenses increased by \$54 million, or 198.5 percent, Police Services expenses were up by \$38.5 million or 29.4 percent, and Fire Services expenses were up by \$38.3 million or 36.7 percent. The increases in Health, Police and Fire Services expenses were primarily due to the Municipality’s response to the pandemic emergency. Economic and Community Development expenses were also greater because of the pandemic response. 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. Increases in General Government - \$12.4 million (40.6 percent), Education - \$22.7 million (9.2 percent), Public Works - \$11.5 million (29.35 percent), Maintenance and Operations - \$5 million (14.3 percent) were in part also due to increased expenditures related to pandemic response. Public Transportation functional expenses increased \$1.8 million (5.4 percent) even though ridership and revenues were significantly down due to the pandemic. Enhanced health and safety measures were implemented to protect passengers and employees. Increases in functional expenses were also affected by an increase in the pension and OPEB liabilities, which caused increased pension and OPEB expenses.

The first graph compares the Municipality’s governmental activities program and general revenues by type for 2020 and 2019.



The second graph compares the Municipality's 2020 governmental activities program revenues vs expenses by function. The third graph compares the Municipality's governmental activities expenses by function for 2020 and 2019.



**Business-type Activities**

Business-type activities decreased the Municipality's net position by (\$194.2) million from current operations, a 19.96 percent decrease over the prior year. Key elements of the change in net position are as follows:

- 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. The disposal of the Electric Utility resulted in a reduction in net position of

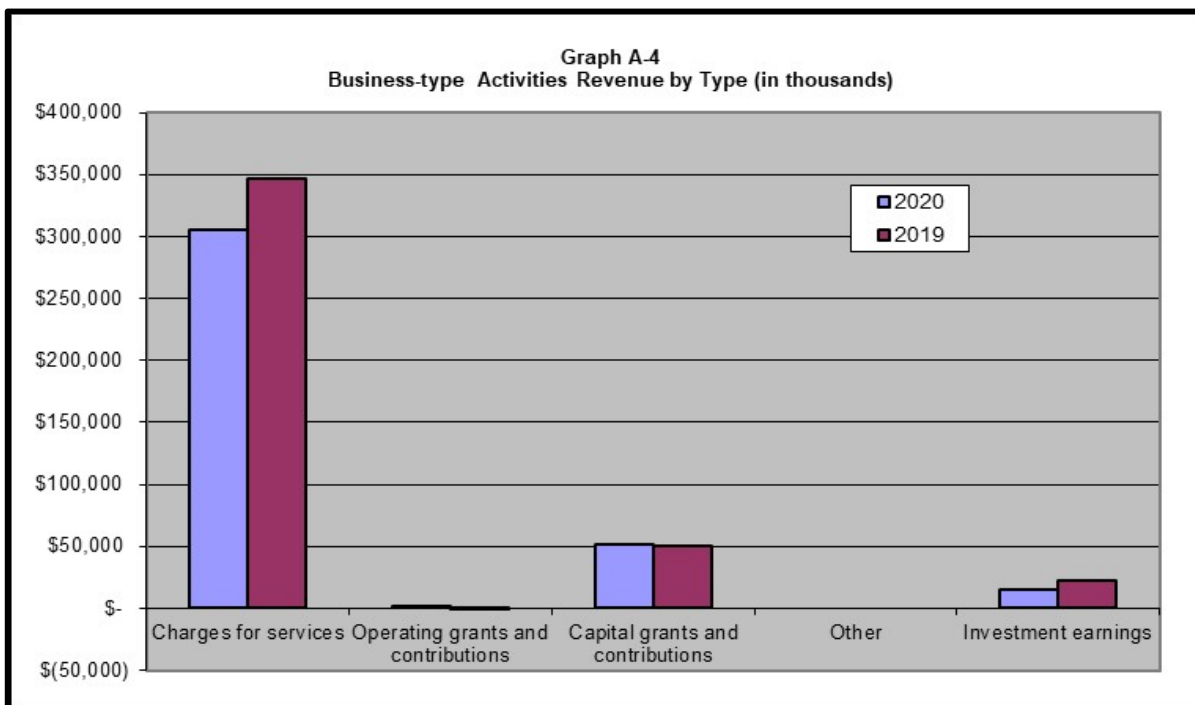
(\$271.8) million, a gain on disposal of operations of \$6.4 million and a loss on extinguishment of debt of (\$15.3) million.

- The Electric Utility operating income decreased (\$4.4) million or 12.42 percent from 2019, primarily due to operating for ten months in 2020.
- The Port reported capital contributions of \$48.9 million from state grant revenues, an increase of \$3.2 million over 2019.
- The Water Utility operating income decreased by (\$4.6) million, or 16 percent from 2019, due to reduced commercial metered revenue related to the COVID-19 pandemic and refunds related to a 0.48 percent reduction in recurring rates, and increased pension and OPEB expenses.
- The Wastewater Utility operating income decreased by (\$5.7) million, or 29 percent from 2019, primarily due to a reduction in recurring rates and commercial revenue reductions due to the COVID-19 pandemic, and increased pension and OPEB expenses.
- 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 last quarter of 2020 was \$0.7 million. The fund reported \$7.9 million in asset transfers and \$3.3 million in cash transfers from the Electric Utility.

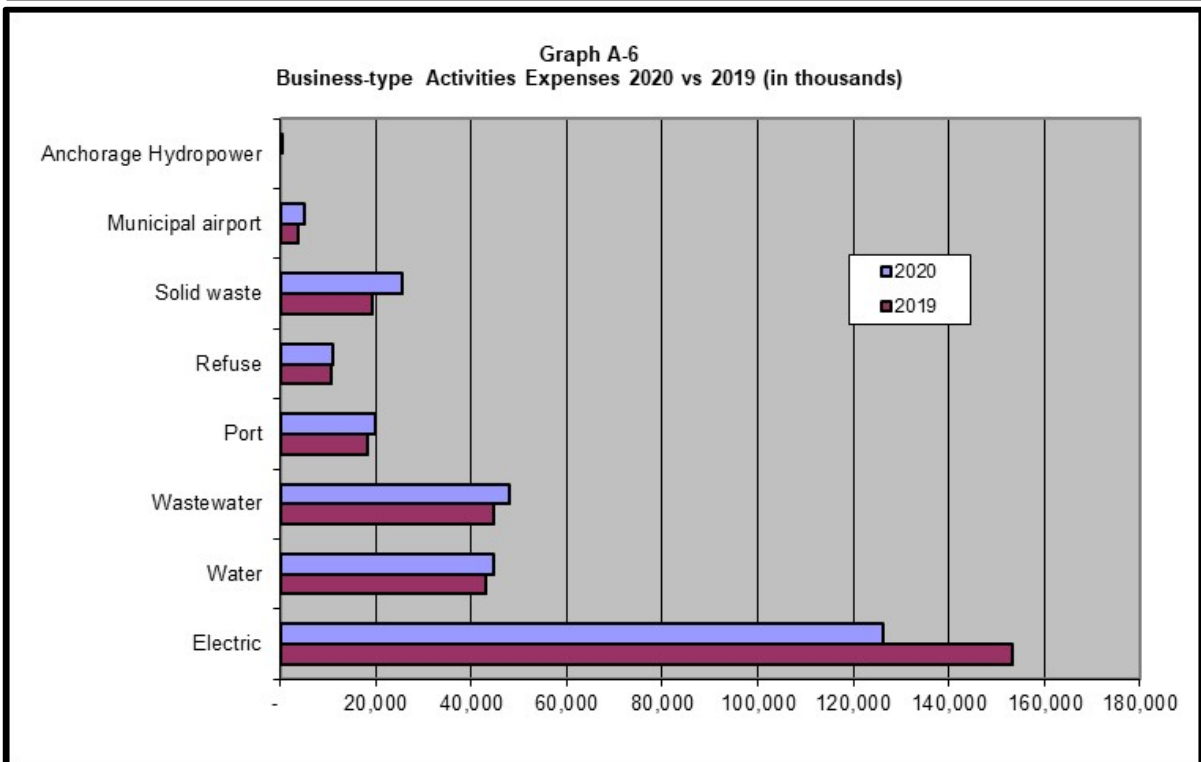
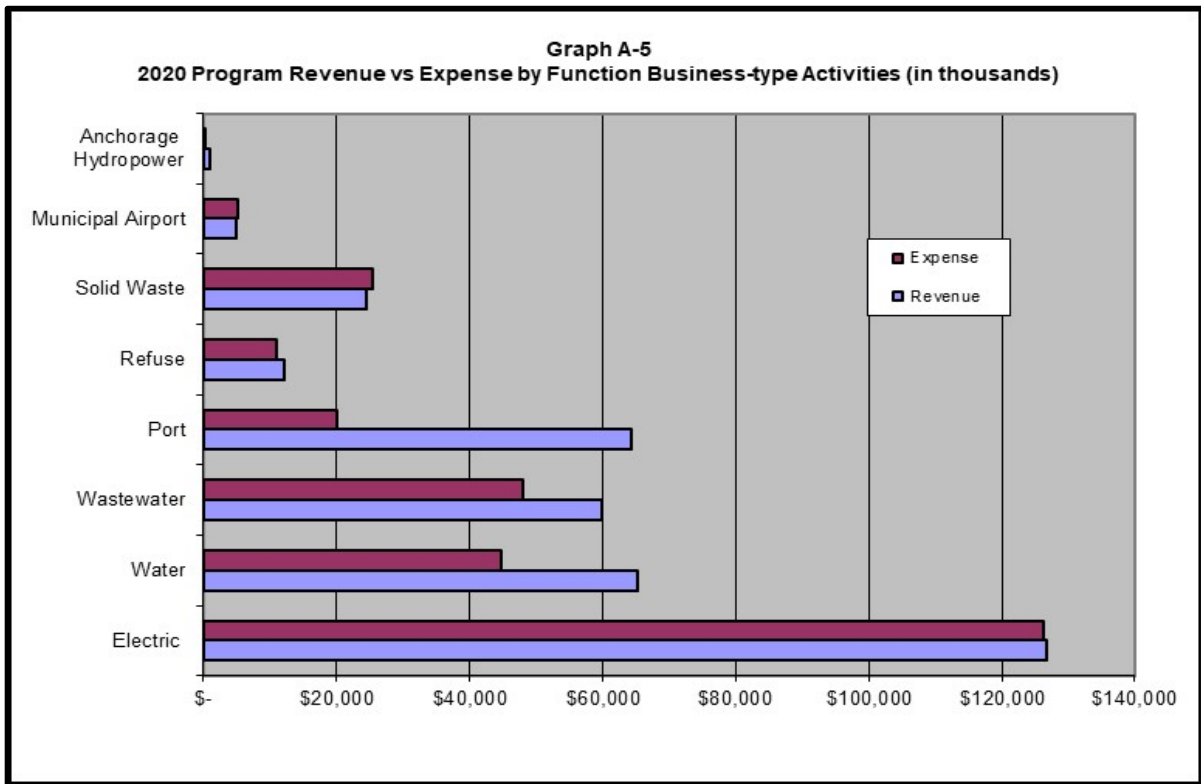
Total business-type revenues were \$374.2 million, excluding transfers and special item. Revenues decreased \$43 million or 10.32 percent.

Total business-type expenses were \$280.9 million, down 4 percent from the prior year. The Electric Utility had a decrease in expenses of (\$27.1) million from operations (including depreciation), primarily due to operations ceasing on October 30, 2020. Fuel costs were down due to the Electric Utility having no sales for resale during the year. Port expenses from operations increased \$0.82 million, primarily due to an increase in OPEB expenses and interdepartmental expenses. The Water Utility's operating expenses increased by \$2.2 million, primarily due to a large swing in pension and OPEB expenses from negative in 2019 to positive in 2020. The Wastewater Utility's operating expenses increased \$3.9 million, with a significant increase in pension and OPEB expense offset by decreases in treatment expense.

The first graph compares the Municipality's business-type activities program and general revenues by type for 2020 and 2019.



The second graph compares the Municipality's 2020 business-type activities revenues vs expenses by function. The third graph compares the Municipality's business-type activities expenses for 2020 and 2019.



**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, 2020, the Municipality's governmental funds reported a combined ending fund balance of \$645.6 million, an increase of \$272.3 million in comparison to the prior year. Of the total fund balance, \$44.1 million is non-spendable as it relates to prepaid, inventories, long-term loans receivable, and advances to other funds, \$522 million is restricted due to legal obligations from outside parties, \$112.2 million is committed, \$7.7 million is assigned, and (\$40.4) million is unassigned.

The following funds are the Municipality's major funds:

The General Fund is the primary operational fund for the Municipality. On December 31, 2020, the General Fund reported total fund balance of \$100 million, an increase of \$33.1 million from the prior year. The excess of revenues over expenditures was \$2.26 million, an increase of \$27.65 million from 2019. Revenues from property taxes and marijuana taxes increased during 2020. Revenues from hotel and motel taxes, motor vehicle taxes, and fuel products taxes all decreased during 2020, primarily due to the pandemic's effect on tourism and travel. Other financing sources increased due to transfers from the Electric Utility and bond issuance.

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, 2020, combined committed, assigned, and unassigned fund balance represents 8.1 percent of total General Fund expenditures and total fund balance represents 14.2 percent of the same amount. We also compared unassigned fund balance as a percentage of total General Fund expenditures, which yielded negative (2) percent.

The MOA Trust Fund accounts for the endowment fund authorized by voters of the Municipality. The Fund reported total fund balance of \$418 million for 2020 as restricted fund balance, an increase of \$246.6 million over 2019. Proceeds from the sale of the Electric Utility increased fund balance in the Trust by \$229.6 million. Investment income from the MOA Trust Fund was \$31.4 million in 2020, an increase of \$4.3 million from 2019. In 2020, the MOA Trust Fund distributed the annual dividend to the General Fund in the amount of \$14 million in accordance with AMC 6.50.060.

The State Grant Fund accounts for financial resources which may only be used in accordance with State grant agreements. The Fund reported a total fund deficit of (\$25.9) million. In 2019, the State Grant Fund was not a major fund of the Municipality and reported a fund balance of \$8.2 million. The fund deficit is primarily due to advances from the General Fund for anticipated grants funds related to both the 2018 Earthquake disaster and the COVID-19 emergency. Intergovernmental revenues were \$180.1 million, a \$162.9 million increase over 2019, primarily due to CARES Coronavirus Relief funds passed through the State of Alaska and earthquake disaster recovery funds from FEMA.

The Road and Drainage Capital Project Fund did not meet the major fund eligibility requirements in 2020, however, it is reported as a major fund due to its significance to the Municipality's taxpayers. The Fund reported a total fund balance of \$3.3 million compared to a fund deficit in 2019 of (\$3.8) million, an increase in fund balance of \$7.1 million. In 2020, the Municipality issued \$43 million in general obligation bonds to fund road and drainage capital projects. Capital outlay expenditures were \$40.2 million, an increase of \$4.8 million over 2019. Intergovernmental revenues were \$0.97 million, a (\$2.3) million decrease from 2019.

## **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, 2020, the net position for the enterprise funds (enterprise funds) decreased by (\$194.2) million.

The following are the Municipality's major enterprise funds:

- The Electric Utility's total net position decreased (\$271.8) million or 91 percent in 2020. The decrease in net position in 2020 was due to the sale of the Electric Utility's assets to CEA and the disposal of operations. The Electric Utility operated for ten months of 2020, and its operating revenues were (\$40.9) million less than 2019, or 25 percent.

- The Water Utility's net position increased by \$11.9 million or 6.9 percent over the prior year. Operating revenues decreased by (\$2.35) million between 2020 and 2019 due to reduced commercial metered revenue related to the COVID-19 pandemic and refunds related to a 0.48 percent reduction in recurring rates. Non-operating revenues increased by \$0.2 million due to an increase in PERS and OPEB on-behalf revenue offset by a decrease in investment income. Total expenses increased by \$1.5 million in 2020 when compared to 2019, with operating expenses increasing by \$2.2 million, and non-operating expenses decreasing by (\$0.7) million. The increase in operating expenses was primarily due to an increase in pension and OPEB expenses, offset by a decrease in depreciation expense.
- The Wastewater Utility's net position increased by \$6.2 million or 5.5 percent over the prior year. Operating revenues decreased by (\$1.9) million, primarily due to a reduction in recurring rates and commercial revenue reductions due to the COVID-19 pandemic. Non-operating revenues increased \$0.5 million, primarily due to an increase in PERS and OPEB on-behalf revenue offset by a decrease in investment income. Total expenses increased by \$3.1 million, with operating expenses increasing by \$3.9 million, primarily due to an increase in PERS and OPEB expenses offset by decreases in treatment expenses. Nonoperating expenses decreased by (\$0.7) million primarily due to a decrease in interest and fees on loans and bonds resulting from deferred payment of 2020 Alaska Clean Water Fund loans.
- The Port's total net position increased by \$42.9 million or 19.7 percent over the prior year due to capital contributions exceeding the operating loss and transfers. Operating revenues increased \$1.1 million due primarily to rate increases, and non-operating revenues decreased (\$1.1) million primarily due to unfavorable investment income in 2020. Capital contributions were higher by \$3.2 million in 2020. Operating expenses increased by \$0.82 million in 2020 due to an increase in OPEB expenses and interdepartmental costs.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Municipality adopted its 2020 General Fund operating budget in November 2019, which included projected revenue sources to support spending. By April 2020, the 2019 year-end financial audit was still in progress. An estimate provided by the Controller Division of 2019 fund balance was used in the first quarter amendment process, which resulted in the 2020 revised budget approved in April 2020. 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 2019 and its mill rate also was set and taxes were levied based on its property tax requirements for the 2020 calendar year. This was reflected in the General Fund operating budget as a \$270 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 \$603.8 million for revenues and other financing sources and \$337.4 million for expenditures and other financing uses. Significant differences are summarized as follows:

Property taxes revenue of \$580 million assessed for the Municipality and ASD accounted for 96.1 percent of difference for revenue. The education contribution to ASD of \$270 million accounted for 80 percent of the difference for expenditures.

The remaining differences totaled \$23.8 million in revenues and other financing sources and \$67.5 million in expenditures and other financing uses. The major components of those differences are:

- Increase in Transfers from Other Funds of \$11.1 million for contributed support to general government from the Electric Utility unrestricted cash following the sale of the Electric Utility.
- Increase in Transfers from Other Funds of \$3.9 million from the MOA Trust Fund for annual dividend to general government.
- Increase in Charges for Services of \$3.5 million for collection of electric sales revenues from military bases following Electric Utility sale.
- Increase in Other Financing Sources of \$3.8 million for refunding bonds proceeds.
- Increase in Other Financing Sources of \$0.7 million for loan proceeds received in 2020.



- Increase in Loans Issued of \$1.3 million for the proceeds received for the master lease issued to purchase the Computer Aided Mass Appraisal (CAMA) system.
- Increase in Transfers from Other Funds of \$0.9 million for MUSA/MESA payments from the Utilities.
- Decrease in Other Taxes of (\$0.5) million for motor vehicle rental tax, fuel excise tax due to pandemic lockdown.
- Decrease in Other Taxes of (\$0.7) million for tobacco tax due to decline in tobacco use.
- Increase in General Government of \$3.5 million for payment of electric sales revenues from military bases to Chugach Electric following Electric Utility sale.
- Increase in Health and Human Services of \$10 million for COVID-19 relief programs .
- Increase in Economic and Community Development of \$22 million for COVID-relief tourism and small business.
- Increase in Debt service of \$7.9 million for paying Certificate of Participation bonds for professional services.
- Increase in Transfers to Other Funds of \$11.1 million of ML&P unrestricted cash for contributed support.
- Increase in Transfers to Other Funds of \$12.5 million for building purchases for homeless support services.

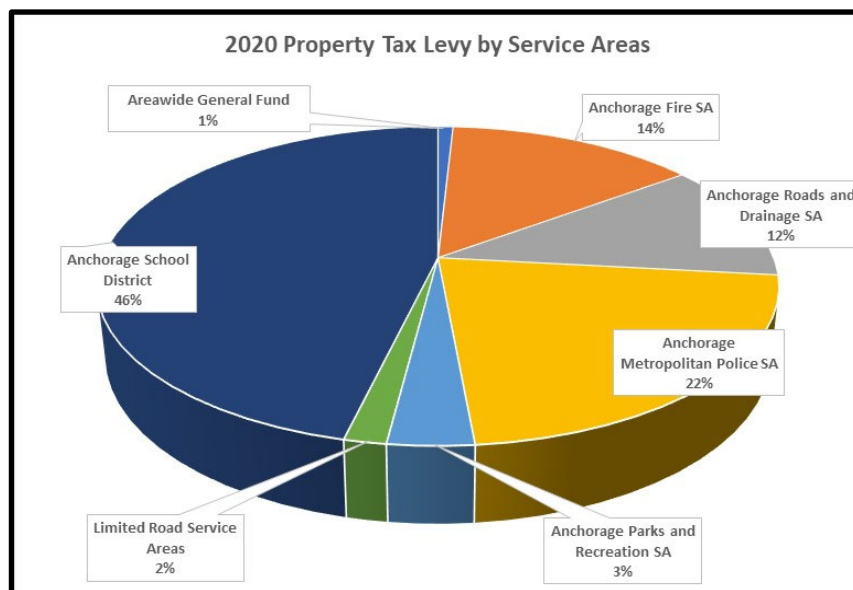
Net actual revenues in the General Fund were \$27.5 million below the final amended budget. Major differences between final amended budget and actual revenues were:

- Taxes were \$16.4 million under budget, primarily due to the effects on the economy of the pandemic response.
- Intergovernmental revenues were \$3.4 million under budget due to a reduction in the amount of municipal assistance from the State of Alaska in 2020.
- Charges for Services were \$8.7 million under budget due to a reduction in several departments during the pandemic lockdown.
- Investment Income was \$1.3 million above the final budget primarily due to increases in investment assets.

Actual expenditures were \$98 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 \$15.3 million in 2020.

The differences between final amended budget and actual expenditures were:

- Due to first responder salaries paid for by CARES Act funds in 2020, Fire Services and Police Services were below budget by \$36.4 million and \$47.4 million, respectively.
- General Government was \$4.7 million below budget mainly due to electric revenues from the military bases were not received or dispensed as expected pursuant to the sale of the Electric Utility.
- Economic and Community Development was \$5.3 million below budget for 2020, due to delays in payment of some budgeted COVID-19 relief funds to community recipients.
- Maintenance and Operations was \$2.3 million below budget for 2020. Less road maintenance was performed during 2020.



## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2020 and 2019, the Municipality had invested (in thousands) \$4,948,489 and \$5,737,266 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,267,473	\$ 1,263,335	\$ 92,049	\$ 104,482	\$ 1,359,522	\$ 1,367,817
Buildings and building improvements	288,440	294,159	368,102	463,889	656,542	758,048
Art	21,499	21,415	-	-	21,499	21,415
Equipment	40,713	44,208	-	-	40,713	44,208
Distribution and collection systems	-	-	874,759	1,597,588	874,759	1,597,588
Infrastructure	1,742,210	1,739,874	-	-	1,742,210	1,739,874
Intangible ERP	54,385	62,419	-	-	54,385	62,419
Construction work-in-progress	20,942	12,917	177,917	132,980	198,859	145,897
<b>Total</b>	<b>\$ 3,435,662</b>	<b>\$ 3,438,327</b>	<b>\$ 1,512,827</b>	<b>\$ 2,298,939</b>	<b>\$ 4,948,489</b>	<b>\$ 5,737,266</b>

In 2020, total governmental activities capital asset net of depreciation decreased by (\$2.7) million. Most of the decrease resulted from the depreciation of assets being greater than capital acquisitions. Land increased by \$4.1 million due to new purchases in 2020. Infrastructure assets increased by \$2.3 million from roads and storm drains. Buildings, improvements, and equipment increased by \$18.7 million, offset by \$28 million in depreciation of existing assets.

Business-type activities capital assets net of depreciation decreased by (\$786) million during 2020, primarily due to the sale of the Electric Utility assets to CEA. Outside of the sale of the Electric Utility, buildings and improvements had a net increase of \$2.2 million, Distribution and Collection systems had a net increase of \$0.3 million and construction work in progress had additions of \$159 million.

Governmental activities major fund Roads and Drainage Capital Project had contractual commitments for capital construction in the amount of \$25.8 million on December 31, 2020. Business-type activities major funds Water and Wastewater Utilities, and Port had contractual commitments for capital construction in the amount of \$11.7 million, \$13.6 million, and \$0.4 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 2020, actual road infrastructure maintenance and preservation expense was 0.7 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, 2020, the Municipality had \$1,189,789 (in thousands) in debt outstanding, a decrease of 29 percent from 2019 debt outstanding of \$1,672,469 (in thousands) (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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 463,375	\$ 450,469	\$ -	\$ -	\$ 463,375	\$ 450,469
Revenue bonds	3,301	3,490	269,806	533,275	273,107	536,765
CIVICVentures revenue bonds	87,790	90,630	-	-	87,790	90,630
Certificates of Participation bonds	52,515	64,020	-	-	52,515	64,020
Capital leases	35,025	47,489	-	-	35,025	47,489
Long-term contracts	-	-	277,977	483,096	277,977	483,096
Total	<u>\$ 642,006</u>	<u>\$ 656,098</u>	<u>\$ 547,783</u>	<u>\$ 1,016,371</u>	<u>\$ 1,189,789</u>	<u>\$ 1,672,469</u>

In 2020, the Municipality issued \$44.72 million in General Obligation Bonds to fund capital projects and \$59.5 million in General Obligation Refunding Bonds. In 2020, the Port issued \$65.1 million in Revenue bonds to be used for Phase 1 of the Port of Alaska Modernization Program and to refund the balance of notes payable from direct borrowings, with customer revenues pledged to pay debt service. Pursuant to the sale of the Electric Utility's assets and the disposal of Electric Utility operations on October 30, 2020, the Municipality redeemed or defeased all of the outstanding Electric Utility Revenue Bonds and paid the remaining amount of notes payable from direct borrowings of the Electric Utility.

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

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Municipal population decreased .1 percent<sup>1</sup> from the July 2019 estimate to the July 2020 estimate. The 2020 annual average unemployment rate was 7.4<sup>2</sup> percent for Anchorage-Matsu Region, 7.8<sup>2</sup> percent for the entire state, and the national average was 8.1 percent<sup>2</sup>.

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 2021, property tax revenue represents 58.8<sup>4</sup> percent of the funding sources for the General Government Operating Budget; non-property taxes and program generated revenue account for 35.8<sup>4</sup> percent; and intra-governmental charges outside of general government 5.4<sup>4</sup> percent.

The 2021 approved General Government Operating Budget is \$546,104,345<sup>3</sup>, which is \$14 million more than the 2020 revised budget of \$531,912,144<sup>4</sup>. Property taxes required to support the 2021 approved budget are \$319.2<sup>3</sup> million compared to \$312.3 million in 2020.

The Municipal Utilities and enterprise activities 2021 approved operating and capital budgets total \$159,307,462<sup>5</sup> and \$53,643,000<sup>6</sup>, respectively. The 2021 General Government Capital Improvement Budget is \$76,885,000<sup>7</sup>.

#### **CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS**

##### **COVID-19 Pandemic**

In late January 2020, the World Health Organization (WHO) announced a global health emergency regarding a new strain of virus called novel coronavirus (COVID-19). This virus originated from within China, and spread globally, including Alaska. In March 2020, the WHO classified COVID-19 as a pandemic. On March 12, 2020, the Mayor of Anchorage declared a state of emergency to protect and preserve public health and safety, and subsequently closed

<sup>1</sup> State of Alaska, Department of Labor and Workforce Development

<sup>2</sup> United States Department of Labor, Bureau of Labor Statistics

<sup>3</sup> AR 2021-94

<sup>4</sup> AR 2020-94(S), As Amended

<sup>5</sup> AR 2021-113(S), As Amended

<sup>6</sup> AO 2020-107

<sup>7</sup> AO 2020-106(S), As Amended

all civic, cultural, and recreational facilities in the Municipality. The Governor of Alaska declared a public health disaster as did the President of the United States.

During 2020 and early 2021, the administrations of the Municipality and the State of Alaska have extended and retracted emergency declarations and refined emergency orders to allow for a measured expansion of economic and social activities within the Municipality and the State. Travel restrictions were modified and then eliminated to allow for more travelers to enter the state for work, commerce, tourism, and other purposes. Municipal facilities, businesses, recreational, cultural, and civic facilities have reopened with few restrictions and new measures designed to preserve the health of patrons and the public.

The full impact of the COVID-19 outbreak 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 for room tax, rental vehicle tax, motor fuel taxes, vehicle registration taxes, parks and recreation fee revenues, public transportation fares, user fees, building permits and inspection fees were either reduced or negatively affected by the pandemic during 2020.

Various suppliers have decreased production due to factory closures or reduced operating hours in those facilities. While the Municipality considers this disruption to be temporary, continued disruption in the supply chain may result in delayed receipt by some of the Utilities and Departments of the Municipality of necessary supplies and materials and increases in the costs of construction, repair and maintenance activities.

The full effects of COVID-19 on Electric, Water and Wastewater Utility's revenues and collections cannot be quantified at this time, however, utility revenues have been affected by change in demand, job losses among residents and closed businesses in the community due to the pandemic. Assessment of fees for delinquent payments were suspended and the Electric Utility suspended shut offs for nonpayment. The State of Alaska passed SB 241, allowing for deferred payment plans for customers affected by COVID-19, which will continue to affect the collection of receivables in 2021. See Note 21 for additional information.

#### **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 \$176.2 million in CARES Act funds, \$34.5 million in ERA funds, and \$52 million in ARPA funds. The Municipality is expending the funds primarily for first responder salaries, rental and utility relief for individuals, and relief for businesses affected by the pandemic. See Note 21 for additional information.

#### **Sale of the Electric Utility**

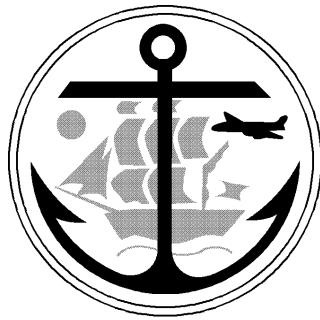
On April 3, 2018, Anchorage voters approved an amendment to the Anchorage Municipal Charter authorizing the Municipality to sell the Electric Utility to CEA by Municipal ordinance, to be approved no later than December 31, 2018. The Anchorage Assembly approved the sale on December 4, 2018. In April 2019, both the Municipality and CEA filed applications to the RCA to amend their CPCNs and to approve the sale.

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 information.

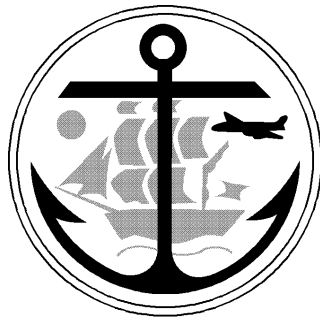
The transfer of the assets of ML&P to CEA occurred on October 30, 2020. On March 30, 2021, CEA submitted a Closing Statement to the Municipality, proposing a final determination of the closing price. On June 14, 2021, the Municipality submitted a Statement of Objections to the Closing Statement to CEA. It is expected that a resolution between the parties on the final purchase price will be reached before the end of the fourth quarter of 2021. See Note 21 for additional information.

## **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. 6<sup>th</sup> Avenue, P.O. Box 196650, Anchorage, AK 99519-6650.



This page intentionally left blank



This page intentionally left blank

MUNICIPALITY OF ANCHORAGE, ALASKA  
Statement of Net Position  
December 31, 2020

Primary Government			
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash	\$ 83,433	\$ 6,525	\$ 89,958
Cash and investments in central treasury	303,120,635	84,738,191	387,858,826
Equity in bond and grant capital acquisition and construction pool	5,992,018	15,368,652	21,360,670
Investments	-	-	-
Accrued interest on investments	1,338,307	534,858	1,873,165
Interest receivable	-	1,107,750	1,107,750
Receivables (net of allowance for uncollectibles)	37,900,983	29,330,131	67,231,114
Due from primary government	-	-	-
Due from component unit	22,760	-	22,760
Intergovernmental receivables	24,452,360	134,566	24,586,926
Inventories	1,643,523	2,792,119	4,435,642
Prepaid items and deposits	5,233,976	1,215,795	6,449,771
Restricted assets:			
Investments	472,283,986	-	472,283,986
Investments in Angel Fund programs	4,425,304	-	4,425,304
Restricted deposits	-	-	-
Equity in bond and grant capital acquisition and construction pool	-	12,678,831	12,678,831
Equity in general cash pool- bond and loan debt service	-	17,116,025	17,116,025
Investments from proceeds of Electric Utility sale	-	10,164,800	10,164,800
Total current assets	856,497,285	175,188,243	1,031,685,528
Noncurrent assets:			
Receivable- installment sale of electric utility	-	104,460,685	104,460,685
Unamortized debt expense	-	631,505	631,505
Unbilled special assessments	-	2,212,598	2,212,598
Regulatory and other assets	-	3,424,771	3,424,771
Assets held for resale	4,888,761	242,093	5,130,854
Net OPEB asset	31,359,079	3,935,481	35,294,560
Internal balances	(1,673,433)	1,673,433	-
Loans receivable, net	3,797,627	-	3,797,627
Restricted assets:			
Restricted equity in general cash pool- customer deposits	-	699,196	699,196
Cash legal settlement set aside	-	1,950,000	1,950,000
Landfill postclosure cash reserve	-	41,475,788	41,475,788
Investment, art collection	-	-	-
Investments for operations	-	3,000,000	3,000,000
Investments held for debt service	-	7,967,418	7,967,418
Investments held for capital projects	-	19,993,096	19,993,096
Intergovernmental receivables	2,067,525	17,494,186	19,561,711
Capital assets, not being depreciated	2,796,163,575	269,966,604	3,066,130,179
Capital assets, being depreciated, net	639,498,901	1,242,860,760	1,882,359,661
Total noncurrent assets	3,476,102,035	1,721,987,614	5,198,089,649
Total assets	4,332,599,320	1,897,175,857	6,229,775,177
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	11,170,524	3,349,945	14,520,469
Grant match advancement	95,560	-	95,560
Related to net pension liability	36,913,466	4,632,541	41,546,007
Related to net OPEB asset and liability	18,538,192	2,326,494	20,864,686
Total deferred outflows of resources	\$ 66,717,742	\$ 10,308,980	\$ 77,026,722



MUNICIPALITY OF ANCHORAGE, ALASKA  
Statement of Net Position  
December 31, 2020

	Component Units			
	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts	Total Reporting Entity
<b>Assets</b>				
Current assets:				
Cash	\$ -	\$ 607,810	\$ 2,232,797	\$ 2,930,565
Cash and investments in central treasury	-	1,230,924	-	389,089,750
Equity in bond and grant capital acquisition and construction pool	-	-	-	21,360,670
Investments	153,598,912	-	-	153,598,912
Accrued interest on investments	-	6,318	-	1,879,483
Interest receivable	-	-	-	1,107,750
Receivables (net of allowance for uncollectibles)	27,523,041	345,142	2,965	95,102,262
Due from primary government	144,481,409	-	-	144,481,409
Due from component unit	-	-	-	22,760
Intergovernmental receivables	-	-	-	24,586,926
Inventories	3,989,098	-	-	8,424,740
Prepaid items and deposits	2,906,700	77,400	56,336	9,490,207
Restricted assets:				
Investments	-	-	-	472,283,986
Investments in Angel Fund programs	-	-	-	4,425,304
Restricted deposits	-	-	779,473	779,473
Equity in bond and grant capital acquisition and construction pool	-	-	-	12,678,831
Equity in general cash pool- bond and loan debt service	-	-	-	17,116,025
Investments from proceeds of Electric Utility sale	-	-	-	10,164,800
Total current assets	332,499,160	2,267,594	3,071,571	1,369,523,853
Noncurrent assets:				
Receivable- installment sale of electric utility	-	-	-	104,460,685
Unamortized debt expense	-	-	-	631,505
Unbilled special assessments	-	-	-	2,212,598
Regulatory and other assets	-	-	-	3,424,771
Assets held for resale	-	58,850	-	5,189,704
Net OPEB asset	24,355,214	328,219	-	59,977,993
Internal balances	-	-	-	-
Loans receivable, net	-	-	-	3,797,627
Restricted assets:				
Restricted equity in general cash pool- customer deposits	-	-	-	699,196
Cash legal settlement set aside	-	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-	41,475,788
Investment, art collection	-	-	79,055	79,055
Investments for operations	-	-	-	3,000,000
Investments held for debt service	-	-	-	7,967,418
Investments held for capital projects	-	-	-	19,993,096
Intergovernmental receivables	-	-	-	19,561,711
Capital assets, not being depreciated	43,008,230	15,956,795	-	3,125,095,204
Capital assets, being depreciated, net	1,222,848,151	21,721,287	-	3,126,929,099
Total noncurrent assets	1,290,211,595	38,065,151	79,055	6,526,445,450
Total assets	1,622,710,755	40,332,745	3,150,626	7,895,969,303
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	5,970,351	-	-	20,490,820
Grant match advancement	-	-	-	95,560
Related to net pension liability	37,015,739	270,573	-	78,832,319
Related to net OPEB asset and liability	27,971,995	234,360	-	49,071,041
Total deferred outflows of resources	\$ 70,958,085	\$ 504,933	\$ -	\$ 148,489,740

MUNICIPALITY OF ANCHORAGE, ALASKA  
Statement of Net Position  
December 31, 2020

<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and retainages	\$ 37,569,930	\$ 5,990,002	\$ 43,559,932
Capital acquisition and construction accounts and retainage payable	-	10,390,353	10,390,353
Accrued interest payable	7,965,464	3,628,488	11,593,952
Accrued payroll liabilities	14,119,840	2,452,674	16,572,514
Current portion of long-term obligations	93,841,574	25,044,228	118,885,802
Notes payable	-	-	-
Due to primary government	-	-	-
Due to component unit	99,189,154	-	99,189,154
Unearned revenue and deposits	6,959,697	985,452	7,945,149
Liabilities payable from restricted assets	-	4,220,503	4,220,503
Total current liabilities	<u>259,645,659</u>	<u>52,711,700</u>	<u>312,357,359</u>
Noncurrent liabilities:			
Liabilities payable from restricted assets- customer deposits	-	699,196	699,196
Noncurrent portion of long-term obligations	616,471,025	567,947,835	1,184,418,860
Net pension liability	424,407,837	46,758,396	471,166,233
Net OPEB liability	119,720,669	68,293	119,788,962
Total noncurrent liabilities	<u>1,160,599,531</u>	<u>615,473,720</u>	<u>1,776,073,251</u>
Total liabilities	<u>1,420,245,190</u>	<u>668,185,420</u>	<u>2,088,430,610</u>
<b>Deferred Inflows of Resources</b>			
Contributions in aid of construction (net of amortization)	-	353,226,638	353,226,638
Related to land sales	1,260,000	-	1,260,000
Related to net pension liability	28,804,796	-	28,804,796
Related to net OPEB asset and liability	25,255,234	3,137,278	28,392,512
Installment sale of electric utility	-	104,460,685	104,460,685
General property tax receipts	-	-	-
Debt service tax receipts	-	-	-
Total deferred inflows of resources	<u>55,320,030</u>	<u>460,824,601</u>	<u>516,144,631</u>
<b>Net Position</b>			
Net investment in capital assets	2,863,992,898	647,839,865	3,511,832,763
Restricted for:			
Debt service	14,595,330	24,633,301	39,228,631
Maintenance and operations	-	-	-
Acquisition and construction	16,711,380	13,508,141	30,219,521
Legal settlements	-	-	-
Operations	650,010	3,000,000	3,650,010
Landfill postclosure care	-	3,742,561	3,742,561
Convention center operating reserve	18,282,662	-	18,282,662
E911 Surcharge	1,314,324	-	1,314,324
Nuisance abatement	168,647	-	168,647
Police and fire retiree medical liability	39,478,273	-	39,478,273
Grant activity	12,767,431	-	12,767,431
Perpetual care:			
Nonexpendable	150,000	-	150,000
MOA Trust	418,070,531	-	418,070,531
Endowment	-	-	-
Individual contributions	-	-	-
Bond rating	-	-	-
Federal Impact Aid 8003(d)	-	-	-
Pupil transportation	-	-	-
Student activities	-	-	-
Student allotment	-	-	-
Unrestricted (deficit)	(462,429,644)	85,750,948	(376,678,696)
Total net position	<u>\$ 2,923,751,842</u>	<u>\$ 778,474,816</u>	<u>\$ 3,702,226,658</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Net Position  
December 31, 2020

	<b>Component Units</b>			
	<b>Anchorage School District</b>	<b>Anchorage Community Development Authority</b>	<b>Alaska Center for the Performing Arts</b>	<b>Total Reporting Entity</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and retainages	\$ 12,585,956	\$ 376,075	\$ 285,095	\$ 56,807,058
Capital acquisition and construction accounts and retainage payable	-	-	-	10,390,353
Accrued interest payable	6,800,587	321,713	-	18,716,252
Accrued payroll liabilities	13,086,860	124,384	-	29,783,758
Current portion of long-term obligations	70,545,367	480,778	-	189,911,947
Notes payable	-	-	10,000	10,000
Due to primary government	-	82,132	7,749	89,881
Due to component unit	-	-	32,222	99,221,376
Unearned revenue and deposits	2,039,344	45,070	236,124	10,265,687
Liabilities payable from restricted assets	-	-	3,628	4,224,131
Total current liabilities	<u>105,058,114</u>	<u>1,430,152</u>	<u>574,818</u>	<u>419,420,443</u>
Noncurrent liabilities:				
Liabilities payable from restricted assets- customer deposits	-	-	-	699,196
Noncurrent portion of long-term obligations	451,575,333	13,494,860	150,000	1,649,639,053
Net pension liability	436,189,898	3,990,202	-	911,346,333
Net OPEB liability	5,939,509	7,332	-	125,735,803
Total noncurrent liabilities	<u>893,704,740</u>	<u>17,492,394</u>	<u>150,000</u>	<u>2,687,420,385</u>
Total liabilities	<u>998,762,854</u>	<u>18,922,546</u>	<u>724,818</u>	<u>3,106,840,828</u>
<b>Deferred Inflows of Resources</b>				
Contributions in aid of construction (net of amortization)	-	-	-	353,226,638
Related to land sales	-	-	-	1,260,000
Related to net pension liability	21,731,962	-	-	50,536,758
Related to net OPEB asset and liability	22,237,951	270,746	-	50,901,209
Installment sale of electric utility	-	-	-	104,460,685
General property tax receipts	107,449,875	-	-	107,449,875
Debt service tax receipts	20,500,883	-	-	20,500,883
Total deferred inflows of resources	<u>171,920,671</u>	<u>270,746</u>	<u>-</u>	<u>688,336,048</u>
<b>Net Position</b>				
Net investment in capital assets	767,614,653	23,702,444	-	4,303,149,860
Restricted for:				
Debt service	230,869	-	-	39,459,500
Maintenance and operations	-	-	779,473	779,473
Acquisition and construction	-	-	500	30,220,021
Legal settlements	-	-	-	-
Operations	-	-	-	3,650,010
Landfill postclosure care	-	-	-	3,742,561
Convention center operating reserve	-	-	-	18,282,662
E911 Surcharge	-	-	-	1,314,324
Nuisance abatement	-	-	-	168,647
Police and fire retiree medical liability	-	-	-	39,478,273
Grant activity	-	-	-	12,767,431
Perpetual care:				
Nonexpendable	-	-	-	150,000
MOA Trust	-	-	-	418,070,531
Endowment	-	-	280,166	280,166
Individual contributions	-	-	50,125	50,125
Bond rating	25,588,060	-	-	25,588,060
Federal Impact Aid 8003(d)	303,098	-	-	303,098
Pupil transportation	1,642,043	-	-	1,642,043
Student activities	4,235,948	-	-	4,235,948
Student allotment	1,033,601	-	-	1,033,601
Unrestricted (deficit)	<u>(277,662,957)</u>	<u>(2,058,058)</u>	<u>1,315,544</u>	<u>(655,084,167)</u>
Total net position	<u>\$ 522,985,315</u>	<u>\$ 21,644,386</u>	<u>\$ 2,425,808</u>	<u>\$ 4,249,282,167</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Activities  
For the year ended December 31, 2020

Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 42,803,323	\$ 10,842,209	\$ 7,967,392	\$ -
Fire services	142,704,738	10,293,992	45,798,431	12,499
Police services	169,314,251	14,622,179	58,674,081	202,614
Health and human services	81,179,458	1,855,952	27,516,761	-
Economic and community development	159,026,762	11,263,500	55,151,406	1,653,584
Public transportation	35,518,875	2,368,220	7,248,296	2,625,339
Public works	50,789,353	707,413	3,973,672	14,332,767
Maintenance and operations of roads and facilities	40,095,055	104,525	1,064,129	187,060
Education	269,957,290	-	-	42,221
Interest and fiscal agent charges on long-term debt	14,152,203	-	-	-
Total governmental activities	1,005,541,308	52,057,990	207,394,168	19,056,084
<b>Business-type activities:</b>				
Electric	126,193,353	126,678,545	-	-
Water	44,764,464	64,549,158	656,928	-
Wastewater	48,086,356	59,283,592	656,928	-
Port	20,051,483	15,476,515	66,618	48,889,068
Refuse	11,145,858	12,008,715	97,616	-
Solid Waste	25,431,862	24,488,466	40,610	54,179
Municipal Airport	5,178,888	1,696,885	207,446	2,967,099
Anchorage Hydropower	63,727	971,381	-	-
Total business-type activities	280,915,991	305,153,257	1,726,146	51,910,346
Total primary government	\$ 1,286,457,299	\$ 357,211,247	\$ 209,120,314	\$ 70,966,430
<b>Component Units:</b>				
Anchorage School District	\$ 675,112,868	\$ 7,359,778	\$ 131,738,548	\$ 20,264,427
Anchorage Community Development Authority	9,602,360	6,134,545	207,375	3,228,000
Alaska Center for the Performing Arts	2,516,873	1,798,784	1,390,750	(90,732)
Total Component Units	\$ 687,232,101	\$ 15,293,107	\$ 133,336,673	\$ 23,401,695

**General revenues:**

Property taxes  
Motor vehicle taxes  
Hotel and motel 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, 2020

**Net (Expense), Revenue and Changes in Net Position**

Primary Government			Component Units				Total Reporting Entity
Governmental Activities	Business-Type Activities	Total	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts		
\$ (23,993,722)	\$ -	\$ (23,993,722)	\$ -	\$ -	\$ -	\$ -	\$ (23,993,722)
(86,599,816)	-	(86,599,816)	-	-	-	-	(86,599,816)
(95,815,377)	-	(95,815,377)	-	-	-	-	(95,815,377)
(51,806,745)	-	(51,806,745)	-	-	-	-	(51,806,745)
(90,958,272)	-	(90,958,272)	-	-	-	-	(90,958,272)
(23,277,020)	-	(23,277,020)	-	-	-	-	(23,277,020)
(31,775,501)	-	(31,775,501)	-	-	-	-	(31,775,501)
(38,739,341)	-	(38,739,341)	-	-	-	-	(38,739,341)
(269,915,069)	-	(269,915,069)	-	-	-	-	(269,915,069)
(14,152,203)	-	(14,152,203)	-	-	-	-	(14,152,203)
(727,033,066)	-	(727,033,066)	-	-	-	-	(727,033,066)
-	485,192	485,192	-	-	-	-	485,192
-	20,441,622	20,441,622	-	-	-	-	20,441,622
-	11,854,164	11,854,164	-	-	-	-	11,854,164
-	44,380,718	44,380,718	-	-	-	-	44,380,718
-	960,473	960,473	-	-	-	-	960,473
-	(848,607)	(848,607)	-	-	-	-	(848,607)
-	(307,458)	(307,458)	-	-	-	-	(307,458)
-	907,654	907,654	-	-	-	-	907,654
-	77,873,758	77,873,758	-	-	-	-	77,873,758
(727,033,066)	77,873,758	(649,159,308)	-	-	-	-	(649,159,308)
			(515,750,115)	-	-	-	(515,750,115)
			-	(32,440)	-	-	(32,440)
			-	-	581,929	-	581,929
			(515,750,115)	(32,440)	581,929	-	(515,200,626)
587,740,416	-	587,740,416	-	-	-	-	587,740,416
13,988,622	-	13,988,622	-	-	-	-	13,988,622
12,708,781	-	12,708,781	-	-	-	-	12,708,781
19,144,028	-	19,144,028	-	-	-	-	19,144,028
5,311,395	-	5,311,395	-	-	-	-	5,311,395
11,701,377	-	11,701,377	-	-	-	-	11,701,377
3,575,052	-	3,575,052	-	-	-	-	3,575,052
375,000	-	375,000	347,433,785	-	-	-	347,808,785
-	-	-	265,408,426	-	-	-	265,408,426
41,017,266	15,437,679	56,454,945	2,667,223	67,994	29,677	-	59,219,839
-	-	-	17,994,100	-	-	-	17,994,100
293,837,465	(293,837,465)	-	-	-	-	-	-
-	6,356,600	6,356,600	-	-	-	-	6,356,600
989,399,402	(272,043,186)	717,356,216	633,503,534	67,994	29,677	-	1,350,957,421
262,366,336	(194,169,428)	68,196,908	117,753,419	35,554	611,606	-	186,597,487
2,661,385,506	972,644,244	3,634,029,750	405,231,896	21,608,832	1,814,202	-	4,062,684,680
\$ 2,923,751,842	\$ 778,474,816	\$ 3,702,226,658	\$ 522,985,315	\$ 21,644,386	\$ 2,425,808	\$ -	\$ 4,249,282,167

MUNICIPALITY OF ANCHORAGE, ALASKA

Balance Sheet  
Governmental Funds  
December 31, 2020

Assets	General	MOA Trust	Roads and Drainage	State Grants	Nonmajor Governmental Funds	Total Governmental Funds
			Capital Project			
Cash	\$ 10,670	\$ -	\$ -	\$ -	\$ 72,763	\$ 83,433
Cash and investments in central treasury	145,600,876	141,360	4,215,799	16,953,960	88,284,004	255,195,999
Investments	650,010	417,681,646	-	-	53,952,330	472,283,986
Accrued interest on investments	980,791	334,819	-	-	22,697	1,338,307
Receivables (net of allowance for uncollectibles)	33,014,640	-	-	-	2,381,593	35,396,233
Intergovernmental receivables	1,428,477	-	501,909	13,362,427	11,227,072	26,519,885
Due from other funds	30,652,317	-	-	-	440,905	31,093,222
Special assessments receivable, net	2,187,343	-	158,004	-	143,894	2,489,241
Due from component units	15,011	-	-	-	7,749	22,760
Inventories	1,211,698	-	-	-	-	1,211,698
Prepaid items and deposits	466,782	-	-	-	1,676,968	2,143,750
Assets held for resale	4,888,761	-	-	-	-	4,888,761
Advances to other funds	35,648,190	-	-	-	1,020,000	36,668,190
Investments in Angel Fund program	-	-	-	-	4,425,304	4,425,304
Loans receivable, net	-	-	-	-	3,797,627	3,797,627
Total assets	256,755,566	418,157,825	4,875,712	30,316,387	167,452,906	877,558,396
<b>Deferred Outflows of Resources</b>						
Deferred grant match advancement	-	-	-	95,560	-	95,560
Deferred outflow of resources	-	-	-	95,560	-	95,560
Total assets and deferred outflows of resources	256,755,566	418,157,825	4,875,712	30,411,947	167,452,906	877,653,956
<b>Liabilities</b>						
Accounts payable and retainages	20,168,231	87,294	1,286,485	10,184,532	3,228,746	34,955,288
Accrued payroll liabilities	13,306,748	-	28,614	159,598	46,448	13,541,408
Due to other funds	-	-	-	-	8,067,407	8,067,407
Due to component unit	99,189,154	-	-	-	-	99,189,154
Unearned revenue and deposits	1,476,090	-	9,454	2,220,168	3,202,360	6,908,072
Advances from other funds	6,287,423	-	50,518	35,131,665	516,525	41,986,131
Total liabilities	140,427,646	87,294	1,375,071	47,695,963	15,061,486	204,647,460
<b>Deferred Inflows of Resources</b>						
Unavailable revenue-intergovernmental revenues	-	-	-	8,593,443	1,035,334	9,628,777
Unavailable revenue-property taxes	13,711,942	-	-	-	-	13,711,942
Unavailable revenue-risk management claims	399,955	-	-	-	-	399,955
Unavailable revenue-special assessments	2,223,053	-	154,973	-	2,905	2,380,931
Unavailable revenue-land sales	-	-	-	-	1,260,000	1,260,000
Total deferred inflows of resources	16,334,950	-	154,973	8,593,443	2,298,239	27,381,605
<b>Fund Balances (Deficit)</b>						
Nonspendable	42,215,431	-	-	-	1,826,968	44,042,399
Restricted	650,010	418,070,531	3,053,545	-	100,264,502	522,038,588
Committed	70,878,276	-	292,123	-	41,072,409	112,242,808
Assigned	-	-	-	-	7,726,336	7,726,336
Unassigned	(13,750,747)	-	-	(25,877,459)	(797,034)	(40,425,240)
Total fund balances (deficit)	99,992,970	418,070,531	3,345,668	(25,877,459)	150,093,181	645,624,891
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 256,755,566	\$ 418,157,825	\$ 4,875,712	\$ 30,411,947	\$ 167,452,906	\$ 877,653,956

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2020

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

Total fund balances- governmental funds		\$ 645,624,891
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,435,662,476
The PERS ARHCT and ODD OPEB plan has been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.		31,359,079
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Intergovernmental revenues	8,593,443	
Property taxes	13,711,942	
Risk management claims	399,955	
Special assessments	2,380,931	
HUD Rehab Long-term loan receivable, net activity	1,035,334	
		26,121,605
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in the governmental funds:		
Deferred charges on bond refunding	11,170,524	
Deferred outflows of resources related to net pension liability	36,913,466	
Deferred outflows of resources related to net OPEB asset and liability	18,538,192	
		66,622,182
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	51,442,296	
Net of amounts included in:		
Capital assets, net of depreciation and amortization	(81,292,279)	
Accrued interest	216,061	
Compensated absences	1,179,663	
		(28,454,259)
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	(463,375,209)	
Certificates of participation bonds	(52,515,000)	
PAC Roof revenue bonds	(3,301,303)	
Master lease agreements	(3,194,001)	
Pollution remediation	(2,742,384)	
CIVICVentures revenue bonds	(87,789,670)	
Compensated absences	(34,112,565)	
Net pension liability	(424,407,837)	
Net OPEB liability	(119,720,669)	
Accrued interest payable	(7,965,464)	
		(1,199,124,102)
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 net pension liability	(28,804,796)	
Deferred inflows of resources related to net OPEB asset and liability	(25,255,234)	
		(54,060,030)
Net position of governmental activities		\$ 2,923,751,842

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)  
Governmental Funds  
For the year ended December 31, 2020

	General	MOA Trust	Roads and Drainage Capital Project	State Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 637,651,528	\$ -	\$ -	\$ -	\$ 7,914,405	\$ 645,565,933
Assessments in lieu of taxes	3,575,052	-	-	-	-	3,575,052
Special assessments	797,171	-	39,170	-	1,080,508	1,916,849
Licenses and permits	9,874,923	-	-	-	-	9,874,923
Intergovernmental	19,880,369	-	974,177	180,124,986	12,735,276	213,714,808
Charges for services	21,894,674	-	-	-	747,088	22,641,762
Fines and forfeitures	6,250,956	-	-	-	374,544	6,625,500
E911 surcharges	-	-	-	-	8,004,789	8,004,789
Investment income	2,998,905	31,380,273	-	3,709	5,590,931	39,973,818
Restricted contributions	137,941	-	(90,300)	-	1,362,710	1,410,351
Other	2,977,042	-	-	18	187,056	3,164,116
<b>Total revenues</b>	<b>706,038,561</b>	<b>31,380,273</b>	<b>923,047</b>	<b>180,128,713</b>	<b>37,997,307</b>	<b>956,467,901</b>
<b>Expenditures</b>						
Current:						
General government	29,766,092	408,822	-	7,094,231	2,633,855	39,903,000
Fire services	76,744,867	-	-	42,532,272	2,899,898	122,177,037
Police services	86,593,982	-	-	52,417,149	9,870,380	148,881,511
Health and human services	25,299,032	-	-	52,572,220	1,988,436	79,859,688
Economic and community development	80,196,049	-	-	54,150,494	6,404,428	140,750,971
Public transportation	25,336,916	-	-	1,992,230	5,217,790	32,546,936
Public works	9,054,619	-	-	2,308,138	1,165	11,363,922
Maintenance and operations of roads and facilities	37,075,112	-	-	133,460	-	37,208,572
Education	269,915,069	-	-	42,221	-	269,957,290
Debt service:						
Principal	43,455,726	-	-	-	6,155,000	49,610,726
Interest and fiscal agent charges	19,821,404	-	-	-	5,909,940	25,731,344
Bond issuance costs	428,463	-	128,583	-	27,385	584,431
Capital outlay	91,158	-	40,215,771	-	25,954,765	66,261,694
<b>Total expenditures</b>	<b>703,778,489</b>	<b>408,822</b>	<b>40,344,354</b>	<b>213,242,415</b>	<b>67,063,042</b>	<b>1,024,837,122</b>
Excess (deficiency) of revenues over expenditures	2,260,072	30,971,451	(39,421,307)	(33,113,702)	(29,065,735)	(68,369,221)
<b>Other financing sources (uses)</b>						
Transfers from other funds	60,016,244	229,626,567	3,549,734	581,372	46,342,433	340,116,350
Transfers to other funds	(31,850,469)	(14,000,000)	(770)	(1,617,536)	(7,645,835)	(55,114,610)
General obligation bonds issued	-	-	36,868,200	-	7,851,800	44,720,000
Draws on capital lease	1,269,607	-	-	-	-	1,269,607
Refunding bonds issued	59,485,000	-	-	-	-	59,485,000
Premium on bonds and notes	4,398,625	-	6,131,153	-	1,305,749	11,835,527
Payment to refunded bond escrow agent to extinguish debt	(63,000,865)	-	-	-	-	(63,000,865)
Insurance recoveries	73,419	-	-	106,695	-	180,114
Proceeds from sale of capital assets	419,317	-	-	-	729,725	1,149,042
<b>Total other financing sources (uses)</b>	<b>30,810,878</b>	<b>215,626,567</b>	<b>46,548,317</b>	<b>(929,469)</b>	<b>48,583,872</b>	<b>340,640,165</b>
Net change in fund balances	33,070,950	246,598,018	7,127,010	(34,043,171)	19,518,137	272,270,944
Fund balances (deficit), beginning of year	66,922,020	171,472,513	(3,781,342)	8,165,712	130,575,044	373,353,947
Fund balances (deficit), end of year	<b>\$ 99,992,970</b>	<b>\$ 418,070,531</b>	<b>\$ 3,345,668</b>	<b>\$ (25,877,459)</b>	<b>\$ 150,093,181</b>	<b>\$ 645,624,891</b>



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)  
of Governmental Funds to the Statement of Activities  
For the year ended December 31, 2020

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

Net change in fund balance – total governmental funds		\$ 272,270,944
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	31,741,453	
Contributed assets	7,221,933	
Depreciation expense	<u>(34,338,664)</u>	4,624,722
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		198,753
Revenues in the statement of activities that do not provide current financial resources and are deferred in the funds:		
Intergovernmental revenues	8,593,443	
Property taxes	5,028,686	
Special assessments	(569,798)	
Build America Bond interest rebates	(705,402)	
Claims and judgments receipts	185,374	
HUD 108 and Rehab loans receivable	<u>(10,017)</u>	12,522,286
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	(44,720,000)	
Master lease agreement loan proceeds	(1,269,607)	
Premium on bond and note sales	(11,835,527)	
Refunding issuance of general obligation bonds	(59,485,000)	
Principal repayment	49,610,726	
Payment to escrow agent for refunding	63,000,865	
Net change in premium/discount/deferred charge bonds	<u>10,743,698</u>	6,045,155
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	(2,682,188)	
Pollution remediation	(13,000)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(50,914,434)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	8,996,990	
Accrued interest payable	<u>2,072,040</u>	(42,540,592)
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		<u>9,245,068</u>
		<u>\$ 262,366,336</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Net Position  
Proprietary Funds  
December 31, 2020

**Business-Type Activities – Enterprise Funds**

<b>Assets</b>	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>
<b>Current assets:</b>				
Cash	\$ -	\$ -	\$ 2,200	\$ 650
Cash and investments in central treasury	7,228,854	32,640,021	24,904,498	11,695,973
Equity in bond and grant capital acquisition and construction pool	-	-	-	-
Accrued interest on investments	-	213,827	170,298	57,237
Interest receivable	1,015,998	87,521	4,231	-
Receivables (net of allowance for uncollectibles)	10,896,791	6,304,716	7,042,669	1,096,459
Intergovernmental receivables	-	-	-	-
Inventories	-	1,961,614	501,480	329,025
Prepaid items and deposits	444,137	307,313	267,286	181,238
Special assessments receivable	-	57,343	53,445	-
Unbilled reimbursable projects	-	57,057	17,809	-
<b>Restricted assets:</b>				
Equity in bond and grant capital acquisition and construction pool	-	7,239,075	5,439,756	-
Equity in general cash pool- bond and loan debt service	-	8,707,794	8,408,231	-
Investments from proceeds of Electric Utility sale	10,164,800	-	-	-
Total current assets	<u>29,750,580</u>	<u>57,576,281</u>	<u>46,811,903</u>	<u>13,360,582</u>
<b>Noncurrent assets:</b>				
Receivable- installment sale of electric utility	-	-	-	-
Assets held for resale	-	-	-	242,093
Advances to other funds	-	-	-	-
Net OPEB asset	-	1,675,748	1,675,748	169,934
Unamortized debt expense	-	387,058	244,447	-
Unbilled special assessments	-	1,083,333	1,129,265	-
Regulatory and other assets	-	2,414,495	1,010,276	-
<b>Restricted assets:</b>				
Restricted equity in general cash pool- customer deposits	-	419,361	279,835	-
Cash legal settlement set aside	-	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-	-
Intergovernmental receivables	-	-	-	15,734,197
Investments for operations	-	-	-	-
Investments held for debt service	-	-	-	7,967,418
Investments held for capital projects	-	-	-	19,993,096
Capital assets, net	-	575,564,109	452,604,437	281,861,848
Total noncurrent assets	<u>-</u>	<u>581,544,104</u>	<u>456,944,008</u>	<u>327,918,586</u>
Total assets	<u>29,750,580</u>	<u>639,120,385</u>	<u>503,755,911</u>	<u>341,279,168</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	-	2,188,459	1,161,486	-
Related to net pension liability	-	1,972,560	1,972,559	200,034
Related to net OPEB asset and liability	-	990,633	990,633	100,458
Total deferred outflows of resources	<u>-</u>	<u>5,151,652</u>	<u>4,124,678</u>	<u>300,492</u>
Total assets and deferred outflows of resources	<u>\$ 29,750,580</u>	<u>\$ 644,272,037</u>	<u>\$ 507,880,589</u>	<u>\$ 341,579,660</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position  
 Proprietary Funds  
 December 31, 2020

	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
<b>Assets</b>				
Current assets:				
Cash	\$ 3,675	\$ 6,525	\$ -	\$ 6,525
Cash and investments in central treasury	8,268,845	84,738,191	47,924,636	132,662,827
Equity in bond and grant capital acquisition and construction pool	15,368,652	15,368,652	5,992,018	21,360,670
Accrued interest on investments	93,496	534,858	-	534,858
Interest receivable	-	1,107,750	-	1,107,750
Receivables (net of allowance for uncollectibles)	3,803,842	29,144,477	15,509	29,159,986
Intergovernmental receivables	134,566	134,566	-	134,566
Inventories	-	2,792,119	431,825	3,223,944
Prepaid items and deposits	15,821	1,215,795	3,090,226	4,306,021
Special assessments receivable	-	110,788	-	110,788
Unbilled reimbursable projects	-	74,866	-	74,866
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	-	12,678,831	-	12,678,831
Equity in general cash pool- bond and loan debt service	-	17,116,025	-	17,116,025
Investments from proceeds of Electric Utility sale	-	10,164,800	-	10,164,800
Total current assets	27,688,897	175,188,243	57,454,214	232,642,457
Noncurrent assets:				
Receivable- installment sale of electric utility	104,460,685	104,460,685	-	104,460,685
Assets held for resale	-	242,093	-	242,093
Advances to other funds	-	-	6,337,941	6,337,941
Net OPEB asset	414,051	3,935,481	1,028,020	4,963,501
Unamortized debt expense	-	631,505	-	631,505
Unbilled special assessments	-	2,212,598	-	2,212,598
Regulatory and other assets	-	3,424,771	-	3,424,771
Restricted assets:				
Restricted equity in general cash pool- customer deposits	-	699,196	-	699,196
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Landfill postclosure cash reserve	41,475,788	41,475,788	-	41,475,788
Intergovernmental receivables	1,759,989	17,494,186	-	17,494,186
Investments for operations	3,000,000	3,000,000	-	3,000,000
Investments held for debt service	-	7,967,418	-	7,967,418
Investments held for capital projects	-	19,993,096	-	19,993,096
Capital assets, net	202,796,970	1,512,827,364	81,292,279	1,594,119,643
Total noncurrent assets	353,907,483	1,720,314,181	88,658,240	1,808,972,421
Total assets	381,596,380	1,895,502,424	146,112,454	2,041,614,878
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	-	3,349,945	-	3,349,945
Related to net pension liability	487,388	4,632,541	1,210,105	5,842,646
Related to net OPEB asset and liability	244,770	2,326,494	607,723	2,934,217
Total deferred outflows of resources	732,158	10,308,980	1,817,828	12,126,808
Total assets and deferred outflows of resources	\$ 382,328,538	\$ 1,905,811,404	\$ 147,930,282	\$ 2,053,741,686

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position

Proprietary Funds

December 31, 2020

Business-Type Activities – Enterprise Funds

Liabilities	Electric Utility	Water Utility	Wastewater Utility	Port
<b>Current liabilities:</b>				
Accounts payable, other accrued liabilities and retainages	\$ 1,827,786	\$ 1,000,881	\$ 1,381,281	\$ 843,844
Accrued payroll liabilities	20,922	1,010,037	687,805	122,197
Capital acquisition and construction accounts and retainage payable	-	-	-	5,936,045
Compensated absences	-	1,057,368	1,088,776	160,155
Claims payable and incurred but not reported	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest payable	-	1,630,422	1,699,082	187,939
Pollution remediation obligation	-	1,600	20,000	-
Long-term obligations maturing within one year	-	11,438,577	9,454,668	-
Unearned revenue and deposits	369,920	456,844	-	-
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	-	52	190	-
Capital acquisition and construction accounts and retainage payable	-	1,618,093	2,602,168	-
<b>Total current liabilities</b>	<b>2,218,628</b>	<b>18,213,874</b>	<b>16,933,970</b>	<b>7,250,180</b>
<b>Noncurrent liabilities:</b>				
Revenue bonds payable (net of unamortized discounts and premiums)	-	109,876,034	83,588,878	-
Advances from other funds	-	-	-	-
Alaska Clean Water and Drinking Water loans payable	-	93,531,634	87,983,988	-
Capital leases payable	-	-	-	-
Claims payable and incurred but not reported	-	-	-	-
Compensated absences	-	877,453	727,365	145,855
Bonds payable	-	-	-	65,095,000
Unamortized bonds premium	-	-	-	4,096,345
Notes payable	-	20,269,887	19,505,506	-
Net pension liability	-	19,909,963	19,909,962	2,019,032
Net OPEB liability	-	29,080	29,080	2,948
Liabilities payable from restricted assets:				
Customer deposits	-	419,361	279,835	-
Other liabilities:				
Pollution remediation obligation	-	-	667,300	-
Future landfill closure costs	-	-	-	-
Other long-term obligations	-	-	-	1,761,154
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>244,913,412</b>	<b>212,691,914</b>	<b>73,120,334</b>
<b>Total liabilities</b>	<b>2,218,628</b>	<b>263,127,286</b>	<b>229,625,884</b>	<b>80,370,514</b>
<b>Deferred Inflows of Resources</b>				
Contributions in aid of construction (net of amortization)	-	194,733,991	158,492,647	-
Deferred inflow related to net OPEB asset and liability	-	1,335,869	1,335,869	135,468
Deferred inflow installment sale of electric utility	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>196,069,860</b>	<b>159,828,516</b>	<b>135,468</b>
<b>Net Position</b>				
Net investment in capital assets	-	155,141,520	100,179,992	232,663,599
Restricted for:				
Debt service	-	8,257,652	8,408,231	7,967,418
Acquisition and construction	-	-	-	11,748,152
Operations	-	-	-	-
Landfill postclosure care	-	-	-	-
Unrestricted (deficit)	27,531,952	21,675,719	9,837,966	8,694,509
<b>Total net position</b>	<b>27,531,952</b>	<b>185,074,891</b>	<b>118,426,189</b>	<b>261,073,678</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 29,750,580</b>	<b>\$ 644,272,037</b>	<b>\$ 507,880,589</b>	<b>\$ 341,579,660</b>

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities – Internal Service Funds	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Total Proprietary Funds
<b>Liabilities</b>				
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 936,210	\$ 5,990,002	\$ 2,053,117	\$ 8,043,119
Accrued payroll liabilities	611,713	2,452,674	578,432	3,031,106
Capital acquisition and construction accounts and retainage payable	4,454,308	10,390,353	561,525	10,951,878
Compensated absences	784,494	3,090,793	766,274	3,857,067
Claims payable and incurred but not reported	-	-	24,224,631	24,224,631
Due to other funds	-	-	23,025,815	23,025,815
Accrued interest payable	111,045	3,628,488	216,061	3,844,549
Pollution remediation obligation	-	21,600	-	21,600
Long-term obligations maturing within one year	1,038,590	21,931,835	8,669,866	30,601,701
Unearned revenue and deposits	158,688	985,452	51,625	1,037,077
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	-	242	-	242
Capital acquisition and construction accounts and retainage payable	-	4,220,261	-	4,220,261
Total current liabilities	8,095,048	52,711,700	60,147,346	112,859,046
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	-	193,464,912	-	193,464,912
Advances from other funds	-	-	1,020,000	1,020,000
Alaska Clean Water and Drinking Water loans payable	8,757,452	190,273,074	-	190,273,074
Capital leases payable	-	-	23,161,394	23,161,394
Claims payable and incurred but not reported	-	-	7,226,576	7,226,576
Compensated absences	184,583	1,935,256	413,389	2,348,645
Bonds payable	-	65,095,000	-	65,095,000
Unamortized bonds premium	-	4,096,345	-	4,096,345
Notes payable	33,146,174	72,921,567	-	72,921,567
Net pension liability	4,919,439	46,758,396	12,214,152	58,972,548
Net OPEB liability	7,185	68,293	17,839	86,132
Liabilities payable from restricted assets:				
Customer deposits	-	699,196	-	699,196
Other liabilities:				
Pollution remediation obligation	-	667,300	-	667,300
Future landfill closure costs	37,733,227	37,733,227	-	37,733,227
Other long-term obligations	-	1,761,154	-	1,761,154
Total noncurrent liabilities	84,748,060	615,473,720	44,053,350	659,527,070
Total liabilities	92,843,108	668,185,420	104,200,696	772,386,116
<b>Deferred Inflows of Resources</b>				
Contributions in aid of construction (net of amortization)	-	353,226,638	-	353,226,638
Deferred inflow related to net OPEB asset and liability	330,072	3,137,278	819,515	3,956,793
Deferred inflow installment sale of electric utility	104,460,685	104,460,685	-	104,460,685
Total deferred inflows of resources	104,790,757	460,824,601	819,515	461,644,116
<b>Net Position</b>				
Net investment in capital assets	159,854,754	647,839,865	49,461,019	697,300,884
Restricted for:				
Debt service	-	24,633,301	-	24,633,301
Acquisition and construction	1,759,989	13,508,141	-	13,508,141
Operations	3,000,000	3,000,000	-	3,000,000
Landfill postclosure care	3,742,561	3,742,561	-	3,742,561
Unrestricted (deficit)	16,337,369	84,077,515	(6,550,948)	77,526,567
Total net position	184,694,673	776,801,383	42,910,071	819,711,454
Total liabilities, deferred inflows of resources and net position	\$ 382,328,538		\$ 147,930,282	\$ 2,053,741,686

Adjustment to reflect the consolidation of internal  
1,673,433 service fund activities related to enterprise funds  
\$ 778,474,816 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, 2020

**Business-Type Activities – Enterprise Funds**

	Electric Utility	Water Utility	Wastewater Utility	Port
<b>Operating revenues</b>				
Charges for sales and services	\$ 123,336,580	\$ 62,456,965	\$ 57,299,652	\$ 8,899,426
Other	2,506,310	1,158,174	731,212	4,895,639
Total operating revenues	125,842,890	63,615,139	58,030,864	13,795,065
<b>Operating expenses</b>				
Operations	71,364,287	28,016,588	32,189,350	8,777,298
Change in landfill closure liability	-	-	-	-
Depreciation and amortization	23,685,113	11,412,657	11,941,722	7,445,147
Total operating expenses	95,049,400	39,429,245	44,131,072	16,222,445
Operating income (loss)	30,793,490	24,185,894	13,899,792	(2,427,380)
<b>Nonoperating revenues (expenses)</b>				
Investment income (loss)	4,076,048	1,952,958	1,382,804	458,510
Interest subsidy on Build America Bonds	2,036,646	-	-	-
Installment sale	-	-	-	-
Other revenues	14,225	8,100	822	1,681,450
Intergovernmental revenue	-	656,928	656,928	66,618
Interest expense	(15,143,050)	(5,307,864)	(3,938,067)	(791,410)
Allowance for funds used during construction (AFUDC)	821,430	925,919	1,251,906	-
Gain (loss) on sale of capital assets	(458,782)	-	-	5,775
Loss on extinguishment of debt	(15,324,959)	-	-	-
Long-term debt issuance expenses	-	-	-	(1,248,466)
Amortization of deferred charges	(26,396)	-	-	-
Other expenses	(50,000)	-	-	(1,773,674)
Net nonoperating revenues (expenses)	(24,054,838)	(1,763,959)	(645,607)	(1,601,197)
Income (loss) before capital contributions, transfers and special items	6,738,652	22,421,935	13,254,185	(4,028,577)
Capital contributions	-	-	-	48,889,068
Transfers from other funds	-	190,311	-	-
Transfers to other funds	(284,885,213)	(10,703,946)	(7,055,969)	(1,917,772)
Special item - gain on disposal of operations	6,356,600	-	-	-
Change in net position	(271,789,961)	11,908,300	6,198,216	42,942,719
Net position, beginning of year	299,321,913	173,166,591	112,227,973	218,130,959
Net position, end of year	\$ 27,531,952	\$ 185,074,891	\$ 118,426,189	\$ 261,073,678

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the year ended December 31, 2020

	<b>Business-Type Activities – Enterprise Funds</b>		<b>Governmental Activities –</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Proprietary Funds</b>
<b>(Continued)</b>				
<b>Operating revenues</b>				
Charges for sales and services	\$ 38,584,304	\$ 290,576,927	\$ 106,622,892	\$ 397,199,819
Other	290,523	9,581,858	80,264	9,662,122
Total operating revenues	<u>38,874,827</u>	<u>300,158,785</u>	<u>106,703,156</u>	<u>406,861,941</u>
<b>Operating expenses</b>				
Operations	28,331,852	168,679,375	93,107,570	261,786,945
Change in landfill closure liability	4,140,988	4,140,988	-	4,140,988
Depreciation and amortization	8,782,674	63,267,313	13,358,939	76,626,252
Total operating expenses	<u>41,255,514</u>	<u>236,087,676</u>	<u>106,466,509</u>	<u>342,554,185</u>
Operating income (loss)	<u>(2,380,687)</u>	<u>64,071,109</u>	<u>236,647</u>	<u>64,307,756</u>
<b>Nonoperating revenues (expenses)</b>				
Investment income (loss)	5,530,713	13,401,033	1,043,448	14,444,481
Interest subsidy on Build America Bonds	-	2,036,646	-	2,036,646
Installment sale	290,620	290,620	-	290,620
Other revenues	-	1,704,597	34,361	1,738,958
Intergovernmental revenue	345,672	1,726,146	403,004	2,129,150
Interest expense	(498,376)	(25,678,767)	(1,236,597)	(26,915,364)
Allowance for funds used during construction (AFUDC)	-	2,999,255	-	2,999,255
Gain (loss) on sale of capital assets	60,099	(392,908)	(53,031)	(445,939)
Loss on extinguishment of debt	-	(15,324,959)	-	(15,324,959)
Long-term debt issuance expenses	-	(1,248,466)	-	(1,248,466)
Amortization of deferred charges	-	(26,396)	-	(26,396)
Other expenses	-	(1,823,674)	(5,750)	(1,829,424)
Net nonoperating revenues (expenses)	<u>5,728,728</u>	<u>(22,336,873)</u>	<u>185,435</u>	<u>(22,151,438)</u>
Income (loss) before capital contributions, transfers and special items	3,348,041	41,734,236	422,082	42,156,318
Capital contributions	3,021,278	51,910,346	-	51,910,346
Transfers from other funds	12,870,573	13,060,884	8,740,343	21,801,227
Transfers to other funds	(2,335,449)	(306,898,349)	(250,502)	(307,148,851)
Special item - gain on disposal of operations	-	6,356,600	-	6,356,600
Change in net position	16,904,443	(193,836,283)	8,911,923	(184,924,360)
Net position, beginning of year	167,790,230		33,998,148	1,004,635,814
Net position, end of year	<u>\$ 184,694,673</u>		<u>\$ 42,910,071</u>	<u>\$ 819,711,454</u>

Adjustment to reflect the consolidation of internal  
(333,145) service fund activities related to enterprise funds.  
\$ (194,169,428) Change in net position of business-type activities.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Cash Flows  
Proprietary Funds  
For the year ended December 31, 2020

**Business-Type Activities – Enterprise Funds**

	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>
<b>Cash flows from (for) operating activities</b>				
Receipts from customers	\$ 116,828,340	\$ 62,988,275	\$ 55,930,975	\$ 13,883,300
Other operating cash receipts	2,349,210	-	-	-
Receipts for interfund services provided	-	-	-	-
Payments to employees	(30,891,985)	(18,664,918)	(18,277,474)	(2,626,948)
Payments to vendors	(46,387,508)	(5,350,361)	(7,868,260)	(5,189,579)
Payments for interfund services used	(3,518,833)	(2,143,487)	(1,731,188)	(1,113,852)
Net cash from operating activities	<u>38,379,224</u>	<u>36,829,509</u>	<u>28,054,053</u>	<u>4,952,921</u>
<b>Cash flows from (for) non-capital financing activities</b>				
Intergovernmental revenue	-	-	-	-
Transfers to other funds	(284,885,213)	(10,703,946)	(7,055,969)	(1,917,772)
Transfers from other funds	-	-	-	-
Security contract	-	-	-	(1,773,674)
Right of way and security fees	-	-	-	1,681,450
Due to other funds	-	-	-	-
Non-operating cash receipts	-	-	-	-
Advance to other funds	-	-	-	-
Net cash from (for) non-capital financing activities	<u>(284,885,213)</u>	<u>(10,703,946)</u>	<u>(7,055,969)</u>	<u>(2,009,996)</u>
<b>Cash flows from (for) capital and related financing activities</b>				
Interest payments on short-term obligations	(1,754,732)	-	-	-
Principal payments on short-term obligations	(191,900,000)	-	-	-
Principal payments on long-term obligations	(307,775,000)	(10,294,144)	(6,694,508)	(40,000,000)
Interest payments on long-term obligations	(36,402,650)	(6,037,504)	(4,404,740)	(689,134)
Financing costs on long-term obligations	-	-	-	(1,248,466)
Interest subsidy on Build America Bonds	1,224,777	-	-	-
Acquisition and construction of capital assets	(17,683,924)	(23,191,725)	(16,700,562)	(54,514,575)
Transfers from other funds	-	-	-	-
Landfill post closure cash reserve	-	-	-	-
Principal payments on interfund loans	-	-	-	-
Interest payments on interfund loans	-	-	-	-
Proceeds from Alaska clean water and drinking water loans	-	10,840,252	11,000,000	-
Proceeds from issuance of debt	-	-	-	69,191,344
Proceeds from the sale or disposition of capital assets	-	-	-	5,775
Capital contributions – customers	2,389,574	523,688	537,763	-
Capital contributions – intergovernmental	71,720	-	-	57,983,601
Special item - gain on disposal of operations	693,002,795	-	-	-
Net cash from (for) capital and related financing activities	<u>141,172,560</u>	<u>(28,159,433)</u>	<u>(16,262,047)</u>	<u>30,728,545</u>
<b>Cash flows from investing activities</b>				
Net (deposits to) withdrawals from restricted funds	49,451,682	-	-	-
Investment income received	4,539,122	2,031,723	1,218,818	428,249
Net cash from investing activities	<u>53,990,804</u>	<u>2,031,723</u>	<u>1,218,818</u>	<u>428,249</u>
Net increase (decrease) in cash	(51,342,625)	(2,147)	5,954,855	34,099,719
Cash, beginning of year	68,736,279	49,008,398	33,079,665	7,507,418
Cash, end of year	<u>17,393,654</u>	<u>49,006,251</u>	<u>39,034,520</u>	<u>41,607,137</u>
Cash	-	-	2,200	650
Cash and investments in central treasury	7,228,854	32,640,021	24,904,498	11,695,973
Equity in bond and grant capital acquisition and construction accounts	-	7,239,075	5,439,756	19,993,096
Cash legal settlement set aside	-	-	-	1,950,000
Debt service investments	-	-	-	7,967,418
Restricted investments for operations	10,164,800	-	-	-
Restricted equity in general cash pool- customer deposits	-	419,361	279,835	-
Restricted equity in general cash pool- bond and loan debt service	-	8,707,794	8,408,231	-
Cash, December 31	<u>\$ 17,393,654</u>	<u>\$ 49,006,251</u>	<u>\$ 39,034,520</u>	<u>\$ 41,607,137</u>



**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Cash Flows  
Proprietary Funds  
For the year ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental</b>	
	<b>(Continued)</b>		<b>Activities –</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Proprietary Funds</b>
<b>Cash flows from (for) operating activities</b>				
Receipts from customers	\$ 38,863,102	\$ 288,493,992	\$ -	\$ 288,493,992
Other operating cash receipts	-	2,349,210	-	2,349,210
Receipts for interfund services provided	-	-	106,707,131	106,707,131
Payments to employees	(13,954,645)	(84,415,970)	(16,027,111)	(100,443,081)
Payments to vendors	(10,745,763)	(75,541,471)	(70,865,064)	(146,406,535)
Payments for interfund services used	(3,313,423)	(11,820,783)	(3,682,543)	(15,503,326)
Net cash from operating activities	<u>10,849,271</u>	<u>119,064,978</u>	<u>16,132,413</u>	<u>135,197,391</u>
<b>Cash flows from (for) non-capital financing activities</b>				
Intergovernmental revenue	88,131	88,131	-	88,131
Transfers to other funds	(2,335,449)	(306,898,349)	(250,502)	(307,148,851)
Transfers from other funds	3,300,000	3,300,000	1,715,000	5,015,000
Security contract	-	(1,773,674)	-	(1,773,674)
Right of way and security fees	-	1,681,450	-	1,681,450
Due to other funds	-	-	4,466,556	4,466,556
Non-operating cash receipts	290,620	290,620	527	291,147
Advance to other funds	-	-	(261,698)	(261,698)
Net cash from (for) non-capital financing activities	<u>1,343,302</u>	<u>(303,311,822)</u>	<u>5,669,883</u>	<u>(297,641,939)</u>
<b>Cash flows from (for) capital and related financing activities</b>				
Interest payments on short-term obligations	-	(1,754,732)	-	(1,754,732)
Principal payments on short-term obligations	-	(191,900,000)	-	(191,900,000)
Principal payments on long-term obligations	(1,486,618)	(366,250,270)	(15,436,511)	(381,686,781)
Interest payments on long-term obligations	(521,878)	(48,055,906)	(1,289,017)	(49,344,923)
Financing costs on long-term obligations	-	(1,248,466)	-	(1,248,466)
Interest subsidy on Build America Bonds	-	1,224,777	-	1,224,777
Acquisition and construction of capital assets	(28,948,133)	(141,038,919)	(5,873,356)	(146,912,275)
Transfers from other funds	1,617,536	1,617,536	7,025,343	8,642,879
Landfill post closure cash reserve	(4,505,712)	(4,505,712)	-	(4,505,712)
Principal payments on interfund loans	-	-	(85,000)	(85,000)
Interest payments on interfund loans	-	-	(67,233)	(67,233)
Proceeds from Alaska clean water and drinking water loans	-	21,840,252	-	21,840,252
Proceeds from issuance of debt	16,411,218	85,602,562	1,913,954	87,516,516
Proceeds from the sale or disposition of capital assets	183,379	189,154	23,104	212,258
Capital contributions – customers	-	3,451,025	-	3,451,025
Capital contributions – intergovernmental	3,222,412	61,277,733	-	61,277,733
Special item - gain on disposal of operations	-	693,002,795	-	693,002,795
Net cash from (for) capital and related financing activities	<u>(14,027,796)</u>	<u>113,451,829</u>	<u>(13,788,716)</u>	<u>99,663,113</u>
<b>Cash flows from investing activities</b>				
Net (deposits to) withdrawals from restricted funds	-	49,451,682	-	49,451,682
Investment income received	5,519,623	13,737,535	1,043,448	14,780,983
Net cash from investing activities	<u>5,519,623</u>	<u>63,189,217</u>	<u>1,043,448</u>	<u>64,232,665</u>
Net increase (decrease) in cash	3,684,400	(7,605,798)	9,057,028	1,451,230
Cash, beginning of year	22,956,772	181,288,532	44,859,626	226,148,158
Cash, end of year	<u>26,641,172</u>	<u>173,682,734</u>	<u>53,916,654</u>	<u>227,599,388</u>
Cash	3,675	6,525	-	6,525
Cash and investments in central treasury	8,268,845	84,738,191	47,924,636	132,662,827
Equity in bond and grant capital acquisition and construction accounts	15,368,652	48,040,579	5,992,018	54,032,597
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Debt service investments	-	7,967,418	-	7,967,418
Restricted investments for operations	3,000,000	13,164,800	-	13,164,800
Restricted equity in general cash pool- customer deposits	-	699,196	-	699,196
Restricted equity in general cash pool- bond and loan debt service	-	17,116,025	-	17,116,025
Cash, December 31	<u>\$ 26,641,172</u>	<u>\$ 173,682,734</u>	<u>\$ 53,916,654</u>	<u>\$ 227,599,388</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Cash Flows  
Proprietary Funds  
For the year ended December 31, 2020

<b>Business-Type Activities – Enterprise Funds</b>				
	<b>Electric Utility</b>	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>				
Operating income (loss)	\$ 30,793,490	\$ 24,185,894	\$ 13,899,792	\$ (2,427,380)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:				
Change in landfill closure liability	-	-	-	-
Depreciation and amortization	23,685,113	11,412,657	11,941,722	7,445,147
Gain/loss on disposal of operations	25,373,292	-	-	-
Allowance for uncollectible accounts	(31,668)	36,730	(5,817)	-
Pension and OPEB relief-noncash expense	-	656,928	656,928	66,618
Other revenues / expenses	(35,775)	7,500	822	-
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:				
Accounts receivable, net	4,649,683	(748,128)	(965,858)	88,235
Inventories	32,134,009	151,308	93,003	-
Net OPEB asset	78,996	(1,544,706)	(1,544,706)	(153,773)
Prepaid items and deposits	514,520	(40,621)	(60,274)	(126,121)
Unbilled reimbursable projects	-	83,294	325,427	-
Other assets noncurrent	5,508,509	-	-	-
Customer deposits and refunds payable	(1,260,642)	(32,461)	(1,128,214)	-
Deferred outflows of resources related to net pension liability	881,680	(509,986)	(509,985)	(19,654)
Deferred outflows of resources related to net OPEB asset and liability	644,364	78,267	78,267	31,370
Accounts payable, other accrued liabilities and retainages	(10,036,515)	(48,392)	877	182,013
Accrued payroll liabilities	(1,796,029)	178,517	(143,715)	38,003
Asset retirement obligation	(24,332,547)	-	-	-
Compensated absences	(2,387,262)	471,852	374,905	8,336
Claims payable	-	-	-	-
Net pension liability	(10,094,592)	3,164,578	3,164,578	(46,182)
Net OPEB liability	(331,671)	(521,111)	(521,111)	(64,907)
Deferred inflows of resources related to net pension liability	(517,705)	(858,794)	(858,794)	(105,916)
Deferred inflows of resources related to net OPEB asset and liability	(414,554)	648,188	648,188	50,656
Deferred inflows of resources	(28,336,474)	-	-	-
Unearned revenues and deposits	(1,497,904)	116,995	-	-
Other long-term obligations	(4,811,094)	-	-	(13,524)
Property for resale	-	-	390,701	-
Regulatory debits	-	-	2,217,317	-
Equity in general cash pool - unredeemed mini bonds	-	(59,000)	-	-
Total cash from operating activities	<u>38,379,224</u>	<u>36,829,509</u>	<u>28,054,053</u>	<u>4,952,921</u>
<b>Noncash investing, capital, and financing activities:</b>				
Capital purchases on account	502,544	1,069,048	1,030,428	5,936,045
Contributed capital and equipment	-	1,361,511	1,871,399	15,734,197
Conveyed assets held for resale	-	-	-	242,093
Contributions in aid of construction funded from deferred inflows of resources	6,647,295	-	-	-
Portion of plant from AFUDC	821,430	925,919	1,251,906	-
Transfers of capital assets	-	190,311	-	-
Disposal of assets and liabilities pursuant to sale of Electric Utility	694,956,293	-	-	-
Transfer from regulatory debits to capital	-	643,528	863,645	-
Debt write-off	-	600	-	-
Total noncash investing, capital, and financing activities	<u>\$ 702,927,562</u>	<u>\$ 4,190,917</u>	<u>\$ 5,017,378</u>	<u>\$ 21,912,335</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Cash Flows  
Proprietary Funds  
For the year ended December 31, 2020

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental</b>	
	<b>(Continued)</b>		<b>Activities –</b>	
	<b>Nonmajor</b>	<b>Total</b>	<b>Internal</b>	<b>Total</b>
	<b>Enterprise</b>	<b>Enterprise</b>	<b>Service</b>	<b>Proprietary</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>				
Operating income (loss)	\$ (2,380,687)	\$ 64,071,109	\$ 236,647	\$ 64,307,756
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:				
Change in landfill closure liability	4,140,988	4,140,988	-	4,140,988
Depreciation and amortization	8,782,674	63,267,313	13,358,939	76,626,252
Gain/loss on disposal of operations	-	25,373,292	-	25,373,292
Allowance for uncollectible accounts	-	(755)	-	(755)
Pension and OPEB relief-noncash expense	162,317	1,542,791	403,004	1,945,795
Other revenues / expenses	-	(27,453)	33,834	6,381
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:				
Accounts receivable, net	(6,451)	3,017,481	341	3,017,822
Inventories	-	32,378,320	(175,541)	32,202,779
Net OPEB asset	(378,312)	(3,542,501)	(948,674)	(4,491,175)
Prepaid items and deposits	61,457	348,961	(710,151)	(361,190)
Unbilled reimbursable projects	-	408,721	-	408,721
Other assets noncurrent	-	5,508,509	-	5,508,509
Customer deposits and refunds payable	-	(2,421,317)	-	(2,421,317)
Deferred outflows of resources related to net pension liability	(88,504)	(246,449)	(324,519)	(570,968)
Deferred outflows of resources related to net OPEB asset and liability	46,748	879,016	39,495	918,511
Accounts payable, other accrued liabilities and retainages	147,968	(9,754,049)	42,123	(9,711,926)
Accrued payroll liabilities	133,020	(1,590,204)	176,178	(1,414,026)
Asset retirement obligation	-	(24,332,547)	-	(24,332,547)
Compensated absences	115,369	(1,416,800)	132,137	(1,284,663)
Claims payable	-	-	2,256,125	2,256,125
Net pension liability	352,520	(3,459,098)	2,074,849	(1,384,249)
Net OPEB liability	(142,868)	(1,581,668)	(315,301)	(1,896,969)
Deferred inflows of resources related to net pension liability	(217,601)	(2,558,810)	(519,998)	(3,078,808)
Deferred inflows of resources related to net OPEB asset and liability	125,907	1,058,385	403,125	1,461,510
Deferred inflows of resources	-	(28,336,474)	-	(28,336,474)
Unearned revenues and deposits	(5,274)	(1,386,183)	(30,200)	(1,416,383)
Other long-term obligations	-	(4,824,618)	-	(4,824,618)
Property for resale	-	390,701	-	390,701
Regulatory debits	-	2,217,317	-	2,217,317
Equity in general cash pool - unredeemed mini bonds	-	(59,000)	-	(59,000)
Total cash from operating activities	<u>10,849,271</u>	<u>119,064,978</u>	<u>16,132,413</u>	<u>135,197,391</u>
<b>Noncash investing, capital, and financing activities:</b>				
Capital purchases on account	4,454,308	12,992,373	561,525	13,553,898
Contributed capital and equipment	3,021,278	21,988,385	-	21,988,385
Conveyed assets held for resale	-	242,093	-	242,093
Contributions in aid of construction funded from deferred inflows of resources	-	6,647,295	-	6,647,295
Portion of plant from AFUDC	-	2,999,255	-	2,999,255
Transfers of capital assets	7,953,037	8,143,348	-	8,143,348
Disposal of assets and liabilities pursuant to sale of Electric Utility	-	694,956,293	-	694,956,293
Transfer from regulatory debits to capital	-	1,507,173	-	1,507,173
Debt write-off	-	600	-	600
Total noncash investing, capital, and financing activities	<u>\$ 15,428,623</u>	<u>\$ 749,476,815</u>	<u>\$ 561,525</u>	<u>\$ 750,038,340</u>

MUNICIPALITY OF ANCHORAGE, ALASKA  
Statement of Net Position  
Fiduciary Funds  
December 31, 2020

	<b>Pension and  Other Post  Employment Benefits  Trust Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 6,173
Securities lending collateral	6,056,225
Investments:	
Money market funds	4,714,299
Certificate of deposit	6,735,247
U.S. treasuries	5,432,659
U.S. agencies	4,095,162
Corporate fixed income securities	72,249,562
Internantional fixed income funds	382,476
Fixed income funds	1,262,681
Domestic equity securities	162,246,751
International equity securities	107,451,308
Real estate funds	51,835,664
Total investments	<u>416,405,809</u>
Capital assets, net	<u>3,167</u>
Total assets	<u>422,471,374</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	122,162
Payable under securities lending program	<u>6,056,225</u>
Total liabilities	<u>6,178,387</u>
<b>Net Position</b>	
Restricted for:	
Pensions	393,473,859
Postemployment benefits other than pensions	<u>22,819,128</u>
Total net position	<u>\$ 416,292,987</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Statement of Changes in Net Position  
Fiduciary Funds  
For the year ended December 31, 2020

	<b>Pension and Other Post Employment Benefits Trust Funds</b>
<b>Additions</b>	
Contributions from the Municipality	\$ 3,579,656
Contributions from plan members	72,577
Investment income:	
Interest	1,829,547
Dividends	3,577,250
Net increase in fair value of investments	38,638,867
Less: investment expense	(1,947,875)
Net Investment Income	42,097,789
Total additions	45,750,022
<b>Deductions</b>	
Regular benefit payments	36,288,433
Administrative expenses	793,299
Total deductions	37,081,732
Change in fiduciary net position	8,668,290
Net position, beginning of year	407,624,697
Net position, end of year	\$ 416,292,987

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to the Basic Financial Statements  
December 31, 2020

**Index**

Notes to Financial Statements:	Page
Note 1 Summary of Significant Accounting Policies .....	47
Note 2 Stewardship, Compliance, Accountability, and Related Party Transactions.....	53
Note 3 Cash and Investments.....	56
Note 4 Receivables (Including Loans Receivable) .....	76
Note 5 Capital Assets .....	77
Note 6 Port of Alaska Modernization Program .....	79
Note 7 Interfund Receivables, Payables, and Transfers .....	80
Note 8 Lease Agreements .....	82
Note 9 Short-Term Obligations .....	83
Note 10 Long -Term Obligations.....	83
Note 11 Debt Issued Subsequent to Year End .....	95
Note 12 Conduit Debt Obligations .....	96
Note 13 Pensions .....	97
Note 14 Postemployment Healthcare Benefits .....	108
Note 15 Fund Balance- Governmental Funds .....	122
Note 16 Risk Management and Self-Insurance .....	124
Note 17 MOA Trust Fund .....	125
Note 18 Regulatory and Other Matters .....	126
Note 19 Contingencies .....	129
Note 20 Environmental Issues .....	130
Note 21 Subsequent Events .....	135
Note 22 New Accounting Pronouncements .....	136
Note 23 Other Accounting Matters .....	136

## 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, 2020, 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, 2020.

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 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.
- The **State Grants Fund** accounts for direct State grants and Federal passed through the State of Alaska.

Additionally, the Municipality has elected to present the following as a major governmental funds 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 **Electric Utility Fund** accounts for the operations of the Municipality owned Electric Utility. Essentially all the assets of the Electric Utility were sold to Chugach Electric Association on October 30, 2020.
- 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 Post-employment 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 Electric, 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 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. Real and personal property taxes were levied on May 1<sup>st</sup>. Real property taxes were payable in two installments on June 15<sup>th</sup> and August 15<sup>th</sup>, and personal property taxes in two installments on August 31<sup>st</sup> and October 31<sup>st</sup>. Due to the COVID-19 pandemic, the Municipality has granted a one month extension for the two installment pay dates for real property taxes. For 2020 only, real property tax installments were due on July 15<sup>th</sup> and September 15<sup>th</sup>.

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 \$252,373,963 and \$16,541,107, respectively. ASD had accrued taxes and deferred inflows of resources of \$144,481,409 for financing half of the 2020-2021 budget as of June 30, 2020. 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, 2020, property taxes receivable for the Municipality was \$21,029,370 including penalties and interest of \$2,007,393 and excluding allowance for uncollectible property tax receivable of \$343,411.

## **Inventories**

Inventories are valued at cost (specific identification), except inventories of the Utilities. The Water and Wastewater Utilities use average cost, and the Port uses specific identification. 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 Debit transactions in accordance with its regulatory chart of accounts, the National Association of Regulatory Utility Commission (NARUC). Three accounts are allowed, unless otherwise approved by the RCA: Deferred rate case expense, Other deferred debits, and Regulatory assets. These accounts are reflected as regulatory and other assets on the statement of net position.

## **Restricted Assets**

Assets restricted for specific uses by bond covenants, grant provisions or other requirements are classified as restricted assets. 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, and the CIVICventures debt service fund bond reserve. The “Investment in Angel Fund programs” is used to report the fair market value of investments made under the Angel Fund program. 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 general cash pool- bond and loan debt service” is used to segregate resources accumulated for debt service in the Water and Wastewater Utilities. 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 “landfill post closure 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 “investments held for capital projects” are from the proceeds from debt sold by the Port of Anchorage 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 for equipment 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 ASD, 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 of 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 Allowance for Funds Used During Construction (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 2020 in the amounts of \$821,430, \$925,919, and \$1,251,906 for the Electric, 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 Electric Utility, gain or loss is not recognized unless the Electric Utility determines that such costs could not be recovered in rates. 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 bond premiums and discounts. Losses on bond refunding are reported as deferred outflows of resources and are amortized as 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 deferred and 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.

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 entered into 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.

### **Contributed Capital**

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 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, 2020, Water and Wastewater Utility deferred inflow of resources balances related to CIAC were \$194,733,991, and \$158,492,647, respectively.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources for the charges on refunding are reported for governmental and business-type activities on the government-wide Statement of Net Position and the proprietary fund statement for the Water, and Wastewater Utilities. Deferred outflows of resources and deferred inflows of resources related to net

pension and net OPEB assets and liabilities are also reported on the government-wide and proprietary funds Statement of Net Positions. Deferred inflows of resources for property taxes, special assessments, and other unavailable revenues are reported in the governmental fund statements. Time restricted revenues from health permit receipts are reported as deferred inflows of resources in the government-wide Statement of Net Position for governmental activities. Deferred inflow of resources for the installment sale of the Electric Utility is reported in the business-type activities on the Statement of Net Position. Deferred inflows of resources for business-type activities are discussed above and in Note 18. Deferred outflows of resources and deferred inflows of resources related to pension and OPEB are discussed in Notes 13 and 14, respectively.

### **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, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unspent proceeds. The restricted category represents the balance of assets restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting 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 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 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 liabilities related to contingent litigation, 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, 2020, there were no material violations of expenditures exceeding budget. 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, 2020, an overall deficit unassigned fund balance position and unrestricted net deficit were reported for the following funds:

### Major Governmental Funds:

State Grants Special Revenue Fund	\$ (25,877,459)
-----------------------------------	-----------------

### Non-major Governmental Funds:

Other Restricted Resources Special Revenue Fund	\$ (99,912)
---	-------------

### Internal Service Funds:

General Liability/Worker's Compensation	\$ (6,569,191)
---	----------------

The State Grants fund reported an overall negative unassigned fund balance due to increased expenditures related to COVID-19 and continued expenditures from the November 2018 earthquake. The fund received a significant amount of funding under the CARES Act grant, but also incurred a large amount of FEMA eligible expenditures that have not been obligated. The fund reports outstanding interfund loans from the General Fund in the amounts of \$10,532,378 and \$24,599,287 for the 2018 earthquake and COVID-19, respectively, that are expected to be repaid through FEMA reimbursements during 2021 and 2022.

The Other Restricted Resources fund reported an overall negative unassigned fund balance due to more than one year of cumulative expenditures being more than the special assessment revenues. This fund has presented a deficit fund balance consistently since 2006. In 2017, revenues exceeded expenditures for the first time since 2006, however, they were not enough to eliminate the deficit. In 2018, expenditures exceeded revenues. In 2019, revenues exceeded expenditures again, but it was still not enough to eliminate the deficit fund balance. In 2020, expenditures exceeded revenue, adding to the deficit. The Municipality is determining whether adjusting the special assessment levy or supplemental appropriations from other sources are appropriate to address the fund balance deficit.

The General Liability/Worker's Compensation fund again reported an overall negative unrestricted net position because of increases in expenses related to legal settlements and claims incurred but not reported 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, 2020 is on a month to month basis.

### **Lease to Anchorage Police Department (APD) 716 West 4<sup>th</sup> Avenue**

The Municipality is leasing the building at 716 West 4<sup>th</sup> Avenue for the APD office. The lease is for one year, with the option to renew annually for 19 years. The lease payment is \$135,765 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 \$1,634,480 for 2021. 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 \$8,703 for citation processing in 2020; ACDA has no receivable from APD on December 31, 2020. ACDA paid APD \$63,296 of citation revenues in 2020. On December 31, 2020, ACDA has a payable to APD of \$82,132.

### **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 \$672,833 in 2020.

### **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 \$10,628 in 2020. ACDA does not have any amounts payable as of December 31, 2020 to the Municipality.

### **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	\$	209,041,914
Debt Service Fund		53,116,645
Pupil Transportation Fund		3,249,867
Total Taxes Collected	\$	<u>265,408,426</u>

#### Charges for Services:

Operations of swimming pools	\$	(63,550)
------------------------------	----	----------

#### Joint Property and Liability Insurance:

Purchase of a single property and liability policy, which covers both the Municipality and ASD	\$	(2,168,158)
--	----	-------------

### **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 1/3<sup>rd</sup> for convention center, 1/3<sup>rd</sup> for tourism, and 1/3<sup>rd</sup> for general purpose. The Municipality remits to ACVB 95 percent of the 1/3<sup>rd</sup> tourism tax revenue collected to ACVB, with the remaining 5 percent withheld as retainage. 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. The Municipality paid ACVB \$3,715,527 for 2020. ACVB did not meet the specific performance standards to receive the 5 percent retainage.

### **F. Tax Abatement Agreement**

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, 2020, the Municipality had 2 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 exempt for 2020 under this agreement was \$7,550,088.

### 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 agreement was entered into during 2020, but the deferral/exemption process is not set to begin until 2021, so there is no reduction in tax revenues for calendar year 2020.

### NOTE 3 - CASH AND INVESTMENTS

On December 31, 2020, 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	\$ 96,131				
Central Treasury - Unrestricted:					
Money Market Funds	\$ 78,959,479	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	107,697,330	-	96,477,708	10,238,499	981,123
U.S. Agencies	27,567,964	10,411,045	371,139	10,838,106	5,947,674
Municipal Bonds	725,872	-	54,203	333,528	338,141
Asset-Backed Securities**	22,945,988	241,387	12,109,746	2,887,506	7,707,349
Corporate Fixed Income Securities	130,020,418	12,172,799	59,734,200	54,905,810	3,207,609
Domestic Equities***	9,486	-	-	-	-
	<u>\$ 367,926,537</u>	<u>\$ 22,825,231</u>	<u>\$ 168,746,996</u>	<u>\$ 79,203,449</u>	<u>\$ 18,181,896</u>
Central Treasury - Restricted:					
Money Market Funds	\$ 21,846,175	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	54,488,045	-	54,488,045	-	-
U.S. Agencies	40,528,022	-	40,528,022	-	-
Corporate Fixed Income Securities	1,035,136	-	1,035,136	-	-
	<u>\$ 117,897,378</u>	<u>\$ -</u>	<u>\$ 96,051,203</u>	<u>\$ -</u>	<u>\$ -</u>
MOA Trust Fund:					
Money Market Funds	\$ 22,893,041	\$ -	\$ -	\$ -	\$ -
Bank Loan Investments Funds	4,993,875	-	4,993,875	-	-
Emerging Markets Debt Funds	20,769,972	-	-	-	20,769,972
Fixed Income Funds	61,584,432	-	-	-	61,584,432
Corporate Fixed Income Securities	29,828,618	-	6,145,575	19,438,268	4,244,775
U.S. Treasuries	21,671,856	-	3,668,278	18,003,578	-
U.S. Agencies	7,367,545	5,937,868	1,429,677	-	-
Domestic Equities & Equity Fund	135,024,183	-	-	-	-
International Equities & Equity Funds	101,999,888	-	-	-	-
Real Estate Funds	11,883,055	-	-	-	-
	<u>\$ 418,016,465</u>	<u>\$ 5,937,868</u>	<u>\$ 16,237,405</u>	<u>\$ 37,441,846</u>	<u>\$ 86,599,179</u>
Police & Fire Retiree Medical Trust Fund:					
Cash	\$ 449,468	\$ -	\$ -	\$ -	\$ -
Money Market Funds	580,285	-	-	-	-
Certificates of Deposit	6,735,247	1,011,107	5,724,140	-	-
U.S. Treasuries	5,432,659	1,256,981	4,175,678	-	-
U.S. Agencies	4,095,162	1,264,425	2,830,737	-	-
Fixed Income Funds	1,262,681	-	247,047	878,299	137,335
International Fixed Income Funds	382,476	-	-	382,476	-
Domestic Equity Funds	2,360,065	-	-	-	-
International Equity Funds	1,573,224	-	-	-	-
	<u>\$ 22,871,267</u>	<u>\$ 3,532,513</u>	<u>\$ 12,977,602</u>	<u>\$ 1,260,775</u>	<u>\$ 137,335</u>

\* Market value plus accrued income.

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

\*\*\* In 2019, the Central Treasury obtained an equity position when a corporate fixed income security was restructured via bankruptcy. The Municipality chose to hold this position and sold it in 2021.

Investment Type	Fair Value*	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
<b>Police &amp; Fire Retiree Medical Liability Fund:</b>					
Cash	\$ 310,000	\$ -	\$ -	\$ -	\$ -
Money Market Funds	159	-	-	-	-
Fixed Income Funds	9,855,955	-	-	9,855,955	-
Domestic Equities & Equity Funds	15,221,278	-	-	-	-
International Equities & Equity Funds	10,327,776	-	-	-	-
Real Estate Funds	3,752,124	-	-	-	-
	<u>\$ 39,467,292</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,855,955</u>	<u>\$ -</u>
<b>Police &amp; Fire Retirement Pension Trust Fund:</b>					
Cash	\$ 127,487	\$ -	\$ -	\$ -	\$ -
Money Market Funds	3,557,059	-	-	-	-
Corporate Fixed Income Securities	72,249,562	2,453,817	45,973,321	22,131,218	1,691,206
Domestic Equities & Equity Funds	159,886,684	-	-	-	-
International Equities & Equity Funds	105,878,086	-	-	-	-
Real Estate Funds	51,835,664	-	-	-	-
	<u>\$ 393,534,542</u>	<u>\$ 2,453,817</u>	<u>\$ 45,973,321</u>	<u>\$ 22,131,218</u>	<u>\$ 1,691,206</u>
<b>Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:</b>					
Money Market Funds	\$ 73,510	\$ -	\$ -	\$ -	\$ -
U.S. Fixed Income Fund	20,660,286	-	-	20,660,285	-
Domestic Equities & Equity Funds	12,380,381	-	-	-	-
International Equities & Equity Funds	8,361,611	-	-	-	-
	<u>\$ 41,475,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,660,285</u>	<u>\$ -</u>
<b>CIMCVentures Component Unit:</b>					
Money Market Funds	\$ 569,325	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	7,359,545	-	7,359,545	-	-
U.S. Agencies	5,709,471	900,322	4,809,149	-	-
	<u>\$ 13,638,341</u>	<u>\$ 900,322</u>	<u>\$ 12,168,694</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Cash and Investments</b>	<u>\$ 1,414,923,741</u>	<u>\$ 35,649,751</u>	<u>\$ 352,155,221</u>	<u>\$ 170,553,528</u>	<u>\$ 106,609,616</u>
Governmental Activities	\$ 782,818,379				
Business-Type Activities	215,693,380				
Fiduciary Funds	416,411,982				
	<u>\$ 1,414,923,741</u>				

\* Market value plus accrued income.

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

### Governmental Activities

Cash	\$	83,433
Cash and investments in central treasury		303,120,635
Equity in bond and grant capital acquisition and construction pool		5,992,018
Accrued interest on investments		1,338,307
Current Restricted:		
Investments		472,283,986
Total Governmental Activities Cash and Investments	\$	<u>782,818,379</u>

### Business-type Activities

Cash	\$	6,525
Cash and investments in central treasury		84,738,191
Equity in bond and grant capital acquisition and construction pool		15,368,652
Accrued interest on investments		534,858
Current Restricted:		
Equity in bond and grant capital acquisition and construction pool		12,678,831
Equity in general cash pool - bond and loan debt service		17,116,025
Investments from proceeds of Electric Utility sale		10,164,800
Noncurrent Restricted:		
Restricted equity in general cash pool - customer deposits		699,196
Cash legal settlement set aside		1,950,000
Landfill postclosure cash reserve		41,475,788
Investments for operations		3,000,000
Investments held for debt service		7,967,418
Investments held for capital projects		19,993,096
Total Business-type Activities Cash and Investments	\$	<u>215,693,380</u>

### Fiduciary Funds

Cash and cash equivalents	\$	6,173
Investments		416,405,809
Total Fiduciary Funds Cash and Investments	\$	<u>416,411,982</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 2020:

Investment Type	Concentration Limit	Working Capital Portfolio Holding % at December 31, 2020
U.S. Government Securities*	50% to 100% of investment portfolio	13%
Corporate Fixed Income**	0% to 25% of investment portfolio Maximum 5% per issuer	8%
Money Market Mutual Funds***	0% to 25% of investment portfolio	79%
		100%

\*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 held a large proportion of investments in Cash Equivalents at December 31, 2020, 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 2020:

Investment Type	Concentration Limit	Internally Managed Holding % at December 31, 2020
U.S. Government Securities*	50% to 100% of investment portfolio	76%
Corporate Fixed Income	0% to 25% of investment portfolio Maximum 5% per issuer	1%
Money Market Mutual Funds	0% to 25% of investment portfolio	23%
		100%

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

## 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, except for 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, 2020
Domestic Equities	26%	31%	36%	32%
International Equities	18%	55%	26%	24%
Fixed Income	21%	24%	27%	29%
Emerging Markets Debt	0%	5%	8%	5%
Private Credit	2%	5%	8%	1%
Real Estate	10%	13%	16%	4%
Cash & Cash Equivalents	0%	0%	15%	5%
				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:

- 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 investments as follows:

Investment Type	Target Allocation	Investment Holding % at December 31, 2020
General Funds:		
Equities:	70%	
Domestic Equities	42%	42%
International Equities	28%	28%
Fixed Income:	30%	
Domestic Fixed Income	23%	23%
U.S. TIPS	0%	0%
International Fixed Income	7%	7%
		100%

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2020
Member Allocated Funds:			
U.S. Treasuries	23%	33%	31%
Government Agencies	20%	30%	24%
Certificate of Deposit	35%	45%	39%
Cash Equivalents*	4%	10%	6%
			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 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, 2020
Domestic Equities	34%	44%	39%
International Equities	22%	30%	26%
Fixed Income	22%	28%	25%
Real Estate	6%	14%	9%
Cash	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 investments as follows:



Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2020
<b>Domestic Equities:</b>			
Large Cap Core	6%	12%	9%
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%
<b>International Equities:</b>			
MSCI ACWI ex US	9.5%	15.5%	14%
Growth	9.5%	15.5%	13%
<b>Fixed Income:</b>			
Domestic Fixed Income	15%	28%	18%
<b>Real Estate Funds:</b>			
Equity Real Estate Investment Trust	0%	0%	0%
Open Ended Property Fund	2%	9%	5%
Farmland	2%	8%	5%
UBS-TPI	1%	7%	4%
<b>Cash &amp; Cash Equivalents:</b>			
Cash Equivalents	0%	4%	1%
			100%

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 Depository 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 Liability Reserve 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 investments as follows:

Investment Type	Lower Limit	Target	Upper Limit	Investment Holding % at December 31, 2020
Domestic Equities	24%	30%	36%	30%
International Equities	16%	20%	24%	20%
Domestic Fixed Income	45%	50%	55%	50%
		100%		100%

#### **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. On December 31, 2020, the Working Capital Portfolio had a duration of 0.25 years, or approximately 91 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. On December 31, 2020, the Contingency Reserve Portfolio had a duration of 1.88 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.91 years. AMC 6.50.030 requires the Strategic Reserve Portfolio have a maximum duration no greater than one year in excess of its benchmark. On December 31, 2020, the Strategic Reserve Portfolio had a duration of 3.27 years as compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.82 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, 2020, the duration of the index was 3.62 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 7.08 years, which is not 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. On December 31, 2020, the duration of the Barclays Capital Aggregate Index was 6.1 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.

On December 31, 2020, the Municipal Central Treasury's investment in marketable debt securities, excluding U.S. Treasuries, totaled \$228,823,400. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	15%	AAA	7%
Aa	2%	AA	10%
A	19%	A	13%
Baa	16%	BBB	24%
Ba or Lower	23%	BB or Lower	21%
Not Rated	25%	Not Rated	25%
	<u>100%</u>		<u>100%</u>

On December 31, 2020, securities in the MOA Trust had an investment of \$87,348,280 in commingled fixed income funds with a weighted average credit quality rating of A+.

At December 31, 2020, the Police and Fire Retiree Medical Trust had an investment of \$1,262,681 in commingled domestic fixed income funds with a weighted average credit quality rating of A-, and an investment of \$382,476 in commingled international fixed income funds with a weighted average credit quality rating of A.

At December 31, 2020, the Police and Fire Retiree Medical Liability Fund had an investment of \$5,936,159 in commingled fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$3,919,796 in a commingled fixed income fund with a weighted average credit quality rating of A.

On December 31, 2020, 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 \$72,249,562, with ratings distributed as follows:

Moody's		S&P	
Aaa	2%	AAA	0%
Aa	4%	AA	5%
A	39%	A	34%
Baa	41%	BAA	46%
Ba or Lower	1%	BBB or Lower	0%
Not Rated	13%	Not Rated	15%
	<u>100%</u>		<u>100%</u>

On December 31, 2020, the Anchorage Regional Landfill Closure and Post-Closure Liability Fund had one investment totaling \$20,660,286 in fixed income funds that were rated AA.

On December 31, 2020, CIVICVentures' government agency investments were rated "Aaa" by Moody's and "AA+" by Standard and Poor's. CIVICVentures' U.S. treasuries were rated "Aaa" by Moody's and their 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.

On December 31, 2020, 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 and Federal National Mortgage Association. These investments were 7.79 percent and 6.69 percent, respectively, 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, and the Federal Farm Credit Bank. These investments were 13.26 percent, 7.99 percent, and 20.61 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 \$135,917 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 2020, 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. On December 31, 2020, 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. On December 31, 2020, the pool had a weighted average maturity of 15 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 as of December 31, 2020:

Securities Lent	Fair Value of Underlying Securities	Collateral Received	Cash Collateral Received	Securities Collateral Value
Corporate Fixed Income	\$ 1,124,097	\$ 1,148,503	\$ -	\$ 1,148,503
Domestic Equities	4,932,128	5,039,316	974,413	4,064,903
	<u>\$ 6,056,225</u>	<u>\$ 6,187,819</u>	<u>\$ 974,413</u>	<u>\$ 5,213,406</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. On December 31, 2020, 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, 2020:

Fund	Investment	Currency	Maturity	Fair Value at December 31, 2020
MOA Trust Fund:	Europacific Growth Equity Fund	Various	N/A	\$ 51,249,245
	Vanguard International Value Fund	Various	12/31/2020	50,750,643
Total MOA Trust Fund				<u>101,999,888</u>
Police and Fire Retiree Medical Trust Fund:	Vanguard Total International Bond Index Fund	Various	11/21/2030	\$ 382,476
	Vanguard Total International Stock Index Fund	Various	12/31/2020	1,573,224
Total Police and Fire Retiree Medical Trust Fund				<u>1,955,700</u>
Police and Fire Retiree Medical Liability Fund:	Europacific Growth Equity Fund	Various	12/31/2020	\$ 5,186,703
	Vanguard International Value Fund	Various	12/31/2020	5,141,073
Total Police and Fire Retiree Medical Liability Fund				<u>10,327,776</u>
Police and Fire Retirement Pension Trust Fund:	Capital Guardian International Equity Fund	Various	12/31/2020	\$ 52,309,596
	Lazard Asset International Equity Fund	Various	12/31/2020	53,568,489
	Bank of Montreal	Canadian Dollar	2/5/2024	620,366
	TELUS Corp	Canadian Dollar	2/16/2027	332,754
	TransCanada PipeLines Ltd	Canadian Dollar	5/15/2028	439,035
	Toronto-Dominion Bank	Canadian Dollar	7/19/2023	922,262
	Royal Bank of Canada	Canadian Dollar	11/1/2024	523,105
	Deutsche Bank AG/New York NY	Euro	9/18/2024	377,811
	LYB International Finance BV	Euro	7/15/2023	413,616
	Mexico Government International	Peso	4/16/2030	195,577
	Shire Acquisitions Investments Ireland DAC	Euro	9/23/2023	560,835
	Vodafone Group PLC	Euro	5/30/2028	630,749
	Mitsubishi UFJ Financial Group Inc	Japanese Yen	2/25/2025	367,106
Santander UK PLC	Pound Sterling	1/13/2023	302,494	

Fund	Investment	Currency	Maturity	Fair Value at December 31, 2020
	Trinity Acquisition PLC	Pound Sterling	3/15/2026	\$ 329,853
	Equinor ASA	Various	1/22/2026	529,105
	AstraZeneca PLC	Various	4/8/2026	384,073
	Nutrien Ltd	Canadian Dollar	12/15/2026	308,488
	Nutrien Ltd	Canadian Dollar	12/31/2020	947,480
	Atlas Corp	Various	12/31/2020	814,084
	AstraZeneca PLC	Various	12/31/2020	314,937
	Helen of Troy LTD	Various	12/31/2020	173,308
	Mimecast LTD	Various	12/31/2020	150,797
	Chubb LTD	Various	12/31/2020	772,486
	Equinor ASA	Various	12/31/2020	684,714
	Medtronic Plc	Various	12/31/2020	788,724
	TE Connectivity Ltd	Various	12/31/2020	774,848
Total Police & Fire Retirement Pension Trust Fund				118,536,692
Total Foreign Currency Risk				<u>\$ 232,820,056</u>

## L. Fair Value Measurements

On December 31, 2020, 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 investments 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.
- 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.

- 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, 2020:

Investment Type:	December 31, 2020	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Petty Cash	\$ 96,131		
Central Treasury - Unrestricted:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 107,697,330	\$ 107,697,330	\$ -
U.S. Agencies	27,567,964	-	27,567,964
Municipal Bonds	725,872	-	725,872
Asset-Backed Securities	22,945,988	-	22,945,988
Corporate Fixed Income Securities	130,020,418	-	130,020,418
Domestic Equities	9,486	9,486	-
	<u>288,967,058</u>	<u>107,706,816</u>	<u>181,260,242</u>
Investments Measured at Amortized Cost:			
Money Market Funds	78,959,479		
Total Central Treasury - Unrestricted	<u>\$ 367,926,537</u>		
Central Treasury - Restricted:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 54,488,045	\$ 54,488,045	\$ -
U.S. Agencies	40,528,022	-	40,528,022
Corporate Fixed Income Securities	1,035,136	-	1,035,136
	<u>96,051,203</u>	<u>54,488,045</u>	<u>41,563,158</u>
Investments Measured at Amortized Cost:			
Money Market Funds	21,846,171		
Total Central Treasury - Restricted	<u>\$ 117,897,374</u>		

Investment Type:	Fair Value Measurements Using		
	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
MOA Trust Fund:			
Investments Measured at Fair Value:			
Corporate Fixed Income Securities	\$ 29,828,618	\$ -	\$ 29,828,618
U.S. Treasuries	21,671,856	21,671,856	-
U.S. Agencies	7,367,545	-	7,367,545
Domestic Equities and Equity Funds	135,024,183	135,024,183	-
International Equities and Equity Funds	101,999,888	101,999,888	-
Emerging Markets Debt Funds	20,769,972	20,769,972	-
	<u>316,662,062</u>	<u>279,465,899</u>	<u>37,196,163</u>
Investments Measured at Net Asset Value (NAV):			
Bank Loan Investments Funds	4,993,875		
Fixed Income Funds	61,584,432		
Real Estate Funds	11,883,055		
	<u>78,461,362</u>		
Investments Measured at Amortized Cost:			
Money Market Funds	22,893,042		
Total MOA Trust Fund	<u>\$ 418,016,466</u>		
Police & Fire Retiree Medical Trust Fund:			
Investments Measured at Fair Value:			
Certificates of Deposits	\$ 6,735,247	\$ -	\$ 6,735,247
U.S. Treasuries	5,432,659	5,432,659	-
U.S. Agencies	4,095,162	-	4,095,162
Fixed Income Funds	1,262,681	1,262,681	-
International Fixed Income Funds	382,476	382,476	-
Domestic Equity Funds	2,360,065	2,360,065	-
International Equity Funds	1,573,224	1,573,224	-
	<u>21,841,514</u>	<u>11,011,105</u>	<u>10,830,409</u>
Investments Measured at Amortized Cost:			
Cash	449,468		
Money Market Funds	580,285		
Total Police & Fire Retiree Medical Trust Fund	<u>\$ 22,871,267</u>		
Police & Fire Retiree Medical Liability Fund:			
Investments Measured at Fair Value:			
Fixed Income Funds	\$ 9,855,955	\$ 9,855,955	\$ -
Domestic Equities and Equity Funds	15,221,278	15,221,278	-
International Equities and Equity Funds	10,327,776	10,327,776	-
	<u>35,405,009</u>	<u>35,405,009</u>	<u>-</u>
Investments Measured at Net Asset Value (NAV):			
Real Estate Funds	3,752,124		
Investments Measured at Amortized Cost:			
Cash	310,000		
Money Market Funds	159		
Total Police & Fire Retiree Medical Liability Fund	<u>\$ 39,467,292</u>		



Investment Type:	Fair Value Measurements Using		
	December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Police &amp; Fire Retirement Pension Trust Fund:</b>			
Investments Measured at Fair Value:			
Corporate Fixed Income Securities	\$ 62,999,868	\$ 62,999,868	\$ -
Domestic Equities and Equity Funds	87,895,531	87,895,531	-
	<u>150,895,399</u>	<u>150,895,399</u>	<u>-</u>
Investments Measured at Net Asset Value (NAV):			
International Equities and Equity Funds	105,878,086		
Domestic Equities and Equity Funds	71,991,153		
Corporate Fixed Income Securities	9,249,694		
Real Estate Funds	51,835,664		
	<u>238,954,597</u>		
Investments Measured at Amortized Cost:			
Cash	127,487		
Money Market Funds	3,557,059		
<b>Total Police and Fire Retiree Pension Trust Fund</b>	<u>\$ 393,534,542</u>		
<b>Anchorage Regional Landfill Post-Closure Reserve Liability Fund:</b>			
Investments Measured at Fair Value:			
U.S. Fixed Income	\$ 20,660,286	\$ 20,660,286	\$ -
Domestic Equities and Equity Funds	12,380,381	12,380,381	-
International Equities and Equity Funds	8,361,611	8,361,611	-
	<u>41,402,278</u>	<u>41,402,278</u>	<u>-</u>
Investments Measured at Amortized Cost:			
Money Market Funds	73,510		
<b>Total Anchorage Regional Landfill Post-Closure Reserve Liability Fund</b>	<u>\$ 41,475,788</u>		
<b>CIMCVentures Component Unit:</b>			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 7,359,545	\$ 7,359,545	\$ -
U.S. Agencies	5,709,471	-	5,709,471
	<u>13,069,016</u>	<u>7,359,545</u>	<u>5,709,471</u>
Investments Measured at Amortized Cost:			
Money Market Funds	569,325		
<b>Total CIMCVentures Component Unit</b>	<u>\$ 13,638,341</u>		
<b>Total Cash and Investments</b>	<u>\$ 1,414,923,738</u>		

The unfunded commitments and redemption information for the investments reported as NAV for December 31, 2020 are as follows:

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
<b>MOA Trust Fund:</b>				
Trumbull Property Fund (e)	\$ 11,883,055	\$ -	Quarterly	60 days
FIAM Core Plus LLC (a)	61,584,432	-	Daily	5 Days
Western Asset Floating Rate High Income Fund (b)	4,993,875	-	Daily	same day
	<u>\$ 78,461,362</u>			

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
Police & Fire Retiree Medical Liability Fund:				
Trumbull Property Fund (e)	\$ 3,752,124	\$ -	Quarterly	60 days
Police & Fire Retirement Pension Trust Fund:				
Capital Group International All Countries Countries Equity Trust (c)				
	\$ 52,309,596	\$ -	Trade Date	3 Days
Lazard International Equity Trust (c)	53,568,489	-	Trade Date	5 Days
EB DV Non-SL Large Cap Growth Stock Index Fund of the Bank of New York Mellon (d)				
	36,197,082	-	Trade Date	2 Days
EB DV Non-SL Index Fund of the Bank of New York Mellon (d)				
	35,794,072	-	Trade Date	2 Days
Trumbull Property Fund (e)	19,316,994	-	Quarterly	60 days
AgriVest Farmland Fund (e)	17,491,600	-	Quarterly	60 days
Trumbull Property Income Fund (e)	15,027,070	-	Quarterly	60 days
Barrow, Hanley, Mewhinney & Strauss High Yield Fixed Income Fund (f)				
	9,249,694	-	Trade Date	2 Days
	<u>\$ 238,954,597</u>			

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) Western Asset Floating Rate High Income Fund invests at least 80 percent of its total assets in U.S. dollar denominated loans, loan participations and fixed income securities that are rated below investment grade at the time of purchase. 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.
- (c) 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.
- (d) 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.
- (e) Real estate funds: This type includes three real estate funds that invest primarily in U.S. commercial real estate and U.S. farmlands. The fair values of the investments in in this type have been determined using the NAV per share (or its equivalent) of the ownership interest in partners' capital.
- (f) 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.

## M. 49<sup>th</sup> 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, 2020 for the thirteen investments is as follows:

Investments Measured at the Net Asset Value (NAV)	
Alaska Opportunity Fund	\$ 303,268
Alaska Accelerator Fund	806,854
49th Angel Fund	234,092
Anchorage Equity Partner No. 1	296,676
Anchorage Equity Partner No. 2	716,807
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
Alaska Opportunity Fund II	47,676
Alaska Angel Conference 2019	10,338
Set Up Shop	50,000
Alaska Angel Conference 2020	43,180
Total Investments Measured at NAV	<u>\$ 4,425,304</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 Anchorage Equity Partners No. 6 in the amount of \$500,000. New investments were made from the Evergreen Fund moneys to the Alaska Angel Conference 2020 Fund in the amount of \$45,000. For 2020, there was a combined unrealized loss of \$1,411,638 and a combined realized loss of \$194,212.

#### **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 49<sup>th</sup> 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, 2020 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Alaska Opportunity Fund	\$ 303,268	\$ -	nondeterminable	N/A
Alaska Accelerator Fund	806,854	-	nondeterminable	N/A
49th Angel Fund	234,092	1,430,000	nondeterminable	N/A
Anchorage Equity Partner No. 1	296,676	165,000	nondeterminable	N/A
Anchorage Equity Partner No. 2	716,807	165,000	nondeterminable	N/A
Anchorage Equity Partner No. 3	141,413	165,000	nondeterminable	N/A
Anchorage Equity Partner No. 5	900,000	165,000	nondeterminable	N/A
Anchorage Equity Partner No. 6	500,000	165,000	nondeterminable	N/A
Launch Alaska Fund	375,000	737,500	nondeterminable	N/A
Alaska Opportunity Fund II	47,676	1,450,000	nondeterminable	N/A
Alaska Angel Conference 2019	10,338	-	nondeterminable	N/A
Set Up Shop	50,000	-	nondeterminable	N/A
Alaska Angel Conference 2020	43,180	-	nondeterminable	N/A
Total Investments Measured at NAV	<u>\$ 4,425,304</u>	<u>\$ 4,442,500</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, 2020:

	Governmental Activities	Business-type Activities	Total
Current:			
Property taxes	\$ 21,372,781	\$ -	\$ 21,372,781
Motor vehicle taxes	438,651	-	438,651
Hotel and motel taxes	2,385,152	-	2,385,152
Tobacco taxes	1,418,672	-	1,418,672
Marijuana taxes	492,830	-	492,830
Fuel product taxes	895,674	-	895,674
E911 surcharge taxes	985,175	-	985,175
Unbilled reimbursable projects	-	74,866	74,866
Special assessments receivable	2,489,241	110,788	2,600,029
Trade accounts, including internal service funds	11,465,739	30,156,687	41,622,426
Total accounts receivable	41,943,915	30,342,341	72,286,256
Allowance for uncollectible accounts	(4,042,932)	(1,012,210)	(5,055,142)
Total Accounts Receivable, net	<u>\$ 37,900,983</u>	<u>\$ 29,330,131</u>	<u>\$ 67,231,114</u>
Noncurrent:			
Land sale promissory note	\$ 1,297,909	\$ -	\$ 1,297,909
HUD loans (including section 108)	2,499,718	-	2,499,718
Electric Utility installment sale receivable	-	104,460,685	104,460,685
Total Loans, net	<u>\$ 3,797,627</u>	<u>\$ 104,460,685</u>	<u>\$ 108,258,312</u>

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, 2020, was as follows:

Governmental Activities:	Beginning Balance			Ending Balance
	January 1, 2020	Increase	Decrease	December 31, 2020
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 1,263,334,993	\$ 4,440,240	\$ (302,053)	\$ 1,267,473,180
Artwork	21,414,572	83,959	-	21,498,531
Construction Work-in-Progress	12,917,340	38,017,375	(29,992,404)	20,942,311
Infrastructure	1,480,818,653	5,430,900	-	1,486,249,553
<b>Total Capital Assets, Not Being Depreciated</b>	<b>2,778,485,558</b>	<b>47,972,474</b>	<b>(30,294,457)</b>	<b>2,796,163,575</b>
<b>Capital Assets, Being Depreciated:</b>				
Buildings & Improvements	774,027,505	9,753,874	-	783,781,379
Equipment	281,940,679	9,915,980	(1,003,542)	290,853,117
Infrastructure	581,404,660	8,042,157	(101,565)	589,345,252
Intangible ERP	80,344,390	-	-	80,344,390
<b>Total Capital Assets, Being Depreciated</b>	<b>1,717,717,234</b>	<b>27,712,011</b>	<b>(1,105,107)</b>	<b>1,744,324,138</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings & Improvements	479,868,639	15,472,395	-	495,341,034
Equipment	237,732,758	13,056,251	(649,111)	250,139,898
Infrastructure	322,349,713	11,134,518	(98,933)	333,385,298
Intangible ERP	17,924,568	8,034,439	-	25,959,007
<b>Total Accumulated Depreciation</b>	<b>1,057,875,678</b>	<b>47,697,603</b>	<b>(748,044)</b>	<b>1,104,825,237</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>659,841,556</b>	<b>(19,985,592)</b>	<b>(357,063)</b>	<b>639,498,901</b>
<b>Total Governmental Activities, Net</b>	<b>\$ 3,438,327,114</b>	<b>\$ 27,986,882</b>	<b>\$ (30,651,520)</b>	<b>\$ 3,435,662,476</b>

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, 2020	Increase	Decrease	December 31, 2020
<b>Capital Assets, Not Being Depreciated:</b>				
Land and Property held for future use	\$ 104,481,845	\$ 121,380	\$ (12,554,095)	\$ 92,049,130
Construction Work-in-Progress <sup>1</sup>	132,980,264	158,966,082	(114,028,872)	177,917,474
<b>Total Capital Assets, Not Being Depreciated</b>	<b>237,462,109</b>	<b>159,087,462</b>	<b>(126,582,967)</b>	<b>269,966,604</b>
<b>Capital Assets, Being Depreciated:</b>				
Distribution and Collection Systems, Infrastructure	2,765,502,403	65,856,761	(1,241,062,947)	1,590,296,217
Buildings and Improvements	710,323,492	21,029,616	(152,270,125)	579,082,983
<b>Total Capital Assets, Being Depreciated</b>	<b>3,475,825,895</b>	<b>86,886,377</b>	<b>(1,393,333,072)</b>	<b>2,169,379,200</b>
<b>Less Accumulated Depreciation for:</b>				
Distribution and Collection Systems, Infrastructure	1,168,023,483	65,600,875	(518,086,973)	715,537,385
Buildings and Improvements	246,324,640	18,832,592	(54,176,177)	210,981,055
<b>Total Accumulated Depreciation</b>	<b>1,414,348,123</b>	<b>84,433,467</b>	<b>(572,263,150)</b>	<b>926,518,440</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>2,061,477,772</b>	<b>2,452,910</b>	<b>(821,069,922)</b>	<b>1,242,860,760</b>
<b>Total Business-Type Activities, Net</b>	<b>\$ 2,298,939,881</b>	<b>\$ 161,540,372</b>	<b>\$ (947,652,889)</b>	<b>\$ 1,512,827,364</b>

<sup>1</sup>Included in Construction Work-in-Progress are retirement assets as follow s:

Construction Work-in-Progress	\$ 1,137,756	\$ 1,229,166	\$ (2,366,922)	\$ -
-------------------------------	--------------	--------------	----------------	------

On October 30, 2020, the Municipality sold the Electric Utility to Chugach Electric Association. Because of this sale, all capital assets for the Electric Utility were either retained in other funds or disposed of in 2020. Details of the sale are discussed in Note 23.

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

<b>Governmental Activities:</b>	
General Government	\$ 11,358,833
Fire Services	4,968,496
Police Services	1,897,604
Health and Human Services	719,365
Economic & Community Development	13,896,859
Public Transportation	1,586,113
Public Works	8,831,188
Maintenance and Operations	4,439,145
<b>Total Governmental Activities</b>	<b><u>\$ 47,697,603</u></b>
<b>Business-Type Activities:</b>	
Electric	\$ 23,685,113
Water	11,412,657
Wastewater	11,941,722
Refuse	1,214,295
Solid Waste	4,440,123
Port	7,445,147
Municipal Airport	3,089,601
Anchorage Hydropower	38,655
<b>Total Business-Type Activities</b>	<b><u>63,267,313</u></b>
Depreciation offset by amortization of regulatory liability- contributed plant and retirements of group depreciated plant assets	21,166,154
<b>Gross increase in accumulated depreciation</b>	<b><u>\$ 84,433,467</u></b>

### **Contractual Commitments**

Governmental-type major fund Roads and Drainage Capital Project had contractual commitments for capital construction in the amount of \$25.8 million on December 31, 2020. Business-type major funds Water, Wastewater and Port had contractual commitments for capital construction in the amount of \$11.7 million, \$13.6 million, and \$.4 million, respectively.

### **B. Discretely Presented Component Units - Anchorage School District**

Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	Beginning Balance July 1, 2019	Increase	Decrease	Ending Balance June 30, 2020
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 42,357,063	\$ -	\$ -	\$ 42,357,063
Construction in Progress	673,751	41,403,560	(41,426,144)	651,167
<b>Total Capital Assets not Being Depreciated</b>	<b><u>43,030,814</u></b>	<b><u>41,403,560</u></b>	<b><u>(41,426,144)</u></b>	<b><u>43,008,230</u></b>
<b>Capital Assets Being Depreciated:</b>				
Land Improvements	71,903,119	575,346	-	72,478,465
Buildings and Equipment	1,870,948,529	44,784,108	(4,421,395)	1,911,311,242
Pupil Transportation	20,996,374	876,560	(713,960)	21,158,974
<b>Total Capital Assets Being Depreciated</b>	<b><u>1,963,848,022</u></b>	<b><u>46,236,014</u></b>	<b><u>(5,135,355)</u></b>	<b><u>2,004,948,681</u></b>
<b>Less Accumulated Depreciation For:</b>				
Land Improvements	51,070,317	1,687,166	-	52,757,483
Buildings and Equipment	679,879,386	43,203,556	(3,820,028)	719,262,914
Pupil Transportation	9,755,560	1,038,533	(713,960)	10,080,133
<b>Total Accumulated Depreciation</b>	<b><u>740,705,263</u></b>	<b><u>45,929,255</u></b>	<b><u>(4,533,988)</u></b>	<b><u>782,100,530</u></b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b><u>1,223,142,759</u></b>	<b><u>306,759</u></b>	<b><u>(601,367)</u></b>	<b><u>1,222,848,151</u></b>
<b>Total ASD Capital Assets, Net</b>	<b><u>\$ 1,266,173,573</u></b>	<b><u>\$ 41,710,319</u></b>	<b><u>\$(42,027,511)</u></b>	<b><u>\$ 1,265,856,381</u></b>

### C. Discretely Presented Component Units - Anchorage Community Development Authority

Capital asset activity for the year ended December 31, 2020 is as follows:

	Beginning Balance			Ending Balance
	January 1, 2020	Increase	Decrease	December 31, 2020
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 12,728,795	\$ 3,228,000	\$ -	\$ 15,956,795
Total Capital Assets not Being Depreciated	12,728,795	3,228,000	-	15,956,795
Capital Assets Being Depreciated:				
Parking Garages	62,116,813	68,219	-	62,185,032
Lot Improvements	710,540	-	-	710,540
Furniture and Fixtures	25,472	-	-	25,472
Equipment and Vehicles	2,146,328	433,137	(20,200)	2,559,265
Parking meters	113,456	-	-	113,456
Total Capital Assets Being Depreciated	65,112,609	501,356	(20,200)	65,593,765
Less Accumulated Depreciation For:				
Parking Garages	39,011,475	2,078,819	-	41,090,294
Lot Improvements	696,076	4,687	-	700,763
Furniture and Fixtures	14,745	2,604	-	17,349
Equipment and Vehicles	1,774,336	196,479	(20,200)	1,950,615
Parking meters	113,457	-	-	113,457
Total Accumulated Depreciation Net	41,610,089	2,282,589	(20,200)	43,872,478
Total Capital Assets, Being Depreciated, Net	23,502,520	(1,781,233)	-	21,721,287
Total ACDA Capital Assets, Net	\$ 36,231,315	\$ 1,446,767	\$ -	\$ 37,678,082

#### 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 4.7 million tons of fuel and cargo in 2020, 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.
- 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 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 cargo yard, two private barge terminals, Joint Base Elmendorf-Richardson (JBER) and Ted Stevens International Airport. It is the only tsunami-proof, inbound-cargo port on Alaska's Railbelt-connected road system.

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 reinforced more than half of the dock's piles. However, jackets are a one-time fix that last 10 to 15 years and all terminals continue to lose load ratings and will 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's docks. Significant effort was committed to begin work on Phase 1, the construction of the new Petroleum & Cement Terminal (PC) at the Port of Alaska. A test-pile program was completed in 2016 to demonstrate constructability and support design and permitting work. This work was followed by a South Backlands Stabilization to provide related shore improvements and a Transitional Dredging project to support the trestle and dock structures. Both projects were completed in 2019. In 2020, the first year of in-water construction, which resulted in creating the trestle and platform for the PCT, was successfully completed. The 2021 construction season will see the PCT completed with the addition of 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	\$ 7,711,502
Internal Service Funds	22,940,815
Total Interfund Payable to General Fund	<u>30,652,317</u>

Interfund Payable to Nonmajor Governmental Funds from:

Nonmajor Governmental Funds	355,905
Internal Service Funds	85,000
Total Interfund Payable to Nonmajor Governmental Funds	<u>440,905</u>
Total Interfund Payables	<u>\$ 31,093,222</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, 2020 were as follows:

Advances from General Fund to State Grants Fund for Earthquake expenses	\$ 10,532,378
Advances from General Fund to State Grants Fund for COVID-19 expenses	24,599,287
Advances from General Fund to Nonmajor Governmental Funds for capital	516,525
Advances from Nonmajor Governmental Funds to Internal Service Funds for capital	1,020,000
Advances from Internal Services Funds to General Fund for capital	6,287,423
Advances from Internal Services Funds to Roads and Drainage Capital Projects Fund for capital	50,518
Total Advances Receivable	<u>\$ 43,006,131</u>

### B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Fund to:

Capital Projects Roads and Drainage Fund for capital	\$ 3,549,734
State Grant Fund for grant matching	576,372
Nonmajor Governmental Funds to fund OPEB liability	1,086,934
Nonmajor Governmental Funds for debt service	5,432,040
Nonmajor Governmental Funds for operating	716,635
Nonmajor Governmental Funds for grant matching	1,751,238
Nonmajor Governmental Funds for capital	15,402,909
Internal Service Funds	3,334,607
Total Transfers from General Fund	<u>31,850,469</u>



From MOA Trust Fund to:	
General Fund for annual operating subsidy	\$ 14,000,000
From Capital Projects Roads and Drainage Fund to:	
General Fund for debt service	770
From State Grant Fund to:	
Nonmajor Enterprise Funds for capital	1,617,536
From Nonmajor Governmental Funds to:	
General Fund for capital	687,994
General Fund for debt service	164
State Grant Fund for grant matching	5,000
Nonmajor Governmental Funds for capital	591,187
Nonmajor Governmental Funds for debt service	6,361,490
Total Transfers from Nonmajor Governmental Funds	<u>7,645,835</u>
From Electric Utility Fund to:	
General Fund for annual revenue distribution	8,282,641
General Fund for dapital contribution*	95,382
General Fund for operating subsidy	15,031,539
MOA Trust Fund for proceeds from Electric Utility sale	229,626,567
Nonmajor Governmental Funds for capital	15,000,000
Water Utility Fund for capital contribution	190,311
Nonmajor Enterprise Funds for operating subsidy	3,300,000
Nonmajor Enterprise Funds for capital contribution	7,953,037
Internal Services Fund for capital assets	5,405,736
Total Transfers from Electric Utility Fund	<u>284,885,213</u>
From Water Utility Fund to:	
General Fund for annual revenue distribution	10,703,946
From Wastewater Utility Fund to:	
General Fund for annual revenue distribution	7,055,969
From Port Fund to:	
General Fund for annual revenue distribution	1,917,772
From Nonmajor Enterprise Funds to:	
General Fund for annual revenue distribution	2,335,449
From Internal Service Funds to:	
General Fund for capital contribution*	250,502
Total Transfers To at the Fund Level	<u>\$ 362,263,461</u>
Capital Assets from the Electric Utility Fund to the General Fund	(95,382)
Capital Assets from the Information Technology Fund to the General Fund	(250,502)
Total Transfers From at the Fund Level	<u>\$ 361,917,577</u>

\*In 2020, capital assets were transferred from the Electric Utility fund and the Information Technology fund to the General Fund totaling \$95,382 and \$250,502, respectively. The transactions were recorded as transfers to in both the Electric Utility fund and Information Technology fund, but are not recorded at the fund level in the General Fund, since the transferring and receiving funds do not use the same basis of accounting. At the entity-wide level, the transfers from are recorded in the Governmental 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 2020 was \$8,749,091. The annual rental payments of these lease commitments over their remaining terms are as follows:

Years:	Governmental Activities	Business Type Activities
2021	\$ 7,140,327	\$ 84,036
2022	5,398,718	85,612
2023	5,275,193	78,836
2024	5,255,440	74,508
2025	3,498,802	76,232
2026-2030	6,753,054	380,813
2031-2035	4,617,926	379,202
2036-2040	4,030,332	434,589
2041-2045	-	5,821
2046-2050	-	5,821
2051-2055	-	5,530
Totals	<u>\$ 41,969,792</u>	<u>\$ 1,611,000</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 2020, the Municipality drew down \$1,913,953 from the master lease to cover capital expenses. As of December 31, 2020, the total cost of the equipment and software was \$80,344,390, with accumulated amortization of \$25,959,007, which yields an underlying net book value of the assets of \$54,385,383. Amortization expense for 2020 was \$8,034,439. As of December 31, 2020, all the outstanding principal balance of \$31,831,260 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, 2020. The total cost of the equipment was \$350,101, with accumulated depreciation of \$54,182 which yields a net book value of the asset of \$295,919. The outstanding balance of \$301,357 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 2020, the Municipality drew down of \$1,269,607 from the master lease to cover capital expenditures. The outstanding balance on December 31, 2020 of \$2,892,644 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
2021	\$ 9,076,519	\$ 881,297	\$ 9,957,816
2022	8,844,875	645,240	9,490,115
2023	8,079,247	395,400	8,474,647
2024	5,749,491	182,475	5,931,966
2025	2,215,389	54,786	2,270,175
2026-2030	1,059,740	23,023	1,082,763
	<u>\$ 35,025,261</u>	<u>\$ 2,182,221</u>	<u>\$ 37,207,482</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
2021	\$ 2,773,338	\$ 815,066
2022	870,687	788,369
2023	794,787	779,004
2024	785,875	771,724
2025	785,966	771,724
2026-2030	3,710,796	3,725,085
2031-2035	3,406,379	3,725,085
2036-2040	800,000	2,945,724
2041-2045	800,000	2,172,282
2046-2050	305,000	967,774
2051-2055	-	519,999
Totals	\$ 15,032,828	\$ 17,981,836
Lease revenue for 2020	\$ 4,442,927	\$ 730,302
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	(5,721,463)	-
Net Book Value	\$ 10,159,121	\$ 2,600,000

### NOTE 9 - SHORT-TERM OBLIGATIONS

#### A. Tax Anticipation Notes

On March 20, 2020, the Municipality issued tax anticipation notes in the General Fund with a face value of \$100,000,000. 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, 2020 was as follows:

	Beginning Balance January 1, 2020	Issued	Redeemed	Ending Balance December 31, 2020
Tax Anticipation Notes	\$ -	\$ 100,000,000	\$ 100,000,000	\$ -

### 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, 2020, was as follows:

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 450,469,521	\$ 115,406,527	\$ (102,500,839)	\$ 463,375,209	\$ 36,315,000
CIVCVentures Revenue Bonds	90,629,501	-	(2,839,831)	87,789,670	2,580,000
PAC Roof Revenue Bonds	3,490,166	-	(188,863)	3,301,303	150,000
Certificate of Participation Bonds	64,020,000	-	(11,505,000)	52,515,000	3,695,000
Capital Leases (Direct Borrowings)	47,488,937	3,183,560	(15,647,236)	35,025,261	9,076,519
Total Debt Payable	656,098,125	118,590,087	(132,681,769)	642,006,443	51,816,519
Compensated Absences	31,298,241	20,267,749	(17,453,425)	34,112,565	17,479,688
Net Pension Liability	354,025,722	70,382,115	-	424,407,837	-
Net OPEB Liability	114,414,786	14,739,310	(9,433,427)	119,720,669	-
Pollution Remediation	2,729,384	49,121	(36,121)	2,742,384	320,736
Claims Payable and IBNR	29,195,082	57,504,927	(55,248,802)	31,451,207	24,224,631
Total Governmental Activities	\$ 1,187,761,340	\$ 281,533,309	\$ (214,853,544)	\$ 1,254,441,105	\$ 93,841,574
<b>Business-type Activities:</b>					
Revenue Bonds	\$ 533,275,367	\$ 69,191,345	\$ (332,660,455)	\$ 269,806,257	\$ 7,150,000
Long-Term Contracts (Direct Borrowings)	483,095,876	38,251,470	(243,370,870)	277,976,476	14,781,835
Total Debt Payable	1,016,371,243	107,442,815	(576,031,325)	547,782,733	21,931,835
Compensated Absences	6,442,848	4,355,773	(5,772,572)	5,026,049	3,090,793
Net Pension Liability	50,217,494	-	(3,459,098)	46,758,396	-
Net OPEB Liability	1,649,961	-	(1,581,668)	68,293	-
Asset Retirement Obligation	24,332,547	-	(24,332,547)	-	-
Pollution Remediation	707,300	1,600	(20,000)	688,900	21,600
Port Road Obligation	1,774,678	-	(13,524)	1,761,154	-
Landfill Closure Liability	33,592,239	4,140,988	-	37,733,227	-
Total Business-type Activities	\$ 1,135,088,310	\$ 115,941,176	\$ (611,210,734)	\$ 639,818,752	\$ 25,044,228

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, 2020, 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 2020. As of December 31, 2020, the Municipality reported total outstanding general obligation bonds in the amount of \$416,180,000.

Description	Amount Outstanding
\$28,390,000 2011A General Obligation General Purpose Bonds due in annual installments of \$855,000 to \$2,015,000 through 2021, interest rate from 2.00% to 4.125%. The issue is for the purpose of general capital projects within the Municipality.	\$ 1,360,000
\$23,570,000 2012A General Obligation General Purpose Bonds due in annual installments of \$860,000 to \$1,840,000 through 2022, interest rate from 2.00% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.	2,205,000

Description	Amount Outstanding
\$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% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.	\$ 8,945,000
\$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% to 5.00%. The issue was for the purpose of refunding the remainder of 2004C and partially refunding 2005F.	45,565,000
\$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 2.00% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.	40,425,000
\$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 2.00% to 5.00%. The issue was for the purpose of refunding the remainder of 2005C and 2005D and partially refunding 2007C and 2008A.	54,145,000
\$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 3.00% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.	22,160,000
\$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% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.	56,280,000
\$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 5.00%. The issue was for the purpose of refunding the remainder of 2007A.	20,265,000
\$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 3.0% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.	32,875,000
\$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 5.00%. The issue was for the purpose of refunding the remainder of 2010A-2 after the 2020 payment.	27,750,000
\$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% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.	44,720,000
\$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 5.00%. The issue was for the purpose of refunding the remainder of 2010C after the 2020 payment.	1,765,000
\$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 to 1.916%. The issue was for the purpose of refunding the remainder of 2012A after the 2022 payment and 2014A after the 2025 payment.	43,820,000
\$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 5.00%. The issue was for the purpose of refunding the remainder of 2011A after the 2021 payment.	13,900,000
Total General Obligation Debt	<u>\$ 416,180,000</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 \$440,555,000 on June 30, 2020. 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 2020. Refunding debt is discussed in detail in Section G. The GO General Purpose Bonds Series A in the amount of \$44,720,000 was issued to fund Municipality-wide capital projects. The GO Refunding General Purpose Bonds Series B in the amount of \$1,765,000 was issued to payoff General Purpose Bond 2010 Series C. The GO Refunding General Purpose Bonds Series C in the amount of \$43,820,000 was issued to payoff General Purpose Bond 2012 Series A after the 2022 payment and General Purpose Bond 2014 Series A after the 2025 payment. The GO Refunding General Purpose Bonds Series D in the amount of \$13,900,000 was issued to payoff General Purpose Bond 2011 Series A after the 2021 payment.

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

Years:	Governmental Activities		
	Principal	Interest	Total
2021	\$ 36,315,000	\$ 17,670,611	\$ 53,985,611
2022	37,860,000	15,827,545	53,687,545
2023	39,715,000	14,120,695	53,835,695
2024	34,085,000	12,257,185	46,342,185
2025	31,585,000	10,699,324	42,284,324
2026-2030	117,265,000	35,376,451	152,641,451
2031-2035	81,165,000	15,422,632	96,587,632
2036-2040	38,190,000	3,066,119	41,256,119
Subtotal	416,180,000	124,440,562	540,620,562
Add unamortized premiums, net	47,195,209	-	47,195,209
Total	\$ 463,375,209	\$ 124,440,562	\$ 587,815,771

### 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 income were \$6,330,650, \$6,361,491, and \$255,560, respectively.

The bond payments are due in annual installments ranging annually from \$2,405,000 to \$6,715,000 through 2038, with interest rates ranging between 3.5 percent and 5 percent. As of December 31, 2020, the Municipality reported as blended total outstanding tax-exempt non-recourse Revenue Bonds in the amount of \$83,340,000.

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

Years:	CIVICVentures		
	Principal	Interest	Total
2021	\$ 2,580,000	\$ 3,829,450	\$ 6,409,450
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
2026-2030	21,420,000	13,345,750	34,765,750
2031-2035	27,415,000	7,505,850	34,920,850
2036-2038	19,385,000	1,571,000	20,956,000
Total	83,340,000	40,171,600	123,511,600
Add unamortized premiums, net	4,449,670	-	4,449,670
Total	\$ 87,789,670	\$ 40,171,600	\$ 127,961,270

## **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 at 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.

### Electric Utility

As a condition of the sale of the Electric Utility on October 30, 2020, the Municipality, under its Charter, retired all debt of the Electric Utility. Therefore, on the closing date of the sale, the Municipality did 1) retired all outstanding 2005 Revenue Bonds, 2) retired all outstanding 2009 Revenue Bonds, and 3) defeased all outstanding 2014 Revenue Bonds to their maturity date or the first call date of December 1, 2024, whichever occurs first. Principal and interest paid for the current year was \$321,564,833.

### 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 \$151,938,841. Principal and interest paid for the current year and total customer net revenues were \$8,792,907 and \$30,028,022, 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 \$114,692,769. Principal and interest paid for the current year and total customer net revenues were \$6,307,155 and \$21,820,299, respectively.

### Port Utility

The Port issued two separate series of revenue bonds in 2020: 2020 Series A and 2020 Series B. The proceeds of the 2020 Series A bonds will be used to pay or reimburse the costs of a portion of the Phase 1 of the Port of Alaska Modernization Program, 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 2045), plus interest at 1.05 percent to 3.52 percent.

The Port Utility has pledged future port customer revenues, net of specified operating expenses, to repay Port Utility 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 \$114,272,304. Interest payments are scheduled to begin in 2021, and principal payments are scheduled to begin in 2023. Pledged revenues for the year ended December 31, 2020 were \$16,007,418.

As of December 31, 2020, the Municipality reported total outstanding Utility Revenue Bonds in the amount of \$242,050,000. 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%.	\$ 7,000,000
\$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 3.00% to 5.00%	86,330,000
\$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% to 2.45%.	7,005,000
Total Water Utility Outstanding	<u>100,335,000</u>
<u>Wastewater Utility</u>	
\$20,000,000 2017 Wastewater Series A Revenue Bonds, due in annual installments of \$2,000,000 through 2027, interest rate of 1.96%.	14,000,000
\$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 3.00% to 5.00%	62,620,000
Total Wastewater Utility Outstanding	<u>76,620,000</u>
<u>Port Utility</u>	
\$18,885,000 2020 Port Series A Revenue Bonds, due in annual installments of \$1,275,000 to \$3,875,000 through 2050, interest rate of 2.53%.	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 1.051% to 3.52%.	46,210,000
Total Port Utility Outstanding	<u>65,095,000</u>
Total Utility Revenue Bonds Outstanding	<u>\$ 242,050,000</u>

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2021	\$ 7,150,000	\$ 10,190,793	\$ 17,340,793
2022	7,630,000	9,990,652	17,620,652
2023	8,795,000	9,751,452	18,546,452
2024	8,580,000	9,462,027	18,042,027
2025	8,710,000	9,136,354	17,846,354
2026-2030	53,545,000	39,602,936	93,147,936
2031-2035	63,205,000	26,800,446	90,005,446
2036-2040	41,005,000	13,032,315	54,037,315
2041-2045	22,110,000	7,971,439	30,081,439
2046-2050	21,320,000	2,915,500	24,235,500
Subtotal	<u>242,050,000</u>	<u>138,853,914</u>	<u>380,903,914</u>
Add unamortized premiums/(discounts), net	27,756,257	-	27,756,257
Total	<u>\$ 269,806,257</u>	<u>\$ 138,853,914</u>	<u>\$ 408,660,171</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 \$145,000 to \$285,000, with an interest rate between 1.25 percent and 5 percent. Principal and interest paid for the current year, total ACPA ticket surcharge revenues, and related investment income were \$300,000; \$99,918; and \$40,168, respectively. As of December 31, 2020, the Municipality reported an outstanding balance on this bond of \$2,955,000.



Annual debt service requirements to maturity are as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2021	\$ 150,000	\$ 147,750	\$ 297,750
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
2026-2030	1,060,000	429,000	1,489,000
2031-2035	1,060,000	135,750	1,195,750
Subtotal	2,955,000	1,223,750	4,178,750
Add unamortized premiums, net	346,303	-	346,303
Total	\$ 3,301,303	\$ 1,223,750	\$ 4,525,053

#### 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 \$5,432,040; \$5,432,040; and \$252, respectively. On December 31, 2020, the balance remaining for the Police and Fire COP was \$52,515,000.

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

Years:	Governmental Activities		
	Principal	Interest	Total
2021	\$ 3,695,000	\$ 1,738,285	\$ 5,433,285
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
2026-2030	22,745,000	4,377,761	27,122,761
2031-2033	10,255,000	579,343	10,834,343
Total	\$ 52,515,000	\$ 12,595,689	\$ 65,110,689

#### 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.

##### Electric Utility Commercial Bank Loan Agreement

In February 2012, the Assembly authorized the issuance of commercial paper in one or more series in the aggregate principal amount not to exceed three hundred million dollars (\$300,000,000). In April 2015, the Electric Utility redeemed all outstanding commercial paper and entered into a short-term borrowing agreement with Wells Fargo Municipal Capital Strategies, LLC, herein referred to as the Direct Drawdown Purchase Program (DDPP).

This borrowing program continued to fulfill the purpose of the Commercial Paper program, but at a lower aggregate fee and interest cost to the Electric Utility over the life of the program. The DDPP was used by the Electric Utility to complete construction of Generation Plant 2A. On January 1, 2020, the outstanding balance of DDPP notes payable from direct borrowing was \$191,900,000. On October 30, 2020, pursuant to the sale of the Electric Utility, the Municipality retired the total amount outstanding on the date of the sale.

### **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, 2020, with an unused line of credit of \$9,730,113. There were no additional draws taken in 2020. The loan agreement states a mandatory prepayment date of May 15, 2021 unless waived and a maturity date of March 1, 2023. The Water Utility had planned to relieve debt with a future bond issuance, but instead, amended the agreement. Under the terms of the Loan Agreement, the Water Utility pays fees quarterly of 0.1 percent per annum based upon the amount of the amount authorized, but not drawn, loan amount calculated on a weekly basis. Throughout 2020, 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 2020. The loan agreement states a mandatory payment date of May 15, 2021 unless waived and a maturity date of March 1, 2023. The Wastewater Utility had planned to relieve debt with a future bond issuance, but instead, amended the agreement. Under the terms of the Loan Agreement, the Wastewater Utility pays fees quarterly of 0.1 percent per annum based upon the amount authorized, but not drawn, loan amount calculated on a weekly basis. Throughout 2020, 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 Municipality 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. Interest rate charged to the Port is variable; as of December 31, 2020, the interest rate was 1.18 percent, the amount of interest expense recognized on the note in 2020 was \$ 603,471. In December 2020, the outstanding principal balance of \$40 million was paid off with the Port Revenue Bond Series B. The Port Utility has the option of using up to \$40 million for financing for capital projects related to the Port Modernization Project but as of December 31, 2020 the Port has not exercised this option.

### **Refuse and Disposal Utility Revenue Note Agreement**

In February 2019, the Refuse and Solid Waste Utilities entered into a joint Loan Agreement for up to \$55 million with a commercial bank. Revenues from customers of the Refuse and Solid Waste Utilities are pledged to pay the debt service for this loan. Under the terms of the Loan Agreement, the interest on this loan is paid quarterly and is calculated based on the LIBOR rate times .79 plus .92 percent. The maturity date of this Loan Agreement is in February of 2025. As of December 31, 2020, the combined outstanding principal balance for both Utilities was \$33,146,174, with the Refuse Utility reporting \$10,821,283 of the outstanding principal and the Solid Waste Utility reporting \$22,324,891 of the outstanding principal.

### **State of Alaska Clean Water and Drinking Water Loans**

The Municipality has various Clean Water and Drinking Water Fund loans in its Solid Waste, Water, and Wastewater Utilities from the State of Alaska. The Municipality reported a total outstanding balance on all these loans of \$205,054,906 on December 31, 2020.

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2021	\$ 14,781,832	\$ 3,575,816	\$ 18,357,648
2022	56,057,089	4,837,255	60,894,344
2023	16,040,025	3,511,696	19,551,721
2024	15,660,205	3,272,429	18,932,634
2025	48,744,478	2,236,495	50,980,973
2026-2030	67,368,070	7,209,186	74,577,256
2031-2035	35,717,804	3,261,024	38,978,828
2036-2040	21,827,850	993,237	22,821,087
2041-2045	1,779,113	26,687	1,805,800
Total	\$ 277,976,466	\$ 28,923,825	\$ 306,900,291

## F. Bonds Authorized but Unissued

On December 31, 2020, 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 2018	None	\$ 3,650	\$ 3,650	\$ -
	April 2019	None	3,950	1,100	2,850
	April 2020	None	3,950	-	3,950
Anchorage Roads & Drainage	April 2017	None	36,940	36,940	-
	April 2018	None	33,865	29,605	4,260
	April 2019	None	33,240	-	33,240
	April 2020	None	43,000	-	43,000
Area Wide Transportation Capital Improvement	April 2014	None	558	285	273
	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
Public Safety- Areawide	April 2013	None	510	510	-
Public Safety- EMS	April 2013	None	1,175	1,175	-
Public Safety- Areawide	April 2014	None	585	585	-
Public Safety- EMS	April 2015	None	520	510	10
Public Safety- Areawide	April 2016	None	3,065	2,125	940
Public Safety- Areawide	April 2018	None	3,720	3,720	-
Public Safety- Areawide	April 2019	None	4,430	980	3,450
Public Safety- Areawide	April 2020	None	7,785	-	7,785
Public Safety- EMS	April 2020	None	1,400	-	1,400
Anchorage Police	April 2016	None	3,800	3,305	495
	April 2017	None	1,400	565	835
	April 2018	None	1,050	-	1,050
	April 2019	None	3,500	-	3,500
	April 2020	None	2,400	-	2,400
Anchorage Fire	April 2019	None	3,400	3,400	-
	April 2020	None	2,050	-	2,050
					\$ 116,417

In 2020, the Municipality voters approved the issuance of \$62,580,000 in area wide, road and drainage, public-safety, fire protection, and parks and recreation bonds.

## G. Refunded Bond Issues

### Municipality of Anchorage

In August 2020, the Municipality issued \$1,765,000 in General Purpose Refunding Bonds Series B. Proceeds of \$2,087,471 were used to refund the remaining principal balance of \$2,045,000 in 2010C General Purpose General Obligation Bonds and pay costs of issuance of \$10,357. The refunding resulted in a cash flow savings of \$255,829 and an economic gain of \$254,632. However, for accounting purposes, the transaction resulted in a deferred charge of \$32,114. This amount has been reported as deferred outflow of resources and will be amortized to interest expenses over the life of the debt.

In August 2020, the Municipality issued \$43,820,000 in General Purpose Refunding Bonds Series C. Proceeds of \$43,820,000 were used to refund the remaining principal balances of \$14,895,000 in 2012A and \$22,435,000 in 2014A General Purpose General Obligation Bonds and pay costs of issuance of \$154,727. The refunding

resulted in a cash flow savings of \$6,212,814 and an economic gain of \$5,658,803. However, for accounting purposes, the transaction resulted in a deferred charge of \$6,335,273. This amount has been reported as deferred outflow of resources and will be amortized to interest expenses over the life of the debt.

In August 2020, the Municipality issued \$13,900,00 in General Purpose Refunding Bonds Series D. Proceeds of \$17,342,154 were used to refund the remaining principal balance of \$16,925,000 in 2011A General Purpose General Obligation Bonds and pay costs of issuance of \$83,676. The refunding resulted in a cash flow savings of \$2,917,962 and an economic gain of \$2,804,721. However, for accounting purposes, the transaction resulted in a deferred charge of \$333,478. 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, 2020, the Municipality of Anchorage issued \$10,295,000 general obligation refunding bonds to refund \$11,525,000 of general obligation school bonds, resulting in a decrease of \$1,359,022 in total debt service. The economic gain of this refunding is \$1,242,941.

## 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, 2020, the defeased balance of general obligation and revenue bonds remaining to be paid by the escrow agent was \$54,255,000 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, 2020, the defeased balance of the revenue bonds to be paid by the escrow agent was \$165,410,000 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, 2020, the amount of general obligation bonds considered defeased was \$172,400,000.

## I. ASD Debt

### ASD Bonds

The following is a summary of ASD's long-term debt transactions for fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amount Due within 1 year
General Obligation Bonds	\$ 461,920,000	\$ 45,905,000	\$ (67,270,000)	\$ 440,555,000	\$ 58,370,000
Capital Leases	1,990,200	876,831	(194,719)	2,672,312	260,728
Compensated Absences	11,537,054	16,471,260	(14,650,394)	13,357,920	6,879,517
Workers Compensation	15,432,453	521,939	(4,265,097)	11,689,295	548,035
Medical Claims	4,717,348	28,268,913	(28,499,174)	4,487,087	4,487,087
Total	<u>\$ 495,597,055</u>	<u>\$ 92,043,943</u>	<u>\$ (114,879,384)</u>	<u>472,761,614</u>	<u>\$ 70,545,367</u>
Unamortized premium on GO Bonds				49,359,086	
Total				<u>\$ 522,120,700</u>	

Bonds payable on June 30, 2020 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 \$29,530,000 through September 2024; interest at 4.00% to 5.00%.	\$ 39,295,000
\$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 2.00% to 3.00%.	1,085,000
\$28,310,000	2011 Series C School Construction Refunding Bonds due in annual installments of \$1,285,000 through August 2020; interest at 4.00% to 5.00%.	1,285,000
\$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 2.00% to 5.00%.	10,255,000
\$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 4.00% to 5.00%.	31,470,000
\$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% to 5.0%.	49,290,000
\$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% to 5.0%.	21,710,000
\$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% to 5.0%.	60,220,000
\$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% to 5.0%.	49,445,000
\$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 2.00% to 5.00%.	18,210,000
\$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 5.00%.	21,915,000
\$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% to 5.00%.	34,555,000
\$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 5.00%.	57,020,000
\$35,610,000	2019 Series C School Construction Serial Bonds due in annual installments of \$1,102,000 to \$2,545,000 through April 2039; interest at 3.0% to 5.0%.	34,505,000
\$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 3.0% to 4.0%.	10,295,000
		<u>\$ 440,555,000</u>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2020 are as follows:

Years:	Anchorage School District		
	Principal	Interest	Total
2021	\$ 58,370,000	\$ 18,954,000	\$ 77,324,000
2022	46,760,000	16,390,000	63,150,000
2023	48,390,000	14,204,000	62,594,000
2024	39,660,000	12,290,000	51,950,000
2025	31,755,000	10,697,000	42,452,000
2026-2030	103,665,000	36,387,000	140,052,000
2031-2035	84,200,000	15,140,000	99,340,000
2036-2040	27,755,000	2,015,000	29,770,000
Total	<u>\$ 440,555,000</u>	<u>\$ 126,077,000</u>	<u>\$ 566,632,000</u>

The amount of long-term liability that is due within one year as of June 30, 2020 is \$58,370,000. The Debt Service Fund has \$230,869 available to service the general obligation bonds. There are several restrictions contained in the various bond indentures. ASD follows all significant restrictions.

### ASD Capital Leases

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, 2020, capital lease obligations included in current liabilities were \$260,728, and capital lease obligations in non-current liabilities were \$2,411,584, for a total capital lease obligation of \$2,672,312. ASD's debt service fund will be used to liquidate the capital lease agreements.

The annual debt service requirements to maturity for ASD Capital Leases for the fiscal year ended June 30, 2020 are as follows:

Years:	Anchorage School District		
	Principal	Interest	Total
2021	\$ 260,728	\$ 92,764	\$ 353,492
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
2026-2030	1,269,247	95,739	1,364,986
Total	\$ 2,672,312	\$ 460,134	\$ 3,132,446

### J. ACDA Debt

In June 2018, the ACDA board of directors approved the purchase of a building located at 716 W. 4<sup>th</sup> Avenue. On August 2, 2018, ACDA closed on this purchase. ACDA utilized the 7<sup>th</sup> 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, 2020. 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 1<sup>st</sup> and August 1<sup>st</sup> and the loan matures on August 1, 2038. Principal and interest paid on the loan in 2020 was \$453,362 and \$772,112, respectively.

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

Years:	Anchorage Community Development Authority		
	Principal	Interest	Total
2021	\$ 480,778	\$ 747,697	\$ 1,228,475
2022	506,499	721,976	1,228,475
2023	533,597	694,878	1,228,475
2024	562,145	666,330	1,228,475
2025	592,219	636,256	1,228,475
2026-2030	3,471,644	2,670,728	6,142,372
2031-2035	4,505,135	1,711,326	6,216,461
2036-2038	3,323,621	287,712	3,611,333
Total	\$ 13,975,638	\$ 8,136,903	\$ 22,112,541

### K. ACPA Debt

ACPA changes in long-term liabilities for the year ended December 31, 2020 are comprised of the following:

	Balance			Balance		Due Within One Year
	January 1, 2020	Additions	Reductions	December 31, 2020		
Payroll Protection Program Loan	\$ -	\$ 308,710	\$ (298,710)	\$ 10,000	\$ 10,000	
Economic Injury Disaster Loan	-	150,000	-	150,000	-	
Total	\$ -	\$ 458,710	\$ (298,710)	\$ 160,000	\$ 10,000	

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 \$64, with the first 12 months of principal and interest payments deferred. However, interest is still accrued during the deferment period. The loan carries an interest rate of 2.75 percent.

On April 20, 2020, ACPA was approved for a loan under the Payroll Protection Program (PPP) in the amount of \$380,710. 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 six months of interest and principal deferred. On November 16, 2020, the loan was forgiven by the SBA.

In addition to the principal amount of \$150,000 borrowed under the EIDL Program, ACPA also received an advance of \$10,000 through 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, 2020, 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, 2020.

Annual debt service requirements to maturity are as follows:

Years:	Anchorage Center for Performing Arts		
	Principal	Interest	Total
2021	\$ -	\$ 4,487	\$ 4,487
2022	1,493	6,199	7,692
2023	3,654	4,038	7,692
2024	3,756	3,936	7,692
2025	3,860	3,832	7,692
2026-2030	20,975	17,485	38,460
2031-2035	24,063	14,397	38,460
2036-2040	27,605	10,855	38,460
2041-2045	31,670	6,790	38,460
2046-2050	32,924	2,144	35,068
Total	\$ 150,000	\$ 74,163	\$ 224,163

## NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

### A. Municipality of Anchorage

#### Tax Anticipation Notes

On February 24, 2021, the Municipality issued \$98 million of General Obligation Tax Anticipation Notes. The yield on the notes is 1.50 percent with a maturity date of December 15, 2021.

#### Water Utility State of Alaska Drinking Water Loans- Direct Borrowing

After December 31, 2020, the Water Utility entered into loan agreement for the Programmatic Financing (ProFi) from the State of Alaska Drinking Water Fund (ADWF) for an additional \$13.7 million at 1.5 percent financing charge to be used for capital construction projects to be drawn as needed. In addition, the Water Utility received \$5.1 million in loans from the ADWF also for capital construction projects.

**Water Utility Loan Payable- Direct Borrowing**

Effective May 16, 2021, the Water Utility amended the 2019A Short Term Borrowing Program (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) making it comparable; 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.

**Wastewater Utility State of Alaska Clean Water Loans- Direct Borrowing**

Subsequent to December 31, 2020, the Wastewater Utility entered into the loan agreement for the Programmatic Financing (ProFi) from the State of Alaska Clean Water Fund (ACWF) for an additional \$8 million at 1.5 percent financing charge to be used for capital construction projects to be drawn as needed. In addition, the Wastewater Utility received \$5.8 in loans from the ACWF also for capital construction projects.

**Wastewater Utility Loan Payable**

Effective May 16, 2021, the Wastewater Utility amended the 2019A Short Term Borrowing Program (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) making it comparable; 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.

**Refuse and Disposal Utility 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. The amount borrowed as of December 31, 2020 was \$33,146,174, with additional funds requested as of April 1, 2021 in the amount of \$5,508,212. Under the terms of the Loan Agreement, the interest on the loan is to be paid quarterly and is calculated based on the LIBOR rate times .79 plus .92 percent. The maturity date of the Loan Agreement is on February 1, 2025. The Refuse and Disposal Utilities expect to continue borrowing on these available funds throughout the near future.

**B. Anchorage School District****General Obligation School Bonds**

After the ASD fiscal year end, June 30, 2020, the Municipality of Anchorage issued \$60,090,000 in general obligation school bonds on August 19, 2020.

**General Obligation Refunding School Bonds**

After the ASD fiscal year end, June 30, 2020, the Municipality of Anchorage issued \$77,830,000 in 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 on August 19, 2020 is \$8,124,692.

**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. A schedule of the remaining debt service on the 2001 issue bonds is as follows:

Years:	Principal
2021	\$ 57,536
Total	\$ 57,536



## 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 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 Anchorage School District'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	Business-type	Total
	Activities	Activities	
Public Employees Retirement System	\$ 372,584,776	\$ 46,758,396	\$ 419,343,172
Police and Fire Pension System	51,823,061	-	51,823,061
Total	<u>\$ 424,407,837</u>	<u>\$ 46,758,396</u>	<u>\$ 471,166,233</u>

Total net pension liability for all plans for 2020 was \$471,166,233 and total pension expense was \$97,052,546, which includes on-behalf expenses from the State of \$22,424,275. Total deferred outflows of resources and deferred inflows of resources for all plans were \$41,546,007 and \$28,804,796, respectively. There were no net pension assets reported for 2020.

## **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 a comprehensive annual 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 other 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.

### 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, 2020. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period July 1 2019 to June 30, 2020, 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, 2020 and June 30, 2021 were determined in the June 30, 2018 and June 30, 2019 actuarial valuations, respectively. Municipality contribution rates for the 2020 calendar year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
<b>January 1, 2020 to June 30, 2020</b>			
Pension	15.72%	23.73%	6.62%
Postemployment Healthcare- ARHCT (see Note 14)	6.28%	4.89%	0.00%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>28.62%</b>	<b>6.62%</b>
<b>July 1, 2020 to December 31, 2020</b>			
Pension	22.00%	26.58%	8.85%
Postemployment Healthcare- ARHCT (see Note 14)	0.00%	4.27%	0.00%
<b>Total Contribution Rates</b>	<b>22.00%</b>	<b>30.85%</b>	<b>8.85%</b>

In 2020, the Municipality was credited with the following contributions into the pension plan.

	Measurement Period	Municipality's Fiscal Year
	July 1, 2019 to June 30, 2020	January 1, 2020 to December 31, 2020
Employer contributions (including DBUL)	\$ 28,764,478	\$ 30,804,418
Nonemployer contributions (on-behalf)	15,097,168	17,870,559
<b>Total Contributions</b>	<b>\$ 43,861,646</b>	<b>\$ 48,674,977</b>

In addition, employee contributions to the Plan totaled \$7,414,529 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, 2020, 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	\$ 419,343,172
State's proportionate share of NPL associated with the Municipality	173,522,412
Total Net Pension Liability	<u>\$ 592,865,584</u>

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2020 measurement date, the Municipality's proportion was 7.11 percent, which was an increase of .65 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Municipality recognized pension expense of \$87,854,538. Of this amount, \$22,424,275 was recorded as on-behalf revenue and expense for additional contributions paid by the State. On December 31, 2020, the Municipality reported deferred outflows of resources related to pensions from the following sources:

	<u>Measurement Period June 30, 2020</u>
	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 1,330,261
Net difference between projected and actual earnings on pension plan investments	17,067,305
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	7,223,059
Municipality contributions subsequent to the measurement date	15,925,382
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	<u>\$ 41,546,007</u>

The \$15,925,382 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, 2021. 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 of Resources
2021	\$ 8,854,960
2022	6,002,078
2023	6,343,995
2024	4,419,592
Total Amortization	<u>\$ 25,620,625</u>

**Actuarial Assumptions**

The total pension liability for the measurement period ended June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020. The actuarial assumptions used in the June 30, 2019 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, 2019 actuarial valuation are the same as those used in the June 20, 2018 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.

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, 2020 measurement date were allocated to employers based on the present value of contributions for FY2022-FY2039, as determined by projections based on the June 30, 2019 valuation.
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 2.36 percent, for each major asset class included in the pension plan's target asset allocation as of the measurement period June 30, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.24%	26%	+/- 6%
Global equity (non-U.S.)	6.67%	18%	+/- 4%
Aggregate bonds	-0.16%	24%	+/- 10%
Opportunistic	3.01%	8%	+/- 4%
Real assets	3.82%	13%	+/- 7%
Private equity	10.00%	11%	+/- 6%
Cash equivalents	-1.09%	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 2.66 percent as of June 30, 2020.

### Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net pension liability as of June 30, 2020 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	7.10609%	\$ 545,234,751	\$ 419,343,172	\$ 313,755,199

### Pension Plan Fiduciary Net Position

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 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.

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.

This is a closed plan, which means that there are no new participants. As of December 31, 2020, the following employees were covered by the benefit terms:

	Plan I	Plan II	Plan III	Total
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	181	116	404	701
Active Plan Members	-	-	9	9
Totals	181	116	413	710

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rates of return, net of investment expense, for the year ended December 31, 2020 are 10.6 percent, 10.7 percent, and 10.9 percent, respectively.

### 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 2020, there was \$72,577 in employee contributions to Plan III. There were no employee contributions to Plans I and II in 2020.

### 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, 2020 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, 2020. 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, 2020, the Municipality reported a net pension liability (NPL) for P&F Plans I, II, and III in the amount of \$51,823,061 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	\$ 85,534,132	\$ 68,835,290	\$ 290,988,180	\$ 445,357,602
Plan Net Assets	(75,853,144)	(60,577,959)	(257,103,438)	(393,534,541)
Municipality Net Pension Liability	\$ 9,680,988	\$ 8,257,331	\$ 33,884,742	\$ 51,823,061

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 &amp; Fire Retirement Plan I</u>			
Balances as of December 31, 2019	\$ 85,836,114	\$ 76,254,500	\$ 9,581,614
Changes for the year:			
Interest on total pension liability	5,236,330	-	5,236,330
Effect of economic/demographic (gains) or losses	(149,501)	-	(149,501)
Effect of assumptions changes or inputs	2,648,091	-	2,648,091
Benefit payments	(8,036,902)	(8,036,902)	-
Administrative expenses	-	(143,423)	143,423
Net investment income	-	7,778,969	(7,778,969)
Balances as of December 31, 2020	\$ 85,534,132	\$ 75,853,144	\$ 9,680,988
<u>Police &amp; Fire Retirement Plan II</u>			
Balances as of December 31, 2019	\$ 68,541,700	\$ 60,121,961	\$ 8,419,739
Changes for the year:			
Interest on total pension liability	4,205,177	-	4,205,177
Effect of economic/demographic (gains) or losses	(615,273)	-	(615,273)
Effect of assumptions changes or inputs	2,375,314	-	2,375,314
Benefit payments	(5,671,628)	(5,671,628)	-
Administrative expenses	-	(113,701)	113,701
Net investment income	-	6,241,327	(6,241,327)
Balances as of December 31, 2020	\$ 68,835,290	\$ 60,577,959	\$ 8,257,331
<u>Police &amp; Fire Retirement Plan III</u>			
Balances as of December 31, 2019	\$ 282,552,165	\$ 250,201,762	\$ 32,350,403
Changes for the year:			
Service cost	451,859	-	451,859
Interest on total pension liability	17,492,654	-	17,492,654
Effect of economic/demographic (gains) or losses	(1,849,533)	-	(1,849,533)
Effect of assumptions changes or inputs	11,703,635	-	11,703,635
Benefit payments	(19,362,600)	(19,362,600)	-
Administrative expenses	-	(477,285)	477,285
Member contributions	-	72,577	(72,577)
Net investment income	-	26,668,984	(26,668,984)
Balances as of December 31, 2020	\$ 290,988,180	\$ 257,103,438	\$ 33,884,742

For the year ended December 31, 2020, the Municipality recognized pension expense of \$1,437,957, \$967,389, and \$6,792,662 for the P&F Plans I, II, and III, respectively. On December 31, 2020, the reported deferred inflows of resources related to pensions from the following sources by Plan:

	Measurement Period December 31, 2020
	Deferred Inflows of Resources
Net difference between projected and actual investments- Plan I	\$ (5,546,289)
Net difference between projected and actual Investments- Plan II	(4,438,351)
Net difference between projected and actual investments- Plan III	(18,820,156)
	<u>\$ (28,804,796)</u>

The combined amounts for all three plans of \$28,804,796 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, 2021. 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
2021	\$ (1,784,962)
2022	(656,408)
2023	(2,472,827)
2024	(632,092)
Total Amortization	<u>\$ (5,546,289)</u>

#### Plan II

Year Ending December 31,	Amortization of Deferred Inflows of Resources
2021	\$ (1,419,136)
2022	(544,161)
2023	(1,959,323)
2024	(515,731)
Total Amortization	<u>\$ (4,438,351)</u>

#### Plan III

Year Ending December 31,	Amortization of Deferred Inflows of Resources
2021	\$ (5,905,206)
2022	(2,456,268)
2023	(8,200,957)
2024	(2,257,725)
Total Amortization	<u>\$ (18,820,156)</u>

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020 which was rolled forward to December 31, 2020, 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, 2021
Measurement Date	December 31, 2020
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 6.40 percent as of December 31, 2019 and 6.00 percent as of December 31, 2020, 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	6.05%	41%	+/- 13%
International equities	8.30%	27%	+/- 6%
Fixed income	2.00%	18%	+/- 7%
Real estate funds	5.75%	14%	+/- 9%

### 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, 2020, which decreased 0.40 percent 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:

Net Pension Liability:	Current Discount		
	1% Decrease (5%)	Rate (6%)	1% Increase (7%)
Plan I	\$ 17,016,680	\$ 9,680,988	\$ 3,330,496
Plan II	14,895,865	8,257,331	2,580,782
Plan III	67,175,599	33,884,742	6,100,995

### 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 54 employees covered by the Plan as of December 31, 2020. 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 April 14, 2020, the Agreement was extended to December 31, 2020 and amended effective the first full pay period after Assembly approval of the extension of the Agreement.

#### **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, 2020 to April 14, 2020 was \$8.00 per hour, and from April 14, 2020 to December 31, 2020 was \$8.05 per hour. The Municipality's total employer contributions to the IBEW Plan for 2020 was \$3,785,182. The Municipality had \$73,459 in required contributions to the IBEW Plan payable to AETF on December 31, 2020. 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 2020 were \$471,885 and \$119,817, 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 141 employees covered by the Local 302 Plan as of December 31, 2020. 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 \$6.10 per hour worked by a covered employee in 2020. Further, seasonal employees are provided for contributions at \$0.80 cents per hour worked in 2020. Total employer retirement contributions (covered and seasonal employees) for 2020 was \$1,936,421. 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 a comprehensive annual 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 other 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, 2020, the Municipality contributed \$6,248,627 to PERS IV for retirement. Employee contributions to the plan totaled \$9,998,264. Total Defined Contribution forfeitures for the Municipality in 2020 were \$12,390.

#### NOTE 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS

##### A. Other Postemployment Benefits - Police and Fire Medical Trust Reporting under GASB Statements No. 74

Members of the Police & 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 Comprehensive Annual 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, 2020, 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, 2020 are as follows:

	Police & Fire		Total
	Gentile Group	Medical Group	
Total OPEB liability	\$ 84,622,918	\$ 57,376,700	\$ 141,999,618
Plan fiduciary net position	-	(22,823,124)	(22,823,124)
Municipality's net OPEB liability	\$ 84,622,918	\$ 34,553,576	\$ 119,176,494
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	39.78%	16.07%

##### 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 6.7 percent annual money-weighted rate of return, net of investment expenses for the year ended December 31, 2020.

##### 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 Comprehensive Annual Financial Report for the Police and Fire Medical Group and the Gentile Group plans.

MUNICIPALITY OF ANCHORAGE  
Combining Statement of Net Position  
December 31, 2020

Assets:	Police and Fire Medical Group	Gentile Group	Total
Cash and cash equivalents	\$ 6,173	\$ -	\$ 6,173
Investments:			
Money market funds	1,029,753	-	1,029,753
Certificate of deposit	6,735,247	-	6,735,247
U.S. treasuries	5,432,659	-	5,432,659
U.S. agencies	4,095,162	-	4,095,162
Fixed income funds	1,262,681	-	1,262,681
International fixed income funds	382,476	-	382,476
Domestic equity securities	2,360,065	-	2,360,065
International equity securities	1,573,224	-	1,573,224
Total investments	<u>22,871,267</u>	<u>-</u>	<u>22,871,267</u>
Total assets	<u>22,877,440</u>	<u>-</u>	<u>22,877,440</u>
Liabilities:			
Accounts payable and accrued expenses	58,312	-	58,312
Total liabilities	<u>58,312</u>	<u>-</u>	<u>58,312</u>
Net Position:			
Restricted for:			
Postemployment benefits other than pensions	22,819,128	-	22,819,128
Total net position	<u>\$ 22,819,128</u>	<u>\$ -</u>	<u>\$ 22,819,128</u>

MUNICIPALITY OF ANCHORAGE  
Combining Statement of Changes in Net Position  
December 31, 2020

Additions:	Police and Fire Medical Group	Gentile Group	Total
Contributions from the Municipality	\$ 3,579,656	\$ -	\$ 3,579,656
Investment income (loss):			
Interest	(7,727)	-	(7,727)
Dividends	402,130	-	402,130
Net increase in fair value of investments	1,026,898	-	1,026,898
Less: investment expense	(12,795)	-	(12,795)
Net Investment Income	<u>1,408,506</u>	<u>-</u>	<u>1,408,506</u>
Total additions	<u>4,988,162</u>	<u>-</u>	<u>4,988,162</u>
Deductions:			
Regular benefit payments	3,217,304	-	3,217,304
Administrative expenses	57,161	-	57,161
Total deductions	<u>3,274,465</u>	<u>-</u>	<u>3,274,465</u>
Change in fiduciary net position	1,713,697	-	1,713,697
Net position, beginning of year	21,105,431	-	21,105,431
Net position, end of year	<u>\$ 22,819,128</u>	<u>\$ -</u>	<u>\$ 22,819,128</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 & 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, 2020, all members are now retired. Membership in the Plan consists of the following on December 31, 2020:

Inactive plan members or beneficiaries currently receiving benefits	229
Total plan membership	<u>229</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 2020, the monthly contribution for each member ranged between \$3,396 and \$4,134 per member depending on age and years of service. Benefit costs totaling \$11,807,381 were paid in 2020. 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, 2020, using the following actuarial assumptions:

Valuation Date	December 31, 2020
Inflation	2.3% per annum
Discount Rate	2.74 percent per annum (BOY), 2.12 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-2019
Healthcare Cost Trend Rates	Pre-Medicare Medical and Rx Benefits; 5.5 percent grading down to 4.5 percent Medicare Benefits; 4.5 percent grading down to 4.5 percent Stop Loss Fees; 5.5 percent grading down to 4.5 percent Administrative fees; 4.5 percent grading down to 4.5 percent

### 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, 2020, calculated using the discount rate of 2.12 percent, which is a decrease over the prior year’s discount rate of .62 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 (1.12 percent) or one-percentage-point higher (3.12 percent) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Gentile Group	\$ 97,276,801	\$ 84,622,918	\$ 74,495,103

### 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, 2020, calculated using the healthcare cost trend rates as summarized in the 2020 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	\$ 73,514,246	\$ 84,622,918	\$ 98,249,616

## 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, 2020:

Inactive plan members or beneficiaries currently receiving benefits	373
Active plan members	12
Total plan membership	385

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 2020, the monthly contribution for each member ranges between \$605 and \$920 per member depending on age and years of service. The Municipality contributed \$3,579,657 to the Police and Fire Medical Group plan in 2020.

### Actuarial Assumptions

The total OPEB liability for this plan was determined by actuarial valuations as of December 31, 2020, using the following actuarial assumptions:

Valuation Date	December 31, 2020
Inflation	2.3% per annum
Discount Rate	3.9 percent per annum (BOY), 3.9 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-2019
Healthcare Cost Trend Rates	Pre-Medicare Medical and Rx Benefits; 5.5 percent grading down to 4.5 percent Medicare Benefits; 4.5 percent grading down to 4.5 percent Stop Loss Fees; 5.5 percent grading down to 4.5 percent Administrative fees; 4.5 percent grading down to 4.5 percent

### 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 71 percent Equities and 29 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 3.9 percent, which is the same as 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, 2020, the Municipality reported deferred inflows of resources related to OPEB from the following sources:

	Measurement Period December 31, 2020
	<u>Deferred Inflows of Resources</u>
<u>Police &amp; Fire Medical Group</u>	
Net difference between projected and actual earnings on OPEB plan investments	\$ (256,466)

The \$256,466 reported as deferred inflow of resources related to OPEB resulted from the difference between actual and projected investment income on December 31, 2020. 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
2021	\$ (107,893)
2022	28,325
2023	(58,414)
2024	(118,484)
Total Amortization	<u>\$ (256,466)</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, 2020, calculated using the discount rate of 3.9 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 (2.9 percent) or one-percentage-point higher (4.9 percent) than the current rate:

	1% Decrease (2.9%)	Current Discount Rate (3.9%)	1% Increase (4.9%)
Police and Fire Medical Group	\$ 41,772,565	\$ 34,553,576	\$ 28,619,051

#### **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, 2020, calculated using the healthcare cost trend rates as summarized in the 2020 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	\$ 27,607,968	\$ 34,553,576	\$ 42,924,487

### **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 retirees 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	
Retiree Medical Plan	\$ 544,175	\$ 68,293	\$ 612,468
Total Net OPEB Liability- PERS	544,175	68,293	612,468
Gentile Group Plan	84,622,918	-	84,622,918
Police and Fire Medical Group Plan	34,553,576	-	34,553,576
Total Net OPEB Liability- PFRMT	119,176,494	-	119,176,494
Total	\$ 119,720,669	\$ 68,293	\$ 119,788,962

<u>Net OPEB Asset</u>	Governmental	Business-type	Total
	Activities	Activities	
Alaska Retiree Healthcare Trust Plan	\$ 28,580,543	\$ 3,586,782	\$ 32,167,325
Occupational Death and Disability Plan	2,778,536	348,699	3,127,235
Total Net OPEB Asset- PERS	\$ 31,359,079	\$ 3,935,481	\$ 35,294,560

Total net OPEB asset and liability for all plans for 2020 was \$35,294,560 and \$119,788,962, respectively, and total OPEB expense was (\$8,006,172), which includes on-behalf expenses from the State of (\$8,588,069). Total deferred outflows of resources and deferred inflows of resources for all plans were \$20,864,686 and \$28,392,512, 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, 2020, ARHCT 6.28 percent, ODD 0.26 percent, and RMP 1.32 percent, for July 1 through December 31, 2020, ARHCT zero percent, ODD 0.31 percent, and RMP 1.27 percent. Employees do not contribute. In 2020, the Municipality was credited with the following contributions to the OPEB plan:

	Measurement Period	Municipality's Fiscal Year
	July 1, 2019 to June 30, 2020	January 1, 2020 to December 31, 2020
Employer contributions- ARHCT	\$ 11,444,020	\$ 9,324,769
Employer contributions- RMP	1,603,219	1,617,474
Employer contributions- ODD	523,155	548,520
Total Contributions	<u>\$ 13,570,394</u>	<u>\$ 11,490,763</u>

**OPEB Assets and Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans**

On December 31, 2020, the Municipality reported an asset and a liability for its proportionate share of the net OPEB assets (NOA) and net OPEB liability (NOL) 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 proportion, and the total were as follows:

Municipality proportionate share of NOL- RMP	<u>\$ 612,468</u>
Municipality proportionate share of NOA- ARHCT	\$ 32,167,325
Municipality proportionate share of NOA- ODD	3,127,235
Subtotal Net OPEB Assets	<u>35,294,560</u>
State's proportionate share of ARHCT NOA associated with the Municipality	13,345,353
Total Net OPEB Assets	<u>\$ 48,639,913</u>

The total OPEB assets and liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 to calculate the net OPEB assets and liability as of that date. The Municipality's proportion of the net OPEB assets and liability 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, 2020 measurement date changed from the proportionate share as of the June 30, 2019, as shown below.

	Measurement Date June 30, 2019	Measurement Date June 30, 2020	Change
Municipality's proportionate share of the net OPEB liabilities:			
RMP	8.50957%	8.63482%	0.12525%
	Measurement Date June 30, 2019	Measurement Date June 30, 2020	Change
Municipality's proportionate share of the net OPEB asset:			
ARHCT	6.46430%	7.10320%	0.63890%
ODD	11.42255%	11.47188%	0.04933%

As a result of its requirement to contribute to the Plan and changes in the actuarially calculated net OPEB asset and liability, the Municipality recognized net OPEB expense of (\$23,230,010). Of this amount, (\$8,588,069) was recorded for on-behalf revenue and expense for actuarially calculated support provided by the State for the ARHCT plan, which can result in a negative balance in Operating Grants and Contributions in the Statement of Activities in accordance with GASB Statement No. 75. On December 31, 2020, 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, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>All Plans</u>		
Difference between expected and actual experience	\$ 3,184	\$ (3,761,428)
Changes in assumptions	860,147	(24,051,701)
Net difference between projected and actual earnings on OPEB plan investments	13,287,892	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	1,778,553	(322,917)
Municipality contributions subsequent to the measurement date	4,934,910	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB	<u>\$ 20,864,686</u>	<u>\$ (28,136,046)</u>

Deferred outflows of resource and deferred inflows of resources from each Plan are reported from the following sources:

	Measurement Period June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>ARHCT</u>		
Difference between expected and actual experience	\$ -	\$ (2,580,557)
Changes in assumptions	-	(22,422,521)
Net difference between projected and actual earnings on OPEB plan investments	12,906,388	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	1,704,074	-
Municipality contributions subsequent to the measurement date	3,830,282	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ARHCT	<u>\$ 18,440,744</u>	<u>\$ (25,003,078)</u>

<u>RMP</u>		
Difference between expected and actual experience	\$ 3,184	\$ (131,618)
Changes in assumptions	860,147	(1,583,382)
Net difference between projected and actual earnings on OPEB plan investments	274,242	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	74,479	-
Municipality contributions subsequent to the measurement date	814,303	-
Total Deferred Outflows and Deferred Inflows of Resources Related to RMP	<u>\$ 2,026,355</u>	<u>\$ (1,715,000)</u>

<u>ODD</u>		
Difference between expected and actual experience	\$ -	\$ (1,049,253)
Changes in assumptions	-	(45,798)
Net difference between projected and actual earnings on OPEB plan investments	107,262	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	-	(322,917)
Municipality contributions subsequent to the measurement date	290,325	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ODD	<u>\$ 397,587</u>	<u>\$ (1,417,968)</u>

The \$4,934,910 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 asset and liability in the year ended December 31, 2021. 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,	
2021	\$ (23,672,549)
2022	4,404,303
2023	4,742,564
2024	3,264,046
2025	(312,631)
Thereafter	(632,003)
Total Amortization	<u>\$ (12,206,270)</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,	
2021	\$ (23,402,776)
2022	4,593,945
2023	4,932,645
2024	3,483,570
Total Amortization	<u>\$ (10,392,616)</u>

<u>RMP</u>	
Year Ending December 31,	
2021	\$ (55,180)
2022	(470)
2023	(1,437)
2024	(22,368)
2025	(88,424)
Thereafter	(335,069)
Total Amortization	<u>\$ (502,948)</u>

<u>ODD</u>	
Year Ending December 31,	
2021	\$ (214,593)
2022	(189,172)
2023	(188,644)
2024	(197,156)
2025	(224,207)
Thereafter	(296,934)
Total Amortization	<u>\$ (1,310,706)</u>

### **Actuarial Assumptions**

The total OPEB asset and liability for the measurement period ended June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2020. The actuarial assumptions used in the June 30, 2019 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, 2019 actuarial valuation are the same as those used in the June 30, 2018 valuation with the following exceptions:

- Per capita claims costs were updated to reflect recent experience. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10 percent decrease from 2019 to 2020.

- The Further Consolidation Appropriations Act, 2020 was signed in December 2019 and made several changes, including the repeal of the Cadillac Tax.
- 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
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, 2020 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, 2019 valuation.
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; 7.0 percent grading down to 4.5 percent Post-65 medical; 5.4 percent grading down to 4.5 percent Prescription drug; 8.0 percent grading down to 4.5 percent EGWP: 8.0 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 2.36 percent, for each major asset class included in the postretirement healthcare plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.24%	26%	+/- 6%
Global equity (non-U.S.)	6.67%	18%	+/- 4%
Aggregate bonds	-0.16%	24%	+/- 10%
Opportunistic	3.01%	8%	+/- 4%
Real assets	3.82%	13%	+/- 7%
Private equity	10.00%	11%	+/- 6%
Cash equivalents	-1.09%	0%	+/-0%

### Discount Rate

The discount rate used to measure the total OPEB asset and liability 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 asset and liabilities 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 2.66 percent as of June 30, 2020.

### Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net OPEB assets and liabilities calculated using the discount rate of 7.38 percent, as well as what the Municipality's proportionate share of the net OPEB asset and liabilities 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 NOL- RMP	8.63482%	\$ (3,794,312)	\$ (612,468)	\$ 1,796,043
	Proportional Share	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
Municipality's proportionate share of the NOA- ARHCT	7.10320%	\$ (33,565,942)	\$ 32,167,325	\$ 86,613,921
Municipality's proportionate share of the NOA- ODD	11.47188%	2,938,638	3,127,235	3,277,976

### Healthcare Cost Trend Rate Sensitivity

The following presents the Municipality's proportionate share of the net OPEB asset and liabilities as of June 30, 2020, calculated using the healthcare cost trend rates as summarized in the 2020 actuarial valuation report, as well as what the respective plan's net OPEB asset and 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 (in thousands):

	Proportional Share	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Municipality's proportionate share of the NOL- RMP	8.63482%	\$ 2,149,034	\$ (612,468)	\$ (4,368,701)
	Proportional Share	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Municipality's proportionate share of the NOA- ARHCT	7.10320%	\$ 92,997,692	\$ 32,167,325	\$ (41,494,726)
Municipality's proportionate share of the NOA- ODD	11.47188%	N/A	3,127,235	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 2020, the Municipality was credited with the following contributions to the OPEB plans:

	Measurement Period January 1 to December 31, 2020	
	Gentile Group Plan	Police & Fire Medical Group Plan
Employer contributions	\$ 11,807,381	\$ 3,579,657

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Plans**

On December 31, 2020, 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	\$ 84,622,918
Police & Fire Medical Group NOL	34,553,576
Total Net OPEB Liability	<u>\$ 119,176,494</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, 2019	\$ 68,090,152	\$ -	\$ 68,090,152
Changes for the year:			
Interest cost	2,136,721	-	2,136,721
Changes in assumptions or inputs	18,451,635	-	18,451,635
Benefit payments	(4,055,590)	-	(4,055,590)
Balances as of December 31, 2020	<u>\$ 84,622,918</u>	<u>\$ -</u>	<u>\$ 84,622,918</u>
<u>Police &amp; Fire Medical Group</u>			
Balances as of December 31, 2019	\$ 57,452,463	\$ 21,105,431	\$ 36,347,032
Changes for the year:			
Service cost	179,725	-	179,725
Interest cost	2,222,388	-	2,222,388
Differences between expected and actual experience	(376,724)	-	(376,724)
Changes in assumptions or inputs	1,182,123	-	1,182,123
Benefit payments	(3,283,275)	(3,283,275)	-
Net investment income	-	1,421,311	(1,421,311)
Employer contributions	-	3,579,657	(3,579,657)
Balances as of December 31, 2020	<u>\$ 57,376,700</u>	<u>\$ 22,823,124</u>	<u>\$ 34,553,576</u>

The total OPEB liabilities for the December 31, 2020 measurement date was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020 to calculate the net OPEB liabilities as of that date.

For the year ended December 31, 2020, the Municipality recognized OPEB expense of \$16,532,766 and (\$1,308,928) for the Gentile Group Plan and the Police and Fire Medical Group Plan, respectively. On December 31, 2020, the reported deferred inflows of resources related to OPEB from the following sources by Plan:

	Measurement Period December Deferred Inflow of Resources
Police & Fire Medical Group	
Net difference between projected and actual investments	\$ (256,466)

There were no deferred inflows and deferred outflows of resources for the Gentile Group Plan. The Police and Fire Medical Group Plan reported \$256,466 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
2021	\$ (107,893)
2022	28,325
2023	(58,414)
2024	(118,484)
Total Amortization	<u>\$ (256,466)</u>

### Actuarial Assumptions

The total OPEB liability for the measurement period ended December 31, 2020 was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2020. 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, 2020
Discount rate	2.12%
Inflation	2.30%
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-2019
Healthcare cost trend rates	Pre-Medicare Medical and Rx Benefits; 6 percent grading down to 4.5 percent Medicare Benefits; 5 percent grading down to 4.5 percent Stop Loss Fees; 6 percent grading down to 4.5 percent Administrative fees; 4.5 percent grading down to 4.5 percent

Police & Fire Medical Group Plan	
Valuation date	December 31, 2020
Discount rate	3.90%
Inflation	2.30%
Asset valuation method	Fair Market Value
Salary increase rate	3.50%
Actuarial cost method	Entry Age Normal
Healthcare cost trend rates	Pre-Medicare Medical and Rx Benefits; 6 percent grading down to 4.5 percent Medicare Benefits; 5 percent grading down to 4.5 percent Stop Loss Fees; 6 percent grading down to 4.5 percent Administrative fees; 4.5 percent grading down to 4.5 percent
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-2019



### 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 71 percent Equities and 29 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 rates used to measure the total OPEB liability were 2.12 percent for the Gentile Group Plan and 3.90 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 0.62 percent from the prior year. The discount rate for the Police and Fire Medical Group remained the same as 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 2.12 percent for the Gentile Group Plan and 3.90 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 (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Gentile Group Plan	\$ 97,276,801	\$ 84,622,918	\$ 74,495,103
	1% Decrease (2.9%)	Current Discount Rate (3.9%)	1% Increase (4.9%)
Police & Fire Medical Group Plan	\$ 41,772,565	\$ 34,553,576	\$ 28,619,051

### Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liabilities for each plan as of December 31, 2020, calculated using the healthcare cost trend rates as summarized in the 2020 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:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group Plan	\$ 73,514,246	\$ 84,622,918	\$ 98,249,616
	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police & Fire Medical Group Plan	\$ 27,607,968	\$ 34,553,576	\$ 42,924,487

### 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 comprehensive annual 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, 2020 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	1.32%	1.27%	1.32%	1.27%
Death & Disability Benefit	0.72%	0.70%	0.26%	0.31%
Total Employer Contribution	5.04%	4.97%	4.58%	4.58%

### 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, 2020 a flat rate of approximately \$2,122 per year for full time employees and \$1.36 per part time hour worked was paid. For pay periods ending after July 1, 2020, a flat rate of approximately \$2,159 per year for full time employees and \$1.38 per part time hour worked were paid.

### Annual Postemployment Healthcare Cost

In 2020, the Municipality contributed \$3,189,086 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, 2020, there are no other amendments to the Fund Balance Policy.

Throughout 2020, 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 2021 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 2020 related to the earthquake and it is anticipated that this will continue into 2021.

Fund balance, reported in aggregate on the governmental funds balance sheet is subject to the following constraints:

	General	MOA Trust	Capital Projects Road & Drainage	State Grants	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>						
Inventory	\$ 1,211,698	\$ -	\$ -	\$ -	\$ -	\$ 1,211,698
Prepaid Items	466,782	-	-	-	1,676,968	2,143,750
Advances to Other Funds	35,648,190	-	-	-	-	35,648,190
Assets Held for Resale	4,888,761	-	-	-	-	4,888,761
Cemetery Perpetual Fund	-	-	-	-	150,000	150,000
Total Nonspendable	42,215,431	-	-	-	1,826,968	44,042,399
<b>Restricted:</b>						
Unspent COP Proceeds	650,010	-	-	-	-	650,010
Nuisance Property Abatement	-	-	-	-	168,647	168,647
Capital Improvements	-	-	3,053,545	-	13,657,835	16,711,380
MOA Trust Fund	-	418,070,531	-	-	-	418,070,531
Police & Fire Retiree Medical Liability	-	-	-	-	39,478,273	39,478,273
E911 Surcharge	-	-	-	-	1,314,324	1,314,324
Federal Grants	-	-	-	-	928,940	928,940
Federal/State Fines & Forfeitures	-	-	-	-	1,017,501	1,017,501
Miscellaneous Operational Grants	-	-	-	-	635,145	635,145
Convention Center Operating Fund	-	-	-	-	18,282,662	18,282,662
49th State Angel Fund	-	-	-	-	10,185,845	10,185,845
Debt Service	-	-	-	-	14,595,330	14,595,330
Total Restricted	650,010	418,070,531	3,053,545	-	100,264,502	522,038,588
<b>Committed:</b>						
10% Bond Rating	41,306,752	-	-	-	-	41,306,752
1st Quarter Revisions	29,571,524	-	-	-	-	29,571,524
Capital Improvements	-	-	292,123	-	32,736,809	33,028,932
Heritage Land Bank	-	-	-	-	6,558,713	6,558,713
Miscellaneous Operational Grants	-	-	-	-	1,376,887	1,376,887
Convention Center Operating Fund	-	-	-	-	400,000	400,000
Total Committed	70,878,276	-	292,123	-	41,072,409	112,242,808

	General	MOA Trust	Capital Projects		State Grants	Nonmajor	Total
			Road & Drainage	Governmental		Funds	
<b>Assigned:</b>							
Heritage Land Bank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 808,707	\$ 808,707
Nuisance Property Abatement	-	-	-	-	-	7,355	7,355
Capital Improvements	-	-	-	-	-	142,995	142,995
Cemetery Perpetual Fund	-	-	-	-	-	466,402	466,402
E911 Surcharge	-	-	-	-	-	1,868	1,868
Miscellaneous Operational Grants	-	-	-	-	-	2,752	2,752
Convention Center Operating Fund	-	-	-	-	-	6,296,257	6,296,257
Total Assigned	-	-	-	-	-	7,726,336	7,726,336
<b>Unassigned:</b>							
2% Working Capital Reserve	9,281,796	-	-	-	-	-	9,281,796
Other Unassigned	(23,032,543)	-	-	(25,877,459)	-	(797,034)	(49,707,036)
Total Unassigned	(13,750,747)	-	-	(25,877,459)	-	(797,034)	(40,425,240)
Total Fund Balance (Deficit)	\$ 99,992,970	\$ 418,070,531	\$ 3,345,668	\$(25,877,459)	\$ 150,093,181	\$ 645,624,891	

Alaska State Statute 29.35.460 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 not report any restricted fund balance in the sub funds of the General Fund for this purpose. The Municipality did report \$650,010 in restricted fund balance in the General Fund equal to the proceeds of the COP issued for administrative costs associated with the Electric Utility 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 2020, the full balance of \$41,306,752 of committed fund balance for bond rating is reported, but 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:

<b>Bond Rating:</b>	
Committed	<u>\$ 41,306,752</u>
<b>Working Capital Reserve:</b>	
Unassigned for Working Capital	\$ 9,281,796
Unassigned Fund Balance Deficit	<u>(23,032,543)</u>
Available Working Capital Reserve	<u>\$ -</u>

The Municipality has the following encumbrances outstanding at the end of the year:

<b>Major Funds:</b>	
Road and Drainage Capital Project Fund	<u>\$ 14,072,410</u>
<b>Nonmajor Capital Project Funds:</b>	
Public Safety	2,892,741
Parks & Recreation	994,311
Areawide	6,320,552
Public Transportation	756,840
Heritage Land Bank	18,147
Miscellaneous	778,977
Total Nonmajor Capital Project Funds	<u>\$ 11,761,568</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 2020, 2019 or 2018.

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, 2020, is dependent upon future developments. On December 31, 2020, claims incurred but not reported included in the liability accounts are \$14,995,376 in the General Liability/Workers' Compensation Fund and Medical/Dental Self Insurance Fund.

Changes in the funds' claim liability amounts in 2020 and 2019 are as follows:

	Beginning Balance January 1, 2020	Current Year		Ending Balance December 31, 2020
		Claims and Changes in Estimates	Claims Paid	
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>

	Beginning Balance January 1, 2019	Current Year		Ending Balance December 31, 2019
		Claims and Changes in Estimates	Claims Paid	
General Liability/Workers' Compensation	\$ 19,201,794	\$ 11,807,745	\$ (6,671,110)	\$ 24,338,429
Medical/Dental	3,636,188	46,183,981	(45,016,543)	4,803,626
Unemployment	60,131	220,510	(227,614)	53,027
	<u>\$ 22,898,113</u>	<u>\$ 58,212,236</u>	<u>\$ (51,915,267)</u>	<u>\$ 29,195,082</u>

On December 31, 2020, the Medical and Dental Self Insurance Fund had unrestricted net position of \$25,089,293, an increase of \$7,487,410 from 2019.

On December 31, 2020, the General Liability and Worker's Compensation Fund had a deficit of \$6,569,191, an increase in the deficit of \$995,163 from 2019. 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 fundamentally changed 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 Anchorage Municipal Charter (Charter") change. The changes made to AMC 6.50.060 further define and clarify the methodology to be used in paying out an annual dividend 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 (e.g., 8 percent return minus 3 percent inflation). 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 maximum amount available for annual appropriation to help fund the general government budget starting in 2020 and beyond.

In 2020, consistent with the policy limitations described above, \$14 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 (2017 Test Year / 2019 Rates)**

On December 18, 2018, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase of 7.0 percent, which was granted effective February 1, 2019. On February 25, 2020, the RCA issued Order 9 in Docket U-19-005 accepting the stipulation submitted by the Water Utility resulting in a 6.52 percent permanent rate increase. In Order 11 of the same docket, the RCA approved the Water Utility's refund plan, released funds from escrow, and required the Water Utility to notify the RCA when refunding of all monies to its customers in conformance with the approved refund plan has been completed. Refunds were posted as a credit to customer accounts in 2020.

### **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 RCA on February 21, 2021, under Order 1 in Docket U-21-010 for the Water Utility. 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 same Order suspended the revenue requirement study for further investigation and the statutory deadline for the RCA to issue a final decision is approximately May 22, 2022.

### **Depreciation Study (2017 Test Year / 2019 Rates)**

On December 29, 2017, the Water Utility filed a depreciation study requesting proposed depreciation rates go into effect January 1, 2019. The RCA's decision and rate implementation date of January 1, 2019 was outlined in Order 5 in Docket U-17-104, dated October 22, 2018. On March 18, 2021, in Tariff Advice (TA) Letter TA170-122, the Water Utility requested approval of new permanent rates implementing the results of a 2019 test year cost of service and rate design study. The permanent rates, if approved, will be effective in 2022.

### **Regulatory Debit- November 30, 2018 Earthquake Damage**

On December 23, 2019, the Water Utility filed a petition for approval to create a Regulatory Asset with the RCA to record expenses associated with the repair of damage caused by the earthquake on November 30, 2018 and subsequent events on its statement of net position pending reimbursement from FEMA and the State of Alaska, and to amortize any remaining unrecovered portion. On March 18, 2020, in Order No. 2 of Docket U-19-102 the RCA granted deferred accounting treatment for costs incurred from the earthquake, which will be addressed in the Water Utility's next rate case.

### **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 in order 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, 2020, the unamortized balance is \$196,996.

## **B. Wastewater Utility**

### **Recurring Rates- Revenue Requirement (2017 Test Year / 2019 Rates)**

On December 18, 2018, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 9.5 percent, which was granted effective February 1, 2019. On February 25, 2020, the RCA issued Order 9 in Docket U-19-006 accepting the stipulation submitted by the Wastewater Utility resulting in a 6.86 percent permanent rate increase. In Order 11 of the same docket the RCA approved the Wastewater Utility's refund plan, released funds from escrow, and required the Wastewater Utility to notify the RCA when refunding of all monies to its customers in conformance with the approved refund plan has been completed. Refunds were posted as a credit to customer accounts in 2020.

### **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. As a compliance filing to Order 1, AWWU 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 same Order suspended the revenue requirement study for further investigation and the statutory deadline for the RCA to issue a final decision is approximately May 22, 2022.

### **Regulatory Debit- November 30, 2018 Earthquake Damage**

On December 23, 2019, the Wastewater Utility filed a petition for approval to create a Regulatory Asset with the RCA to record expenses associated with the repair of damage caused by the earthquake on November 30, 2018 and subsequent events on its statement of net position pending reimbursement from FEMA and the State of Alaska, and to amortize any remaining unrecovered portion. On March 18, 2020, in Order No. 2 of Docket U-19-103 the RCA granted deferred accounting treatment for costs incurred from the earthquake, which will be addressed in the Wastewater Utility's next rate case.

### **C. Electric Utility**

#### **Acquisition of the Electric Utility by 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. This filing was assigned Docket U-19-020. CEA and the Municipality have agreed to a transaction in which CEA will purchase most of the Electric Utility's assets and the generation output of the Electric Utility's share of the Eklutna Hydroelectric Project (Eklutna) for a term of 35 years.

On April 5, 2019, the Municipality applied for approval from the RCA to amend its CPCN No. 121 to consist solely of wholesale bulk power sales at the Eklutna generation plant. The Municipality also applied to terminate the restriction on payment of dividends to the Municipality initially imposed by Order No. U-13-184(22). This filing was assigned Docket U-19-021.

On May 8, 2019, the RCA ordered the consolidation of U-19-020 and U-19-021. Hearings occurred from August 27, 2019 to November 8, 2019.

On May 28, 2020, the RCA issued a ruling addressing the acquisition Dockets, U-19-020(39) and U-19-021(39), and part of the BRU Management Practices, U-18-102(44). The RCA did not approve the sale as proposed but did approve the sale if parties agreed 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 by Order U-13-184(22), allowing disbursement of the Electric Utility's assets as contemplated by the transaction.

The transaction transferring the assets of the Electric Utility to CEA closed on October 30, 2020. On the same date, the Municipality and CEA entered into an agreement for Chugach 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 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, the Municipality reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities and damages of the Municipality relative to work performed by MKB Constructors, Quality Asphalt Paving and Terracon Consultants for \$5.5 million, \$5.15 million and \$1.95 million, respectively. In total, these settlements amount to \$12.6 million recorded in 2016 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 \$12.6 million contribution to a Port litigation escrow account recorded in 2018 and 2017 as restricted assets "legal settlement set-aside", under the restricted assets section of the Port's statements of net position. The remaining defendants executed settlement agreements as follows: Integrated Concepts and Research Corporation (ICRC) for \$3.75 million, PND Engineers Inc. for \$750,000, GeoEngineers for \$750,000 and CH2M Hill for \$1.5 million each recorded in 2017. 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) is ongoing. This case remains active and no claims have been asserted against the Municipality.

### **B. Notice of Violation**

On or about March 28, 2018, the Alaska Department of Environmental Conservation (ADEC) issued a Notice of Violation (NOV) to the Municipality of Anchorage, Solid Waste Services (SWS), 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 SWS alleging 1) failure to conduct surface emission monitoring (SEM), and 2) failure to meet certification requirements. SWS met with ADEC on a couple of occasions in an attempt to resolve the alleged violations; SWS and ADEC have engaged in an exchange of letters discussing potential compliance measures and settlement of civil penalties. ADEC's latest letter dated May 17, 2021 proposed a calculation of penalties of approximately \$562,089. Compliance measures have been proposed by SWS but ADEC has not approved the proposed measures or suggested alternatives. SWS is negotiating with ADEC regarding the nature and extent of compliance and the amount of penalty assessed.

It is too early to either determine the likelihood of an unfavorable resolution or estimate the amount or range of possible liability with any degree of accuracy.

### **C. 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, 2020, 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. Landfill Closure and Post-closure 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 post-closure costs each year, Solid Waste Services Utility (SWS) records an operating expense based on landfill capacity. During 2020, the future closure and post-closure care costs were re-evaluated and adjusted to reflect current conditions. On December 31, 2020, SWS had a recorded liability of \$37,733,227 associated with these future costs, based on the use of 38.089 percent of the landfill's estimated capacity. Based upon the 2020 study, it is estimated SWS will recognize an additional \$61,332,773 in liability expense between 2020 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 post-closure functions in 2020. 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 post-closure care cost was as follows:

	Balance January 1, 2020	Addition	Deletion	Balance December 31, 2020	Due in One Year
Future Landfill Closure Costs	\$ 33,592,239	\$ 4,140,988		\$ 37,733,227	\$ -

State laws and federal regulations require the Municipality to provide financial assurances for future closure and post-closure 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 post-closure purposes. On December 31, 2020, SWS reported \$41,475,788 of restricted assets for payment of closure and post-closure care costs.

### C. 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.

#### **D. Pollution Remediation Obligation**

##### **Water Utility**

In 2011, and again in 2018, the Water Utility submitted work plans and received approval from ADEC for continued groundwater monitoring while working towards “Cleanup Complete Status” for the site located at 3000 Arctic Boulevard, Anchorage Alaska. The Water Utility received a “Cleanup Complete Determination” from ADEC in 2019 for the above site. One new site was encountered as part of an AWWU waterline rehabilitation capital project. The waterline project was complete in 2020 and a Cleanup Complete status from ADEC is expected in 2021. It is unlikely that ADEC will require additional testing or monitoring to receive a cleanup complete status and if monitoring is required it would be minimal.

The Water Utility used the expected cash flow technique to measure the liability. The Water Utility estimated a reasonable range of potential outlays of \$0 to \$8,000 for the contaminated site and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of \$1,600 as of December 31, 2020. The potential for a material change in the estimate is possible depending upon the response received from ADEC.

##### **Wastewater Utility**

In accordance with the State of Alaska Department of Environmental Conservation (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 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 on Pump Station 12 when another spill occurred from 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. In 2016 the Utility experienced a fuel spill on the Wastewater 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.

The Wastewater Utility used the expected cash flow technique to measure the liability. The Wastewater Utility estimated a reasonable range of potential outlays of \$1,000 to \$423,000 per contaminated site and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of \$687,300 as of December 31, 2020. The potential for a material change in the estimate is possible depending upon the response 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 \$1,761,154 on December 31, 2020. In 2011, the Port recognized a capital contribution in the amount of \$8,425,612. 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 2020, the monitoring and reporting costs for Tract J was \$13,269. No required monitoring expenses were incurred for Tract H in 2020.

##### **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. There were no additional expenditures in 2018.

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, 2020.

### **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.

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.

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.

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. There has been no recent activity at the site, nor any recent communication from ADEC.

The Municipality plans to request that ADEC assign closed status to those sites for which site characterization, monitoring, and compliance review has yielded no contaminants above ADEC thresholds. Due to the proximity of adjacent sites, the Municipality an estimated pollution remediation liability for this site of \$35,000 for 2020.

### **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. The Municipality is awaiting the request for additional work from ADEC for one of the sites and for a response from ADEC regarding the 2018 request for site closure. The Municipality is anticipating a close out meeting to be scheduled in 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 between \$12,000 and \$20,000 and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$18,700 for 2020. 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 for December 31, 2020, 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 \$36,121 in 2020 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 \$285,000 on December 31, 2020 for soil remediation to take place in 2021.

### **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. As of December 31, 2020, the Municipality is expecting a close out meeting with ADEC to occur in 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 estimated pollution remediation liability for this site was reduced to zero for 2020. As of December 31, 2020, a close-out meeting with ADEC is expected in 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 between \$963,071 to \$3,844,297. The Municipality accrued a liability for estimated pollution remediation obligation of \$2,402,948. There has been no change to this amount as of December 31, 2020.

### **Sullivan Storage Building Site**

On June 26, 2018, a strong hydrocarbon odor was observed 2 to 4 feet below ground surface during excavating for the new Sullivan Arena Warm Storage Building foundation. As part of an interim removal action, the excavation was further advanced to the groundwater interface at 5.5 to 6 feet below ground surface. Soil disturbed at this depth produced a heavy petroleum sheen and strong hydrocarbon odor. The excavation continued laterally until olfactory, visual, and field screening results indicated it was "clean". The final excavation was expanded to 46 feet by 28 feet by 6 to 6.5 feet below ground surface. Ultimately 190 cubic yards of petroleum impacted soil were removed and disposed of at the Anchorage Regional Landfill. A total of fourteen confirmation samples collected from the excavation bottom beneath the groundwater and from the sidewalls at a depth of 5 to 6 feet below ground surface contained diesel range organics up to 1,760 mg/kg and naphthalene at 0.0769 mg/kg. An excavation groundwater grab sample collected did not contain contaminant concentrations above groundwater cleanup levels. After sampling, the excavation was backfilled with assumed clean overburden and construction of the warm storage building resumed.

In 2019, ADEC reviewed and approved the site characterization workplan as well as a workplan to decommission the four onsite monitoring wells in accordance with ADEC guidance. The estimated pollution remediation liability for this site was reduced to zero for 2019. In January 2020, this site received a "Cleanup Complete" designation from ADEC and no further remedial action will be required.

### **Spenard Road Project**

In September 2017, an approximately 225-gallon single walled used oil underground storage tank (UST #1) was discovered during construction along West 27<sup>th</sup> 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 0.971mg/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. Water Utility Subsequent Events**

#### **Anchorage Earthquake Effects on the Water Utility**

On November 30, 2018, the Municipality experienced a magnitude 7.1 earthquake located 10 miles north of Anchorage, AK. It was followed by a 5.7 magnitude aftershock centered 2.5 miles north-northwest of the Municipality. The earthquake caused severe damage to roads, bridges, buildings, water and wastewater pipes, and electrical systems. The Water Utility is actively working with the Federal Emergency Management Agency (FEMA) to recover eligible costs associated with the repair of damage caused by the earthquake on November 30, 2018. The net amount of recoverable expenses included in regulatory and other assets is \$2,217,499 on December 31, 2020.

### **B. Wastewater Utility Subsequent Event**

#### **Anchorage Earthquake Effects on the Wastewater Utility**

On November 30, 2018, the Municipality experienced a magnitude 7.1 earthquake located 10 miles north of Anchorage, AK. It was followed by a 5.7 magnitude aftershock centered 2.5 miles north-northwest of the Municipality. The earthquake caused severe damage to roads, bridges, buildings, water and wastewater pipes, and electrical systems. The Wastewater Utility is actively working with the Federal Emergency Management Agency (FEMA) to recover eligible costs associated with the repair of damage caused by the earthquake on November 30, 2018. The net amount of recoverable expenses included in regulatory and other assets is \$322,976 on December 31, 2020.

### **C. Municipality Subsequent Events**

#### **Tax Abatement Agreements**

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 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.

## **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 2020 reporting:

- **GASB 77- Tax Abatement Disclosures.** This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The Municipality entered into a tax abatement arrangement with 601 Fifth Ave, LLC in 2020. Detailed disclosures related to this tax abatement arrangement are discussed in Note 2.
- **GASB 83- Certain Asset Retirement Obligations.** The Municipality does not have any asset retirement obligations. The provisions of this Statement are not applicable at this time.
- **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 97- Certain Component Units, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans –** an amendment of GASB Statement No. 14 and No. 84, and a supersession of GASB Statement No.32. The Municipality's pension and OPEB plans do not meet the definition of a fiduciary component unit. The Municipality has a Section 457 Deferred Compensation plan, but it does not meet the definition of a pension plan under GASB 67 paragraph 51, nor the definition of a pension plan under GASB 73 paragraph 128. The plan also does not meet the definition of a fiduciary activity for accounting and reporting as the plan is entirely under the direction of the employees using a third-party investment provider. The provisions of this Statement are not applicable at this time.

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 89- Accounting for Interest Costs Incurred before the End of a Construction Period.** The provisions of this statement are required to be implemented in the 2021 reporting period.
- **GASB 91- Conduit Debt Obligations.** The provisions of this statement are required to be implemented in the 2022 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.

## **NOTE 23 - OTHER ACCOUNTING MATTERS**

### **A. Electric Utility**

#### **Acquisition of the Electric Utility by CEA**

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. In April 2019, both the Municipality and CEA filed applications with the RCA to amend their CPCNs and to approve the sale.

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 Utility, allowing disbursement of the 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 March 30, 2021, CEA submitted a Closing Statement to the Municipality, proposing a final determination of the closing price. On June 14, 2021, the Municipality submitted a Statement of Objections to the Closing Statement to CEA. It is expected that a resolution between the parties on the final purchase price will be reached before the end of the fourth quarter of 2021.

### **Electric Utility Special Item**

On October 30, 2020, the Municipality sold the Electric Utility to Chugach Electric Association. 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 \$6,356,600 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. See Note 21A for additional details.

## **B. Municipality of Anchorage**

### **COVID-19 Pandemic**

In late January 2020, the World Health Organization (WHO) announced a global health emergency regarding a new strain of virus called novel coronavirus (COVID-19). This virus originated from within China, and spread globally, including Alaska. The WHO declared this new strain creates extreme health risks as it spreads globally. Further, in March 2020, the WHO classified COVID-19 as a pandemic. March 12, 2020, the mayor of Anchorage declared a state of emergency to protect and preserve public health and safety, and subsequently closed all civic, cultural, and recreational facilities in the Municipality. The governor of Alaska declared a public health disaster as did the President of the United States.

During 2020 and early 2021, the administrations of the Municipality and the State of Alaska have extended and retracted emergency declarations and refined emergency orders to allow for a measured expansion of economic and social activities within the Municipality and the state. Travel restrictions were modified and then eliminated to allow for more travelers to enter the state for work, commerce, tourism, and other purposes. Municipal facilities, businesses, recreational, cultural, and civic facilities have reopened with few restrictions and new measures designed to preserve the health of patrons and the public.

The full impact of the COVID-19 outbreak 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 December 16, 2020 and compared to the previous five years, the Municipality projected a negative variance for general government revenues in fiscal year 2020. Some of those variances are:

- Room tax, and rental vehicle tax were expected to be down significantly from previous years' average due to fewer tourists and lower prices because of lower demand.
- Motor fuel tax collections were expected to be down due to less driving by residents and tourists.
- Motor vehicle registration tax is expected to decline because of declining new car sales.
- Parks and recreation fee revenues were down and expected to remain lower than previous years due to facility closures, restrictions on use of facilities and cancellations of programs and rentals.
- Public transportation fares are down due to fare-free service during March, suspended service during April and May and restricted service after that.
- User fees, building permits, and inspection fees were reduced 25 percent to the end of 2020 by Assembly ordinance.
- Property tax collections have remained steady with a small negative variance by year-end of 2020. The Assembly authorized one-month deferrals for payment of taxes in 2020.
- Investment earnings had a negative variance which adversely impacted the value of the Municipality's investments held in marketable securities.

The Municipality is unable to estimate the final effects of the pandemic on 2021 revenues. However, Personal Property Tax revenues are expected to be significantly reduced from 2020 and Room Tax Revenue is expected to be significantly higher in 2021 from 2020. Rental Vehicle Tax and Marijuana Tax revenues are also expected to be modestly higher in 2021 than in 2020. Generally, 2021 budgeted revenues other than property taxes are at levels less than 2019, and overall variances from budgets are expected not to exceed a 5 percent negative variance.

Various suppliers have decreased production due to factory closures or reduced operating hours in those facilities. While the Municipality considers this disruption to be temporary, continued disruption in the supply chain may result in delayed receipt by some of the Utilities and Departments of the Municipality of necessary supplies and materials and increases in the costs of construction, repair and maintenance activities.

The full effects of COVID-19 on Electric, Water and Wastewater Utility's revenues and collections cannot be quantified at this time, however, utility revenues have been affected by change in demand, job losses among residents and closed businesses in the community due to the pandemic. Assessment of fees for delinquent payments were suspended and the Electric Utility suspended shut offs for nonpayment. The State of Alaska passed SB 241, allowing for deferred payment plans for customers affected by COVID-19, which will continue to affect the collection of receivables in 2021.

Although the Municipality cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the Municipality's results of future operations, financial position, and liquidity in fiscal year 2021 and future years.

#### **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- \$156,299,226

###### CARES Act Federal Transit Grants

- Awarded- \$18,580,864
- Received- \$1,568,411
- Expended- \$1,588,721

###### CARES ACT Airport Grants

- Awarded- \$18,907,472
- Received- \$17,898,468
- Expended- \$841,874

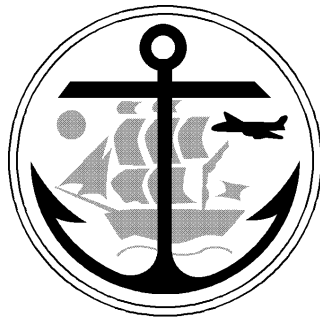
##### ERA Federal Emergency Rental Assistance:

- Awarded- \$35,431,860
- Received- \$35,431,860
- Expended- \$15,960,309

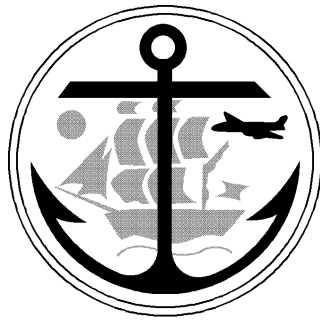
##### ARPA:

- Awarded- Metropolitan area - \$47,376,742; Counties- \$55,940,624
- Received- Metropolitan - \$23,688,683; Counties- \$27,970,312
- Expended- \$19,390,755

ARPA funds are available to be expended until December 31, 2026.



This page intentionally left blank



This page intentionally left blank

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Required Supplementary Information- Budgetary Comparison Schedule  
 with Expenditures by Function for the General Fund  
 For the year ended December 31, 2020

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
<b>Revenues:</b>						
Taxes	\$ 74,059,424	\$ 654,055,162	\$ 637,651,528	\$ -	\$ 637,651,528	\$ (16,403,634)
Assessments in lieu of taxes	3,767,680	3,582,908	3,575,052	-	3,575,052	(7,856)
Special assessments	227,830	227,830	797,171	-	797,171	569,341
Licenses and permits	10,145,800	10,584,800	9,874,923	-	9,874,923	(709,877)
Intergovernmental	7,935,476	7,958,300	4,536,781	(1)	15,343,588	(3,421,519)
Charges for services	27,281,237	30,592,555	21,894,674	-	21,894,674	(8,697,881)
Fines and forfeitures	6,906,353	6,036,906	6,250,956	-	6,250,956	214,050
Investment income	2,342,080	1,708,080	2,998,905	-	2,998,905	1,290,825
Restricted contributions	139,331	139,331	137,941	-	137,941	(1,390)
Other revenues	2,816,251	3,295,152	2,977,042	-	2,977,042	(318,110)
Total revenues	<u>135,621,462</u>	<u>718,181,024</u>	<u>690,694,973</u>	<u>15,343,588</u>	<u>706,038,561</u>	<u>(27,486,051)</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	22,527,338	32,986,488	28,304,179	(1)	1,461,913	4,682,309
Fire services	107,380,281	108,046,395	71,675,002	(1)	5,069,865	36,371,393
Police services	129,309,401	128,741,690	81,309,428	(1)	5,284,554	47,432,262
Health and human services	15,569,723	25,046,100	24,800,168	(1)	498,864	245,932
Economic and community development	69,025,627	84,172,670	78,879,269	(1)	1,316,780	5,293,401
Public transportation	26,412,972	26,001,962	24,716,190	(1)	620,726	1,285,772
Public works	8,261,480	8,229,222	8,342,425	(1)	712,194	(113,203)
Education	-	269,915,069	269,915,069	-	269,915,069	-
Maintenance and operations	38,681,550	38,946,746	36,696,420	(1)	378,692	2,250,326
<b>Debt service:</b>						
Principal	35,596,630	35,627,988	43,455,726	-	43,455,726	(7,827,738)
Interest	20,039,009	28,501,880	19,821,404	-	19,821,404	8,680,476
Debt issuance costs	-	245,959	428,463	-	428,463	(182,504)
Capital outlay	-	-	91,158	-	91,158	(91,158)
Total expenditures	<u>472,804,011</u>	<u>786,462,169</u>	<u>688,434,901</u>	<u>15,343,588</u>	<u>703,778,489</u>	<u>98,027,268</u>
Excess (deficiency) of revenues over expenditures	<u>(337,182,549)</u>	<u>(68,281,145)</u>	<u>2,260,072</u>	<u>-</u>	<u>2,260,072</u>	<u>70,541,217</u>
<b>Other financing sources (uses):</b>						
Transfers from other funds	41,933,916	57,347,243	60,016,244	-	60,016,244	2,669,001
Transfers to other funds	(14,886,654)	(38,639,074)	(31,850,469)	-	(31,850,469)	6,788,605
Premium on bonds and notes sale	-	879,959	4,398,625	-	4,398,625	3,518,666
Refunding bonds issued	-	2,990,126	59,485,000	-	59,485,000	56,494,874
Payment to refunded bond escrow agent to extinguish debt	-	-	(63,000,865)	-	(63,000,865)	(63,000,865)
Sale of capital assets	275,000	252,990	419,317	-	419,317	166,327
Insurance recoveries	67,840	122,049	73,419	-	73,419	(48,630)
Loans issued	-	1,969,607	1,269,607	-	1,269,607	700,000
Total other financing sources (uses)	<u>27,390,102</u>	<u>24,922,900</u>	<u>30,810,878</u>	<u>-</u>	<u>30,810,878</u>	<u>5,887,978</u>
Net change in fund balance	(309,792,447)	(43,358,245)	33,070,950	-	33,070,950	76,429,195
Fund balance, beginning of year	(794,412,378)	44,761,162	66,922,020	-	66,922,020	22,160,858
Fund balance, end of year	<u>\$ (1,104,204,825)</u>	<u>\$ 1,402,917</u>	<u>\$ 99,992,970</u>	<u>\$ -</u>	<u>\$ 99,992,970</u>	<u>\$ 98,590,053</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. 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 revenues, 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, 2020

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 2020 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 2020 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), 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 these funds lapse at year end to the extent they have not been expended

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Notes to Required Supplementary Information – Budgetary Data

December 31, 2020

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, 2020

**Percentage of Lane - Miles in  
Good or Better Condition**

	<b>2020</b>	<b>2017</b>	<b>2014</b>
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 was 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**

	<b>2020</b>	<b>2017</b>	<b>2014</b>
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 was 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)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Anchorage Road District:					
Needed	\$ 30,035	\$ 12,923	\$ 37,731	\$ 51,760	\$ 21,190
Actual	28,769	12,448	37,638	50,476	17,582
Chugiak/Eagle River Road District:					
Needed	2,635	3,350	4,813	7,230	4,260
Actual	3,179	3,189	4,605	7,166	5,055
Girdwood Road District:					
Needed	389	430	518	437	1,741
Actual	576	582	601	500	1,909
Other Road Districts:					
Needed	3,004	2,546	1,193	1,735	3,381
Actual	3,292	3,462	1,577	2,089	4,154
Overall System:					
Needed	36,065	19,249	44,255	61,162	30,572
Actual	35,818	19,681	44,421	60,231	28,700
Difference	247	(432)	(166)	931	1,872

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 Six 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
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 Pension Plan  
 Schedule of Municipality Contributions  
 Last Six 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
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 Seven Calendar Years

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	5,236,330	5,262,793	5,543,250	6,133,683	6,317,389	6,480,803	6,674,747
Differences between expected and actual experience	(149,501)	(363,349)	(1,044,715)	(554,310)	(263,269)	334,288	(172,965)
Changes of assumptions	2,648,091	4,006,938	657,071	7,094,507	-	657,285	674,653
Benefits payments, including refunds of member contributions	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Net changes in total pension liability	(301,982)	833,756	(3,128,148)	4,270,689	(2,422,500)	(1,082,189)	(1,428,361)
Total pension liability - beginning	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506	88,792,867
Total pension liability - ending (a)	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506
<b>Plan fiduciary net position:</b>							
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)	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	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Administrative expenses	(143,423)	(110,762)	(162,303)	(129,583)	(134,202)	(125,927)	(122,469)
Net change in plan fiduciary net position	(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	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)	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)	\$ 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	88.68%	88.84%	83.40%	94.41%	79.48%	79.42%	86.39%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	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 Retirement System- Defined Benefit  
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios- Plan II  
Last Seven Calendar Years

	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,205,177	4,189,753	4,279,605	4,670,017	4,783,176	4,879,585	4,983,645
Differences between expected and actual experience	(615,273)	(259,479)	540,098	(648,422)	(369,686)	53,268	(181,652)
Changes of assumptions	2,375,314	3,039,405	575,930	5,986,612	-	542,944	551,964
Benefits payments, including refunds of member contributions	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Net changes in total pension liability	293,590	1,198,230	(393,698)	4,166,985	(1,511,469)	(430,063)	(498,756)
Total pension liability - beginning	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715	66,010,471
Total pension liability - ending (a)	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715
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)	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	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Administrative expenses	(113,701)	(86,907)	(126,157)	(100,190)	(103,090)	(95,720)	(92,067)
Net change in plan fiduciary net position	455,998	4,767,271	(8,942,875)	12,870,127	(929,032)	(4,735,574)	(1,417,464)
Plan fiduciary net position - beginning	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044	58,509,508
Plan fiduciary net position - ending (b)	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)	\$ 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	88.00%	87.72%	82.20%	94.92%	80.90%	80.45%	87.15%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,771
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	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 Seven Calendar Years

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability:</b>							
Service cost	\$ 451,859	\$ 575,265	\$ 634,210	\$ 512,332	\$ 513,183	\$ 783,360	\$ 1,022,911
Interest	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	(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	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Net changes in total pension liability	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	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)	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512
<b>Plan fiduciary net position:</b>							
Contributions- Employer- Municipality of Anchorage	-	-	-	43,403,087	4,439,969	3,587,533	5,296,694
Contributions- Plan members	72,577	126,516	126,875	129,027	126,336	179,057	219,810
Total net investment income (loss)	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	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Administrative expenses	(477,285)	(358,256)	(509,647)	(392,022)	(396,242)	(358,981)	(338,673)
Net change in plan fiduciary net position	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	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)	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)	\$ 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	88.36%	88.55%	83.63%	94.73%	81.24%	79.83%	86.59%
Covered payroll	\$ 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	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 Pension Plans  
Plans I, II, and III  
Schedule of Municipality Contributions  
Last Ten 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
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%
2013	2,246,000	2,246,000	-	-	0.00%
2012	1,220,000	1,220,000	-	-	0.00%
2011	1,780,000	1,780,000	-	136,000	1308.82%

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
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%
2013	1,755,000	1,755,000	-	257,000	682.88%
2012	1,127,000	1,127,000	-	262,000	430.15%
2011	1,490,000	1,490,000	-	536,000	277.99%

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
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%
2013	5,999,000	5,999,000	-	6,161,000	97.37%
2012	3,893,000	3,893,000	-	6,489,000	59.99%
2011	5,293,000	5,293,000	-	6,568,000	80.59%

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Required Supplementary Information  
 International Brotherhood of Electrical Workers (IBEW)- Defined Benefit Pension Plan  
 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
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%
2011	2,649,741	2,649,741	-	18,622,524	14.23%

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Required Supplementary Information  
 International Union of Operating Engineers (Local 302)- Defined Benefit Pension Plan  
 Schedule of Municipality Contributions  
 Last Seven 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
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 Required Supplementary Information  
Pension Plans  
For the year ended December 31, 2020

**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, 2020, the Plan measurement date is June 30, 2020.
- 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 2019 and 2020.
- There were no changes in the 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, 2020 allocated the net pension liability based on the present value of contributions for fiscal year 2022 through 2039, as determined by projections based on the June 30, 2019 actuarial valuation. This is the same allocation method used for the measurement periods June 30, 2019, June 30, 2018, and June 30, 2017. The allocation method used for the measurement periods ending June 30, 2016 and 2015 was based on actual contributions.

The actuarial assumptions used in the June 30, 2019 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. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2019 actuarial valuation to better reflect expected future experience. The assumptions used in the June 30, 2019 actuarial valuation are the same as those used in the June 30, 2018 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 during 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 measurement date of December 31, 2020.
- There was a decrease in the discount rate from 6.4 percent in 2019 to 6 percent in 2020.
- The mortality tables were not changed for 2020.
- 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 Required Supplementary Information  
Pension Plans  
For the year ended December 31, 2020

**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 7 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 Four Calendar Years

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	2,136,721	2,900,050	2,681,663	2,577,654
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(7,357,231)	-	-
Changes of assumptions or other inputs	18,451,635	3,379,239	(5,742,889)	4,726,088
Benefit payments	(4,055,590)	(3,580,877)	(4,290,275)	(4,270,000)
Net changes in total OPEB liability	<u>16,532,766</u>	<u>(4,658,819)</u>	<u>(7,351,501)</u>	<u>3,033,742</u>
Total OPEB liability - beginning	<u>68,090,152</u>	<u>72,748,971</u>	<u>80,100,472</u>	<u>77,066,730</u>
Total OPEB liability - ending (a)	<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>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan's net OPEB liability (a) - (b)	<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%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as a percentage of covered-employee payroll	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 Four Calendar Years

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 179,725	\$ 118,469	\$ 113,693	\$ 109,111
Interest	2,222,388	2,587,708	2,627,528	2,674,785
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(376,724)	(3,294,961)	-	-
Changes of assumptions or other inputs	1,182,123	(1,864,560)	-	-
Benefit payments	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Net changes in total OPEB liability	<u>(75,763)</u>	<u>(5,904,196)</u>	<u>(1,208,891)</u>	<u>(1,123,698)</u>
Total OPEB liability - beginning	<u>57,452,463</u>	<u>63,356,659</u>	<u>64,565,550</u>	<u>65,689,248</u>
Total OPEB liability - ending (a)	<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	3,579,657	4,785,966	4,261,037	4,287,648
Contributions- Plan members	-	-	-	-
Total net investment income (loss)	1,421,311	388,241	(126,515)	966,715
Benefits payments, including refunds of member contributions	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Administrative expenses	-	-	-	-
Net change in plan fiduciary net position	<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>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>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>\$ 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	39.78%	36.74%	30.59%	29.73%
Covered payroll	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Net OPEB liability as a percentage of covered payroll	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 OPEB Plans  
 Schedule of Municipality Contributions  
 Last Four Calendar Years

<b><u>Gentile Group Plan</u></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially determined contribution	\$ 4,055,590	\$ 3,580,877	\$ 4,290,275	\$ 4,270,000
Contributions in relation to the actuarially determined contribution	11,807,381	11,935,465	11,790,796	10,096,430
Contribution deficiency (excess)	<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

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

<b><u>Police and Fire Medical Group Plan</u></b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially determined contribution	\$ 4,037,152	\$ 4,108,452	\$ 3,846,815	\$ 3,846,815
Contributions in relation to the actuarially determined contribution	3,579,657	3,516,241	3,477,037	4,919,538
Contribution deficiency (excess)	<u>\$ 457,495</u>	<u>\$ 592,211</u>	<u>\$ 369,778</u>	<u>\$ (1,072,723)</u>
Covered payroll	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Contributions as a percentage of covered payroll	63.63%	64.69%	67.38%	98.68%

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 OPEB Plans  
 Schedule of Investment Returns  
 Last Four Calendar Years

<b><u>Gentile Group Plan</u></b>	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%	0.00%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

<b><u>Police and Fire Medical Group Plan</u></b>	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	6.70%	2.00%	-0.70%	5.40%

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  
Police and Fire Medical Trust- OPEB Plans  
For the year ended December 31, 2020

**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, 2020.
- There were no changes in benefit terms from the prior measurement period.
- There was no change in the valuation method from the prior measurement period.

Schedule of Municipality 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, 2020.
- There were no changes in benefit terms from the prior measurement period.
- There was no change in the valuation method from the prior measurement period.

Schedule of Municipality 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 Four 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 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)
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%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

**RMP**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net OPEB Liability	Municipality's Proportionate Share of the Net OPEB Liability	State of Alaska's Proportionate Share of the Net OPEB Liability	Total Net OPEB Liability	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
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%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

**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 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
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: 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  
 PERS- Defined Benefit OPEB Plans  
 Schedule of Municipality Contributions  
 Last Four 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
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%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

**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
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%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

**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
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: 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- Defined Benefit OPEB Plans  
 Schedule of Net OPEB Liability  
 Last Four Fiscal Years

**Gentile Group Plan**

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's 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
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%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

**Police and Fire Medical Group Plan**

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's 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
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: 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- Defined Benefit OPEB Plans  
 Schedule of Municipality Contributions  
 Last Four 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 Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
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%

Notes: This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

**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
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	3,846,815	3,477,037	369,778	5,160,091	67.38%
2017	2017	3,846,815	4,919,538	(1,072,723)	4,985,595	98.68%

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 Required Supplementary Information  
OPEB Plans  
For the year ended December 31, 2020

**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).

The OPEB tables 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, 2020, the Plan measurement date is June 30, 2020.
- There were no changes in benefit terms from the prior measurement period.
- For 2020, the Discount Rate remains 7.38 percent, same as for 2019.
- In addition to the changes in assumptions resulting from the experience study, the following changes have been made since the prior valuation.
  - Per capita claims costs were updated to reflect recent experience. Retired member contribution trend rates were updated to reflect the ongoing shift in population from pre-Medicare to Medicare-eligible and a projection of expected future retiree contributions reflecting the 10 percent decrease from 2019 to 2020.
  - The Further Consolidation Appropriations Act, 2020 was signed in December 2019 and made several changes, including the repeal of the Cadillac Tax.
  - 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 was no change in the 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, 2020 allocated the net OPEB liability based on the present value of contributions for fiscal year 2022 through 2039, as determined by projections based on the June 30, 2019 actuarial valuation.

The actuarial assumptions used in the June 30, 2019 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. As a result of this experience study, the ARM Board adopted updated actuarial assumptions for the June 30, 2019 actuarial valuation to better reflect expected future experience.

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.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
OPEB Plans  
For the year ended December 31, 2020

**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 based on a measure of pay.

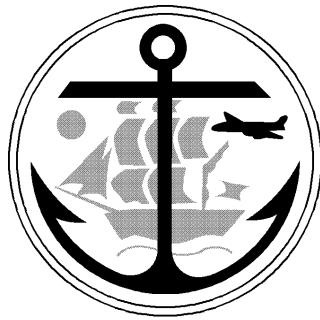
Both OPEB tables below are presented for each of the two Police and Fire Retiree Trust OPEB plans: Gentile Group Plan and Police and Fire Medical Group Plan.

Schedule of the Municipality's Net OPEB Liability

- This table is presented based on the Plan measurement date of December 31, 2020.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in assumptions from the prior measurement period, except for a reduction in the Discount Rate for Gentile Group Plan to 2.12 percent. The Police and Fire Medical Group Discount Rate remained 3.9 percent.
- There was no change in the valuation method from the prior measurement period.

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.



This page intentionally left blank

## 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**  
Additional Supplementary Information- Budgetary Comparison Schedule  
by General Fund Sub-Funds  
For the year ended December 31, 2020

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
<b>Revenues &amp; other financing sources:</b>						
Areawide Service Area	\$ 147,698,727	\$ 434,539,209	\$ 403,914,090	\$ -	\$ 403,914,090	\$ (30,625,119)
Former City Service Area	-	-	-	-	-	-
Areawide EMS Lease Special Levy	-	829,029	829,029	-	829,029	-
Chugiak Fire Service Area	63,887	1,335,149	1,556,202	-	1,556,202	221,053
Glen Alps Service Area	13,956	323,139	338,111	-	338,111	14,972
Girdwood Valley Service Area	75,375	3,357,861	3,355,672	-	3,355,672	(2,189)
Former Borough Roads & Drainage Service Area	-	-	4,552	-	4,552	4,552
Fire Service Area	2,850,863	84,451,903	85,833,178	-	85,833,178	1,381,275
Roads & Drainage Service Area	3,278,797	72,453,920	129,333,164	-	129,333,164	56,879,244
Limited Service Areas	296,945	10,223,207	10,355,323	-	10,355,323	132,116
Anchorage Metropolitan Police Service Area	10,974,369	136,649,280	136,569,404	-	136,569,404	(79,876)
Turnagain Arm Police Service Area	20	16,827	16,257	-	16,257	(570)
Anchorage Bowl Parks & Recreation Service Area	2,917,430	23,134,671	23,790,481	-	23,790,481	655,810
Eagle River - Chugiak Parks & Recreational Service Area	586,966	4,655,561	4,326,505	-	4,326,505	(329,056)
Building Safety Service Area	6,666,110	6,666,110	6,512,791	-	6,512,791	(153,319)
Public Finance & Investment	2,426,018	2,944,722	2,553,888	-	2,553,888	(390,834)
Police/Fire Retiree Medical Defined Contribution Support	48,755	12,410	19,044	-	19,044	6,634
MLP Sale Proceeds	-	150,000	7,049,494	-	7,049,494	6,899,494
SOA PERs On-Behalf Payments	-	-	-	(1)	15,343,588	-
Total revenues & other finance sources	<u>177,898,218</u>	<u>781,742,998</u>	<u>816,357,185</u>		<u>831,700,773</u>	<u>34,614,187</u>
<b>Expenditures &amp; other financing uses:</b>						
Areawide Service Area	146,806,165	475,854,059	462,219,889	-	462,219,889	13,634,170
Former City Service Area	-	-	-	-	-	-
Areawide EMS Lease Special Levy	-	829,029	829,029	-	829,029	-
Chugiak Fire Service Area	1,361,509	1,335,149	1,185,973	-	1,185,973	149,176
Glen Alps Service Area	322,217	350,139	311,702	-	311,702	38,437
Girdwood Valley Service Area	3,308,116	3,422,861	3,304,163	-	3,304,163	118,698
Former Borough Roads & Drainage Service Area	-	-	-	-	-	-
Fire Service Area	81,697,377	81,319,461	53,906,920	-	53,906,920	27,412,541
Roads & Drainage Service Area	74,988,589	75,139,563	129,858,429	-	129,858,429	(54,718,866)
Limited Service Areas	10,420,791	11,671,232	10,879,888	-	10,879,888	791,344
Anchorage Metropolitan Police Service Area	129,512,457	129,876,912	81,829,733	-	81,829,733	48,047,179
Turnagain Arm Police Service Area	29,472	24,831	20,565	-	20,565	4,266
Anchorage Bowl Parks & Recreation Service Area	24,061,051	23,614,760	24,802,267	-	24,802,267	(1,187,507)
Eagle River - Chugiak Parks & Recreational Service Area	4,802,648	4,678,262	3,751,954	-	3,751,954	926,308
Building Safety Service Area	8,021,529	8,080,290	7,932,862	-	7,932,862	147,428
Public Finance & Investment	2,151,056	2,546,687	2,285,476	-	2,285,476	261,211
Police/Fire Retiree Medical Defined Contribution Support	207,688	208,008	167,385	-	167,385	40,623
MLP Sale Proceeds	-	6,150,000	-	-	-	6,150,000
SOA PERs On-Behalf Payments	-	-	-	(1)	15,343,588	-
Total expenditures & other financing uses	<u>487,690,665</u>	<u>825,101,243</u>	<u>783,286,235</u>		<u>798,629,823</u>	<u>41,815,008</u>
Net change in fund balance	(309,792,447)	(43,358,245)	33,070,950	-	33,070,950	76,429,195
Fund balance, beginning of year	(794,412,378)	44,761,162	66,922,020	-	66,922,020	22,160,858
Fund balance, end of year	<u>\$ (1,104,204,825)</u>	<u>\$ 1,402,917</u>	<u>\$ 99,992,970</u>		<u>\$ 99,992,970</u>	<u>\$ 98,590,053</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.



MUNICIPALITY OF ANCHORAGE, ALASKA  
Additional Supplementary Information - Budgetary Comparison Schedule  
by Department for the General Fund  
For the year ended December 31, 2020

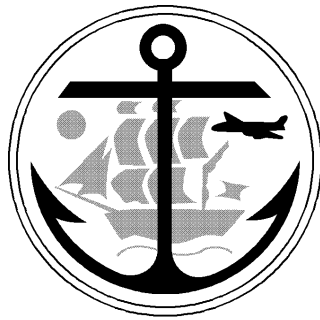
	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
Expenditures & other financing uses:						
Assembly	\$ 4,546,201	\$ 4,628,189	\$ 4,441,654 (1)	\$ 62,902	\$ 4,504,555	\$ 186,535
Chief Fiscal Officer	2,351,314	14,295,037	11,675,735 (1)	62,415	11,738,150	2,619,302
Development Services	13,513,393	13,604,851	13,504,880 (1)	992,142	14,497,022	99,971
Economic & Community Development	21,991,387	35,760,632	33,008,872 (1)	256,509	33,265,381	2,751,760
Education	-	269,915,069	269,915,069	-	269,915,069	-
Employee Relations	4,923,081	6,796,790	6,788,220 (1)	72,531	6,860,751	8,570
Office of Equal Opportunity	244,160	242,702	229,998	-	229,998	12,704
Equal Rights Commission	775,476	747,554	653,976	12,915	666,891	93,578
Finance	11,386,415	12,881,741	12,450,062 (1)	486,315	12,936,377	431,678
Fire	103,476,511	103,436,724	70,233,006 (1)	5,069,865	75,302,870	33,203,718
Health & Human Services	13,034,493	23,059,518	22,684,481 (1)	498,864	23,183,345	375,037
Heritage Land Bank/Real Estate Services	7,487,210	21,369,005	21,211,288	-	21,211,288	157,717
Information Technology	1,202,944	1,225,754	1,186,332 (1)	137,132	1,323,464	39,422
Internal Audit	768,081	775,762	783,368 (1)	42,294	825,661	(7,606)
Maintenance & Operations	97,642,964	100,750,177	154,439,954 (1)	399,797	154,839,751	(53,689,777)
Management & Budget	1,099,160	1,104,418	1,047,406 (1)	62,792	1,110,198	57,012
Mayor	2,069,125	2,172,144	1,859,186 (1)	58,156	1,917,342	312,958
Municipal Attorney	8,009,629	7,947,875	7,321,180 (1)	318,989	7,640,169	626,695
Municipal Manager	2,378,468	5,515,605	5,176,018 (1)	63,583	5,239,601	339,587
Non Departmental - TANS	692,001	6,842,001	822,631	-	822,631	6,019,370
Parks & Recreation	23,365,164	23,632,645	24,276,916 (1)	251,948	24,528,863	(644,271)
Planning	3,182,257	3,169,918	3,094,302 (1)	246,354	3,340,656	75,616
Police	121,591,358	121,462,863	73,690,752 (1)	5,284,554	78,975,307	47,772,111
Police/Fire Retiree Medical	190,084	191,599	151,153 (1)	16,801	167,954	40,446
Project Management & Engineering	1,448,768	1,465,602	1,476,941 (1)	82,486	1,559,427	(11,339)
Public Transportation	25,751,991	25,576,996	24,797,144 (1)	620,727	25,417,871	779,852
Purchasing	2,106,560	1,922,134	1,855,804 (1)	65,088	1,920,892	66,330
Traffic	5,967,196	5,906,695	5,742,883 (1)	178,431	5,921,314	163,812
Total expenditures & other financing uses	481,195,391	816,400,000	774,519,211	15,343,588	789,862,799	41,880,789
Less: net intragovernmental costs & billings	6,495,274	8,701,243	8,767,024	-	8,767,024	(65,781)
Total expenditures & other financing uses	\$ 487,690,665	\$ 825,101,243	\$ 783,286,235	\$ 15,343,588	\$ 798,629,823	\$ 41,815,008

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.



This page intentionally left blank

# 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 **Federal Grants Fund** accounts for financial resources which may be used only in accordance with Federal grant agreements.

The **49<sup>th</sup> 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 **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, 2020

	Special Revenue				
	Heritage Land Bank	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	Federal Grants
<b>Assets</b>					
Cash	\$ -	\$ 72,763	\$ -	\$ -	\$ -
Cash and investments in central treasury	6,254,161	990,202	24,265,417	486,017	-
Investments	-	-	-	-	-
Accrued interest on investments	-	-	-	-	-
Due from other funds	85,000	-	-	-	-
Due from component units	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	1,291,185	985,175	-
Intergovernmental receivables	-	-	-	-	9,669,056
Special assessments receivable, net	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-
Loans receivable	1,297,909	-	-	-	2,499,718
Advances to other funds	1,020,000	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-
Total assets	<u>8,657,070</u>	<u>1,062,965</u>	<u>25,556,602</u>	<u>1,471,192</u>	<u>12,168,774</u>
<b>Liabilities</b>					
Accounts payable and retainages	14,687	48,174	577,683	155,000	928,698
Accrued payroll liabilities	14,963	-	-	-	7,428
Due to other funds	-	-	-	-	6,520,882
Unearned revenue and deposits	-	-	-	-	3,001,095
Advances from other funds	-	-	-	-	-
Total liabilities	<u>29,650</u>	<u>48,174</u>	<u>577,683</u>	<u>155,000</u>	<u>10,458,103</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-intergovernmental revenues	-	-	-	-	1,035,334
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-land sales	1,260,000	-	-	-	-
Total deferred inflows of resources	<u>1,260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,035,334</u>
<b>Fund Balances (Deficits)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	1,017,501	18,282,662	1,314,324	928,940
Committed	6,558,713	-	400,000	-	-
Assigned	808,707	-	6,296,257	1,868	-
Unassigned	-	(2,710)	-	-	(253,603)
Total fund balances (deficits)	<u>7,367,420</u>	<u>1,014,791</u>	<u>24,978,919</u>	<u>1,316,192</u>	<u>675,337</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 8,657,070</u>	<u>\$ 1,062,965</u>	<u>\$ 25,556,602</u>	<u>\$ 1,471,192</u>	<u>\$ 12,168,774</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

Special Revenue (Continued)

	49th State Angel Fund	Police and Fire Retiree Medical Liability	Nuisance Property Abatement	Miscellaneous Operational Grants	Other Restricted Resources
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	-
Cash and investments in central treasury	5,789,075	10,981	179,002	2,059,331	147
Investments	-	39,467,292	-	-	-
Accrued interest on investments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from component units	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	20,000	-
Intergovernmental receivables	-	-	-	-	-
Special assessments receivable, net	-	-	-	-	143,894
Prepaid items and deposits	-	-	-	-	-
Loans receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Investments in Angel Fund program	4,425,304	-	-	-	-
Total assets	10,214,379	39,478,273	179,002	2,079,331	144,041
<b>Liabilities</b>					
Accounts payable and retainages	16,854	-	3,000	36,158	12,520
Accrued payroll liabilities	11,680	-	-	8,389	-
Due to other funds	-	-	-	-	231,433
Unearned revenue and deposits	-	-	-	20,000	-
Advances from other funds	-	-	-	-	-
Total liabilities	28,534	-	3,000	64,547	243,953
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-intergovernmental revenues	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-land sales	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
<b>Fund Balances (Deficits)</b>					
Nonspendable	-	-	-	-	-
Restricted	10,185,845	39,478,273	168,647	635,145	-
Committed	-	-	-	1,376,887	-
Assigned	-	-	7,355	2,752	-
Unassigned	-	-	-	-	(99,912)
Total fund balances (deficits)	10,185,845	39,478,273	176,002	2,014,784	(99,912)
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 10,214,379	\$ 39,478,273	\$ 179,002	\$ 2,079,331	\$ 144,041

MUNICIPALITY OF ANCHORAGE, ALASKA

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

	Special Revenue (Continued)	Debt Service			
		ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
<b>Assets</b>					
Cash	\$ 72,763	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	40,034,333	949,122	-	-	949,122
Investments	39,467,292	-	13,615,651	869,387	14,485,038
Accrued interest on investments	-	-	22,690	7	22,697
Due from other funds	85,000	-	-	-	-
Due from component units	-	7,749	-	-	7,749
Receivables (net of allowance for uncollectibles)	2,296,360	-	-	-	-
Intergovernmental receivables	9,669,056	-	-	-	-
Special assessments receivable, net	143,894	-	-	-	-
Prepaid items and deposits	-	-	-	-	-
Loans receivable	3,797,627	-	-	-	-
Advances to other funds	1,020,000	-	-	-	-
Investments in Angel Fund program	4,425,304	-	-	-	-
Total assets	<u>101,011,629</u>	<u>956,871</u>	<u>13,638,341</u>	<u>869,394</u>	<u>15,464,606</u>
<b>Liabilities</b>					
Accounts payable and retainages	1,792,774	-	-	-	-
Accrued payroll liabilities	42,460	-	-	-	-
Due to other funds	6,752,315	-	-	869,276	869,276
Unearned revenue and deposits	3,021,095	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>11,608,644</u>	<u>-</u>	<u>-</u>	<u>869,276</u>	<u>869,276</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-intergovernmental revenues	1,035,334	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-land sales	<u>1,260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>2,295,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>					
Nonspendable	-	-	-	-	-
Restricted	72,011,337	956,871	13,638,341	118	14,595,330
Committed	8,335,600	-	-	-	-
Assigned	7,116,939	-	-	-	-
Unassigned	<u>(356,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>87,107,651</u>	<u>956,871</u>	<u>13,638,341</u>	<u>118</u>	<u>14,595,330</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 101,011,629</u>	<u>\$ 956,871</u>	<u>\$ 13,638,341</u>	<u>\$ 869,394</u>	<u>\$ 15,464,606</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	<b>Capital Projects</b>				
	<b>Areawide</b>	<b>Public Safety</b>	<b>Public Transportation</b>	<b>Miscellaneous</b>	<b>Parks and Recreation</b>
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	31,406,721	1,699,149	782,659	386,651	10,068,399
Investments	-	-	-	-	-
Accrued interest on investments	-	-	-	-	-
Due from other funds	355,905	-	-	-	-
Due from component units	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	85,233	-	-	-	-
Intergovernmental receivables	3,897	4,353	755,933	255,329	538,504
Special assessments receivable, net	-	-	-	-	-
Prepaid items and deposits	-	1,676,968	-	-	-
Loans receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-
Total assets	<u>31,851,756</u>	<u>3,380,470</u>	<u>1,538,592</u>	<u>641,980</u>	<u>10,606,903</u>
<b>Liabilities</b>					
Accounts payable and retainages	389,458	103,789	269,505	217,601	450,529
Accrued payroll liabilities	1,308	235	2,011	-	434
Due to other funds	89,911	355,905	-	-	-
Unearned revenue and deposits	-	-	-	181,265	-
Advances from other funds	516,525	-	-	-	-
Total liabilities	<u>997,202</u>	<u>459,929</u>	<u>271,516</u>	<u>398,866</u>	<u>450,963</u>
<b>Deferred Inflows of Resources</b>					
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>
<b>Fund Balances (Deficits)</b>					
Nonspendable	-	1,676,968	-	-	-
Restricted	6,424,399	1,667,446	1,267,076	240,209	4,058,705
Committed	24,430,155	16,936	-	-	6,029,860
Assigned	-	-	-	-	67,375
Unassigned	-	(440,809)	-	-	-
Total fund balances (deficits)	<u>30,854,554</u>	<u>2,920,541</u>	<u>1,267,076</u>	<u>240,209</u>	<u>10,155,940</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 31,851,756</u>	<u>\$ 3,380,470</u>	<u>\$ 1,538,592</u>	<u>\$ 641,980</u>	<u>\$ 10,606,903</u>



**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020

	Capital Projects (Continued)			Permanent Fund	Total Nonmajor Governmental Funds
	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 72,763
Cash and investments in central treasury	75,620	2,264,948	46,684,147	616,402	88,284,004
Investments	-	-	-	-	53,952,330
Accrued interest on investments	-	-	-	-	22,697
Due from other funds	-	-	355,905	-	440,905
Due from component units	-	-	-	-	7,749
Receivables (net of allowance for uncollectibles)	-	-	85,233	-	2,381,593
Intergovernmental receivables	-	-	1,558,016	-	11,227,072
Special assessments receivable, net	-	-	-	-	143,894
Prepaid items and deposits	-	-	1,676,968	-	1,676,968
Loans receivable	-	-	-	-	3,797,627
Advances to other funds	-	-	-	-	1,020,000
Investments in Angel Fund program	-	-	-	-	4,425,304
Total assets	75,620	2,264,948	50,360,269	616,402	167,452,906
<b>Liabilities</b>					
Accounts payable and retainages	-	5,090	1,435,972	-	3,228,746
Accrued payroll liabilities	-	-	3,988	-	46,448
Due to other funds	-	-	445,816	-	8,067,407
Unearned revenue and deposits	-	-	181,265	-	3,202,360
Advances from other funds	-	-	516,525	-	516,525
Total liabilities	-	5,090	2,583,566	-	15,061,486
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-intergovernmental revenues	-	-	-	-	1,035,334
Unavailable revenue-special assessments	-	-	2,905	-	2,905
Unavailable revenue-land sales	-	-	-	-	1,260,000
Total deferred inflows of resources	-	-	2,905	-	2,298,239
<b>Fund Balances (Deficits)</b>					
Nonspendable	-	-	1,676,968	150,000	1,826,968
Restricted	-	-	13,657,835	-	100,264,502
Committed	-	2,259,858	32,736,809	-	41,072,409
Assigned	75,620	-	142,995	466,402	7,726,336
Unassigned	-	-	(440,809)	-	(797,034)
Total fund balances (deficits)	75,620	2,259,858	47,773,798	616,402	150,093,181
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 75,620	\$ 2,264,948	\$ 50,360,269	\$ 616,402	\$ 167,452,906

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the year ended December 31, 2020

	Special Revenue				
	Heritage Land Bank	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	Federal Grants
<b>Revenues</b>					
Hotel and motel taxes	\$ -	\$ -	\$ 7,914,405	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	13,821	-	-	-	8,325,270
Charges for services	580,392	-	-	-	-
Fines and forfeitures	-	307,389	-	-	-
E911 surcharges	-	-	-	8,004,789	-
Investment income (loss)	403,377	2,783	1,091,175	1,868	6,295
Restricted contributions	-	-	-	-	-
Other	1,599	-	-	-	85,517
Total revenues	999,189	310,172	9,005,580	8,006,657	8,417,082
<b>Expenditures</b>					
Current:					
General government	690,134	-	-	-	193,687
Fire services	-	-	-	1,168,405	-
Police services	-	203,729	-	5,522,611	1,898,602
Health and human services	-	-	-	-	1,526,153
Economic and community development	-	-	5,693,541	-	-
Public transportation	-	-	-	-	5,196,197
Public works	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal agent charges	-	-	1,000	-	-
Bond issuance costs	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	690,134	203,729	5,694,541	6,691,016	8,814,639
Excess (deficiency) of revenues over expenditures	309,055	106,443	3,311,039	1,315,641	(397,557)
<b>Other financing sources (uses)</b>					
Transfers from other funds	-	-	716,635	-	386,658
Transfers to other funds	(80,000)	-	(6,361,490)	-	(511,187)
General obligation bonds issued	-	-	-	-	-
Premium on bond sale	-	-	-	-	-
Proceeds from sale of capital assets	723,000	-	-	-	-
Total other financing sources (uses)	643,000	-	(5,644,855)	-	(124,529)
Net change in fund balances	952,055	106,443	(2,333,816)	1,315,641	(522,086)
Fund balances (deficits), beginning of year	6,415,365	908,348	27,312,735	551	1,197,423
Fund balances (deficits), end of year	\$ 7,367,420	\$ 1,014,791	\$ 24,978,919	\$ 1,316,192	\$ 675,337

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the year ended December 31, 2020

	<b>Special Revenue (Continued)</b>				
	<b>49th State Angel Fund</b>	<b>Police and Fire Retiree Medical Liability</b>	<b>Nuisance Property Abatement</b>	<b>Miscellaneous Operational Grants</b>	<b>Other Restricted Resources</b>
<b>Revenues</b>					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	1,080,508
Intergovernmental	-	-	-	-	-
Charges for services	65,000	-	90,391	-	-
Fines and forfeitures	-	-	67,155	-	-
E911 surcharges	-	-	-	-	-
Investment income (loss)	(1,574,888)	5,102,006	5,650	1,858	(34,774)
Restricted contributions	-	-	-	863,741	-
Other	22	-	-	-	-
Total revenues	<u>(1,509,866)</u>	<u>5,102,006</u>	<u>163,196</u>	<u>865,599</u>	<u>1,045,734</u>
<b>Expenditures</b>					
Current:					
General government	339,749	33,102	-	252,887	1,124,296
Fire services	-	1,731,493	-	-	-
Police services	-	1,866,164	-	379,274	-
Health and human services	-	-	-	462,283	-
Economic and community development	-	-	39,268	671,619	-
Public transportation	-	-	-	21,593	-
Public works	-	-	-	1,165	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	<u>339,749</u>	<u>3,630,759</u>	<u>39,268</u>	<u>1,788,821</u>	<u>1,124,296</u>
Excess (deficiency) of revenues over expenditures	(1,849,615)	1,471,247	123,928	(923,222)	(78,562)
<b>Other financing sources (uses)</b>					
Transfers from other funds	-	1,086,934	-	1,364,580	-
Transfers to other funds	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premium on bond sale	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,086,934</u>	<u>-</u>	<u>1,364,580</u>	<u>-</u>
Net change in fund balances	(1,849,615)	2,558,181	123,928	441,358	(78,562)
Fund balances (deficits), beginning of year	12,035,460	36,920,092	52,074	1,573,426	(21,350)
Fund balances (deficits), end of year	<u>\$ 10,185,845</u>	<u>\$ 39,478,273</u>	<u>\$ 176,002</u>	<u>\$ 2,014,784</u>	<u>\$ (99,912)</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, 2020

	Special Revenue (Continued)	Debt Service			
		ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
<b>Revenues</b>					
Hotel and motel taxes	\$ 7,914,405	\$ -	\$ -	\$ -	\$ -
Special assessments	1,080,508	-	-	-	-
Intergovernmental	8,339,091	-	-	-	-
Charges for services	735,783	-	-	-	-
Fines and forfeitures	374,544	-	-	-	-
E911 surcharges	8,004,789	-	-	-	-
Investment income (loss)	5,005,350	40,168	225,560	252	265,980
Restricted contributions	863,741	-	-	-	-
Other	87,138	99,918	-	-	99,918
Total revenues	32,405,349	140,086	225,560	252	365,898
<b>Expenditures</b>					
Current:					
General government	2,633,855	-	-	-	-
Fire services	2,899,898	-	-	-	-
Police services	9,870,380	-	-	-	-
Health and human services	1,988,436	-	-	-	-
Economic and community development	6,404,428	-	-	-	-
Public transportation	5,217,790	-	-	-	-
Public works	1,165	-	-	-	-
Debt service:					
Principal	-	145,000	2,405,000	3,605,000	6,155,000
Interest and fiscal agent charges	1,000	155,000	3,925,650	1,828,290	5,908,940
Bond issuance costs	-	-	-	-	-
Capital projects	-	-	-	-	-
Total expenditures	29,016,952	300,000	6,330,650	5,433,290	12,063,940
Excess (deficiency) of revenues over expenditures	3,388,397	(159,914)	(6,105,090)	(5,433,038)	(11,698,042)
<b>Other financing sources (uses)</b>					
Transfers from other funds	3,554,807	-	6,361,490	5,432,040	11,793,530
Transfers to other funds	(6,952,677)	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Premium on bond sale	-	-	-	-	-
Proceeds from sale of capital assets	723,000	-	-	-	-
Total other financing sources (uses)	(2,674,870)	-	6,361,490	5,432,040	11,793,530
Net change in fund balances	713,527	(159,914)	256,400	(998)	95,488
Fund balances (deficits), beginning of year	86,394,124	1,116,785	13,381,941	1,116	14,499,842
Fund balances (deficits), end of year	\$ 87,107,651	\$ 956,871	\$ 13,638,341	\$ 118	\$ 14,595,330

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
For the year ended December 31, 2020

	<b>Capital Projects</b>				
	<b>Areawide</b>	<b>Public Safety</b>	<b>Public Transportation</b>	<b>Miscellaneous</b>	<b>Parks and Recreation</b>
<b>Revenues</b>					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	267,902	17,033	2,625,339	649,438	836,473
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
E911 surcharges	-	-	-	-	-
Investment income (loss)	240,488	-	-	-	53,464
Restricted contributions	149,806	303,314	-	-	45,849
Other	-	-	-	-	-
Total revenues	<u>658,196</u>	<u>320,347</u>	<u>2,625,339</u>	<u>649,438</u>	<u>935,786</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	-	-	-	-
Health and human services	-	-	-	-	-
Economic and community development	-	-	-	-	-
Public transportation	-	-	-	-	-
Public works	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Bond issuance costs	13,437	8,069	1,800	-	4,079
Capital projects	<u>13,283,201</u>	<u>4,495,230</u>	<u>3,477,890</u>	<u>746,389</u>	<u>3,927,004</u>
Total expenditures	<u>13,296,638</u>	<u>4,503,299</u>	<u>3,479,690</u>	<u>746,389</u>	<u>3,931,083</u>
Excess (deficiency) of revenues over expenditures	(12,638,442)	(4,182,952)	(854,351)	(96,951)	(2,995,297)
<b>Other financing sources (uses)</b>					
Transfers from other funds	28,767,418	269,000	695,422	40,000	1,142,256
Transfers to other funds	(81)	(48)	(10)	(687,994)	(25)
General obligation bonds issued	3,852,800	2,313,400	516,000	-	1,169,600
Premium on bond sale	640,718	384,717	85,810	-	194,504
Proceeds from sale of capital assets	-	-	6,725	-	-
Total other financing sources (uses)	<u>33,260,855</u>	<u>2,967,069</u>	<u>1,303,947</u>	<u>(647,994)</u>	<u>2,506,335</u>
Net change in fund balances	20,622,413	(1,215,883)	449,596	(744,945)	(488,962)
Fund balances (deficits), beginning of year	10,232,141	4,136,424	817,480	985,154	10,644,902
Fund balances (deficits), end of year	<u>\$ 30,854,554</u>	<u>\$ 2,920,541</u>	<u>\$ 1,267,076</u>	<u>\$ 240,209</u>	<u>\$ 10,155,940</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, 2020

	Capital Projects (Continued)			Permanent Fund	Total Nonmajor Governmental Funds
	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
<b>Revenues</b>					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,914,405
Special assessments	-	-	-	-	1,080,508
Intergovernmental	-	-	4,396,185	-	12,735,276
Charges for services	-	-	-	11,305	747,088
Fines and forfeitures	-	-	-	-	374,544
E911 surcharges	-	-	-	-	8,004,789
Investment income (loss)	2,996	-	296,948	22,653	5,590,931
Restricted contributions	-	-	498,969	-	1,362,710
Other	-	-	-	-	187,056
Total revenues	2,996	-	5,192,102	33,958	37,997,307
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	2,633,855
Fire services	-	-	-	-	2,899,898
Police services	-	-	-	-	9,870,380
Health and human services	-	-	-	-	1,988,436
Economic and community development	-	-	-	-	6,404,428
Public transportation	-	-	-	-	5,217,790
Public works	-	-	-	-	1,165
Debt service:					
Principal	-	-	-	-	6,155,000
Interest and fiscal agent charges	-	-	-	-	5,909,940
Bond issuance costs	-	-	27,385	-	27,385
Capital projects	-	25,051	25,954,765	-	25,954,765
Total expenditures	-	25,051	25,982,150	-	67,063,042
Excess (deficiency) of revenues over expenditures	2,996	(25,051)	(20,790,048)	33,958	(29,065,735)
<b>Other financing sources (uses)</b>					
Transfers from other funds	-	80,000	30,994,096	-	46,342,433
Transfers to other funds	(5,000)	-	(693,158)	-	(7,645,835)
General obligation bonds issued	-	-	7,851,800	-	7,851,800
Premium on bond sale	-	-	1,305,749	-	1,305,749
Proceeds from sale of capital assets	-	-	6,725	-	729,725
Total other financing sources (uses)	(5,000)	80,000	39,465,212	-	48,583,872
Net change in fund balances	(2,004)	54,949	18,675,164	33,958	19,518,137
Fund balances (deficits), beginning of year	77,624	2,204,909	29,098,634	582,444	130,575,044
Fund balances (deficits), end of year	\$ 75,620	\$ 2,259,858	\$ 47,773,798	\$ 616,402	\$ 150,093,181

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 MOA Trust  
 Permanent Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 790,000	\$ 31,380,273	\$ 30,590,273
Total revenues	<u>790,000</u>	<u>31,380,273</u>	<u>30,590,273</u>
<b>Expenditures</b>			
Current:			
General government	894,631	408,822	485,809
Total expenditures	<u>894,631</u>	<u>408,822</u>	<u>485,809</u>
Excess (deficiency) of revenues over expenditures	(104,631)	30,971,451	31,076,082
<b>Other financing sources (uses)</b>			
Transfers to other funds	(14,000,352)	(14,000,000)	352
Transfers from other funds	-	229,626,567	229,626,567
Total other financing sources (uses)	<u>(14,000,352)</u>	<u>215,626,567</u>	<u>229,626,919</u>
Net change in fund balance	(14,104,983)	246,598,018	260,703,001
Fund balance, beginning of year	171,472,513	171,472,513	-
Fund balance, end of year	<u>\$ 157,367,530</u>	<u>\$ 418,070,531</u>	<u>\$ 260,703,001</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 Heritage Land Bank  
 Special Revenue Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 13,821	\$ 13,821
Charges for services	421,703	580,392	158,689
Investment income	92,000	403,377	311,377
Other	-	1,599	1,599
Total revenues	<u>513,703</u>	<u>999,189</u>	<u>485,486</u>
<b>Expenditures</b>			
Current:			
General government	947,636	690,134	257,502
Total expenditures	<u>947,636</u>	<u>690,134</u>	<u>257,502</u>
Excess (deficiency) of revenues over expenditures	(433,933)	309,055	742,988
<b>Other financing sources (uses)</b>			
Transfers to other funds	(80,000)	(80,000)	-
Sale of capital assets	-	723,000	723,000
Total other financing sources (uses)	<u>(80,000)</u>	<u>643,000</u>	<u>723,000</u>
Net change in fund balance	(513,933)	952,055	1,465,988
Fund balance (deficit), beginning of year	6,415,365	6,415,365	-
Fund balance (deficit), end of year	<u>\$ 5,901,432</u>	<u>\$ 7,367,420</u>	<u>\$ 1,465,988</u>



**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 Convention Center Operating Reserve  
 Special Revenue Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Hotel and motel taxes	\$ 17,902,940	\$ 7,914,405	\$ (9,988,535)
Investment income	157,000	1,091,175	934,175
Total revenues	<u>18,059,940</u>	<u>9,005,580</u>	<u>(9,054,360)</u>
<b>Expenditures</b>			
Current:			
Economic and community development	9,870,574	5,693,541	4,177,033
Debt service:			
Interest and fiscal agent charges	1,000	1,000	-
Total expenditures	<u>9,871,574</u>	<u>5,694,541</u>	<u>4,177,033</u>
Excess (deficiency) of revenues over expenditures	8,188,366	3,311,039	(4,877,327)
<b>Other financing sources (uses)</b>			
Transfers to other funds	(6,456,950)	(6,361,490)	95,460
Transfers from other funds	694,445	716,635	22,190
Total other financing sources (uses)	<u>(5,762,505)</u>	<u>(5,644,855)</u>	<u>117,650</u>
Net change in fund balance	2,425,861	(2,333,816)	(4,759,677)
Fund balance, beginning of year	27,312,735	27,312,735	-
Fund balance, end of year	<u>\$ 29,738,596</u>	<u>\$ 24,978,919</u>	<u>\$ (4,759,677)</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 E911 Surcharge  
 Special Revenue Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
E911 surcharges	\$ 7,591,489	\$ 8,004,789	\$ 413,300
Investment income (loss)	(7,000)	1,868	8,868
Total revenues	<u>7,584,489</u>	<u>8,006,657</u>	<u>422,168</u>
<b>Expenditures</b>			
Current:			
Fire services	1,080,721	1,168,405	(87,684)
Police services	6,503,768	5,522,611	981,157
Total expenditures	<u>7,584,489</u>	<u>6,691,016</u>	<u>893,473</u>
Net change in fund balance	-	1,315,641	1,315,641
Fund balance (deficit), beginning of year	551	551	-
Fund balance (deficit), end of year	<u>\$ 551</u>	<u>\$ 1,316,192</u>	<u>\$ 1,315,641</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 Police and Fire Retiree Medical Liability  
 Special Revenue Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 90,000	\$ 5,102,006	\$ 5,012,006
Total revenues	<u>90,000</u>	<u>5,102,006</u>	<u>5,012,006</u>
<b>Expenditures</b>			
Current:			
General government	88,000	33,102	54,898
Fire services	1,732,413	1,731,493	920
Police services	1,867,157	1,866,164	993
Total expenditures	<u>3,687,570</u>	<u>3,630,759</u>	<u>56,811</u>
Excess (deficiency) of revenues over expenditures	(3,597,570)	1,471,247	5,068,817
<b>Other financing sources</b>			
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	(3,597,570)	2,558,181	6,155,751
Fund balance, beginning of year	<u>36,920,092</u>	<u>36,920,092</u>	<u>-</u>
Fund balance, end of year	<u>\$ 33,322,522</u>	<u>\$ 39,478,273</u>	<u>\$ 6,155,751</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 Nuisance Property Abatement  
 Special Revenue Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Charges for services	\$ 50,000	\$ 90,391	\$ 40,391
Fines and forfeitures	75,000	67,155	(7,845)
Investment income	-	5,650	5,650
Total revenues	<u>125,000</u>	<u>163,196</u>	<u>38,196</u>
<b>Expenditures</b>			
Current:			
Economic and community development	125,000	39,268	85,732
Total expenditures	<u>125,000</u>	<u>39,268</u>	<u>85,732</u>
Net change in fund balance	-	123,928	123,928
Fund balance, beginning of year	52,074	52,074	-
Fund balance, end of year	<u>\$ 52,074</u>	<u>\$ 176,002</u>	<u>\$ 123,928</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 Other Restricted Resources  
 Special Revenue Fund  
 For the year ended December 31, 2020

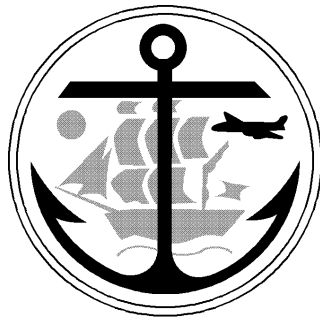
	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Special assessments	\$ 1,124,296	\$ 1,080,508	\$ (43,788)
Investment loss	(8,000)	(34,774)	(26,774)
Total revenues	<u>1,116,296</u>	<u>1,045,734</u>	<u>(70,562)</u>
<b>Expenditures</b>			
Current:			
General government	1,124,296	1,124,296	-
Total expenditures	<u>1,124,296</u>	<u>1,124,296</u>	<u>-</u>
Net change in fund balance	(8,000)	(78,562)	(70,562)
Fund deficit, beginning of year	(21,350)	(21,350)	-
Fund deficit, end of year	<u>\$ (29,350)</u>	<u>\$ (99,912)</u>	<u>\$ (70,562)</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Budgetary Comparison Schedule  
 ACPA Surcharge Revenue Bond  
 Debt Service Fund  
 For the year ended December 31, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 14,000	\$ 40,168	\$ 26,168
Other	286,000	99,918	(186,082)
Total revenues	<u>300,000</u>	<u>140,086</u>	<u>(159,914)</u>
<b>Expenditures</b>			
Debt service:			
Principal	145,000	145,000	-
Interest and fiscal agent charges	155,000	155,000	-
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	-	(159,914)	(159,914)
Fund balance, beginning of year	1,116,785	1,116,785	-
Fund balance, end of year	<u>\$ 1,116,785</u>	<u>\$ 956,871</u>	<u>\$ (159,914)</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, 2020

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income (loss)	\$ (21,000)	\$ 252	\$ 21,252
Total revenues	<u>(21,000)</u>	<u>252</u>	<u>21,252</u>
<b>Expenditures</b>			
Debt service:			
Principal	3,605,000	3,605,000	-
Interest and fiscal agent charges	1,828,290	1,828,290	-
Total expenditures	<u>5,433,290</u>	<u>5,433,290</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(5,454,290)	(5,433,038)	21,252
<b>Other financing sources</b>			
Transfers from other funds	5,432,041	5,432,040	(1)
Total other financing sources	<u>5,432,041</u>	<u>5,432,040</u>	<u>(1)</u>
Net change in fund balance	(22,249)	(998)	21,251
Fund balance (deficit), beginning of year	1,116	1,116	-
Fund balance (deficit), end of year	<u>\$ (21,133)</u>	<u>\$ 118</u>	<u>\$ 21,251</u>



This page intentionally left blank



## 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 **Solid Waste 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 **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, 2020

<b>Assets</b>	<b>Refuse Utility</b>	<b>Solid Waste</b>	<b>Municipal Airport</b>	<b>Anchorage Hydropower</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Current assets:</b>					
Cash	\$ 1,000	\$ 2,475	\$ 200	\$ -	\$ 3,675
Cash and investments in central treasury	5,842,459	266,901	1,355,132	804,353	8,268,845
Equity in bond and grant capital acquisition and construction pool	4,400,610	10,968,042	-	-	15,368,652
Accrued interest on investments	93,496	-	-	-	93,496
Intergovernmental receivables	-	-	134,566	-	134,566
Receivables (net of allowance for uncollectibles)	1,068,676	2,238,785	5,391	490,990	3,803,842
Prepaid items and deposits	4,179	8,670	2,972	-	15,821
<b>Total current assets</b>	<b>11,410,420</b>	<b>13,484,873</b>	<b>1,498,261</b>	<b>1,295,343</b>	<b>27,688,897</b>
<b>Noncurrent assets:</b>					
Receivable- installment sale of electric utility	-	-	-	104,460,685	104,460,685
Intergovernmental receivables	-	-	1,759,989	-	1,759,989
Net OPEB asset	249,006	103,592	61,453	-	414,051
<b>Restricted assets:</b>					
Landfill postclosure cash reserve	-	41,475,788	-	-	41,475,788
Investments for operations	-	-	-	3,000,000	3,000,000
Capital assets, net	17,831,590	91,862,018	84,928,453	8,174,909	202,796,970
<b>Total noncurrent assets</b>	<b>18,080,596</b>	<b>133,441,398</b>	<b>86,749,895</b>	<b>115,635,594</b>	<b>353,907,483</b>
<b>Total assets</b>	<b>29,491,016</b>	<b>146,926,271</b>	<b>88,248,156</b>	<b>116,930,937</b>	<b>381,596,380</b>
<b>Deferred Outflows of Resources</b>					
Related to net pension liability	293,110	121,940	72,338	-	487,388
Related to net OPEB asset and liability	147,202	61,239	36,329	-	244,770
<b>Total deferred outflows of resources</b>	<b>440,312</b>	<b>183,179</b>	<b>108,667</b>	<b>-</b>	<b>732,158</b>
<b>Total assets and deferred outflows of resources</b>	<b>29,931,328</b>	<b>147,109,450</b>	<b>88,356,823</b>	<b>116,930,937</b>	<b>382,328,538</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable and retainages	103,229	775,915	31,994	25,072	936,210
Accrued interest payable	17,322	93,723	-	-	111,045
Accrued payroll liabilities	105,350	456,671	49,692	-	611,713
Capital acquisition and construction accounts and retainage payable	1,384,756	2,418,146	390,879	260,527	4,454,308
Compensated absences	188,339	518,250	77,905	-	784,494
Long-term obligations maturing within one year	-	1,038,590	-	-	1,038,590
Unearned revenues	129,016	7,765	21,907	-	158,688
<b>Total current liabilities</b>	<b>1,928,012</b>	<b>5,309,060</b>	<b>572,377</b>	<b>285,599</b>	<b>8,095,048</b>
<b>Noncurrent liabilities:</b>					
Alaska Clean Water loans payable	-	8,757,452	-	-	8,757,452
Compensated absences	22,317	139,896	22,370	-	184,583
Future landfill closure costs	-	37,733,227	-	-	37,733,227
Notes payable	10,821,283	22,324,891	-	-	33,146,174
Net pension liability	2,958,496	1,230,801	730,142	-	4,919,439
Net OPEB liability	4,321	1,798	1,066	-	7,185
<b>Total noncurrent liabilities</b>	<b>13,806,417</b>	<b>70,188,065</b>	<b>753,578</b>	<b>-</b>	<b>84,748,060</b>
<b>Total liabilities</b>	<b>15,734,429</b>	<b>75,497,125</b>	<b>1,325,955</b>	<b>285,599</b>	<b>92,843,108</b>
<b>Deferred Inflows of Resources</b>					
Related to net OPEB asset and liability	198,502	82,581	48,989	-	330,072
Installment sale of electric utility	-	-	-	104,460,685	104,460,685
<b>Total deferred inflows of resources</b>	<b>198,502</b>	<b>82,581</b>	<b>48,989</b>	<b>104,460,685</b>	<b>104,790,757</b>
<b>Net Position (Deficit)</b>					
Net investment in capital assets	7,010,307	59,741,085	84,928,453	8,174,909	159,854,754
Restricted for capital construction	-	-	1,759,989	-	1,759,989
Restricted for operations	-	-	-	3,000,000	3,000,000
Restricted for postclosure care	-	3,742,561	-	-	3,742,561
Unrestricted	6,988,090	8,046,098	293,437	1,009,744	16,337,369
<b>Total net position</b>	<b>13,998,397</b>	<b>71,529,744</b>	<b>86,981,879</b>	<b>12,184,653</b>	<b>184,694,673</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 29,931,328</b>	<b>\$ 147,109,450</b>	<b>\$ 88,356,823</b>	<b>\$ 116,930,937</b>	<b>\$ 382,328,538</b>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the year ended December 31, 2020

	Refuse Utility	Solid Waste	Municipal Airport	Anchorage Hydropower	Total Nonmajor Enterprise Funds
<b>Operating revenues</b>					
Charges for sales and services	\$ 11,904,035	\$ 24,302,623	\$ 1,696,885	\$ 680,761	\$ 38,584,304
Other	104,680	185,843	-	-	290,523
Total operating revenues	<u>12,008,715</u>	<u>24,488,466</u>	<u>1,696,885</u>	<u>680,761</u>	<u>38,874,827</u>
<b>Operating expenses</b>					
Operations	9,818,246	16,408,966	2,079,568	25,072	28,331,852
Change in landfill closure liability	-	4,140,988	-	-	4,140,988
Depreciation and amortization	1,214,295	4,440,123	3,089,601	38,655	8,782,674
Total operating expenses	<u>11,032,541</u>	<u>24,990,077</u>	<u>5,169,169</u>	<u>63,727</u>	<u>41,255,514</u>
Operating income (loss)	976,174	(501,611)	(3,472,284)	617,034	(2,380,687)
<b>Nonoperating revenues (expenses)</b>					
Investment income	354,970	5,126,264	25,517	23,962	5,530,713
Intergovernmental revenue	97,616	40,610	207,446	-	345,672
Installment sale	-	-	-	290,620	290,620
Interest expense	(132,378)	(365,998)	-	-	(498,376)
Gain on sale of capital assets	25,955	34,144	-	-	60,099
Net nonoperating revenues (expenses)	<u>346,163</u>	<u>4,835,020</u>	<u>232,963</u>	<u>314,582</u>	<u>5,728,728</u>
Income before capital contributions and transfers	1,322,337	4,333,409	(3,239,321)	931,616	3,348,041
Capital contributions	-	54,179	2,967,099	-	3,021,278
Transfers from other funds	-	1,617,536	-	11,253,037	12,870,573
Transfers to other funds	(486,177)	(1,786,681)	(62,591)	-	(2,335,449)
Change in net position	836,160	4,218,443	(334,813)	12,184,653	16,904,443
Net position, beginning of year	13,162,237	67,311,301	87,316,692	-	167,790,230
Net position, end of year	<u>\$ 13,998,397</u>	<u>\$ 71,529,744</u>	<u>\$ 86,981,879</u>	<u>\$ 12,184,653</u>	<u>\$ 184,694,673</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the year ended December 31, 2020

	Refuse Utility	Solid Waste	Municipal Airport	Anchorage Hydropower	Total Nonmajor Enterprise Funds
<b>Cash flows from (for) operating activities</b>					
Receipts from customers	\$ 12,190,624	\$ 24,799,538	\$ 1,683,169	\$ 189,771	\$ 38,863,102
Payments to employees	(3,435,099)	(9,357,980)	(1,161,566)	-	(13,954,645)
Payments to vendors	(3,663,588)	(6,507,386)	(574,789)	-	(10,745,763)
Payments for interfund services used	(2,694,519)	(334,141)	(284,763)	-	(3,313,423)
Net cash from (for) operating activities	<u>2,397,418</u>	<u>8,600,031</u>	<u>(337,949)</u>	<u>189,771</u>	<u>10,849,271</u>
<b>Cash flows from (for) non-capital financing activities</b>					
Intergovernmental revenue	-	-	88,131	-	88,131
Transfers to other funds	(486,177)	(1,786,681)	(62,591)	-	(2,335,449)
Transfers from other funds	-	-	-	3,300,000	3,300,000
Non-operating cash receipts	-	-	-	290,620	290,620
Net cash from (for) non-capital financing activities	<u>(486,177)</u>	<u>(1,786,681)</u>	<u>25,540</u>	<u>3,590,620</u>	<u>1,343,302</u>
<b>Cash flows from (for) capital and related financing activities</b>					
Principal payments on long-term obligations	-	(1,486,618)	-	-	(1,486,618)
Interest payments on long-term obligations	(140,771)	(381,107)	-	-	(521,878)
Acquisition and construction of capital assets	(5,899,330)	(20,397,750)	(2,651,053)	-	(28,948,133)
Transfer from other funds	-	1,617,536	-	-	1,617,536
Landfill postclosure cash reserve	-	(4,505,712)	-	-	(4,505,712)
Proceeds from issuance of debt	4,127,422	12,283,796	-	-	16,411,218
Proceeds from the sale or disposition of capital assets	129,200	54,179	-	-	183,379
Capital contributions	-	239,165	2,983,247	-	3,222,412
Net cash from (for) capital and related financing activities	<u>(1,783,479)</u>	<u>(12,576,511)</u>	<u>332,194</u>	<u>-</u>	<u>(14,027,796)</u>
<b>Cash flows from investing activities</b>					
Investment income received	343,880	5,126,264	25,517	23,962	5,519,623
Net cash from investing activities	<u>343,880</u>	<u>5,126,264</u>	<u>25,517</u>	<u>23,962</u>	<u>5,519,623</u>
Net increase (decrease) in cash	471,642	(636,897)	45,302	3,804,353	3,684,400
Cash, beginning of year	9,772,427	11,874,315	1,310,030	-	22,956,772
Cash, end of year	<u>10,244,069</u>	<u>11,237,418</u>	<u>1,355,332</u>	<u>3,804,353</u>	<u>26,641,172</u>
Cash	1,000	2,475	200	-	3,675
Cash and investments in central treasury	5,842,459	266,901	1,355,132	804,353	8,268,845
Capital acquisition and construction accounts	4,400,610	10,968,042	-	-	15,368,652
Restricted investments for operations	-	-	-	3,000,000	3,000,000
Cash, December 31	<u>\$ 10,244,069</u>	<u>\$ 11,237,418</u>	<u>\$ 1,355,332</u>	<u>\$ 3,804,353</u>	<u>\$ 26,641,172</u>
<b>Reconciliation of operating income (loss) to net cash from (for) operating activities:</b>					
Operating income (loss)	\$ 976,174	\$ (501,611)	\$ (3,472,284)	\$ 617,034	\$ (2,380,687)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:					
Change in landfill closure liability	-	4,140,988	-	-	4,140,988
Depreciation and amortization	1,214,295	4,440,123	3,089,601	38,655	8,782,674
Pension and OPEB relief-noncash expense	97,616	40,610	24,091	-	162,317
Adjustment for administration costs splits	(357,997)	357,997	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:					
Accounts receivable, net	171,376	314,261	(1,098)	(490,990)	(6,451)
Net OPEB asset	(231,028)	(90,867)	(56,417)	-	(378,312)
Prepaid items and deposits	(721)	51,814	10,364	-	61,457
Deferred outflows of resources related to net pension liability	(92,456)	20,082	(16,130)	-	(88,504)
Deferred outflows of resources related to net OPEB asset and liability	(557)	42,555	4,750	-	46,748
Accounts payable and retainages	(9,048)	135,919	(3,975)	25,072	147,968
Accrued payroll liabilities	15,119	106,896	11,005	-	133,020
Compensated absences payable	27,784	58,907	28,678	-	115,369
Unearned revenue and deposits	10,533	(3,189)	(12,618)	-	(5,274)
Net pension liability	661,152	(395,238)	86,606	-	352,520
Net OPEB liability	(71,161)	(51,629)	(20,078)	-	(142,868)
Deferred inflows of resources related to net pension liability	(117,820)	(66,776)	(33,005)	-	(217,601)
Deferred inflows of resources related to net OPEB asset and liability	104,157	(811)	22,561	-	125,907
Total cash from (for) operating activities	<u>2,397,418</u>	<u>8,600,031</u>	<u>(337,949)</u>	<u>189,771</u>	<u>10,849,271</u>
<b>Noncash investing, capital, and financing activities:</b>					
Capital purchases on account	1,384,756	2,418,146	390,879	260,527	4,454,308
Transfers of capital assets	-	-	-	7,953,037	7,953,037
Contributed capital and equipment	-	54,179	2,967,099	-	3,021,278
Total noncash investing, capital, and financing activities	<u>\$ 1,384,756</u>	<u>\$ 2,472,325</u>	<u>\$ 3,357,978</u>	<u>\$ 8,213,564</u>	<u>\$ 15,428,623</u>

## 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  
Internal Service Funds  
December 31, 2020

	<b>Risk Management</b>		
	<b>General Liability/ Workers' Compensation</b>	<b>Medical/ Dental</b>	<b>Unemployment Compensation</b>
<b>Assets</b>			
Current assets:			
Cash and investments in central treasury	\$ 12,234,710	\$ 31,106,098	\$ 2,980,265
Equity in bond and grant capital acquisition and construction pool	-	-	-
Receivables (net of allowance for uncollectibles)	15,509	-	-
Inventories	-	-	-
Prepaid items and deposits	762,905	-	-
Total current assets	<u>13,013,124</u>	<u>31,106,098</u>	<u>2,980,265</u>
Noncurrent assets:			
Advances to other funds	6,207,910	130,031	-
Net OPEB asset	5,780	-	-
Capital assets, net	-	-	-
Total noncurrent assets	<u>6,213,690</u>	<u>130,031</u>	<u>-</u>
Total assets	<u>19,226,814</u>	<u>31,236,129</u>	<u>2,980,265</u>
<b>Deferred Outflows of Resources</b>			
Related to net pension liability	6,804	-	-
Related to net OPEB asset and liability	3,417	-	-
Total deferred outflows of resources	<u>10,221</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>19,237,035</u>	<u>31,236,129</u>	<u>2,980,265</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and retainages	29	398,459	-
Accrued payroll liabilities	12,350	3,971	-
Capital acquisition and construction accounts and retainage payable	-	-	-
Compensated absences	28,789	18,952	-
Claims payable and incurred but not reported	18,446,932	5,695,504	82,195
Due to other funds	-	-	-
Accrued interest payable	-	-	-
Unearned revenues	-	-	-
Long-term obligations maturing within one year	-	-	-
Total current liabilities	<u>18,488,100</u>	<u>6,116,886</u>	<u>82,195</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	18,169	29,950	-
Capital leases payable	-	-	-
Claims payable and incurred but not reported	7,226,576	-	-
Net pension liability	68,673	-	-
Net OPEB liability	100	-	-
Total noncurrent liabilities	<u>7,313,518</u>	<u>29,950</u>	<u>-</u>
Total liabilities	<u>25,801,618</u>	<u>6,146,836</u>	<u>82,195</u>
<b>Deferred Inflows of Resources</b>			
Related to net OPEB asset and liability	4,608	-	-
Total deferred inflows of resources	<u>4,608</u>	<u>-</u>	<u>-</u>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	-	-	-
Unrestricted (deficit)	(6,569,191)	25,089,293	2,898,070
Total net position (deficit)	<u>(6,569,191)</u>	<u>25,089,293</u>	<u>2,898,070</u>
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 19,237,035</u>	<u>\$ 31,236,129</u>	<u>\$ 2,980,265</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Combining Statement of Net Position  
 Internal Service Funds  
 December 31, 2020

<b>Assets</b>	<b>Equipment Maintenance</b>	<b>Information Technology</b>	<b>Total Internal Service Funds</b>
<b>Current assets:</b>			
Cash and investments in central treasury	\$ 1,603,563	\$ -	\$ 47,924,636
Equity in bond and grant capital acquisition and construction pool	5,992,018	-	5,992,018
Receivables (net of allowance for uncollectibles)	-	-	15,509
Inventories	431,825	-	431,825
Prepaid items and deposits	-	2,327,321	3,090,226
Total current assets	8,027,406	2,327,321	57,454,214
<b>Noncurrent assets:</b>			
Advances to other funds	-	-	6,337,941
Net OPEB asset	297,948	724,292	1,028,020
Capital assets, net	17,266,762	64,025,517	81,292,279
Total noncurrent assets	17,564,710	64,749,809	88,658,240
Total assets	25,592,116	67,077,130	146,112,454
<b>Deferred Outflows of Resources</b>			
Related to net pension liability	350,721	852,580	1,210,105
Related to net OPEB asset and liability	176,134	428,172	607,723
Total deferred outflows of resources	526,855	1,280,752	1,817,828
Total assets and deferred outflows of resources	26,118,971	68,357,882	147,930,282
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and retainages	323,996	1,330,633	2,053,117
Accrued payroll liabilities	164,412	397,699	578,432
Capital acquisition and construction accounts and retainage payable	86,236	475,289	561,525
Compensated absences	211,148	507,385	766,274
Claims payable and incurred but not reported	-	-	24,224,631
Due to other funds	85,000	22,940,815	23,025,815
Accrued interest payable	-	216,061	216,061
Unearned revenues	51,625	-	51,625
Long-term obligations maturing within one year	-	8,669,866	8,669,866
Total current liabilities	922,417	34,537,748	60,147,346
<b>Noncurrent liabilities:</b>			
Advances from other funds	1,020,000	-	1,020,000
Compensated absences	65,788	299,482	413,389
Capital leases payable	-	23,161,394	23,161,394
Claims payable and incurred but not reported	-	-	7,226,576
Net pension liability	3,539,988	8,605,491	12,214,152
Net OPEB liability	5,170	12,569	17,839
Total noncurrent liabilities	4,630,946	32,078,936	44,053,350
Total liabilities	5,553,363	66,616,684	104,200,696
<b>Deferred Inflows of Resources</b>			
Related to net OPEB asset and liability	237,517	577,390	819,515
Total deferred inflows of resources	237,517	577,390	819,515
<b>Net Position (Deficit)</b>			
Net investment in capital assets	17,266,762	32,194,257	49,461,019
Unrestricted (deficit)	3,061,329	(31,030,449)	(6,550,948)
Total net position (deficit)	20,328,091	1,163,808	42,910,071
Total liabilities, deferred inflows of resources and net position (deficit)	\$ 26,118,971	\$ 68,357,882	\$ 147,930,282

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)  
Internal Service Funds  
For the year ended December 31, 2020

	<b>Risk Management</b>		
	<b>General Liability/ Workers' Compensation</b>	<b>Medical/ Dental</b>	<b>Unemployment Compensation</b>
<b>Operating revenues</b>			
Charges for sales and services	\$ 11,612,253	\$ 55,058,799	\$ 564,449
Other	7,077	73,187	-
Total operating revenues	<u>11,619,330</u>	<u>55,131,986</u>	<u>564,449</u>
<b>Operating expenses</b>			
Operations	15,102,974	48,717,279	264,610
Depreciation and amortization	-	-	-
Total operating expenses	<u>15,102,974</u>	<u>48,717,279</u>	<u>264,610</u>
Operating income (loss)	<u>(3,483,644)</u>	<u>6,414,707</u>	<u>299,839</u>
<b>Nonoperating revenues (expenses)</b>			
Intergovernmental revenue	2,266	-	-
Investment income (loss)	771,215	1,072,703	104,255
Other revenues	-	-	-
Other expenses	-	-	-
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Net nonoperating revenues (expenses)	<u>773,481</u>	<u>1,072,703</u>	<u>104,255</u>
Income (loss) before capital contributions and transfers	(2,710,163)	7,487,410	404,094
Transfers from other funds	1,715,000	-	-
Transfers to other funds	-	-	-
Change in net position	<u>(995,163)</u>	<u>7,487,410</u>	<u>404,094</u>
Net position (deficit), beginning of year	<u>(5,574,028)</u>	<u>17,601,883</u>	<u>2,493,976</u>
Net position (deficit), end of year	<u>\$ (6,569,191)</u>	<u>\$ 25,089,293</u>	<u>\$ 2,898,070</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, 2020

	<b>Equipment Maintenance</b>	<b>Information Technology</b>	<b>Total Internal Service Funds</b>
<b>Operating revenues</b>			
Charges for sales and services	\$ 10,918,245	\$ 28,469,146	\$ 106,622,892
Other	-	-	80,264
Total operating revenues	<u>10,918,245</u>	<u>28,469,146</u>	<u>106,703,156</u>
<b>Operating expenses</b>			
Operations	8,310,893	20,711,814	93,107,570
Depreciation and amortization	3,304,619	10,054,320	13,358,939
Total operating expenses	<u>11,615,512</u>	<u>30,766,134</u>	<u>106,466,509</u>
Operating income (loss)	<u>(697,267)</u>	<u>(2,296,988)</u>	<u>236,647</u>
<b>Nonoperating revenues (expenses)</b>			
Intergovernmental revenue	116,802	283,936	403,004
Investment income (loss)	292,068	(1,196,793)	1,043,448
Other revenues	33,834	527	34,361
Other expenses	-	(5,750)	(5,750)
Interest expense	(67,233)	(1,169,364)	(1,236,597)
Loss on sale of capital assets	(53,031)	-	(53,031)
Net nonoperating revenues (expenses)	<u>322,440</u>	<u>(2,087,444)</u>	<u>185,435</u>
Income (loss) before capital contributions and transfers	<u>(374,827)</u>	<u>(4,384,432)</u>	<u>422,082</u>
Transfers from other funds	350,000	6,675,343	8,740,343
Transfers to other funds	-	(250,502)	(250,502)
Change in net position	<u>(24,827)</u>	<u>2,040,409</u>	<u>8,911,923</u>
Net position (deficit), beginning of year	<u>20,352,918</u>	<u>(876,601)</u>	<u>33,998,148</u>
Net position (deficit), end of year	<u>\$ 20,328,091</u>	<u>\$ 1,163,808</u>	<u>\$ 42,910,071</u>

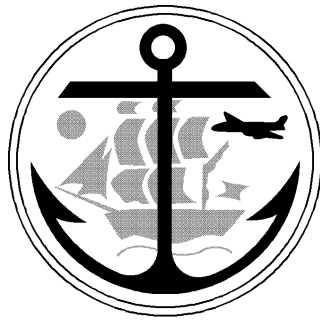
**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended December 31, 2020

**Risk Management**

	<b>General Liability/ Workers' Compensation</b>	<b>Medical/ Dental</b>	<b>Unemployment Compensation</b>
<b>Cash flows from (for) operating activities</b>			
Receipts for interfund services provided	\$ 11,619,671	\$ 55,131,986	\$ 564,449
Payments to employees	(506,749)	(327,595)	-
Payments to vendors	(12,347,955)	(47,317,422)	(235,442)
Payments for interfund services used	(1,101,452)	(49,381)	-
Net cash from (for) operating activities	<u>(2,336,485)</u>	<u>7,437,588</u>	<u>329,007</u>
<b>Cash flows from (for) non-capital financing activities</b>			
Transfers to other funds	-	-	-
Transfers from other funds	1,715,000	-	-
Due to other funds	-	-	-
Non-operating cash receipts	-	-	-
Advance to other funds	(284,313)	22,615	-
Net cash from non-capital financing activities	<u>1,430,687</u>	<u>22,615</u>	<u>-</u>
<b>Cash flows from (for) capital and related financing activities</b>			
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	-	-	-
Net cash for capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from (for) investing activities</b>			
Investment income (loss)	771,215	1,072,703	104,255
Net cash from (for) investing activities	<u>771,215</u>	<u>1,072,703</u>	<u>104,255</u>
Net increase (decrease) in cash	(134,583)	8,532,906	433,262
Cash, beginning of year	12,369,293	22,573,192	2,547,003
Cash, end of year	<u>12,234,710</u>	<u>31,106,098</u>	<u>2,980,265</u>
Cash and investments in central treasury	12,234,710	31,106,098	2,980,265
Equity in bond and capital acquisition and construction accounts	-	-	-
Cash, December 31	<u>\$ 12,234,710</u>	<u>\$ 31,106,098</u>	<u>\$ 2,980,265</u>
<b>Reconciliation of operating income (loss) to net cash from (for) operating activities:</b>			
Operating income (loss)	\$ (3,483,644)	\$ 6,414,707	\$ 299,839
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Depreciation and amortization	-	-	-
Pension and OPEB relief-noncash expense	2,266	-	-
Other revenues	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:			
Accounts receivable, net	341	-	-
Prepaid items and deposits	(159,768)	-	-
Inventories	-	-	-
Net OPEB asset	(4,904)	-	-
Deferred outflows of resources related to net pension liability	2,968	-	-
Deferred outflows of resources related to net OPEB asset and liability	3,725	-	-
Accounts payable and retainages	(2,342)	104,397	-
Accrued payroll liabilities	3,570	3,971	-
Compensated absences payable	18,731	22,635	-
Unearned revenue and deposits	-	-	-
Claims payable	1,335,079	891,878	29,168
Net pension liability	(43,206)	-	-
Net OPEB liability	(3,576)	-	-
Deferred inflows of resources related to net pension liability	(5,738)	-	-
Deferred inflows of resources related to net OPEB asset and liability	13	-	-
Total cash from (for) operating activities	<u>(2,336,485)</u>	<u>7,437,588</u>	<u>329,007</u>
<b>Noncash investing, capital, and financing activities:</b>			
Capital purchases on account	-	-	-
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, 2020

	Equipment Maintenance	Information Technology	Total Internal Service Funds
<b>Cash flows from (for) operating activities</b>			
Receipts for interfund services provided	\$ 10,921,879	\$ 28,469,146	\$ 106,707,131
Payments to employees	(4,498,045)	(10,694,722)	(16,027,111)
Payments to vendors	(2,205,542)	(8,758,703)	(70,865,064)
Payments for interfund services used	(1,780,475)	(751,235)	(3,682,543)
Net cash from (for) operating activities	2,437,817	8,264,486	16,132,413
<b>Cash flows from (for) non-capital financing activities</b>			
Transfers to other funds	-	(250,502)	(250,502)
Transfers from other funds	-	-	1,715,000
Due to other funds	-	4,466,556	4,466,556
Non-operating cash receipts	-	527	527
Advance to other funds	-	-	(261,698)
Net cash from non-capital financing activities	-	4,216,581	5,669,883
<b>Cash flows from (for) capital and related financing activities</b>			
Principal payments on long-term obligations	-	(15,436,511)	(15,436,511)
Interest payments on long-term obligations	-	(1,289,017)	(1,289,017)
Acquisition and construction of capital assets	(2,725,313)	(3,148,043)	(5,873,356)
Transfers from other funds	350,000	6,675,343	7,025,343
Principal payments on interfund loans	(85,000)	-	(85,000)
Interest payments on interfund loans	(67,233)	-	(67,233)
Proceeds from issuance of debt	-	1,913,954	1,913,954
Proceeds from the sale or disposition of capital assets	23,104	-	23,104
Net cash for capital and related financing activities	(2,504,442)	(11,284,274)	(13,788,716)
<b>Cash flows from (for) investing activities</b>			
Investment income (loss)	292,068	(1,196,793)	1,043,448
Net cash from (for) investing activities	292,068	(1,196,793)	1,043,448
Net increase (decrease) in cash	225,443	-	9,057,028
Cash, beginning of year	7,370,138	-	44,859,626
Cash, end of year	7,595,581	-	53,916,654
Cash and investments in central treasury	1,603,563	-	47,924,636
Equity in bond and capital acquisition and construction accounts	5,992,018	-	5,992,018
Cash, December 31	\$ 7,595,581	\$ -	\$ 53,916,654
<b>Reconciliation of operating income (loss) to net cash from (for) operating activities:</b>			
Operating income (loss)	\$ (697,267)	\$ (2,296,988)	\$ 236,647
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Depreciation and amortization	3,304,619	10,054,320	13,358,939
Pension and OPEB relief-noncash expense	116,802	283,936	403,004
Other revenues	33,834	-	33,834
Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:			
Accounts receivable, net	-	-	341
Prepaid items and deposits	-	(550,383)	(710,151)
Inventories	(175,541)	-	(175,541)
Net OPEB asset	(271,495)	(672,275)	(948,674)
Deferred outflows of resources related to net pension liability	(55,474)	(272,013)	(324,519)
Deferred outflows of resources related to net OPEB asset and liability	39,643	(3,873)	39,495
Accounts payable and retainages	126,893	(186,825)	42,123
Accrued payroll liabilities	40,570	128,067	176,178
Compensated absences payable	26,370	64,401	132,137
Unearned revenue and deposits	(30,200)	-	(30,200)
Claims payable	-	-	2,256,125
Net pension liability	159,626	1,958,429	2,074,849
Net OPEB liability	(105,896)	(205,829)	(315,301)
Deferred inflows of resources related to net pension liability	(173,363)	(340,897)	(519,998)
Deferred inflows of resources related to net OPEB asset and liability	98,696	304,416	403,125
Total cash from (for) operating activities	2,437,817	8,264,486	16,132,413
<b>Noncash investing, capital, and financing activities:</b>			
Capital purchases on account	86,236	475,289	561,525
Total noncash investing, capital, and financing activities	\$ 86,236	\$ 475,289	\$ 561,525



This page intentionally left blank

## 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, 2020

	<b>Police/Fire Retirement Trust Funds</b>			<b>Total</b>
	<b>Police/Fire Retirement System Plan I</b>	<b>Police/Fire Retirement System Plan II</b>	<b>Police/Fire Retirement System Plan III</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	-
Securities lending collateral	1,167,327	932,253	3,956,645	6,056,225
Investments:				
Money market funds	710,190	567,173	2,407,183	3,684,546
Certificate of deposit	-	-	-	-
U.S. treasuries	-	-	-	-
U.S. agencies	-	-	-	-
Corporate fixed income securities	13,925,986	11,121,593	47,201,983	72,249,562
Fixed income funds	-	-	-	-
International fixed income funds	-	-	-	-
Domestic equity securities	30,817,900	24,611,840	104,456,946	159,886,686
International equity securities	20,407,829	16,298,133	69,172,122	105,878,084
Real estate funds	9,991,240	7,979,220	33,865,204	51,835,664
Total investments	<u>75,853,145</u>	<u>60,577,959</u>	<u>257,103,438</u>	<u>393,534,542</u>
Capital assets, net	610	488	2,069	3,167
Total assets	<u>77,021,082</u>	<u>61,510,700</u>	<u>261,062,152</u>	<u>399,593,934</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	12,307	9,829	41,714	63,850
Payable under securities lending program	1,167,327	932,253	3,956,645	6,056,225
Total liabilities	<u>1,179,634</u>	<u>942,082</u>	<u>3,998,359</u>	<u>6,120,075</u>
<b>Net Position</b>				
Restricted for:				
Pensions	75,841,448	60,568,618	257,063,793	393,473,859
Postemployment benefits other than pensions	-	-	-	-
Total net position	<u>\$ 75,841,448</u>	<u>\$ 60,568,618</u>	<u>\$ 257,063,793</u>	<u>\$ 393,473,859</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Net Position  
Fiduciary Funds  
December 31, 2020

**Police/Fire Retiree Medical Trust Fund**

	<b>Police/Fire Medical Group</b>	<b>Gentile Medical Group</b>	<b>Total</b>	<b>Total Fiduciary Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 6,173	\$ -	\$ 6,173	\$ 6,173
Securities lending collateral	-	-	-	6,056,225
Investments:				
Money market funds	1,029,753	-	1,029,753	4,714,299
Certificate of deposit	6,735,247	-	6,735,247	6,735,247
U.S. treasuries	5,432,659	-	5,432,659	5,432,659
U.S. agencies	4,095,162	-	4,095,162	4,095,162
Corporate fixed income securities	-	-	-	72,249,562
Fixed income funds	1,262,681	-	1,262,681	1,262,681
International fixed income funds	382,476	-	382,476	382,476
Domestic equity securities	2,360,065	-	2,360,065	162,246,751
International equity securities	1,573,224	-	1,573,224	107,451,308
Real estate funds	-	-	-	51,835,664
Total investments	<u>22,871,267</u>	<u>-</u>	<u>22,871,267</u>	<u>416,405,809</u>
Capital assets, net	-	-	-	3,167
Total assets	<u>22,877,440</u>	<u>-</u>	<u>22,877,440</u>	<u>422,471,374</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	58,312	-	58,312	122,162
Payable under securities lending program	-	-	-	6,056,225
Total liabilities	<u>58,312</u>	<u>-</u>	<u>58,312</u>	<u>6,178,387</u>
<b>Net Position</b>				
Restricted for:				
Pensions	-	-	-	393,473,859
Postemployment benefits other than pensions	22,819,128	-	22,819,128	22,819,128
Total net position	<u>\$ 22,819,128</u>	<u>\$ -</u>	<u>\$ 22,819,128</u>	<u>\$ 416,292,987</u>

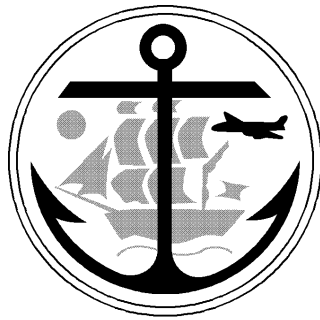
**MUNICIPALITY OF ANCHORAGE, ALASKA**  
 Combining Statement of Changes in Net Position  
 Fiduciary Funds  
 For the year ended December 31, 2020

	<b>Police/Fire Retirement Trust Funds</b>			
	<b>Police/Fire Retirement System Plan I</b>	<b>Police/Fire Retirement System Plan II</b>	<b>Police/Fire Retirement System Plan III</b>	<b>Total</b>
<b>Additions</b>				
Contributions from the Municipality	\$ -	\$ -	\$ -	\$ -
Contributions from plan members	-	-	72,577	72,577
Investment income (loss):				
Interest	358,143	284,216	1,194,915	1,837,274
Dividends	618,464	491,010	2,065,646	3,175,120
Net increase in fair value of investments	7,179,298	5,765,354	24,667,317	37,611,969
	(376,936)	(299,253)	(1,258,891)	(1,935,080)
Net Investment Income	<u>7,778,969</u>	<u>6,241,327</u>	<u>26,668,987</u>	<u>40,689,283</u>
Total additions	<u>7,778,969</u>	<u>6,241,327</u>	<u>26,741,564</u>	<u>40,761,860</u>
<b>Deductions</b>				
Regular benefit payments	8,036,902	5,671,628	19,362,599	33,071,129
Administrative expenses	143,489	113,873	478,776	736,138
Total deductions	<u>8,180,391</u>	<u>5,785,501</u>	<u>19,841,375</u>	<u>33,807,267</u>
Change in fiduciary net position	(401,422)	455,826	6,900,189	6,954,593
Net position, beginning of year	76,242,870	60,112,792	250,163,604	386,519,266
Net position, end of year	<u>\$ 75,841,448</u>	<u>\$ 60,568,618</u>	<u>\$ 257,063,793</u>	<u>\$ 393,473,859</u>



**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Combining Statement of Changes in Net Position  
Fiduciary Funds  
For the year ended December 31, 2020

	<b>Police/Fire Retiree Medical Trust Fund</b>			
	<b>Police/Fire Medical Group</b>	<b>Gentile Medical Group</b>	<b>Total</b>	<b>Total Fiduciary Funds</b>
<b>Additions</b>				
Contributions from the Municipality	\$ 3,579,656	\$ -	\$ 3,579,656	\$ 3,579,656
Contributions from plan members	-	-	-	72,577
Investment income (loss):				
Interest	(7,727)	-	(7,727)	1,829,547
Dividends	402,130	-	402,130	3,577,250
Net increase in fair value of investments	1,026,898	-	1,026,898	38,638,867
	(12,795)	-	(12,795)	(1,947,875)
Net Investment Income	1,408,506	-	1,408,506	42,097,789
Total additions	4,988,162	-	4,988,162	45,750,022
<b>Deductions</b>				
Regular benefit payments	3,217,304	-	3,217,304	36,288,433
Administrative expenses	57,161	-	57,161	793,299
Total deductions	3,274,465	-	3,274,465	37,081,732
Change in fiduciary net position	1,713,697	-	1,713,697	8,668,290
Net position, beginning of year	21,105,431	-	21,105,431	407,624,697
Net position, end of year	\$ 22,819,128	\$ -	\$ 22,819,128	\$ 416,292,987



This page intentionally left blank

## 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)

	Fiscal Year									
	2020	2019	As Restated 2018	2017	2016	As Restated 2015	As Restated 2014	2013	2012	As Restated 2011
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 2,645,081,616	\$ 2,637,498,499
Restricted	522,188,588	276,280,687	248,671,058	251,415,621	246,631,274	252,408,288	226,230,204	221,075,432	206,054,655	184,705,421
Unrestricted	(462,429,844)	(472,599,604)	(507,291,203)	(325,576,279)	(273,896,524)	(185,258,144)	135,703,277	108,779,489	123,707,347	105,856,844
Total governmental activities net position	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	2,928,060,764
<b>Business-type activities:</b>										
Net investment in capital assets	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	499,643,067
Restricted	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	182,771,686
Unrestricted	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	42,089,727
Total business-type activities net position	778,474,816	972,644,244	875,547,274	835,235,940	775,217,586	728,914,863	755,056,716	725,005,364	758,813,837	724,504,480
<b>Total primary government:</b>										
Net investment in capital assets	3,511,832,763	3,652,874,054	3,546,847,558	3,573,037,144	3,448,564,598	3,367,311,180	3,342,263,047	3,269,933,535	3,170,974,533	3,137,141,566
Restricted	567,072,591	321,559,162	282,454,417	284,205,561	277,341,265	277,254,439	248,230,724	286,892,971	390,456,888	367,477,107
Unrestricted	(376,678,696)	(340,403,466)	(366,250,505)	(192,976,568)	(168,606,824)	(94,738,059)	238,911,591	209,403,119	172,226,034	147,946,571
Total primary government net position	\$ 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	\$ 3,652,565,244

**Notes:**

In 2020, we 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, we 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, we 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

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	As Restated 2011
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 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	\$ 21,999,859
Fire services	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	94,499,286
Police services	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	116,362,828
Health and human services	81,179,458	27,192,217	25,088,173	29,657,409	27,028,516	25,915,204	26,668,108	24,620,859	25,029,632	28,268,547
Economic and community development	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	83,174,571
Public transportation	35,518,875	33,695,445	35,083,499	36,955,189	37,258,533	36,621,802	36,337,350	35,985,169	34,906,057	34,185,440
Public works	50,789,353	39,263,751	56,192,471	73,918,843	91,116,000	90,595,542	111,694,564	99,892,660	85,163,740	80,989,860
Maintenance and operations of roads and facilities	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	36,316,900
Education	269,957,290	247,223,433	247,406,848	243,841,632	243,841,632	240,239,749	240,752,791	241,279,103	238,519,174	240,834,968
Interest on long-term debt	14,152,203	22,112,910	16,803,796	21,607,955	22,793,843	19,782,373	24,517,693	25,530,454	26,120,589	29,132,941
Total governmental activities expenses	1,005,541,308	749,010,743	799,292,518	830,425,943	843,722,737	830,645,954	826,542,686	787,246,416	772,105,201	765,765,210
Business-type activities:										
Electric	126,193,353	153,284,121	153,767,566	165,063,796	171,654,101	152,868,514	123,896,740	109,982,575	110,603,719	126,040,240
Water	44,764,464	42,939,018	44,588,566	43,805,910	47,332,911	44,769,187	40,796,522	39,520,676	40,675,916	39,754,921
Wastewater	48,086,356	44,634,405	42,696,104	41,681,971	43,372,095	42,494,673	37,609,422	36,466,069	36,200,550	33,988,296
Port	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	11,489,233
Refuse	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	8,262,213
Solid Waste	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	17,233,963
Municipal Airport	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	4,093,796
Anchorage Hydropower	63,727	-	-	-	-	-	-	-	-	-
Total business-type expenses	280,915,991	292,753,797	300,307,847	303,036,918	318,662,575	302,871,338	249,352,671	228,884,113	230,135,980	240,862,052
Total primary government expenses	1,286,457,299	1,041,764,540	1,099,600,365	1,133,462,861	1,162,385,312	1,133,517,292	1,075,895,357	1,016,130,529	1,002,241,181	1,006,627,262
<b>Program revenues: (see also Table 3)</b>										
Governmental activities:										
Charges for services:										
General government	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	9,497,748
Fire services	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	8,224,213
Police services	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	22,021,740
Health and human services	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	4,022,702
Economic and community development	11,263,500	13,189,269	11,968,430	11,688,921	2,566,183	4,200,935	4,689,244	4,498,090	5,036,711	4,369,182
Public transportation	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	5,121,736
Public works	707,413	986,864	657,793	1,012,340	9,421,991	12,821,050	14,389,898	12,770,454	14,426,299	10,423,089
Maintenance and operations of roads and facilities	104,525	206,532	178,093	171,680	318,988	233,380	645,552	367,072	170,343	191,729
Total charges for services revenues	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	63,872,139
Operating grants and contributions	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	60,469,943
Capital grants and contributions	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	59,335,217
Total governmental activities program revenues	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	183,677,299
Business-type activities:										
Charges for services:										
Operating grants and contributions	305,153,287	346,225,610	348,342,158	352,319,381	344,715,159	329,065,077	303,945,145	274,454,359	279,360,413	275,133,149
Operating grants and contributions	1,920,146	(671,399)	1,342,888	1,688,418	1,682,042	958,210	260,620	121,173	116,452	111,731
Capital grants and contributions	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	11,981,787
Total business-type activities revenues	358,769,749	385,334,142	378,197,796	376,801,960	369,431,987	341,513,319	309,226,771	281,210,325	288,274,452	287,226,667
Total primary government program revenues	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	470,903,966
<b>Net (Expense)/Revenue</b>										
Governmental activities	(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)	(582,087,911)
Business-type activities	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	46,364,615
Total primary government net expense	\$ (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)	\$ (535,723,296)

MUNICIPALITY OF ANCHORAGE, ALASKA

Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	As Restated 2011
<b>General revenues and other changes in net position:</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 587,740,416	\$ 556,102,448	\$ 554,032,277	\$ 557,174,206	\$ 528,814,024	\$ 509,725,344	\$ 497,351,213	\$ 493,148,928	\$ 490,581,658	\$ 482,411,497
Motor vehicle taxes	13,988,622	17,638,412	16,963,827	17,224,364	17,394,515	17,363,803	17,366,210	16,652,166	15,990,553	9,878,069
Hotel and motel taxes	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	21,033,287
Tobacco taxes	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	19,716,300
Marijuana taxes	5,311,395	4,083,340	3,061,091	-	-	-	-	-	-	-
Fuel products taxes	11,701,377	13,470,167	11,672,250	-	-	-	-	-	-	-
Assessments in lieu of taxes	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	2,232,706
Grants and entitlements not restricted to specific programs	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	19,984,139
Investment earnings (loss)	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	4,601,926
Transfers	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	25,981,595
Special item - HLB land sale gain	-	-	-	-	-	-	-	4,076,934	-	-
Total governmental activities	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	585,839,519
Business-type activities:										
Investment earnings	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	6,071,914
Other	-	-	-	6,750,000	12,600,000	-	-	-	-	-
Transfers	(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)	(25,981,595)
Special item - AWWU land purchase	-	-	-	-	-	-	-	238,737	-	-
Special item - Electric utility sale gain	-	-	-	-	-	-	-	-	-	-
Extraordinary item - Port PIEP impairment	-	-	-	-	-	-	-	-	-	-
Total business-type activities	(272,043,186)	(5,483,375)	(26,278,137)	(13,746,688)	(4,466,689)	(28,559,263)	(23,501,085)	(61,562,051)	(21,009,775)	(19,909,681)
Total primary government	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	565,929,838
<b>Change in net position:</b>										
Governmental activities	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	3,751,608
Business-type activities	(184,169,428)	97,096,970	51,611,812	60,018,354	46,302,723	9,982,718	36,373,015	(33,808,473)	37,128,697	26,454,934
Total primary government	\$ 68,196,908	\$ 170,978,280	\$ 27,427,558	\$ 106,967,098	\$ 7,471,479	\$ 12,303,065	\$ 69,497,400	\$ 88,138,733	\$ 88,138,733	\$ 30,206,542

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										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	
<b>Program revenues - charges for services:</b>											
Governmental activities:											
General government	\$ 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	\$ 9,497,748	
Fire services	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	8,224,213	
Police services	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	22,021,740	
Health and human services	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	4,022,702	
Economic & community development	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	4,369,182	
Public transportation	2,388,220	4,012,257	3,867,693	7,088,924	4,387,796	4,804,523	5,243,968	5,227,218	5,140,290	5,121,736	
Public works	707,413	986,864	657,793	1,012,340	9,421,991	12,821,050	14,389,898	12,770,454	14,426,299	10,423,089	
Maintenance and operations of roads and facilities	104,525	206,532	178,093	171,680	318,988	233,380	645,552	367,072	170,343	191,729	
Total governmental activities	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	63,872,139	
Business-type activities:											
Electric	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	139,609,558	
Water	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	52,081,778	
Wastewater	59,283,592	61,118,771	57,070,151	56,548,288	52,629,855	52,814,630	51,774,890	50,465,806	48,135,325	42,894,791	
Port	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	11,819,075	
Refuse	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	8,820,754	
Solid Waste	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	18,566,616	
Municipal Airport	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	1,340,577	
Anchorage Hydropower	971,381	-	-	-	-	-	-	-	-	-	
Total business-type activities	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	275,133,149	
Total primary government	\$ 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	\$ 339,005,288	

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Nonspendable	\$ 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	\$ 3,332,167
Restricted	650,010	3,387,875	2,690,724	11,155	11,468	11,881	189,145	2,595,783	3,441,095	13,443,010
Committed	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	25,257,793
Assigned	-	-	-	-	7,242,461	9,162,786	12,733,971	8,104,090	21,031,217	13,467,816
Unassigned (deficit)	(13,750,747)	1,346,389	15,899,074	16,762,537	13,893,576	31,776,450	18,450,750	28,429,037	17,210,990	9,340,583
Total general fund	99,992,970	66,922,020	66,712,065	59,811,132	65,058,827	83,627,685	75,715,161	79,329,614	81,837,880	64,841,369
Restricted	418,070,531	171,472,513	151,296,330	164,902,606	147,548,288	144,484,348	148,990,379	144,181,374	127,632,975	116,757,912
Total MOA trust fund	418,070,531	171,472,513	151,296,330	164,902,606	147,548,288	144,484,348	148,990,379	144,181,374	127,632,975	116,757,912
Restricted	3,053,545	-	-	-	17,231,749	21,374,727	3,126,957	4,443,990	10,671,120	15,896,418
Committed	292,123	-	-	-	984,651	261,385	301,187	180,611	170,250	325,490
Assigned	-	-	-	-	-	-	-	-	1,056,588	975,033
Unassigned (deficit)	-	(3,781,342)	(156,542)	(19,914,534)	-	-	-	(14,041,418)	-	-
Total capital projects roads & drainage fund	3,345,668	(3,781,342)	(156,542)	(19,914,534)	18,216,400	21,636,112	3,428,144	(9,416,817)	11,897,958	17,196,941
Unassigned (deficit)	(25,877,459)	-	-	-	-	-	-	-	-	-
Total state grants fund	(25,877,459)	-	-	-	-	-	-	-	-	-
Restricted	-	1,116	1,942,669	119	-	-	-	-	-	-
Total police and fire certificate of participation bond fund	-	1,116	1,942,669	119	-	-	-	-	-	-
Nonspendable	1,826,968	1,336,628	263,655	224,857	755,039	1,048,604	1,180,030	1,150,000	1,155,252	1,167,429
Restricted	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	53,416,639
Committed	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	18,724,646
Assigned	7,726,336	14,948,644	20,976,622	22,058,899	21,918,179	24,638,722	25,659,464	24,872,398	28,069,626	23,404,223
Unassigned (deficit)	(797,034)	(21,350)	(132,160)	(3,224,814)	(2,662,139)	(45,918)	(57,261)	(965,703)	(636,175)	(316,444)
Total nonmajor governmental funds	150,093,181	138,739,640	131,888,558	120,483,026	128,025,199	135,133,859	128,470,565	119,437,438	108,444,892	96,396,493
Nonspendable	44,042,399	17,304,235	4,993,333	2,493,870	3,050,797	3,700,203	4,710,145	4,082,819	4,216,026	4,499,596
Restricted	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	199,513,979
Committed	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	44,307,929
Assigned	7,726,336	14,948,644	20,976,622	22,058,899	29,160,640	33,801,508	38,393,435	32,976,488	50,157,431	37,847,072
Unassigned (deficit)	(40,425,240)	(2,456,303)	15,610,372	(6,376,811)	11,231,437	31,730,532	18,393,489	13,421,916	16,574,815	9,024,139
Total governmental funds fund balance	\$ 645,624,891	\$ 373,353,947	\$ 351,683,080	\$ 325,282,349	\$ 358,848,684	\$ 384,882,004	\$ 356,604,249	\$ 333,531,609	\$ 329,813,705	\$ 285,192,715

Notes:

In 2011, the Municipality adopted a fund balance designation policy to support the municipal bond rating. This designation is 10 percent and 8.25 percent of prior year revenues.

In 2011, the Municipality adopted a fund balance designation policy to mitigate the risk of funding shortfalls, stabilize tax rates, and to facilitate long-range planning. The "working capital reserve" is within a range of 2 percent to 3 percent of the prior year revenues and is calculated after the 10 percent and 8.25 percent bond rating designation.

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 recategorized 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.

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Taxes and assessments in lieu of taxes	\$ 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	\$ 534,724,811
Special assessments	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	1,410,956
Licenses and permits	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	11,367,098
Intergovernmental	213,714,808	55,707,736	59,289,509	100,732,316	104,152,403	169,459,308	176,898,245	156,098,508	149,037,822	119,711,543
Charges for services	22,641,762	24,262,384	23,705,922	23,375,879	23,990,336	32,197,098	29,019,610	33,139,322	33,242,521	34,161,923
Fines and forfeitures	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	8,468,178
E911 surcharges	8,004,789	7,591,488	7,906,670	7,930,788	6,558,506	6,378,754	6,766,679	-	-	-
Investment income (loss)	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	4,518,123
Restricted contributions	1,410,351	346,816	1,683,230	1,937,743	2,787,001	1,820,056	501,774	4,350,831	2,870,846	3,932,885
Other	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	7,987,619
<b>Total revenues</b>	<b>956,467,901</b>	<b>800,751,754</b>	<b>740,156,366</b>	<b>816,914,541</b>	<b>766,146,601</b>	<b>817,266,590</b>	<b>818,126,279</b>	<b>806,572,945</b>	<b>787,795,058</b>	<b>726,283,136</b>
<b>Expenditures:</b>										
General government	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	21,982,842
Fire services	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	90,763,653
Police services	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	111,510,172
Health and human services	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	26,823,415
Economic and community development	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	60,989,689
Public transportation	32,546,936	32,409,115	31,700,595	33,138,638	28,817,286	30,758,931	31,549,000	30,396,121	30,241,731	28,169,896
Public works	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	20,907,921
Education	269,957,290	247,223,433	247,167,935	247,000,000	243,841,632	240,239,749	240,752,791	241,279,103	238,519,174	240,834,968
Maintenance and operations of roads and facilities	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	33,805,423
Capital outlay	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	82,333,411
Debt service:										
Principal	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	31,137,139
Interest	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	31,072,474
Bond issuance costs	584,431	416,210	294,162	469,528	108,074	877,799	462,954	-	232,046	224,194
<b>Total expenditures</b>	<b>1,024,837,122</b>	<b>848,147,218</b>	<b>816,567,424</b>	<b>940,106,654</b>	<b>845,091,194</b>	<b>874,765,606</b>	<b>869,826,826</b>	<b>833,303,363</b>	<b>811,609,357</b>	<b>780,555,197</b>
Deficiencies of revenues over expenditures	(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)	(54,272,061)
<b>Other financing sources (uses):</b>										
Transfers from other funds	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	52,622,964
Transfers to other funds	(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)	(32,111,908)
Bonds issued	104,205,000	64,725,000	82,300,000	58,675,000	24,870,000	256,880,000	122,600,001	-	53,785,000	52,298,250
Premium on bonds	11,835,527	10,374,667	11,738,947	-	2,672,823	31,361,323	21,857,443	-	7,875,284	796,626
Payment to bond escrow agent	(63,000,865)	(33,432,224)	(22,580,259)	-	-	(235,296,377)	(97,023,536)	-	(33,418,560)	(23,860,769)
Loans issued	1,269,607	1,795,600	-	413,243	-	-	-	-	-	-
Insurance recoveries	180,114	495,509	410,404	308,960	253,654	404,235	349,533	133,596	194,229	96,076
Sale of capital assets	1,149,042	583,546	361,123	2,066,998	2,288,993	282,180	718,971	6,386,450	3,431,355	193,631
Net other financing sources (uses)	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	50,035,070
<b>Net change in fund balances</b>	<b>\$ 272,270,944</b>	<b>\$ 21,670,867</b>	<b>\$ 26,400,731</b>	<b>\$ (33,566,355)</b>	<b>\$ (26,033,320)</b>	<b>\$ 28,277,755</b>	<b>\$ 23,072,640</b>	<b>\$ 3,717,904</b>	<b>\$ 34,620,990</b>	<b>\$ (4,236,991)</b>

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenditures:</b>										
General government	\$ 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	\$ 21,982,842
Fire services	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	90,763,653
Police services	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	111,510,172
Health and human services	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	26,823,415
Economic and community development	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	60,989,689
Public transportation	32,946,936	32,409,115	31,700,595	33,138,638	28,817,286	30,758,931	31,549,000	30,396,121	30,241,731	28,169,896
Public works	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	20,907,921
Education	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	240,834,968
Maintenance and operations of roads and facilities	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	33,805,423
Capital outlay	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	82,333,411
Debt service:										
Principal	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	31,137,139
Interest	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	31,072,474
Bond issuance costs	584,431	415,210	294,162	469,528	108,074	877,799	462,954	-	232,046	224,194
<b>Total expenditures</b>	<b>1,024,837,122</b>	<b>848,147,218</b>	<b>816,567,424</b>	<b>940,106,654</b>	<b>845,091,194</b>	<b>874,765,606</b>	<b>869,826,826</b>	<b>833,303,363</b>	<b>811,609,357</b>	<b>780,555,197</b>
<b>Less:</b>										
Amounts capitalized	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	23,211,817
<b>Total non-capital expenditures</b>	<b>\$ 993,095,669</b>	<b>\$ 818,172,982</b>	<b>\$ 803,141,471</b>	<b>\$ 884,256,595</b>	<b>\$ 783,983,533</b>	<b>\$ 808,201,233</b>	<b>\$ 831,694,957</b>	<b>\$ 789,116,380</b>	<b>\$ 779,217,642</b>	<b>\$ 757,343,380</b>
Debt service as a percentage of non-capital expenditures	7.59%	8.60%	7.72%	7.12%	8.07%	8.27%	7.67%	7.82%	8.50%	8.21%

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)

Table 7

Fiscal Year	Real Property	Personal Property	Motor Vehicle	Motor Vehicle Rental	Hotel - Motel <sup>(3)</sup>	Tobacco	Fuel Products <sup>(2)</sup>	Marijuana <sup>(1)</sup>	Other	Total
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	\$ 2,684,863	\$ 645,565,933
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
2011	436,812,135	42,069,391	4,823,011	5,074,906	20,967,057	19,672,105	-	-	3,073,500	532,492,105

Notes:

<sup>(1)</sup>Excise tax on marijuana revenue created in 2016

<sup>(2)</sup>Excise tax on fuel products created in 2018

<sup>(3)</sup>Due to COVID-19 restrictions, revenues related to tourism, like room tax, were significantly less in 2020 than in prior years.

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 <sup>(1)</sup> (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
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
2011	236,173,709	48,613	4,858	242,707,817	296,197	819	478,881,526

Notes:

<sup>(1)</sup>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			
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
2011	19,734,533,714	9,095,615,110	28,830,148,824	2,766,391,727	31,596,540,551	7.61

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Areawide:										
General Government	(0.14)	0.18	0.10	0.40	0.15	(0.14)	(0.35)	(0.43)	(0.29)	0.09
Schools	7.75	7.16	7.23	6.92	6.73	6.84	7.06	7.35	7.57	7.52
Total Areawide	7.61	7.34	7.33	7.32	6.88	6.70	6.71	6.92	7.28	7.61
Areawide EMS Lease Levy <sup>(3)</sup>	0.02	-	-	-	-	-	-	-	-	-
Chugiak Service Area	1.00	1.00	1.00	1.00	1.00	1.00	0.95	1.00	1.00	0.97
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	5.30	5.33	5.40	5.00	4.70	4.08	3.97	4.29	4.14	3.68
Fire Service Area	2.52	2.32	2.39	2.38	2.21	2.22	2.44	2.21	2.13	2.09
Roads and Drainage Service Area	2.54	2.61	2.66	2.22	2.43	2.31	2.36	2.60	2.78	2.46
Limited Service Areas <sup>(1)</sup>	1.29	1.30	1.30	1.27	1.30	1.30	1.29	1.29	1.31	1.33
Anchorage Metropolitan Police Service Area	3.73	3.43	3.37	3.21	2.82	2.93	2.95	3.23	2.76	2.70
Turnagain Arms Police Service Area <sup>(2)</sup>	0.17	-	-	0.50	-	-	-	-	-	-
Parks and Recreation Service Area	0.68	0.66	0.65	0.53	0.55	0.54	0.59	0.60	0.62	0.62
Eagle River/Chugiak Parks & Recreation Service Area	1.04	1.05	0.97	1.01	0.98	1.03	0.97	0.95	1.00	0.90

Notes:

<sup>(1)</sup>Property tax rate for Limited Service Areas is an average of the rates for all the Limited Service Areas for the given fiscal year.

<sup>(2)</sup>Turnagain Arm Police Service Area is a voter approved levy in 2017.

<sup>(3)</sup>Areawide EMS Lease Levy is a new voter approved levy for 2020 to fund EMS medical equipment.

Source: Municipality of Anchorage, Assembly Ordinances.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 11

Principal Property Taxpayers  
Current Year and Nine Years Ago

2020		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
GCI Communication Corp.	\$ 181,070,826	0.52%
Galen Hospital Alaska Inc.	145,364,216	0.42%
Calais Co. Inc.	139,272,100	0.40%
Fred Meyer Stores Inc.	130,666,459	0.38%
ACS of Anchorage Inc.	115,620,871	0.33%
700 G Street LLC	96,913,800	0.28%
Hickel Investment Co.	92,231,628	0.27%
Sisters of Providence	89,840,194	0.26%
Alaska Airlines Inc.	88,936,160	0.26%
North Anchorage Real Estate	87,051,100	0.25%
	<u>\$ 1,166,967,354</u>	<u>3.36%</u>

2011		
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Value</u>
ACS of Anchorage Inc.	\$ 228,540,503	0.72%
GCI Communication Corp.	173,920,952	0.55%
Calais Co. Inc.	155,443,955	0.49%
Enstar Natural Gas Company	138,606,773	0.44%
Fred Meyer Stores Inc.	138,039,383	0.44%
BP Exploration (Alaska) Inc.	124,427,164	0.39%
Galen Hospital Alaska Inc.	121,011,739	0.38%
WEC 2000A-Alaska LLC	100,950,276	0.32%
Hickel Investment Co.	93,730,331	0.30%
Anchorage Fueling & Svc. Co.	87,758,631	0.28%
	<u>\$ 1,362,429,707</u>	<u>4.31%</u>

Notes:

Assessed values include both real and personal property.

Source: Municipality of Anchorage, Property Appraisal Division.

**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
2020	\$ 582,020,226	\$ 580,524,073	99.74%	\$ 3,606,855	\$ 584,130,928	100.36%
2019	553,797,033	553,652,783	99.97%	2,802,884	556,455,667	100.48%
2018	548,728,375	546,992,455	99.68%	3,175,524	550,167,979	100.26%
2017	551,213,820	554,594,217	100.61%	3,762,798	558,357,015	101.30%
2016	527,288,610	523,466,132	99.28%	2,784,702	526,250,834	99.80%
2015	506,632,643	503,903,026	99.46%	2,708,659	506,611,685	100.00%
2014	503,962,630	500,594,375	99.33%	3,088,517	503,682,892	99.94%
2013	489,910,228	484,545,683	98.90%	3,328,166	487,873,849	99.58%
2012	480,422,072	476,715,333	99.23%	3,635,048	480,350,381	99.99%
2011	477,009,470	473,032,584	99.17%	3,622,350	476,654,934	99.93%

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 <sup>(1)</sup>	Certificates of Participation Bonds	Notes and Loans <sup>(2)</sup>	Master Leases <sup>(3)</sup>	
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
2011	488,862,810	128,605,793	-	1,712,000	3,794,941	622,975,544

Fiscal Year	Business-type Activities		Total Business-type Activities <sup>(4)</sup>	Total Primary Government	Percentage of Personal Income	Total Debt per Capita
	Revenue Bonds	Notes and Loans				
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
2011	442,161,368	177,208,651	619,370,019	1,242,345,563	8.30%	4,194

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.

<sup>(1)</sup>Includes CIVICVentures revenue bonds and PAC Roof revenue bonds. Jail revenue bonds were paid in full in 2015.

<sup>(2)</sup>Includes HUD Section 108 loans which were paid in full in 2016.

<sup>(3)</sup>Master Leases issued for the SAP system, the CAMA system, and the Library Automated Materials Handling system.

<sup>(4)</sup>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
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
2011	296,197	31,596,540,551	488,862,810	806,392	488,056,418	1.54%	1,648

Notes:

This schedule includes all general obligation bonds of the Municipality of Anchorage from Governmental Activities and Business-type Activities, if available.

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 Division

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Table 15

Direct and Overlapping Debt  
December 31, 2020

	Debt Outstanding	Percentage Overlap	Share of Direct and Overlapping Debt
Anchorage School District overlapping debt	\$ 440,555,000	100%	\$ 440,555,000
Municipality's direct debt (Table 13)			<u>642,006,443</u>
Total direct and overlapping debt			<u>\$ 1,082,561,443</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' CAFR for the fiscal year ending June 30, 2020. Municipality of Anchorage, Finance Department.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Table 16

Legal Debt Margin  
December 31, 2020

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 <sup>(1)(2)</sup>	Operating Expenses <sup>(3)</sup>	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage <sup>(5)</sup>
				Principal <sup>(4)</sup>	Interest <sup>(2)(4)</sup>	Total	
2020 <sup>(6)</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
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
2011	138,326,743	88,336,864	49,989,879	16,945,000	14,969,376	31,914,376	1.57

Notes:

<sup>(1)</sup> Excludes interest charged to construction and interest restricted for construction.

<sup>(2)</sup> Excludes Federal subsidy for 2015 through 2019.

<sup>(3)</sup> Includes Municipal Utility Service Assessment per Municipal Ordinance AO 83-58 and excludes depreciation.

<sup>(4)</sup> 2014 Principal and Interest do not include the debt service for 1996 Senior Lien Bonds defeased during the year.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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 Solid Waste							
Fiscal Year	Revenue <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage <sup>(3)</sup>
				Principal	Interest	Total	
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	-	-	-	-
2011	19,015,890	12,893,218	6,122,672	-	-	-	-

Notes:

<sup>(1)</sup> Excludes interest charged to construction.

<sup>(2)</sup> Excludes depreciation and Municipal Utility Service Assessment.

<sup>(3)</sup> Required minimum coverage 1.25.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Pledged- Revenue Coverage  
Last Ten Fiscal Years

Table 17 (continued)

Port							
Fiscal Year	Revenue <sup>(1)(2)</sup>	Operating Expenses <sup>(3)</sup>	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage
				Principal	Interest	Total	
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
2011	12,252,134	6,158,691	6,093,443	-	-	-	-

Notes:

<sup>(1)</sup> Excludes interest charged to construction.

<sup>(2)</sup> 2017 includes legal settlements of \$6,750,000 and 2016 includes legal settlements of \$12,600,000.

<sup>(3)</sup> Excludes depreciation and Municipal Utility Service Assessment.

Water Utility								
Fiscal Year	Revenue <sup>(1)</sup>	Assessment Collections <sup>(2)</sup>	Operating Expenses <sup>(3)</sup>	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage <sup>(4)</sup>
					Principal	Interest	Total	
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
2011	52,238,591	351,036	30,811,206	21,778,421	4,760,000	6,206,089	10,966,089	1.99

Notes:

<sup>(1)</sup> Excludes allowance for funds used during construction, includes non-operating revenue. Excludes payments received for PERS relief from State of Alaska.

<sup>(2)</sup> Assessment collections represent payments made by benefited property owners.

<sup>(3)</sup> Excludes pension expense, PERS on behalf expense, OPEB on behalf expense, OPEB expense, and depreciation; but includes special items and transfers to other funds.

<sup>(4)</sup> 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 <sup>(1)</sup>	Assessment Collections <sup>(2)</sup>	Operating Expenses <sup>(3)</sup>	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis)			Coverage <sup>(5)</sup>
					Principal <sup>(4)</sup>	Interest	Total	
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
2011	42,523,838	344,946	28,790,317	14,078,467	650,000	3,153,650	3,803,650	3.70

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 and interest payments on Revenue Bonds.
- (5) Required Minimum Coverage is 1.15.
- \* Revised calculation removing pension and OPEB revenue and expense as stated in Section (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	
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
2011	6,198,549	N/A	6,198,549	1,180,000	4,990,010	6,170,010	1.00

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 <sup>(1)</sup>	Total Personal Income (in thousands)	School Enrollment	Unemployment Rate <sup>(2)</sup>	Registered Voters
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
2011	296,197	50,540	14,969,796	48,613	6.0	261,121

Notes:

<sup>(1)</sup> 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 adjustment in the average is made for the net increase or decrease to the annual Alaska Permanent Dividend paid to Alaska's citizens.

<sup>(2)</sup> 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 Financial Report; Bureau of Economic Analysis; and the Municipality of Anchorage, Clerk's Office.



**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Principal Employment by Industry  
Current Year and Nine Years Ago

Table 19

2020*			
Standard Occupation Code	Industry Title	Average Quarterly Employment	% of Total Employment
412031	Retail Salespersons	5,161	17.50%
353023	Combined Food Preparation and Service Workers, Including Fast Food***	3,622	12.28%
291141	Registered Nurses**	3,635	12.32%
439199	Office and Administrative Support Workers, All Other****	3,175	10.76%
412011	Cashiers	2,649	8.98%
311122	Personal Care Aides	2,517	8.53%
353031	Waiters and Waitresses	2,163	7.33%
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,339	7.93%
439061	Office Clerks, General	2,244	7.61%
352021	Food Preparation Workers	1,994	6.76%
	Total Employment	29,499	

2011			
Standard Occupation Code	Industry Title	Average Quarterly Employment	% of Total Employment
412031	Retail Salespersons	6,101	19.01%
412011	Cashiers	3,912	12.19%
439199	Office and Administrative Support Workers, All Other****	3,699	11.52%
439061	Office Clerks, General	3,024	9.42%
291141	Registered Nurses**	2,976	9.27%
353021	Combined Food Preparation and Serving Workers, Including Fast Food	2,894	9.01%
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,658	8.28%
353031	Waiters and Waitresses	2,449	7.63%
399021	Personal Care Aides	2,279	7.10%
537062	Laborers and Freight, Stock, and Material Movers, Hand	2,109	6.57%
	Total Employment	32,101	

Notes:

Due to new federal confidentiality laws, the data for this table will now be based on major industry rather than principal employers.

\* The 2020 data combines the 4th quarter of 2019 with the 1st through 3rd quarters of 2020 to produce the average quarterly worker counts.

\*\* The Registered Nurses occupation for 2020 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 & Counter Attendants, Cafeteria, Food Concession, and Coffee Shop.

\*\*\*\* The Office and Admin Support Workers, All Other occupation includes Financial Clerks, All Other.

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>										
Fire services	393	388	396	380	371	371	376	372	383	355
Police services	592	580	584	553	512	502	484	505	529	522
Subtotal - public safety	985	968	980	933	883	873	860	877	912	877
General government	404	395	369	343	334	317	315	318	309	299
Health and human services	104	102	99	96	91	103	103	98	120	128
Economic and community development	249	239	246	175	176	237	238	218	226	200
Public transportation	171	147	149	157	154	150	152	147	142	152
Public works <sup>(1)</sup>	322	318	336	344	345	275	287	278	285	358
Subtotal - other	1,250	1,201	1,199	1,115	1,100	1,082	1,095	1,059	1,082	1,137
Total - general government	2,235	2,169	2,179	2,048	1,983	1,955	1,955	1,936	1,994	2,014
<b>Enterprise Funds</b>										
Water	133	134	136	126	129	129	122	127	133	131
Wastewater	134	135	135	126	128	128	122	127	133	131
Electric	221	237	252	233	231	232	215	230	228	236
Port	18	20	20	20	29	20	19	22	21	21
Municipal airport	9	9	8	10	9	9	9	8	9	9
Solid waste	78	78	73	71	69	69	68	66	72	73
Refuse	24	25	26	25	25	23	27	27	21	21
Total - enterprise funds	617	638	650	611	620	610	582	607	617	622
Total	2,852	2,807	2,829	2,659	2,603	2,565	2,537	2,543	2,611	2,636

**Notes:**

This table includes regular, seasonal and temporary full-time employees. All election workers, Assembly members, and Board and Commission members were excluded.

<sup>(1)</sup> Public works full time equivalent employees includes Maintenance and Operations employees.

Source: Municipality of Anchorage, Human Resources Department.

## MUNICIPALITY OF ANCHORAGE, ALASKA

Miscellaneous Statistical Data by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Fire services<sup>(*)</sup></b>										
Number of stations	19	19	19	19	13	13	13	13	14	14
Fire incidents, other	12,674	12,781	12,120	11,813	11,074	10,804	10,426	11,497	11,323	10,845
Emergency medical service incidents	25,048	25,449	25,176	25,861	24,188	22,563	20,719	21,183	21,485	19,505
<b>Police services</b>										
Number of stations	9	10	11	11	11	11	11	13	12	14
<b>Health and human services</b>										
<b>Health clinic visits:</b>										
Disease prevention and control <sup>(1)</sup>	6,342	13,685	12,119	10,899	10,369	10,752	12,079	11,094	12,628	12,102
Reproductive health clinic <sup>(1)</sup>	1,264	3,615	3,328	3,416	3,810	4,806	4,694	9,217	5,768	7,978
Women, Infants and Children <sup>(2)</sup>	18,048	17,950	19,590	20,220	27,008	25,636	23,685	22,958	22,601	24,954
Environmental service customers:										
Customer service counter <sup>(1) and (3)</sup>	-	7,085	-	-	3,073	2,391	9,224	7,404	6,135	12,894
Public facility inspections <sup>(1) and (4)</sup>	740	2,325	1,881	2,491	2,826	2,546	2,327	2,260	2,225	2,519
Noise, nuisance, housing <sup>(5)</sup>	815	2,962	706	541	610	642	733	817	1,169	973
Air quality and vehicle IM	-	-	-	-	-	-	-	-	-	91,444
Daycare assistance families	-	-	-	-	-	-	-	-	-	3,170
Licensed child care centers	118	119	119	120	123	123	117	112	106	109
Licensed child care homes	124	134	134	155	149	146	150	159	157	167
<b>Economic and community development</b>										
<b>Cultural and recreation services:</b>										
Total park acres	16,093	16,093	16,093	16,093	16,093	16,093	16,061	16,061	16,061	16,000
Parks	263	263	263	263	263	263	262	262	248	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	270	270
Ski trails (Km)	212	212	212	212	212	212	212	212	149	149
Community recreation centers <sup>(6)</sup>	12	12	12	12	14	15	15	15	15	16
Historic sites	27	27	27	27	27	27	27	27	27	27
Anchorage Museum at Rasmuson Center: Number of visitors <sup>(1) and (7)</sup>	31,083	218,286	215,710	195,223	191,347	200,218	200,000	179,052	186,603	186,529
Value of museum collection	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	10,275,327
MOA Public Works 1% for Art Program	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	12,709,330
Anchorage Public Library:										
Branches	5	5	5	5	5	5	5	5	5	5
Items	395,533	401,900	430,603	444,179	516,500	499,955	669,586	604,716	624,477	611,663
Items circulated <sup>(1) and (8)</sup>	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	1,579,366
Reference responses <sup>(9)</sup>	20,988	40,000	78,883	68,285	54,306	67,785	84,193	99,966	158,414	172,762
William Egan Civic and Convention Center: <sup>(1)</sup>										
Events	34	204	241	223	235	227	268	211	231	254
Attendance	11,703	114,747	114,160	118,035	136,307	118,031	133,092	106,481	118,488	125,673
Dena'ina Civic and Convention Center: <sup>(1)</sup>										
Events	76	316	293	299	349	406	398	445	412	422
Attendance	28,463	157,448	174,170	168,517	165,339	212,609	220,171	198,411	211,315	203,754

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Miscellaneous Statistical Data by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Alaska Center for the Performing Arts:</b> <sup>(1)</sup>										
Events	122	395	383	427	481	502	497	532	602	505
Attendance	41,138	192,189	185,642	198,175	226,769	224,361	228,705	220,391	266,205	226,799
<b>George Sullivan Sports Arena:</b> <sup>(1)</sup>										
Events	129	168	183	136	107	129	136	130	105	140
Attendance <sup>(10)</sup>	7,536	124,610	125,105	212,118	155,933	218,934	296,296	267,404	269,981	290,380
Anchorage Golf Course:										
Rounds played	36,348	34,595	31,725	26,092	31,017	31,648	29,721	28,088	31,303	34,968
<b>Department of Neighborhoods:</b>										
Weatherization clients	-	-	-	-	-	-	-	-	-	693
Total dwellings upgraded	-	-	-	-	-	-	-	-	-	1,852
Number of people served	-	-	-	-	-	-	-	-	-	-
<b>Public transportation</b> <sup>(1)</sup>										
Average daily ridership:										
Weekdays	6,725	11,598	11,007	11,928	11,632	12,334	13,079	13,511	13,848	14,027
Saturdays	3,364	5,699	5,395	5,919	5,729	6,022	6,351	6,640	6,797	6,821
Sundays	2,568	4,116	3,752	3,423	3,308	3,457	3,753	3,777	3,848	3,881
Total annual ridership	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	4,148,501
Annual mileage	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	2,131,576
Timetable revenue hours	160,584	140,594	139,557	126,597	125,878	125,020	124,826	123,303	122,673	123,734
<b>Public works</b>										
Miles of streets and alleys:										
Anchorage Road Service Area										
Unpaved <sup>(11)</sup>	3	3	6	6	6	6	6	6	7	7
Paved	625	625	623	622	667	666	663	617	614	613
Limited Road Service Area	328	327	327	327	315	315	315	313	316	313
Alleys	44	44	44	44	42	42	42	44	44	44
<b>Port</b>										
Tonnage <sup>(12)</sup>	4,704,101	4,265,763	3,948,665	3,497,845	3,498,171	3,773,584	3,455,707	3,396,544	3,754,231	4,135,214
<b>Municipal airport</b>										
Landings and take-offs										
	149,639	152,394	151,368	126,015	137,613	120,541	125,588	128,031	131,777	130,779
<b>Water</b>										
Number of customers										
Average treatment plant production <sup>(13)</sup>										
(gallons/day)	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	22,700,000
Treatment plant capacity (gallons/day)	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	75,000,000
Average well production (gallons/day) <sup>(14)</sup>	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	1,611,233
Miles of water mains	849	848	847	846	845	843	839	838	836	836
Public fire hydrants	6,088	6,069	6,051	6,038	6,027	5,999	5,949	5,917	5,897	5,887
Private fire hydrants	1,468	1,462	-	-	-	-	-	-	1,368	1,367

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Miscellaneous Statistical Data by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Wastewater</b>										
Number of customers	57,472	57,382	57,273	57,273	57,163	57,086	56,711	56,432	56,251	56,107
Average treatment (gallons/day) <sup>(15)</sup>	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	26,800,000
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	84	84	84	84	84	83	83	83
Laterals	638	635	631	629	629	628	625	622	634	624
<b>Electric<sup>(16)</sup></b>										
Number of customers	-	31,082	31,112	31,074	31,081	30,932	30,791	30,786	30,747	30,603
Number of street lights	-	3,794	3,837	3,879	3,891	3,897	3,900	3,908	3,924	3,930
Circuit miles of overhead distribution lines	-	113	114	118	118	133	122	123	124	125
Miles of underground distribution lines	-	289	250	254	253	253	254	248	250	252
Plant generation capacity <sup>(17)</sup> (30 degrees Fahrenheit) - KW	-	443,780	424,560	424,560	544,260	424,560	424,560	424,560	364,500	364,500
<b>Solid waste</b>										
Total landfill/disposal customers	312,571	278,345	274,021	241,485	263,544	260,477	253,397	253,872	256,479	242,646
Total waste land filled (tons) <sup>(18)</sup>	301,061	314,265	350,024	308,151	330,806	284,050	306,723	308,164	331,413	308,646
<b>Refuse collection</b>										
Average residential billed customers	10,068	10,016	10,323	10,422	10,970	9,947	9,974	10,002	10,020	10,000
Residential tons collected	10,034	9,567	9,528	9,449	9,566	9,358	8,723	9,516	9,644	9,810
Average commercial billed customers	1,878	1,964	2,074	1,960	1,902	1,862	1,855	1,847	1,880	1,898
Commercial tons collected	23,211	24,991	25,829	26,250	27,267	21,023	24,802	26,985	26,922	26,896

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". 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 shelters.
- (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.
- (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.
- (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, had to cancel comedy show for 6,500+ tickets on March 14th; and for the rest of the year, the Sullivan Arena was used as a homeless shelter.
- (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 generators 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.

Source: Municipality of Anchorage, Various Departments.