

MUNICIPALITY OF ANCHORAGE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2001

**Prepared by:
DEPARTMENT OF FINANCE**

**Kate Giard, CPA
Chief Fiscal Officer**

**Richard Miller
Controller**

MUNICIPALITY OF ANCHORAGE, ALASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 2001

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701 West Eighth Avenue
 Suite 600
 Anchorage, AK 99501

Independent Auditors' Report

The Honorable Mayor and
 Members of the Assembly
 Municipality of Anchorage:

We have audited the general purpose financial statements of the Municipality of Anchorage, Alaska, and the related combining, individual fund and account group financial statements as of December 31, 2001 and for the year then ended, as listed in the accompanying table of contents, pages 4 through 112 except for pages 66 through 73, 78 through 81, 83, 86, 87 and 107. The financial statements referred to above are the responsibility of the Municipality of Anchorage, Alaska's, management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Anchorage Historic Properties, Inc. as of and for the year ended December 31, 2001, a component unit of the Municipality of Anchorage, Alaska, which statements included herein reflect assets, liabilities, equity, revenues and other financing sources and expenditures and other financing uses comprising a portion of the component units as follows:

Exhibits	Assets	Liabilities	Equity	Revenues and other financing sources	Expenditures and other financing uses
Exhibits I and VII	.05%	.00017%	.08%	—%	—%
Exhibits II and VIII	—%	—%	—%	.020%	.028%

These financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units named above, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditor provides a reasonable basis for our opinion.





The Honorable Mayor and
Members of the Assembly
Municipality of Anchorage

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Municipality of Anchorage, Alaska, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, based upon our audit and the reports of other auditors, the related combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Municipality of Anchorage, Alaska, as of December 31, 2001, and the results of operations of such funds and the cash flows of individual proprietary and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1, the Municipality of Anchorage, Alaska adopted the provisions of Government Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and Government Accounting Standards Boards Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenue* in 2001. The adoption of these statements results in additional revenue recognition of approximately \$11,000,000.

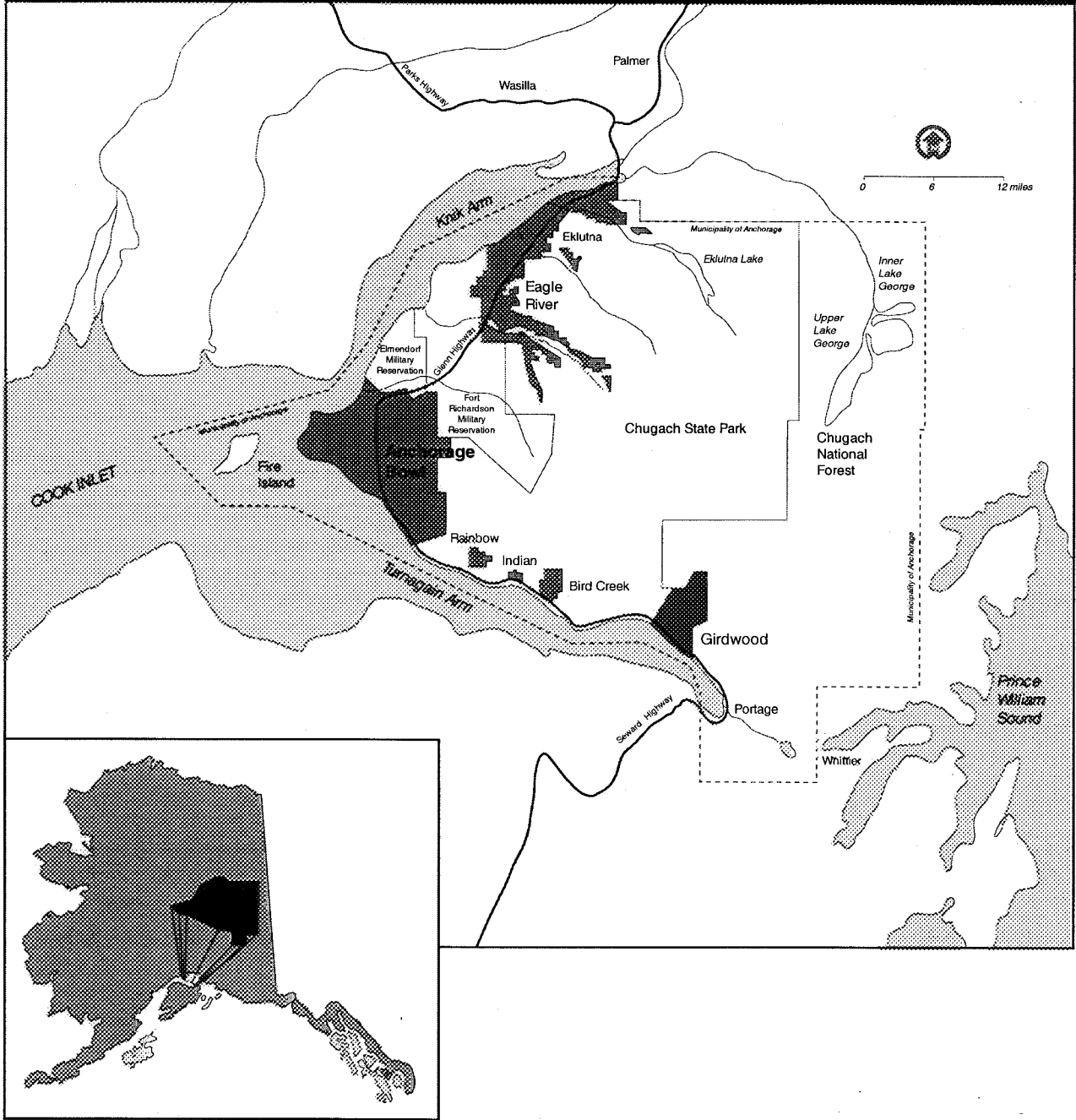
In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2002 on our consideration of the Municipality of Anchorage, Alaska's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants that report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed in the table of contents as pages 66 through 73, 78 through 81, 83, 86, 87, 107 and 113 through 121 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Municipality of Anchorage, Alaska. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, based upon our audit and the reports of other auditors, is fairly stated in all material respects, in relation to the general purpose financial statements and each of the respective individual fund and account group financial statements taken as a whole.

KPMG LLP

March 29, 2002

Municipality of Anchorage Vicinity Map



MUNICIPALITY OF ANCHORAGE, ALASKA

COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
 December 31, 2001
 With Comparative Totals for December 31, 2000
 (In Thousands)

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and Other Cash Equivalents	\$	\$ 8	\$	\$
Cash and Other Cash Equivalents - Proprietary Fund Type Component Units				
Equity in General Cash Pool	76,582	6,383	11,643	
Equity in General Cash Pool - Non-Expendable Trusts				
Equity in Construction Investment Pool				13,413
Investments	2	1,005	31,415	3,972
Receivables (Net of Allowances for Uncollectibles):				
Notes				
Interest		14	8	
Taxes	8,925			
Accounts	6,213	6,108	967	19
Special Assessments	2,160	52		279
Intergovernmental	949	12,822		8,517
Due from Component Units	329			
Due from Primary Government				
Interfund Receivables	6,699			13,829
Unbilled Reimbursable Work Orders				
Inventories	541			
Prepaid Items and Deposits	11			
Advances to Other Funds	2,525	3		
Loan to Anchorage Senior Center	1,851			
Restricted Assets:				
Equity in General Cash Pool				
Equity in Construction Investment Pool				
Investments				
Special Assessments Receivable				
Intergovernmental Receivables				
Other Receivables				
Trustee Reserve			3,985	
Deferred Charges and Other Assets		226		
Fixed Assets (Net, where Applicable, of Accumulated Depreciation)				
Other Debits:				
Amounts Available in Debt Service Fund				
Amounts to be Provided for Retirement of Long-Term Obligations				
TOTAL ASSETS AND OTHER DEBITS	\$ 106,787	\$ 26,621	\$ 48,018	\$ 40,029

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)	COMPONENT UNITS	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	PRIMARY GOVERNMENT		December 31 2001	December 31 2000
\$ 5	\$	\$	\$	\$	\$ 13	\$ 34	\$ 47	\$ 1,043
76,988	21,438	9,633			202,667	2,821	2,821	2,199
		1,624			1,624		1,624	236
		511,839			13,413		13,413	50,408
					548,233	225,820	774,053	706,849
2					2	49	51	119
886		635			1,543	3,673	5,216	3,148
					8,925		8,925	9,642
15,855	63	10			29,235	613	29,848	28,665
473					2,964		2,964	4,542
3,615					25,903	16,768	42,671	44,392
					329		329	658
						68,065	68,065	63,399
	9,785				30,313		30,313	25,999
1,189					1,189		1,189	796
13,675	366				14,582	2,340	16,922	15,705
	900				911	1,055	1,966	2,805
					2,528		2,528	2,492
					1,851		1,851	
2,150					2,150		2,150	1,662
20,385					20,385		20,385	14,994
50,026					50,026		50,026	48,993
356					356		356	445
33					33		33	76
						433	433	341
					3,985		3,985	7,376
21,651					21,877		21,877	22,446
1,030,243	32,900	18	984,743		2,047,904	1,116,539	3,164,443	3,059,781
				45,156	45,156	5,863	51,019	54,747
				459,372	459,372	490,760	950,132	805,076
<u>\$ 1,237,532</u>	<u>\$ 65,452</u>	<u>\$ 523,759</u>	<u>\$ 984,743</u>	<u>\$ 504,528</u>	<u>\$ 3,537,469</u>	<u>\$ 1,934,833</u>	<u>\$ 5,472,302</u>	<u>\$ 5,231,038</u>

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS - CONTINUED

December 31, 2001

With Comparative Totals for December 31, 2000

(In Thousands)

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 5,136	\$ 2,980	\$	\$ 4,768
Overdrafts Payable				
Accrued Expenses				
Compensated Absences Payable	4,816	920		
Claims Payable				
Claims Incurred But Not Reported				
Due to Employees				
Due to Student Groups				
Due to Public Employees' Retirement System				
Due to Component Units	45,190			
Due to Primary Government				
Interfund Payables		32	1,947	3,279
Tax Anticipation Notes Payable				
Accrued Interest Payable				
Deferred Revenue and Other Deposits	9,512	5,220	915	1,088
Long-Term Obligations Maturing within One Year				
Advance Billings and Prepayments				
Liabilities Payable from Restricted Assets				
Advances from Other Funds				
General Obligation Bonds Payable				
Revenue Bonds Payable				
Special Assessment Bonds Payable				
Certificates of Participation Payable				
Capital Leases Payable				
Federal Clean Water Loan Payable				
Other Loans and Contracts Payable				
Police/Fire Retiree Medical Liability				
Deferred Credits and Other Liabilities				
Total Liabilities	<u>64,654</u>	<u>9,152</u>	<u>2,862</u>	<u>9,135</u>
Equity and Other Credits:				
Investment in General Fixed Assets				
Contributed Capital (Net of Accumulated Amortization)				
Retained Earnings:				
Reserved				
Unreserved				
Fund Balances (Deficit):				
Reserved for Encumbrances	5,052	4,559		11,049
Reserved for Inventory and Prepaid Items	552			
Reserved for Federal Impact Aid				
Reserved for Subsequent Year Expenditures				
Reserved for Long-Term Loans	749	6,099		
Reserved for Advances to Other Funds	2,525	3		
Reserved for Debt Service			44,774	
Reserved for Special Assessment Bond Guaranty			382	
Reserved for Retired Employees' Medical Liability				
Reserved for Employees' Retirement System				
Reserved for Capital Acquisition				
Unreserved:				
Designated for Subsequent Year Expenditures	4,831			
Designated for Capital Project Expenditures				
Designated for Self Insurance				
Authorized Construction, Net of Authorized Unissued Bonds				
Undesignated	28,424	6,808		19,845
Total Equity and Other Credits	<u>42,133</u>	<u>17,469</u>	<u>45,156</u>	<u>30,894</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 106,787</u>	<u>\$ 26,621</u>	<u>\$ 48,018</u>	<u>\$ 40,029</u>

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			December 31 2001	December 31 2000
\$ 6,257	\$ 798	\$ 281	\$	\$	\$ 20,220	\$ 12,805	\$ 33,025	\$ 31,144
1,071					1,071	2,160	2,160	8,901
4,180	813			6,904	17,633	6,781	1,071	415
	6,570				6,570	2,466	24,414	23,930
	5,034				5,034		9,036	6,616
		5,254			5,254		5,034	9,534
						2,758	5,254	4,512
		1,260			1,260		2,758	2,349
					45,190		1,260	1,189
2,162	9,411	4,719			21,550	153	45,190	42,200
							153	292
6,849	17				6,866		21,550	16,969
	89				16,824	68,310		50,000
26,411	896				27,307		6,866	7,193
70					70	609	85,134	89,977
4,876	381				5,257		27,307	27,616
	11,291				11,291		679	633
30,381				281,505	311,886	496,555	5,257	5,631
340,099				60,440	400,539		11,291	11,522
520				1,255	1,775		808,441	675,545
	687			15,315	16,002		400,539	414,485
	290				290		1,775	2,094
18,502					18,502		16,002	19,157
27,035	164			630	27,829		290	412
				138,479	138,479		18,502	13,148
10,048		2,844			12,892	8,452	27,829	24,227
478,461	36,441	14,358		504,528	1,119,591	601,049	138,479	139,330
							21,344	19,419
							1,720,640	1,648,440
			984,743		984,743	1,082,936		
472,322	19,712				492,034	33,860	2,067,679	1,965,376
							525,894	528,015
42,791					42,791			
243,958	9,299				253,257	4,480	42,791	40,880
							257,737	222,964
					20,660	78,284		
					552	3,244	98,944	77,015
						9,144	3,796	3,996
						5,108	9,144	8,489
					6,848	5,108	5,108	11,446
					2,528		6,848	6,334
					44,774	5,863	2,528	2,492
					382		50,637	54,365
		4,198			4,198		382	382
		373,139			373,139		4,198	4,158
						123	373,139	412,860
							123	194
					4,831			
							4,831	5,140
								48,269
						9,000	9,000	5,000
						72,834	72,834	
		132,064			187,141	28,908	216,049	185,223
759,071	29,011	509,401	984,743		2,417,878	1,333,784	3,751,662	3,582,598
\$ 1,237,532	\$ 65,452	\$ 523,759	\$ 984,743	\$ 504,528	\$ 3,537,469	\$ 1,934,833	\$ 5,472,302	\$ 5,231,038

MUNICIPALITY OF ANCHORAGE, ALASKA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES,
SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000
(In Thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY
	General	Special Revenue	Debt Service	Capital Projects	FUND TYPES Expendable Trust
REVENUES					
Taxes	\$ 312,875	\$	\$	\$	\$
Special Assessments	953	455	315	36	
Licenses and Permits	9,174				
Intergovernmental	14,436	39,385		14,407	
Charges for Services	13,093				
Fines and Forfeitures	4,912	446			
Investment Income	6,043	504	(110)	2,354	(1,108)
Annuity Income			1,494		
Other	810	1,450		1,209	3
Total Revenues	<u>362,296</u>	<u>42,240</u>	<u>1,699</u>	<u>18,006</u>	<u>(1,105)</u>
EXPENDITURES					
Current:					
General Government	17,959	6,214			705
Public Safety	110,882	24,055			
Public Services	65,390	2,569			
Non-Departmental	8,658				
Education					
Debt Service:					
Principal	19,236		2,936		
Interest and Fiscal Charges	19,584		4,321		
Payments to Defeased/Refunded Bond Escrow Agents					
Capital Projects:					
Total Expenditures	<u>241,709</u>	<u>32,838</u>	<u>7,257</u>	<u>79,936</u>	<u>705</u>
Excess (Deficiency) of Revenues over Expenditures	<u>120,587</u>	<u>9,402</u>	<u>(5,558)</u>	<u>(61,930)</u>	<u>(1,810)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers from Other Funds	10,931	1,170	1,300	2,877	850
Operating Transfers from Component Units	134				
Operating Transfers from Primary Government					
Operating Transfers to Other Funds	(5,904)	(1,049)	(850)	(404)	(12,474)
Operating Transfers to Component Units	(132,209)	(292)			
Operating Transfers to Primary Government					
Payments to Escrow Agents					
General Obligation Bond Proceeds					
Restricted Contributions	1,209			1,851	
Refunding Bond Proceeds					
Payments to Defeased/Refunded Bond Escrow Agents					
Land Sales	38	27			
Revenue Bond Proceeds					
Net Other Financing Sources (Uses)	<u>(125,801)</u>	<u>(144)</u>	<u>450</u>	<u>4,324</u>	<u>(11,624)</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(5,214)</u>	<u>9,258</u>	<u>(5,108)</u>	<u>(57,606)</u>	<u>(13,434)</u>
Fund Balances, January 1	47,060	9,027	50,264	88,872	27,523
Decrease in Reserve for Inventory					
Residual Equity Transfers from Other Funds				816	
Residual Equity Transfer from Component Unit	493				
Residual Equity Transfers to Other Funds	(206)	(816)		(1,188)	
FUND BALANCES, DECEMBER 31	<u>\$ 42,133</u>	<u>\$ 17,469</u>	<u>\$ 45,156</u>	<u>\$ 30,894</u>	<u>\$ 14,089</u>

The notes to the financial statements are an integral part of this statement.

TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT		COMPONENT UNITS	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
			December 31 2001	December 31 2000
\$	312,875	\$	\$ 312,875	\$ 288,427
	1,759		1,759	1,634
	9,174		9,174	8,478
	68,228	276,608	344,836	326,076
	13,093	5,264	18,357	16,143
	5,358		5,358	5,634
	7,683	10,547	18,230	16,862
	1,494		1,494	1,776
	3,472	4,467	7,939	8,362
	<u>423,136</u>	<u>296,886</u>	<u>720,022</u>	<u>673,392</u>
	24,878		24,878	25,975
	134,937		134,937	128,748
	67,959	1,866	69,825	69,406
	8,658		8,658	8,521
		368,072	368,072	359,524
	22,172	19,196	41,368	39,500
	23,905	21,806	45,711	33,469
				5,754
	<u>79,936</u>	<u>48,678</u>	<u>128,614</u>	<u>161,728</u>
	<u>362,445</u>	<u>459,618</u>	<u>822,063</u>	<u>832,625</u>
	<u>60,691</u>	<u>(162,732)</u>	<u>(102,041)</u>	<u>(159,233)</u>
	17,128		17,128	56,037
	134		134	135
		127,748	127,748	119,111
	(20,681)		(20,681)	(26,468)
	(132,501)		(132,501)	(125,322)
		(131)	(131)	(135)
		181,012	181,012	(9,942)
	3,060		3,060	94,859
		54,699	54,699	
		(54,699)	(54,699)	
	65	61	126	212
				61,821
	<u>(132,795)</u>	<u>308,690</u>	<u>175,895</u>	<u>170,308</u>
	(72,104)	145,958	73,854	11,075
	222,746	68,534	291,280	281,829
		16	16	135
	816		816	
	493		493	269
	(2,210)	(2,000)	(4,210)	(2,028)
\$	<u>149,741</u>	<u>\$ 212,508</u>	<u>\$ 362,249</u>	<u>\$ 291,280</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES) AND
 CHANGES IN FUND BALANCES - BUDGET (NON GAAP BASIS) AND ACTUAL
 GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
 For the Year Ended December 31, 2001
 (In Thousands)

	GENERAL FUND				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Taxes:					
Real Property	\$ 240,092	\$	\$ 240,092	\$ 235,343	\$ 4,749
Personal Property	38,434		38,434	37,638	796
Aircraft	199		199	152	47
Motor Vehicle Registration	5,008		5,008	5,224	(216)
Motor Vehicle Rental	3,867		3,867	3,050	817
Hotel-Motel	11,101		11,101	11,200	(99)
Excise on Tobacco Products	4,762		4,762	5,936	(1,174)
Payments in Lieu of Property Taxes	221		221	198	23
Municipal Utility Service Assessment	6,324		6,324	6,352	(28)
Penalties and Interest	2,867		2,867	2,965	(98)
Special Assessments	953		953	644	309
Licenses and Permits	9,174		9,174	8,217	957
Intergovernmental	14,436		14,436	13,240	1,196
Charges for Services	13,093		13,093	13,590	(497)
Fines and Forfeitures	4,912		4,912	5,779	(867)
Investment Income	6,043		6,043	10,090	(4,047)
Other	810		810	1,005	(195)
Total Revenues	<u>362,296</u>		<u>362,296</u>	<u>360,623</u>	<u>1,673</u>
EXPENDITURES					
Current:					
General Government	17,959	74	18,033	19,192	1,159
Public Safety	110,882	(417)	110,465	113,939	3,474
Public Services	65,390	275	65,665	70,574	4,909
Non-Departmental	8,658	(16)	8,642	8,778	136
Debt Service:					
Principal	19,236		19,236	19,236	
Interest and Fiscal Charges	19,584		19,584	19,600	16
Total Expenditures	<u>241,709</u>	<u>(84)</u>	<u>241,625</u>	<u>251,319</u>	<u>9,694</u>
Excess (Deficiency) of Revenues over Expenditures	<u>120,587</u>	<u>84</u>	<u>120,671</u>	<u>109,304</u>	<u>11,367</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers from Other Funds	10,931		10,931	10,931	
Operating Transfers from Component Units	134		134		134
Operating Transfers to Other Funds	(5,904)		(5,904)	(6,076)	172
Operating Transfers to Component Units	(132,209)		(132,209)	(132,209)	
Restricted Contributions	1,209		1,209	80	1,129
Land Sales	38		38		38
Net Other Financing Sources (Uses)	<u>(125,801)</u>		<u>(125,801)</u>	<u>(127,274)</u>	<u>1,473</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(5,214)</u>	<u>84</u>	<u>(5,130)</u>	<u>\$ (17,970)</u>	<u>\$ 12,840</u>
Fund Balances, January 1	47,060		47,060		
Residual Equity Transfer from Component Unit	493		493		
Residual Equity Transfers to Other Funds	(206)		(206)		
FUND BALANCES, DECEMBER 31	<u>\$ 42,133</u>	<u>\$ 84</u>	<u>\$ 42,217</u>		

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUND WITH ANNUAL BUDGET					DEBT SERVICE FUNDS		
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual and Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$	\$	\$	\$	\$	\$	\$	\$
					315		315
213		213	24	189	(110)		(110)
791		791	211	580	1,494		1,494
<u>1,004</u>		<u>1,004</u>	<u>235</u>	<u>769</u>	<u>1,699</u>		<u>1,699</u>
637	1	638	644	6			
					2,936	2,936	
					4,321	5,122	801
<u>637</u>	<u>1</u>	<u>638</u>	<u>644</u>	<u>6</u>	<u>7,257</u>	<u>8,058</u>	<u>801</u>
367	(1)	366	(409)	775	(5,558)	(8,058)	2,500
					1,300	1,000	300
(705)		(705)	(705)		(850)	(947)	97
27		27	404	(377)			
<u>(678)</u>		<u>(678)</u>	<u>(301)</u>	<u>(377)</u>	<u>450</u>	<u>53</u>	<u>397</u>
(311)	(1)	(312)	\$ (710)	\$ 398	(5,108)	\$ (8,005)	\$ 2,897
3,235		3,235			50,264		
<u>\$ 2,924</u>	<u>\$ (1)</u>	<u>\$ 2,923</u>			<u>\$ 45,156</u>		

SPECIAL REVENUE FUND RECONCILIATION

	Special Revenue Fund With Annual Budget (1)	Special Revenue Funds Without Annual Budgets	Total (2)
Total Revenues	\$ 1,004	\$ 41,236	\$ 42,240
Total Expenditures	637	32,201	32,838
Excess (Deficiency) of Revenues over Expenditures	367	9,035	9,402
Net Other Financing Sources (Uses)	(678)	534	(144)
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(311)	9,569	9,258
Fund Balances, January 1	3,235	5,792	9,027
Residual Equity Transfer Out		(816)	(816)
FUND BALANCES, DECEMBER 31	<u>\$ 2,924</u>	<u>\$ 14,545</u>	<u>\$ 17,469</u>

- (1) Summary of actual column of the Special Revenue Fund with an annual Budget as shown above in Exhibit III.
- (2) Summary of Special Revenue column from Exhibit II.

MUNICIPALITY OF ANCHORAGE, ALASKA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
 ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000
 (In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTAL (MEMORANDUM ONLY) PRIMARY GOVERNMENT
	Enterprise	Internal Service	Non-Expendable Trust	
OPERATING REVENUES				
Charges for Sales and Services	\$ 153,931	\$ 56,367	\$	\$ 210,298
Other	12,190		(1,677)	10,513
Total Operating Revenues	<u>166,121</u>	<u>56,367</u>	<u>(1,677)</u>	<u>220,811</u>
OPERATING EXPENSES				
Operations	85,534	51,461	447	137,442
Municipal Utility Service Assessment Taxes	6,325			6,325
Future Landfill Closure Costs	727			727
Depreciation and Amortization	42,590	5,740		48,330
Total Operating Expenses	<u>135,176</u>	<u>57,201</u>	<u>447</u>	<u>192,824</u>
Operating Income (Loss)	<u>30,945</u>	<u>(834)</u>	<u>(2,124)</u>	<u>27,987</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment Revenue	8,282	1,177		9,459
Other Revenues	12,160	644		12,804
Interest Expense	(27,425)	(1,033)		(28,458)
Allowance for Funds Used During Construction	1,444			1,444
Amortization of Deferred Charges	(1,770)			(1,770)
Other Expenses	(267)			(267)
Loss on Extinguishment of Debt				
Gain on Disposal of Fixed Assets				
Net Non-Operating Revenues (Expenses)	<u>(7,576)</u>	<u>788</u>		<u>(6,788)</u>
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>23,369</u>	<u>(46)</u>	<u>(2,124)</u>	<u>21,199</u>
Operating Transfers from Other Funds			3,074	3,074
Operating Transfers from Primary Government				
Operating Transfers to Other Funds	(54)	(51)		(105)
NET INCOME	<u>23,315</u>	<u>(97)</u>	<u>950</u>	<u>24,168</u>
Amortization of Contributed Plant	13,207	21		13,228
Increase in Retained Earnings/Fund Balance	36,522	(76)	950	37,396
Retained Earnings/Fund Balance, January 1	250,227	9,375	121,223	380,825
RETAINED EARNINGS/FUND BALANCE, DECEMBER 31	<u>\$ 286,749</u>	<u>\$ 9,299</u>	<u>\$ 122,173</u>	<u>\$ 418,221</u>

The notes to the financial statements are an integral part of this statement.

COMPONENT UNITS	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
	December 31	December 31
	2001	2000
\$ 4,446	\$ 214,744	\$ 201,030
	10,513	13,391
<u>4,446</u>	<u>225,257</u>	<u>214,421</u>
3,010	140,452	127,562
	6,325	6,065
	727	747
<u>1,313</u>	<u>49,643</u>	<u>48,815</u>
<u>4,323</u>	<u>197,147</u>	<u>183,189</u>
<u>123</u>	<u>28,110</u>	<u>31,232</u>
127	9,586	10,985
	12,804	2,355
	(28,458)	(31,459)
	1,444	1,903
(2)	(1,772)	(1,993)
	(267)	(344)
		(251)
<u>3</u>	<u>3</u>	
<u>128</u>	<u>(6,660)</u>	<u>(18,804)</u>
<u>251</u>	<u>21,450</u>	<u>12,428</u>
	3,074	20,000
		1,336
	(105)	(9,569)
<u>251</u>	<u>24,419</u>	<u>24,195</u>
<u>257</u>	<u>13,485</u>	<u>13,120</u>
<u>508</u>	<u>37,904</u>	<u>37,315</u>
<u>3,972</u>	<u>384,797</u>	<u>347,482</u>
<u>\$ 4,480</u>	<u>\$ 422,701</u>	<u>\$ 384,797</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000
 (In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTAL (MEMORANDUM ONLY)
	Enterprise	Internal Service	Non-Expendable Trust	PRIMARY GOVERNMENT
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 30,945	\$ (834)	\$ (2,124)	\$ 27,987
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Future Landfill Closure Costs	727			727
Depreciation and Amortization	42,590	5,740		48,330
Allowance for Uncollectible Accounts	77			77
Other Income (Expenses)	4,705	3	3,059	7,767
Changes in Assets and Liabilities Which Increase (Decrease) Cash:				
Accounts Receivable	(794)	21		(773)
Interfund Receivables				
Notes Receivable	14	5		19
Intergovernmental Receivables	(3,186)			(3,186)
Unbilled Reimbursable Work Orders	(392)			(392)
Inventories	(1,163)			(1,163)
Customer Deposits	487			487
Prepaid Expenses and Other Deferred Charges	(2,297)	(317)		(2,614)
Accounts Payable	1,081	(131)	(4)	946
Accrued Expenses	657	(23)		634
Compensated Absences Payable	(13)	(28)		(41)
Claims Payable		(2,076)		(2,076)
Interfund Payables	2,162			2,162
Advance Billings and Prepayments	9			9
Current Liabilities Payable from Restricted Assets	(1,230)	(1,393)		(2,623)
Non-Current Liabilities	335			335
Total Adjustments	43,769	1,801	3,055	48,625
Net Cash Provided by Operating Activities	74,714	967	931	76,612
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from Other Funds		5,871	3,074	8,945
Advances to Other Funds		(5,458)		(5,458)
Operating Transfers from (to) Primary Government				
Operating Transfers to Other Funds	(54)	(51)		(105)
Net Cash Provided (Used) by Noncapital Financing Activities	(54)	362	3,074	3,382
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Advances from Other Funds for Acquisition of Capital Assets	3,384	822		4,206
Proceeds from Issuance of Long-Term Obligations	11,051	1,198		12,249
Principal Payments on Long-Term Obligations	(25,861)	(3,231)		(29,092)
Interest Payments on Long-Term Obligations	(23,853)	(1,033)		(24,886)
Proceeds from Disposition of Fixed Assets	42	1,202		1,244
Acquisition and Construction of Fixed Assets	(42,135)	(5,211)		(47,346)
Contributed Capital - Interfund		1,393		1,393
Contributed Capital - Primary Government				
Contributed Capital - Customers	4,269			4,269
Contributed Capital - Intergovernmental	8,612			8,612
Net Cash Used by Capital and Related Financing Activities	(64,491)	(4,860)		(69,351)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales and Maturities of Investments	5,594	7,566		13,160
Interest and Dividends Received	8,399	1,264	4,282	13,945
Purchase of Investments	(15,706)		(6,899)	(22,605)
Net Cash Provided (Used) by Investing Activities	(1,713)	8,830	(2,617)	4,500
NET INCREASE IN CASH	8,456	5,299	1,388	15,143
Cash, January 1	70,687	16,139	236	87,062
CASH, DECEMBER 31	\$ 79,143	\$ 21,438	\$ 1,624	\$ 102,205
Cash and Other Cash Equivalents	\$ 5	\$	\$	\$ 5
Cash Equivalent Equity in General Cash Pool	76,988	21,438	1,624	100,050
Cash and Cash Equivalents in Restricted Assets	2,150			2,150
CASH, DECEMBER 31	\$ 79,143	\$ 21,438	\$ 1,624	\$ 102,205
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Capital Purchase on Account	\$ 1,763	\$ 381	\$	\$ 2,144
Contributed Capital - Customer Private Development	3,686			3,686
Contributed Equipment				
	\$ 5,449	\$ 381	\$	\$ 5,830

The notes to the financial statements are an integral part of this statement.

COMPONENT UNITS	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
	December 31 2001	December 31 2000
\$ 123	\$ 28,110	\$ 31,502
	727	746
1,313	49,643	48,815
	77	18
	7,767	998
(85)	(858)	73
(252)	(252)	
	19	14
	(3,186)	(54)
	(392)	155
	(1,163)	379
(6)	481	(348)
(64)	(2,678)	(3,104)
44	990	805
24	658	(1,552)
	(41)	(582)
	(2,076)	1,121
	2,162	(58)
	9	(198)
	(2,623)	261
	335	(9)
974	49,599	47,480
1,097	77,709	78,982
	8,945	20,216
	(5,458)	(11,037)
(108)	(108)	1,053
	(105)	
(108)	3,274	10,232
	4,206	4,908
	12,249	12,625
	(29,092)	(44,039)
(2)	(24,888)	(27,879)
6	1,250	527
(288)	(47,634)	(52,684)
2,000	3,393	2,047
(434)	(434)	9,440
	4,269	3,381
	8,612	4,297
1,282	(68,069)	(87,377)
214	13,374	10,290
107	14,052	11,420
(1,970)	(24,575)	(15,015)
(1,649)	2,851	6,695
622	15,765	8,532
2,199	89,261	80,729
\$ 2,821	\$ 105,026	\$ 89,261
\$ 2,821	\$ 2,826	\$ 2,206
	100,050	85,393
	2,150	1,662
\$ 2,821	\$ 105,026	\$ 89,261
\$	\$ 2,144	\$ 3,968
	3,686	1,129
		101
\$	\$ 5,830	\$ 5,198

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT VI

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
POLICE AND FIRE RETIREMENT SYSTEM
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000
(In Thousands)

	Plan I	Plan II	Plan III	TOTAL	
				December 31 2001	December 31 2000
ADDITIONS:					
Employee Contributions	\$	\$	\$	\$	\$ 6
Investment Income:					
Interest	2,213	1,420	3,932	7,565	11,101
Dividends	1,090	696	1,926	3,712	7,918
Net Depreciation in Fair Value of Investments	(9,082)	(5,773)	(15,969)	(30,824)	(1,227)
	(5,779)	(3,657)	(10,111)	(19,547)	17,792
Less Investment Expense	386	251	695	1,332	1,276
Net Investment Income	(6,165)	(3,908)	(10,806)	(20,879)	16,516
Total Additions	(6,165)	(3,908)	(10,806)	(20,879)	16,522
DEDUCTIONS:					
Reversion to (from) Municipality of Anchorage					40,000
Attorney Fees Related to Settlement Agreement					4,385
Benefit Enhancement Payments					57,956
Regular Benefit Payments	7,633	2,873	7,300	17,806	15,789
Administrative Expenses	304	202	530	1,036	1,058
Total Deductions	7,937	3,075	7,830	18,842	119,188
Net Decrease	(14,102)	(6,983)	(18,636)	(39,721)	(102,666)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:					
Balance, Beginning of Year	122,308	77,215	213,337	412,860	515,526
BALANCE, END OF YEAR	\$ 108,206	\$ 70,232	\$ 194,701	\$ 373,139	\$ 412,860

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT VII

COMBINING BALANCE SHEETS
 COMPONENT UNITS
 December 31, 2001
 With Comparative Totals for December 31, 2000
 (In Thousands)

	Anchorage School District	Alaska Center for the Performing Arts, Inc.	Anchorage Historic Properties, Inc.	Anchorage Parking Authority	TOTAL	
					December 31 2001	December 31 2000
ASSETS AND OTHER DEBITS						
Assets:						
Cash and Cash Equivalents	\$	\$	\$ 34	\$	\$ 34	\$ 1,043
Cash and Cash Equivalents - Proprietary Fund Types				2,821	2,821	2,199
Equity in General Cash Pool						
Investments	223,595	1,312	913		225,820	76,099
Receivables (Net of Allowances for Uncollectibles):						
Notes			49		49	117
Interest	3,673				3,673	871
Accounts	473	23		117	613	2,694
Intergovernmental	16,768				16,768	21,586
Due from Primary Government	68,065				68,065	63,399
Inventories	2,340				2,340	2,285
Prepaid Items and Deposits	1,032	16	2	5	1,055	2,100
Restricted Assets:						
Deposits		281		152	433	341
Revenue Bond Debt Service Account						
Deferred Charges and Other Assets						151
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)	1,083,989		110	32,440	1,116,539	1,097,976
Other Debits:						
Amounts Available in Debt Service Fund	5,863				5,863	4,483
Amounts to be Provided for Retirement of Long-Term Obligations	490,760				490,760	333,146
TOTAL ASSETS AND OTHER DEBITS	\$ 1,896,558	\$ 1,632	\$ 1,108	\$ 35,535	\$ 1,934,833	\$ 1,608,490
LIABILITIES, EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts Payable	\$ 12,473	\$ 163	\$ 1	\$ 168	\$ 12,805	\$ 10,797
Overdrafts Payable	2,160				2,160	8,916
Compensated Absences Payable	6,781				6,781	6,504
Claims Payable	2,466				2,466	2,470
Due to Student Groups	2,758				2,758	2,349
Due to Primary Government		45		108	153	292
Deferred Revenue and Other Deposits	68,142	71		97	68,310	63,936
Ticket Sale Advances		609			609	572
Long-Term Obligations Maturing within One Year						
Liabilities Payable from Restricted Assets						
General Obligation Bonds Payable	496,555				496,555	337,530
Revenue Bonds Payable (Net of Unamortized Discounts and Deferred Loss on Refunding)						
Deferred Credits and Other Liabilities	8,069	262		121	8,452	6,725
Total Liabilities	599,404	1,150	1	494	601,049	440,091
Equities, and Other Credits:						
Investment in General Fixed Assets	1,082,936				1,082,936	1,064,614
Contributed Capital	3,272			30,588	33,860	31,279
Retained Earnings	27			4,453	4,480	3,972
Fund Balances:						
Reserved for Encumbrances	78,284				78,284	31,063
Reserved for Inventory and Prepaid Items	3,244				3,244	3,455
Reserved for Federal Impact Aid	9,126		18		9,144	8,489
Reserved for Subsequent Year Expenditures	5,108				5,108	11,446
Reserved for Debt Service	5,863				5,863	4,483
Reserved for Capital Acquisition		123			123	194
Unreserved:						
Designated for Self Insurance	9,000				9,000	5,000
Authorized Construction, Net of Authorized Unissued Bonds	72,834				72,834	
Undesignated	27,460	359	1,089		28,908	4,404
Total Equities, and Other Credits	1,297,154	482	1,107	35,041	1,333,784	1,168,399
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,896,558	\$ 1,632	\$ 1,108	\$ 35,535	\$ 1,934,833	\$ 1,608,490

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT VIII

COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES) AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPE COMPONENT UNITS
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000
(In Thousands)

	Anchorage School District	Alaska Center for the Performing Arts, Inc.	Anchorage Historic Properties, Inc.	TOTAL	
				December 31 2001	December 31 2000
REVENUES					
Intergovernmental	\$ 276,608	\$	\$	\$ 276,608	\$ 273,037
Charges for Services	5,259		5	5,264	4,693
Investment Income	10,453	38	56	10,547	5,442
Other	3,618	778	71	4,467	3,738
Total Revenues	<u>295,938</u>	<u>816</u>	<u>132</u>	<u>296,886</u>	<u>286,910</u>
EXPENDITURES					
Current:					
Public Services		1,722	144	1,866	1,938
Education	368,072			368,072	359,524
Debt Service:					
Principal	19,196			19,196	19,339
Interest and Fiscal Charges	21,806			21,806	18,698
Capital Projects	48,678			48,678	67,363
Total Expenditures	<u>457,752</u>	<u>1,722</u>	<u>144</u>	<u>459,618</u>	<u>466,862</u>
Deficiency of Revenues over Expenditures	<u>(161,814)</u>	<u>(906)</u>	<u>(12)</u>	<u>(162,732)</u>	<u>(179,952)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers from Primary Government	126,599	1,149		127,748	119,111
Operating Transfers to Primary Government		(131)		(131)	(135)
General Obligation Bond Proceeds	181,012			181,012	
Proceeds from Sales of Property	61			61	34
Proceeds of Refunding Bonds	54,699			54,699	
Payment to Refunded Bond Escrow Agent	(54,699)			(54,699)	
Net Other Financing Sources	<u>307,672</u>	<u>1,018</u>		<u>308,690</u>	<u>119,010</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>145,858</u>	<u>112</u>	<u>(12)</u>	<u>145,958</u>	<u>(60,942)</u>
Fund Balances, January 1	67,045	370	1,119	68,534	129,341
Residual Equity Transfer Out - Internal Service Fund	(2,000)			(2,000)	
Increase in Reserve for Inventory	16			16	135
FUND BALANCES, DECEMBER 31	<u>\$ 210,919</u>	<u>\$ 482</u>	<u>\$ 1,107</u>	<u>\$ 212,508</u>	<u>\$ 68,534</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT IX

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
 PROPRIETARY FUND TYPE COMPONENT UNITS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000
 (In Thousands)

	Anchorage School District	Anchorage Parking Authority	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
			December 31 2001	December 31 2000
OPERATING REVENUES				
Charges for Sales and Services	\$ 218	\$ 4,228	\$ 4,446	\$ 3,906
Other				2
Total Operating Revenues	218	4,228	4,446	3,908
OPERATING EXPENSES				
Operations		3,010	3,010	2,903
Depreciation and Amortization	218	1,095	1,313	1,074
Total Operating Expenses	218	4,105	4,323	3,977
Operating Income (Loss)		123	123	(69)
NON-OPERATING REVENUES (EXPENSES)				
Investment Revenue	27	100	127	283
Interest Expense				(986)
Amortization of Deferred Charges		(2)	(2)	(49)
Other Expenses				(7)
Loss on Extinguishment of Debt				(251)
Gain on Disposal of Fixed Assets		3	3	
Net Non-Operating Revenues (Expenses)	27	101	128	(1,010)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	27	224	251	(1,079)
Operating Transfers from Other Funds				
Operating Transfers from Primary Government				1,336
Operating Transfers to Other Funds				
NET INCOME	27	224	251	257
Amortization of Contributed Plant		257	257	257
Increase in Retained Earnings/Fund Balance	27	481	508	514
Retained Earnings/Fund Balance, January 1		3,972	3,972	3,458
Residual Equity Transfers to Other Funds				
RETAINED EARNINGS/FUND BALANCE, DECEMBER 31	\$ 27	\$ 4,453	\$ 4,480	\$ 3,972

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT X

COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE COMPONENT UNITS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000
 (In Thousands)

	Anchorage School District	Anchorage Parking Authority	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY	
			December 31 2001	December 31 2000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$	\$ 123	\$ 123	\$ 201
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	218	1,095	1,313	1,074
Changes in Assets and Liabilities Which Increase (Decrease) Cash:				
Accounts Receivable		(85)	(85)	(32)
Interfund Receivable	(252)		(252)	
Customer Deposits		(6)	(6)	(50)
Prepaid Expenses and Other Deferred Charges		(64)	(64)	(10)
Accounts Payable		44	44	(52)
Accrued Expenses		24	24	(13)
Total Adjustments	(34)	1,008	974	917
Net Cash Provided by Operating Activities	(34)	1,131	1,097	1,118
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating Transfers from (to) Primary Government		(108)	(108)	1,053
Net Cash Provided (Used) by Noncapital Financing Activities		(108)	(108)	1,053
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payments on Long-Term Obligations				(10,290)
Interest Payments on Long-Term Obligations		(2)	(2)	(1,060)
Proceeds from Disposition of Fixed Assets		6	6	
Acquisition and Construction of Fixed Assets		(288)	(288)	(466)
Contributed Capital - Interfund	2,000		2,000	
Contributed Capital - Primary Government		(434)	(434)	9,440
Contributed Capital - Intergovernmental				
Net Cash Used by Capital and Related Financing Activities	2,000	(718)	1,282	(2,376)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sales and Maturities of Investments		214	214	
Interest and Dividends Received	4	103	107	346
Purchase of Investments	(1,970)		(1,970)	
Net Cash Provided (Used) by Investing Activities	(1,966)	317	(1,649)	346
NET INCREASE (DECREASE) IN CASH		622	622	141
Cash, January 1		2,199	2,199	2,058
CASH, DECEMBER 31	\$	\$ 2,821	\$ 2,821	\$ 2,199

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Municipality of Anchorage (Anchorage) operates under an elected non-partisan 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 Anchorage (the 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.

The financial data of all component units included in the reporting entity meet the criteria for discrete presentation and are combined in the component unit columns in the combined financial statements. Component units are reported in a separate column to emphasize that they are legally separate from the primary government. Each component unit issues separate financial statements and has a December 31 year end except Anchorage School District, which has a June 30 year end as required by State Statutes.

Anchorage School District (School District): The School District is responsible for elementary and secondary education within Anchorage. Members of the School Board are elected by the voters; however the School District is fiscally dependent upon the primary government because the Assembly approves the total budget of the School District, levies the necessary taxes, and approves the borrowing of money and the issuance of bonds.

Alaska Center for the Performing Arts, Inc. (ACPA): The ACPA operates, maintains and promotes the performing arts center. The primary government appoints three members of the Executive Committee of the ACPA Board. The ACPA is fiscally dependent upon the primary government because the ACPA must adhere to budget and fiscal provisions of the Anchorage Municipal Charter and Code and the primary government provides a significant subsidy for its annual operations.

Anchorage Historic Properties, Inc. (Historic Properties): Historic Properties administers historic preservation projects. The primary government appoints six members of the Board of Directors. The Assembly approves the annual budget and the financing of historic preservation projects.

Anchorage Parking Authority (Parking Authority): The Parking Authority is a public corporation created to promote adequate parking facilities within Anchorage. Anchorage appoints the Parking Authority Board of Directors and the Assembly approves debt and the annual budget for municipal contributions.

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

Anchorage School District
4600 DeBarr Road
Anchorage, Alaska 99519-6614

Anchorage Parking Authority, Inc.
700 West 6th Avenue, Suite 206
Anchorage, Alaska 99501

Anchorage Historic Properties, Inc.
645 West 3rd Avenue
Anchorage, Alaska 99501

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

B. Basis of Presentation

The accounting records and reports of Anchorage's government are organized by funds and account groups in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). Funds are self-balancing sets of accounts used to segregate and account for specific groups of financial resources for financial reporting and to aid management in demonstrating compliance with finance-related legal and contractual provisions. Most of the government's departments are supported by more than one fund and thus appear in more than one fund's financial statements; however the minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The General Purpose Financial Statements section of this report provides a summary overview of the financial position of all funds and account groups, operating results of all funds, and cash flows of the proprietary fund types of the primary government and its discretely presented component units. The funds are grouped for presentation according to the three fund categories and eight generic fund types prescribed by GAAP. Combining statements for the discretely presented component units are included.

Total columns of the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Neither is the data comparable to a consolidation; interfund eliminations have not been made in the aggregation of this data.

Prior year comparative total data are presented in the accompanying financial statements to provide an understanding of changes in the reporting entity's financial position and operations.

Following the general purpose financial statements, combined and combining statements are presented for each of the fund-types prescribed by GAAP as follows:

Governmental Funds are used to account for the government's general government activities:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Anchorage's general fund comprises 34 sub-funds legally required to account separately for its service areas.

Special Revenue Funds account for revenue sources that are legally restricted for specified purposes other than expendable trusts and major capital projects.

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest not being financed by proprietary or non-expendable trust funds.

Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities or fixed assets not being financed by proprietary funds or non-expendable trust funds.

Proprietary Funds are used to account for business-type functions of the government:

Enterprise Funds account for those operations financed and operated in a manner similar to private business or where the government body has decided that revenues earned, expenses incurred, and/or net income is necessary for management accountability.

Internal Service Funds account for the financing of goods or services provided by one department to other departments of the primary government or component units on a cost-reimbursement basis.

Fiduciary Funds are used to account for assets held by the government under the terms of a formal trust agreement in a trustee capacity or as an agent on behalf of others:

Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable trusts are accounted for essentially the same as governmental funds.

The Non-expendable Trust Funds and the Pension Trust Fund are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent. The pension trust fund accounts for the assets of the police and fire employees retirement system.

Agency Funds account for assets held by Anchorage as custodian for others in an agency capacity. They do not present results of operations. Agency funds are accounted for using the modified accrual basis of accounting.

Account Groups are used to account for balance sheet items not accounted for in the individual funds:

The General Fixed Assets Account Group is used to maintain control and cost information on capital assets of Anchorage not accounted for in proprietary or trust funds.

The General Long-Term Obligations Account Group is used to account for the long-term liabilities of Anchorage to be financed from governmental funds.

C. Measurement Focus and Basis of Accounting

Measurement focus determines *what* assets and liabilities are included on the balance sheet and what resources are included on the statement of operations. The measurement focus of the governmental-type funds is on sources, uses and balances of current financial resources; that is, current year activity and balance available. Current financial resources include cash and other spendable assets. Current liabilities are those expected to be paid from current financial resources. The measurement focus of proprietary-type funds is on all assets and liabilities, and determination of net income from all economic resources.

Basis of accounting determines *when* revenues and expenditures and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of recognition of measurements made, regardless of the nature of the measurement.

The Modified-Accrual Basis of accounting is used for governmental-type funds; that is, revenues are recognized when they become earned, measurable and available (collectible soon enough to be used to pay current liabilities), and expenditures are recognized when the related liabilities are incurred and measurable. The exceptions are unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, special assessments, licenses and permits, charges for services and investment income are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded in the period when all eligibility requirements have been met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Anchorage's Budgetary Basis of accounting is also used for governmental-type funds; that is, encumbrances are recorded as a charge against an appropriation in the accounting period in which a purchase order is issued, as required by Anchorage's Home Rule Charter, rather than in the accounting period when goods or services are received as required by GAAP. Adjustments to convert actual expenditures to the budgetary basis are reflected in the adjustments column in the accompanying Combined Statement of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the General, Special Revenue and Debt Service

Funds. The adjustment column includes the addition for current year encumbrances and the deduction for expenditures from prior year encumbrances.

The Full-Accrual Basis of accounting is used for proprietary-type funds; that is, revenues are recognized when they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Accruals and deferrals are used to match expenses to the period in which they generate revenues or otherwise benefit the organization.

Statement No. 20 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, provides two options for reporting proprietary fund activities (including component units using proprietary fund accounting). Anchorage has elected to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Anchorage has determined that a fiduciary relationship does not exist between it and the IRC Section 457 deferred compensation plan. The deferred compensation plan is not reported in Anchorage's financial statements in accordance with GASB Statement No. 32.

Anchorage adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, effective January 1, 2001. The adoption of these statements resulted in additional revenue recognition of approximately \$11,000,000.

D. Budgetary Data

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 2001 operating budgets and appropriations of direct costs at the department level, and indirect costs at the fund level. Some departmental appropriations span more than one fund. The Assembly approved 2001 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 department and fund level.

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, Heritage Land Bank (a Special Revenue Fund), Debt Service Funds, 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 or encumbered.

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 Municipal Assembly is required to approve the School District budget (in total only) and appropriate by ordinance the necessary resources at least sixty (60) 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.

A summary of legal appropriations for governmental-type funds at function cost level follows:

	<u>Original</u>	<u>Revisions</u>	<u>Revised</u>
Primary Government:			
General Fund:	\$ 239,282,090	\$ 19,467,123	\$ 258,749,213
Operating Transfers to School District		131,060,303	131,060,303
Special Revenue Fund:			
Heritage Land Bank	630,380	719,496	1,349,876
Debt Service Funds:			
Assessment District		391,220	391,220
Retirement Certificates of Participation	3,471,890		3,471,890
Police/Fire Retiree Medical	947,340		947,340
Jail Facility		4,194,697	4,194,697
Component Unit:			
School District	418,505,754	4,512,215	423,017,969

E. Assets, Liabilities and Fund Equity

Cash and Investments

To obtain flexibility in cash management, Anchorage uses a central treasury. Pooled cash is invested in various securities to maximize return while keeping reasonable liquidity to meet maturing obligations. Investments in securities to satisfy bond reserve and other requirements are maintained in separate accounts. Bond proceeds, capital project investments and customer deposits are shown on individual fund balance sheets as Equity in Construction Investment Pool or Restricted Assets. In addition, some funds have investments with independent trustee institutions.

Investments at December 31, 2001 are reported at fair value, which approximates cost. Investment income on cash pool investments is allocated to the various funds based on their month-end cash pool equity balances. Funds which have negative balances in the cash pools are charged interest; the interest income is allocated to those funds having equity in the cash pools.

Property Taxes

Property taxes attach as a lien on property on the first day of the tax year in which taxes are levied. For 2001 taxes were levied on June 12. Real property taxes were payable in two installments on July 20 and August 15, and personal property taxes in two installments on August 30 and October 30. The School District had accrued taxes and deferred revenue of \$67,760,537 for financing half of the 2001-2002 budget as of June 30, 2001. Taxes receivable of \$8,924,634 at December 31, 2001, includes interest and penalties of \$1,621,416 and is net of an allowance for doubtful property taxes receivable of \$1,045,718.

Deferred Charges

Municipal Light and Power Utility (Electric), and Anchorage Water and Wastewater Utilities are regulated by the Regulatory Commission of Alaska (RCA). Associated rate case expenses of the utilities are amortized over a period of 24 to 60 months.

In accordance with RCA regulations, gain or losses on advance refunding utility bond issues for the Electric Utility are deferred and amortized over the life of the new bond issues. Effective for debt issued after January 1, 1993, for the Water and Wastewater Utilities and all other proprietary funds, the gains and losses on advance refundings are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Inventories

Inventories are valued at cost (specific identification) except the inventories of the regulated utilities, which are valued at the lower of average cost or market. All primary government inventories are recorded as expenditures or expenses when used (consumption method).

Restricted Assets

Assets which are restricted for specific uses by bond covenants, grant provisions or other requirements are classified as restricted assets. Assets which are restricted for use in construction are invested in the construction investment pool. Restricted assets, excluding customer deposits, are considered as investments and, as such, are excluded from cash for purposes of the Statement of Cash Flows. Liabilities payable from such restricted assets are separately classified.

Property, Plant and Equipment

Proprietary Fund Types:

Property, plant and equipment are generally stated at historical cost. The regulated utilities capitalize interest on construction work in progress in accordance with regulatory requirements. The non-regulated enterprises capitalize interest on projects which exceed \$50,000 when the interest exceeds \$1,000 in a year. Interest was capitalized in 2001 in the amounts of \$157,603, \$796,122 and \$490,618 for Municipal Light and Power Utility, and Anchorage Water and Wastewater Utilities, respectively. The non-regulated enterprises capitalized no interest in 2001.

For all regulated utility property replaced or retired, the average cost of the property unit, plus removal costs less salvage, is charged to accumulated depreciation. 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.

Depreciation is computed by the straight-line method over the estimated economic lives of the assets which range as follows:

Buildings and Improvements	3-47 years
Production, Treatment, General Plant, Transmission and Reservoirs	5-90 years
Lift Stations, Interceptors, Trunks and Laterals	50-85 years
Equipment Containers	5-10 years
Office Equipment and Vehicles	3-25 years

All Other Funds:

Property, plant and equipment acquired for general governmental purposes is reported as an expenditure in the governmental fund types and capitalized in the General Fixed Assets Account Group. Fixed assets are reported at historical cost or estimated historical cost. Assets contributed or received as gifts are recorded in the General Fixed Assets Account Group at the fair market value when received. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs, etc., are not capitalized. Assets in the general fixed assets account group are not depreciated. Office equipment of the Pension Trust Fund is depreciated using the straight-line method over the estimated lives of three to seven years.

Deferred Grant Revenue

Grant proceeds received prior to incurring the related expenditures are generally deferred in the Special Revenue and Capital Projects Funds until such expenditures are incurred.

Compensated Absences

For its governmental-type funds, Anchorage accrues expenditures for vacation pay and sick leave for the amounts estimated to be liquidated with available expendable resources and reports the amounts as fund liabilities. Anchorage reports amounts not expected to be liquidated with expendable available financial resources in the general long-term debt account group.

For its proprietary-type funds, Anchorage accrues vacation pay and sick leave when earned and reports the amounts as fund liabilities.

The School District records the liability for accrued personal leave in its governmental fund types for the amounts equal to the value of the accrued leave at June 30. School District sick leave is recorded as an expenditure when used as no termination payment is made for such leave.

Fund Equity

Prior to implementation of GASB Statements Nos. 33 and 36, contributed capital was recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity, which are not appropriable for expenditures or are legally restricted for a specific future use. Designated fund balances represent tentative plans for future uses of financial reserves.

F. Revenues, Expenditures and Expenses

Utility Revenues

Utility revenues (excluding gas revenues) are based on cycle billings rendered monthly to customers. As a result of this cycle billing method, the utilities do not accrue revenue at the end of any fiscal period for services sold but not billed at such date. The unbilled revenues for the Electric, Water, Wastewater and Refuse utilities are immaterial and consistent from year to year. Gas revenues for the Electric Utility are recorded based upon volumes delivered.

Land Held for Sale

Profit on sales of land held for sale is recorded on the installment method in the Heritage Land Bank Fund. Revenue is recognized on the basis of payments received. Unbilled receivables from land sales are \$226,254 at December 31, 2001.

G. Interfund and Intra-Entity Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions constituting reimbursements to a fund or component unit for expenditures/expenses properly applicable to

another fund or component unit are recorded as expenditures/expenses in the reimbursing fund or component unit, and as reductions of expenditures/expenses in the reimbursed fund or component unit. All other interfund and intra-entity transactions, except quasi-external transactions and reimbursements, are reported as transfers. Recurring or routine transfers are reported as operating transfers. Nonrecurring or nonroutine permanent transfers are reported as residual equity transfers or contributed capital.

H. Debt Service

All of Anchorage's debt is serviced within the individual funds, with the exception of the Retirement Certificates of Participation, two issues of Special Assessment District Bonds, and the Police and Fire Retiree Medical Liability and Jail Bonds which are serviced by Debt Service Funds.

I. Statement of Cash Flows

For purposes of the statement of cash flows, Anchorage has defined cash as the demand deposits and all investments maintained in the General Cash Pool (regardless of maturity period), because the funds use that pool essentially as a demand deposit account. Anchorage has excluded investments held in the Construction Investment Pool and Restricted Assets which cannot be considered demand deposit.

J. Reclassifications

Certain reclassifications have been made to the 2000 comparative financial statements to conform to the 2001 presentation.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficits of Individual Funds

The Management Information Systems Internal Service Fund reflects a retained deficit of \$1,772,531 due to having incurred, but not having fully recovered, costs of upgrading computer systems for Year 2000 compliance and underrecovery of 2000 expenses from user departments. This deficit is expected to be eliminated when the costs are recovered from the user departments over the next several years. The Jail Bond Debt Service Fund reflects a deficit balance of \$13,347. This deficit is expected to be eliminated by an operating transfer in 2002. The Miscellaneous Capital Projects Fund reflects a deficit fund balance of \$13,612. This deficit is expected to be eliminated by an operating transfer in 2002. The General Liability/Workers' Comp Risk Management Internal Service Fund reflects a retained deficit of \$972,101. The deficit is expected to be eliminated by increased premiums in 2002.

B. Related Party Transactions

Parking Authority: The primary government has leased 600 spaces located on four lots to the Parking Authority for a period of 35 years at \$10 per year per lot.

Elected and Appointed Public Officials: Anchorage's elected and appointed public officials have not engaged in any business which would cause a material conflict of interest.

NOTE 3 – CASH AND INVESTMENTS

Municipal Code (Code) authorizes Anchorage to invest in negotiable certificates of deposit issued by banks rated at least "A" by a nationally recognized rating service or non-negotiable certificates of deposit or other depository agreements collateralized according to the Code. Anchorage and the School District maintain non-interest bearing deposits of \$4,680,000 (adjusted quarterly) and \$985,000, respectively, as compensating balances in return for banking services. Code requires deposits to be collateralized by security valued at current market value.

A summary of Anchorage's and the component units' demand deposits and time deposits at December 31, 2001, follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured (FDIC) or collateralized by securities held in entity's name by its custodial agent:		
Demand Deposits:		
General Cash Pool	\$ (478,826)	\$ 908,842
Component Units:		
School District	(2,308,017)	3,033,905
Center for the Performing Arts	300	300
Historic Properties	34,062	34,227
Parking Authority	2,820,834	2,999,787
Subtotal Demand Deposits	<u>68,353</u>	<u>6,977,061</u>
Time Deposits:		
General Cash Pool	4,680,000	4,680,000
Miscellaneous Operating Grants	5,587	5,587
Other Performance Deposits	2,000	2,000
Component Units:		
School District	148,539	148,539
Subtotal Time Deposits	<u>4,836,126</u>	<u>4,836,126</u>
Total reporting entity	<u>\$ 4,904,479</u>	<u>\$ 11,813,187</u>

The Code further authorizes Anchorage to invest in the following:

Direct obligations of or obligations insured or guaranteed by the United States of America or agencies thereof;

Commercial paper with no more than nine-month maturities issued by business organizations having the highest rating of a nationally recognized rating service;

Banker's acceptances accepted by a rated bank and eligible for rediscount with or purchase by Federal Reserve System banks; and

Repurchase agreements secured by obligations insured or guaranteed by the United States of America or agencies or instrumentalities thereof.

The School District is authorized to invest excess funds either through direct investments or with Anchorage. School Board Policy requires direct investments, in excess of any insured amount, to be collateralized at all times with United States Government guaranteed securities having a market value, plus accrued interest, which equals or exceeds the collateralized amount of the investment. Board Policy requires collateral to be held in the District's name by the District's agent, the bank's trust department, or the bank's agent.

The Parking Authority's bond indenture agreements require that bond moneys be invested in the following:

Direct obligations of or obligations insured or guaranteed by the United States of America or agencies thereof;

Interest bearing deposits or certificates of deposit if amounts in excess of amounts insured by the Federal Deposit Insurance Corporation are collateralized by obligations of the United States of America, or agencies thereof, State of Alaska, Municipality of Anchorage, or bonds of other states or municipalities in the two highest rating categories;

Interest bearing notes maturing in six months, or less, issued by a bank with capital in excess of \$200,000,000 and rated in the two highest rating categories by a national rating agency;

Repurchase agreements fully collateralized; and

Banker's acceptances, certificates of deposit, and investment agreements of institutions with stated capital and surplus in excess of \$200,000,000 and rated within the two highest rating categories assigned by Standard and Poor's Corporation or Moody's Investors Services, Inc.

The Parking Authority has not formally adopted investment policies for operation moneys. However, the bank with which the Authority has placed its cash and investments has pledged United States Government agency securities as collateral for demand and money market funds. The Authority's deposits were covered \$100,000 by federal depository insurance and \$1,102,663 by collateral held for the pledging bank in the Parking Authority's name by Federal Home Loan Bank of Seattle.

The investments of Anchorage and its component units are classified in three categories of credit risk, described as follows:

- Category 1: Insured or registered, or securities held by the entity or its agent in the entity's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent in the entity's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the entity's name. (This includes the portion of the carrying amount of any repurchase agreement that exceeds the market value of the underlying securities.)

A summary of investments at December 31, 2001, categorized by level of risk, follows:

	Category			Carrying Amount
	1	2	3	
Repurchase Agreements	\$ 29,847,994	\$	\$	\$ 29,847,994
Corporate Bonds				
Municipality	5,759,435			5,759,435
Commercial Paper				
Municipality	54,856,512			54,856,512
US Government Securities				
Municipality	182,765,022			182,765,022
Police/Fire Retirement System Trust		14,773,368		14,773,368
Fixed Income Securities				
Police/Fire Retirement System Trust		52,775,148		52,775,148
Municipality of Anchorage Trust	58,787,922			58,787,922
Equity Securities				
Police/Fire Retirement System Trust		121,958,716		121,958,716
Municipality of Anchorage Trust	39,013,715			39,013,715
	<u>371,030,600</u>	<u>189,507,232</u>		<u>560,537,832</u>
Component Units:				
School District				
Repurchase Agreements		7,003,614		7,003,614
US Government and Agency Securities	125,894,845			125,894,845
Alaska Center for Performing Arts				
Repurchase Agreement	969,146			969,146
Historic Properties				
US Government and Agency Securities	584,745			584,745
	<u>127,448,736</u>	<u>7,003,614</u>		<u>134,452,350</u>
	<u>\$ 498,479,336</u>	<u>\$ 196,510,846</u>	<u>\$</u>	<u>694,990,182</u>
Municipality:				
Money Market Funds				21,619,416
Non-Participating Annuity				15,106,000
Alaska Center for Performing Arts				
Money Market Funds				342,298
Anchorage Historic Properties				
Money Market Funds				327,927
Police/Fire Retiree Medical Liability				
Mutual Funds				16,309,159
Police/Fire Retiree Medical Trust				4,197,299
Municipality of Anchorage Trust				36,829,960
Police/Fire Retirement System Trust				
Equity Securities - Pooled				39,826,732
Short-Term Investment Funds - Pooled				12,353,345
Mutual Funds				62,781,314
Real Estate Investment Trust				9,136,348
Real Estate Mortgages				59,404,885
				<u>\$ 973,224,865</u>

Cash and investments (in thousands) at December 31, 2001, are composed of the following:

Cash and Other Cash Equivalents	\$ 47
Cash and Other Cash Equivalents - Proprietary Fund Type Components	2,821
Overdrafts Payable	(2,160)
Equity in General Cash Pool	202,667
Equity in General Cash Pool - Nonexpendable Trusts	1,624
Equity in Construction Investment Pool	13,413
Investments	774,053
Restricted Assets:	
Equity in General Cash Pool	2,150
Equity in Construction Investment Pool	20,385
Investments	50,026
Trustee Reserve	3,985
	<u>1,069,011</u>
 Add:	
December 31, 2001 School District investments through Municipality	125,893
	<u>1,194,904</u>
 Less:	
June 30, 2001 School District investments through Municipality	(216,591)
Accrued interest included in cash pools	(18)
Accrued interest included in AWWU Investments	(136)
Petty Cash included in cash pools	(30)
	<u>\$ 978,129</u>
 Demand Deposits and Time Deposits	\$ 4,904
Investments	973,225
	<u>\$ 978,129</u>

NOTE 4 – INTERFUND AND COMPONENT UNIT RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

A summary of individual interfund and component unit receivable and payable and advances balances at December 31, 2001, follows (in thousands):

Fund or Component Unit	Receivables from		Payables to	
	Interfund	Component Units	Interfund	Component Units
Primary Government:				
General Fund	\$ 9,224	\$ 329	\$	\$ 45,190
Other Restricted Resources Fund			32	
Heritage Land Bank Fund	3			
Jail Bond Debt Service Fund			13	
Police and Fire Retiree Medical Debt Service Fund			1,934	
Areawide Capital Projects Fund	9,198		348	
Miscellaneous Capital Project			920	
Roads and Drainage Capital Projects Fund			1,491	
Public Safety Capital Projects Fund	2,469			
Parks and Recreation Capital Projects Fund	2,162			
Public Transportation Capital Projects Fund			520	
Municipal Airport Fund			2,162	
Risk Management Funds	9,785		274	
Equipment Maintenance Fund			2,469	
Management Information System Fund			17,959	
Expendable MOA Trust Reserve Fund			4,719	
Total Primary Government	<u>32,841</u>	<u>329</u>	<u>32,841</u>	<u>45,190</u>
Component Units:				
School District		68,065		
Center for Performing Arts				45
Parking Authority				108
Total Component Units		<u>68,065</u>		<u>153</u>
Total Reporting Entity	<u>32,841</u>	<u>68,394</u>	<u>32,841</u>	<u>45,343</u>
Adjustment (2)		(22,875)		176
	<u>\$ 32,841</u>	<u>\$ 45,519</u>	<u>\$ 32,841</u>	<u>\$ 45,519</u>

Fund or Component Unit	Operating Transfers				Residual Equity Transfers			
	Interfund		Component Units		Interfund		Component Units	
	In	Out	In	Out	In	Out	In	Out
Primary Government:								
General Fund	\$ 10,931	\$ 5,904	\$ 134	\$ 132,209	\$	\$ 206	\$ 493	\$
Heritage Land Bank Fund		705						
State Grants Fund	612	344		292				
Federal Grants Fund	558							
Other Restricted Resources Fund						816		
Police and Fire Retiree Medical Debt Service Fund	1,300	850						
Areawide Capital Projects Fund	936	404						
Public Safety Capital Project Fund	30							
Miscellaneous Capital Projects Fund	310							
Heritage Land Bank Capital Projects Fund	182							
Roads and Drainage Capital Projects Fund	1,419					950		
Parks and Recreation Capital Projects Fund					816	238		
Electric Utility Enterprise Fund		12						
Water Utility Enterprise Fund		6						
Wastewater Utility Enterprise Fund		6						
Refuse Utility Enterprise Fund		6						
Solid Waste Enterprise Fund		6						
Port Enterprise Fund		12						
Municipal Airport Enterprise Fund		6						
General Liability/Workers' Comp Internal Service Fund		32						
Equipment Maintenance Internal Service Fund		19						
Police and Fire Retirement Medical Trust Fund	850							
MOA Trust Fund	3,074							
MOATrust Reserve Fund		12,474						
Total Primary Government	20,202	20,786	134	132,501	816	2,210	493	
Component Units:								
School District			126,599					2,000
Center for Performing Arts			1,149	131				
Parking Authority								
Total Component Units			127,748	131				2,000
Total Reporting Entity	20,202	20,786	127,882	132,632	816	2,210	493	2,000
Adjustments:								
Internal Service (1)	584				1,394			
School District (1)							2,000	
School District (2)			4,753					
Center for Performing Arts (3)				3				
Parking Authority (1)								434
Parking Authority (3)								59
	\$ 20,786	\$ 20,786	\$ 132,635	\$ 132,635	\$ 2,210	\$ 2,210	\$ 2,493	\$ 2,493

(1) Residual equity transfers recorded as contributed capital

(2) Component unit receivables, payables and operating transfers between the component units and the general fund require adjustments for cash paid to or for the School District from July 1, 2001, through December 31, 2001, because the School District financial statements are as of June 30, 2001.

(3) Timing differences in recognition of transfers

	Receivable from Primary Government	Payable to Primary Government	Operating Transfers from Primary Government
Balance as reported by Component Units	\$ 68,065	\$ 153	\$ 127,882
Adjustments:			
Cash Payments for (to) the School District July 1 through December 31, 2001	(22,875)	176	
Less grants recognized July 1 through December 31, 2000			(114)
Plus grants recognized July 1 through December 31, 2001			117
Plus Contributed Capital - Parking Authority			
Less 50% of FY '00 Budget Transfers			(60,780)
Plus 50% of FY '01 Budget Transfers			65,530
Net adjustments	(22,875)	176	4,753
Balance as reported by the Primary Government	\$ 45,190	\$ 329	\$ 132,635

NOTE 5 – FIXED ASSETS

A. Changes in General Fixed Assets

A summary of changes in General Fixed Assets of Anchorage and the School District (excluding infrastructure) follows (in thousands):

	Balance Beginning Fiscal Year	Additions	Deletions	Balance Ending Fiscal Year
MUNICIPALITY				
Land	\$ 165,385	\$ 2,978	\$	\$ 168,363
Buildings	337,884	23		337,907
Improvements Other Than Buildings	48,338	4		48,342
Machinery and Equipment	71,011	150,346	134,716	86,641
Construction Work in Progress	278,144	86,085	20,739	343,490
	<u>\$ 900,762</u>	<u>\$ 239,436</u>	<u>\$ 155,455</u>	<u>\$ 984,743</u>
SCHOOL DISTRICT				
Land and Improvements	\$ 70,246	\$ 1,064	\$ 11,451	\$ 59,859
Buildings and Equipment	958,297	75,729	55,523	978,503
Construction Work in Progress	36,071	8,503		44,574
	<u>\$ 1,064,614</u>	<u>\$ 85,296</u>	<u>\$ 66,974</u>	<u>\$ 1,082,936</u>

B. Capital Projects Authorized or in Progress

Capital projects authorized or in progress (including infrastructure) included in Capital Projects Funds and the School District are comprised of the following (in thousands):

	Project Authorization	Expended and Other Financing Uses to December 31, 2001	Committed	Required Uncommitted Balance
MUNICIPALITY				
Areawide	\$ 46,724	\$ 32,964	\$ 1,972	\$ 11,788
Public Safety	96,933	84,443	3,488	9,002
Roads and Drainage	214,143	168,449	4,299	41,395
Public Transportation	23,011	16,099	137	6,775
Miscellaneous	6,634	4,081	261	2,292
Parks and Recreation	62,813	38,604	890	23,319
Historic Preservation	250	217		33
Heritage Land Bank	432	178	2	252
TOTAL CONSTRUCTION IN PROGRESS	<u>\$ 450,940</u>	<u>\$ 345,035</u>	<u>\$ 11,049</u>	<u>\$ 94,856</u>
SCHOOL DISTRICT				
	<u>\$ 303,920</u>	<u>\$ 84,749</u>	<u>\$ 65,546</u>	<u>\$ 153,625</u>

C. Plant in Service

A combined summary of proprietary fund type and Pension Trust plant in service at December 31, 2001, follows (in thousands):

	Enterprise	Internal Service	Pension Trust
Land	\$ 46,760	\$ 967	\$
Building	227,038	222	
Improvements Other Than Buildings	789,051	12	
Machinery and Equipment	371,133	67,280	185
Gas Field Reserve	123,730		
Intangible plant	12,114		
Plant Acquisition	6,766		
Total Plant in Service	<u>1,576,592</u>	<u>68,481</u>	<u>185</u>
Less: Accumulated Depreciation	<u>(584,414)</u>	<u>(40,779)</u>	<u>(167)</u>
Net Plant in Service	992,178	27,702	18
Construction Work in progress	38,065	5,198	
Total Plant	<u>\$ 1,030,243</u>	<u>\$ 32,900</u>	<u>\$ 18</u>

The Electric Utility's construction budget for 2002 is \$40,000,000.

The Water Utility's construction budget for 2002 is \$21,350,000.

The Wastewater Utility's construction budget for 2002 is \$13,620,000.

A combined summary of proprietary fund type components unit plant in service at December 31, 2001, follows (in thousands):

	Parking Authority	School District
Land	\$ 11,381	\$
Building	34,313	
Improvements Other Than Buildings	214	
Machinery and Equipment	1,373	1,271
Total Plant in Service	<u>47,281</u>	<u>1,271</u>
Less: Accumulated Depreciation	<u>(14,841)</u>	<u>(218)</u>
Net Plant in Service	32,440	1,053
Construction Work in progress		
Total Plant	<u>\$ 32,440</u>	<u>\$ 1,053</u>

NOTE 6 – LONG-TERM OBLIGATIONS

A. General Obligation Bonds

Anchorage 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 generally are issued as 20-year serial bonds with equal amounts of principal and interest payments due each year.

Anchorage's GO bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues; such amounts total \$39,340,000 at December 31, 2001. All other Anchorage GO bonds are reported in the General Long Term Debt Account Group.

School District GO Bonds are reported in the component unit's discrete presentation if they are expected to be repaid from School District revenues; such amounts total \$496,555,000 at June 30, 2001.

B. Revenue Bonds

On April 15, 2000 Anchorage issued \$60,440,000 in Revenue Bonds for the purpose of construction and operation of the new municipal jail facility that will be leased to the State of Alaska. Jail revenue bond covenants require an "absolute net lease" pursuant to which Anchorage shall not be expected or required to make any payment of any kind under the Agreement of Lease. The Department of Administration (DOA) is required to make all payments under the Agreement of Lease. The DOA's obligation to make lease payments and to perform and observe all other covenants and agreements is absolute and unconditional except as expressly provided in the Agreement of Lease.

Electric, Water, Wastewater, Solid Waste, Refuse Collection and Port revenue bond covenants require establishment of certain cash reserves. Revenue bond covenants further stipulate that operating income, as defined in the covenants, will be at least equal to 1.25 to 1.40 times the debt service requirement for that year. All such requirements were met in 2001.

C. Special Assessment District Bonds

In 1989 Anchorage issued \$3,438,200 of Roads and Drainage Consolidated Special Assessment (CSA) District 1 Bonds. In 1990 Anchorage issued \$590,770 for Water Utility CSA District 2 and \$985,448 for Water and Wastewater Utility CSA District 3. In 1991 Anchorage issued \$728,721 for Roads and Drainage Special Assessment District 1P87. In 1992 Anchorage issued \$48,667 for Natural Gas Line Special Assessment District 2G90. In 1993, Anchorage issued \$532,677 for Natural Gas Line Special Assessment Districts 1G91. These bonds were issued to provide permanent financing for improvements in certain identified special assessment districts. The bonds are backed only by the assessments levied in the identified districts and by the Roads and Drainage Guarantee Reserves, the Natural Gas Line Guarantee Reserves, and the Water and Wastewater Special Assessment Guarantee Reserves. The debt for Roads and Drainage and Natural Gas Line bonds is included in the General Long-Term Obligation Account Group while the debt for CSA Districts 2 and 3 bonds is included in the Water and Wastewater funds as long-term liabilities.

D. Certificates of Participation

On April 1, 1994, Anchorage issued \$6,995,000 of Certificates of Participation, Series 1994B Tax Exempt, for the Management Information Systems Internal Service Fund.

On July 1, 1999 Anchorage issued \$2,437,262 of Certificates of Participation, Series 1999A Tax Exempt, for the Management Information Systems Internal Service Fund.

Proceeds from the sale of the Series 1994B and 1999A Non-taxable Certificates were used to prepay an existing lease obligation, to acquire new property, to fund a reserve fund for the payment of principal and interest on the certificates and to pay certificate issuance costs. The debt, included in the Internal Service Fund, is not backed by a pledge of the full faith and credit of Anchorage.

E. Outstanding Long-Term Obligations

A summary of long-term obligations consist of the following at December 31, 2001 (in thousands):

	Primary Government			Component Units	Total Reporting Entity
	Enterprise	Internal Service	General Long-Term Obligations		
Employee Benefits	\$	\$	\$ 145,383	\$	\$ 145,383
Long-term Obligations					
Maturing within one year	26,411	896		27,307	27,307
Long-term Obligations Excluding Amounts Maturing within one year	416,537	12,432	359,145	496,623	1,284,737
	<u>\$ 442,948</u>	<u>\$ 13,328</u>	<u>\$ 504,528</u>	<u>\$ 496,623</u>	<u>\$1,457,427</u>

F. Bonds Authorized but Unissued

A summary of authorized but unissued bonds as of December 31, 2001 (in thousands):

General Obligation Bonds	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
PRIMARY GOVERNMENT:					
Port of Anchorage	October 6, 1987	None	\$ 7,500	\$ 2,000	\$ 5,500
Police Protection	October 2, 1990	None	405	180	225
Police Protection	February 13, 1996	None	900		900
Public Safety	February 13, 1996	None	950	500	450
Emergency Medical Services	February 11, 1997	None	425	125	300
Fire Protection	February 11, 1997	None	370	315	55
Total Authorized but Unissued General Obligation Bonds					<u>\$ 7,430</u>

There are \$73,150,000 authorized but unissued general obligation school bonds of the Municipality of Anchorage at June 30, 2001 as follows (in thousands):

Purpose	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
Construction/renovation/ acquisition of school facilities	April 20, 1999	None	\$ 173,150	\$ 100,000	\$ 73,150

G. Changes in General Long-Term Obligations

A summary of changes in the General Long-Term Obligations Account Group follows (in thousands):

	Beginning Balance	Additions	Retirements	Ending Balance
General Obligation Bonds	\$ 300,635	\$	\$ 19,130	\$ 281,505
Revenue Bonds	60,440			60,440
Special Assessment District Bonds	1,521		266	1,255
Certificate of Participation	17,985		2,670	15,315
Long-Term Contracts	736		106	630
Employee Benefits	140,877	5,356	850	145,383
Total	<u>\$ 522,194</u>	<u>\$ 5,356</u>	<u>\$ 23,022</u>	<u>\$ 504,528</u>

Defeasance of Debt: Anchorage and its component units 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 Anchorage's financial statements. At December 31, 2001 the amount of General Obligation and Revenue bonds considered defeased is \$273,205,000.

H. Repayment of Long-Term Obligations

The amounts to repay long-term obligation principal by fund and component unit follow (in thousands):

Fund	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Certificates of Participation	Notes and Contracts	Employee Benefits	Total
Primary Government							
General	\$ 281,505	\$ 60,440	\$ 1,255	\$ 15,315	\$ 630	\$ 145,383	\$ 504,528
Internal Service				1,171	12,138		13,309
Electric Utility		268,525					268,525
Water Utility		99,200	468		13,235		112,903
Wastewater Utility	27,970	4,995	67		19,156		52,188
Solid Waste Disposal	11,370	2,385			14,798		28,553
Refuse Collection		955					955
Port of Anchorage		5,920					5,920
Total	<u>\$ 320,845</u>	<u>\$ 442,420</u>	<u>\$ 1,790</u>	<u>\$ 16,486</u>	<u>\$ 59,957</u>	<u>\$ 145,383</u>	<u>\$ 986,881</u>
Component Units							
School District	\$ 496,555	\$	\$	\$	\$ 68	\$	\$ 496,623
Total	<u>\$ 496,555</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 68</u>	<u>\$</u>	<u>\$ 496,623</u>

Annual debt service requirements to amortize all obligations outstanding, except employee benefits, as of December 31, 2001 follows (in thousands):

Primary Government:

Years	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Certificates of Participation	Notes and Contracts	Total
2002	\$ 43,641	\$ 43,474	\$ 193	\$ 3,994	\$ 4,957	\$ 96,259
2003	41,242	43,452	161	3,939	5,618	94,412
2004	40,149	43,904	161	3,696	4,976	92,886
2005	39,458	43,417	161	3,448	4,961	91,445
2006	36,898	201,252	2,211	3,444	4,842	248,647
2007-2011	117,354	179,188	446		23,232	320,220
2012-2016	89,602	96,147			15,983	201,732
2017-2021	47,034	54,324			9,296	110,654
2022-2026		12,193			1,306	13,499
2027-2030						
Total Debt Service	455,378	717,351	3,333	18,521	75,171	1,269,754
Less Interest	134,533	274,931	1,543	2,035	15,214	428,256
Total Outstanding Principal	<u>\$ 320,845</u>	<u>\$ 442,420</u>	<u>\$ 1,790</u>	<u>\$ 16,486</u>	<u>\$ 59,957</u>	<u>\$ 841,498</u>

Component Units:

Years	School District		
	General Obligation		
	Bonds	Contracts	Total
2002	\$ 46,438	\$ 38	\$ 46,476
2003	48,024	37	48,061
2004	48,045		48,045
2005	48,036		48,036
2006	45,161		45,161
2007-2011	220,356		220,356
2012-2016	196,094		196,094
2017-2021	98,475		98,475
Total Debt Service	750,629	75	750,704
Less Interest	254,074	7	254,081
Total Outstanding Principal	<u>\$ 496,555</u>	<u>\$ 68</u>	<u>\$ 496,623</u>

NOTE 7 – LEASE AGREEMENTS

A. Lease Commitments

Commitments under operating lease agreements for facilities provide for minimum annual rental payments as follows (in thousands):

Year	Municipality	School District
2002	\$ 2,387	\$ 564
2003	1,765	564
2004	1,490	564
2005	1,434	564
2006	1,293	
2007-2011	419	
Total	<u>\$ 8,788</u>	<u>\$ 2,256</u>
2001 rent expense:	<u>\$ 4,626</u>	<u>\$ 1,514</u>

B. Investment in Direct Financing Leases

Anchorage has entered into direct financing leases for various plant and equipment located at the Port of Anchorage.

Components of the investments in leases as of December 31, 2001 follow (in thousands):

	Direct Financing
Total minimum lease payment to be received	<u>\$ 3,930</u>
Less:	
Unearned interest income	<u>(1,030)</u>
Net investment in leases	2,900
Amount due within one year	<u>(348)</u>
Total non-current investment	<u><u>\$ 2,552</u></u>

Minimum lease payments to be received as follows:

2002	\$ 603
2003	603
2004	603
2005	603
2006	603
2007-2010	915
Total	<u><u>\$ 3,930</u></u>

C. Port of Anchorage Lease Agreements

The Port of Anchorage has leased to unrelated third parties 72.8 acres of space in the Port Industrial Park. The leases provide for five-year rental adjustment intervals. Future minimum payments to be received are as follows (in thousands):

Year	Amount
2002	\$ 2,330
2003	2,333
2004	2,165
2005	1,997
Total	<u><u>\$ 8,825</u></u>

Lease revenue for 2001: \$ 2,711

D. Parking Authority Lease Agreements

Leases to unrelated third parties of 9,150 square feet of retail space in Sixth Avenue Parking Mall provide for adjustments to rent based on the Consumer Price Index and additional rents based on gross revenue. The lease to an unrelated party of Fifth Avenue Garage retail space through September 13, 2007 provides for a minimum rental of \$480,000 per year and additional rent equal to 50% of net income each calendar year as defined by the lease. Future minimum rental on non-cancellable operating leases follow (in thousands):

Year	Sixth Avenue	Fifth Avenue
2002	\$ 161	\$ 480
2003	20	480
2004		480
2005		480
2006		480
2007		340
Total	<u>\$ 181</u>	<u>\$ 2,740</u>
Lease revenue for 2001:	<u>\$ 161</u>	<u>\$ 480</u>

NOTE 8 – MORTGAGE, HOSPITAL AND HIGHER EDUCATION REVENUE BONDS

A. Mortgage Revenue Bonds

Anchorage issued \$15,190,000 of Housing Mortgage Revenue Refunding Bonds during 1992 for the purpose of refunding its outstanding 1979 Home Mortgage Revenue Bonds. On December 19, 2001 the Housing Mortgage Refunding Revenue Bonds were defeased in entirety. Proceeds from the sale of the Mortgage Backed Securities, which acted as collateral for the issue, were put into an Investment Agreement and irrevocable instructions were given to redeem the bonds on February 1, 2002.

B. Nonrecourse Revenue Bonds – United Way of Anchorage

On November 1, 2000, Anchorage issued \$850,000 of Nonrecourse Revenue Bonds on behalf of the United Way of Anchorage. On July 30, 2001, Anchorage issued \$850,000 of Nonrecourse Revenue Bonds on behalf of the United Way of Anchorage. Anchorage has no direct involvement with the administration of these bonds except to allow their issuance under the name of Anchorage. These revenue bonds are issued under provisions of state and federal law that provide that the bonds do not constitute an indebtedness of Anchorage. The bonds do not constitute a general obligation or pledge of the full faith and credit of Anchorage; accordingly, the bonds and the related assets are not reflected in the accompanying financial statements. At December 31, 2001, \$847,260 of 2000 issue bonds and \$892,600 of 2001 issue bonds were outstanding.

C. Hospital Revenue Bonds – Sisters of Providence Projects

On April 16, 1991, Anchorage participated in the issuance of \$84,385,000 of Hospital Revenue Refunding Bonds on behalf of the Sisters of Providence. The proceeds were used to refund the outstanding 1985 bonds. Anchorage has no direct involvement with the administration of these bonds except to allow their issuance under the name of Anchorage. These revenue bonds are issued under provisions of state and federal law that provide that the bonds do not constitute an indebtedness of Anchorage. The bonds do not constitute a general obligation or pledge of the full faith and credit of Anchorage; accordingly, the bonds and the related assets are not reflected in the accompanying financial statements.

A schedule of the remaining debt service follows (in thousands):

Year	Principal	Interest	Total
2002	\$ 6,575	\$ 2,054	\$ 8,629
2003	7,020 (1)	1,610	8,630
2004	7,515 (1)	1,110	8,625
2005	8,060 (2)	574	8,634
Total	<u>\$ 29,170</u>	<u>\$ 5,348</u>	<u>\$ 34,518</u>

(1) Mandatory redemption payment

(2) Maturity

On November 17, 1987, Anchorage participated in the issuance of \$5,310,000 of Hospital Revenue Bonds on behalf of the Sisters of Providence. The proceeds were used to finance the cost of certain equipment and capital improvements for Providence Hospital, Anchorage, Alaska, cost of renovations to Our Lady of Compassion Care Center, and costs of issuance of the bonds. These bonds are issued under provisions of state and federal law that provide they do not constitute an indebtedness of Anchorage; accordingly, the bonds and related assets are not reflected in the accompanying financial statements. When issued, the bonds consisted of \$3,200,000 of Serial Bonds with interest due on October 1 for the years 1988 through 1999 at interest rates of 5.75% through 8.20% and \$2,110,000 of Term Bonds due October 1, 2007, at 8.20%.

A schedule of remaining debt service including mandatory redemption payments of the term bonds follows (in thousands):

Year	Principal	Interest	Total
2002	\$ 230	\$ 147	\$ 377
2003	250	127	377
2004	270	106	376
2005	295	83	378
2006	320	57	377
2007	345	30	375
Total	<u>\$ 1,710</u>	<u>\$ 550</u>	<u>\$ 2,260</u>

D. Higher Education Revenue Bonds – Alaska Pacific University Project

On January 5, 1993, Anchorage participated in the issuance of \$18,800,000 of Higher Education Variable Rate Demand Revenue Bonds, Series 1993, on behalf of Alaska Pacific University. The proceeds were used to refund all Anchorage's Higher Education Variable Rate Demand Revenue Bonds, Series 1987; to refund a portion of the Revenue Bonds, 1990 (Alaska Pacific University Project), issued by the City of Seward; to fund certain other indebtedness of the University; and to pay costs of issuance of the bonds. The bonds bear interest at a weekly interest rate based upon prevailing market rates of like-quality debt instruments. The bonds do not constitute a general obligation debt or pledge of the full faith and credit of Anchorage; accordingly, the bonds and the related assets are not reflected in the accompanying financial statements.

A schedule of the remaining principal debt follows (in thousands):

<u>Year</u>	<u>Principal</u>
2002	\$ 500
2003	600
2004	600
2005	700
2006	700
2007	800
2008	800
2009	900
2010	1,000
2011	1,000
2012	1,100
2013	1,200
2014	1,300
2015	1,400
2016	1,500
2017	1,600
Total	<u>\$ 15,700</u>

NOTE 9 – CONTRIBUTED CAPITAL

Plant in service acquired by interfund contributions and contributions from customers and other governments is depreciated. The expense is included in the determination of net income. The annual depreciation on such contributed plant (except interfund) is transferred from retained earnings to contributed capital. Accumulated amortization of contributed capital represents the cumulative total of such depreciation transfers.

A summary of changes in contributed capital follows:

	Balance January 1, 2001	Net Additions (Deletions)	Amortization	Balance December 31, 2001
PRIMARY GOVERNMENT				
Enterprise Funds:				
Electric Utility Fund - Customers	\$ 12,280,070	\$ 828,003	\$ 674,364	\$ 12,433,709
Water Utility Fund:				
Interfund	315,635			315,635
Customers	89,157,439		85,002	89,072,437
Intergovernmental	137,231,787	3,458,149	5,122,038	135,567,898
Wastewater Utility Fund:				
Interfund	6,882,286			6,882,286
Customers	84,651,956		444,194	84,207,762
Intergovernmental	88,918,840	2,429,507	4,621,499	86,726,848
Refuse Utility Fund - Interfund	137,106			137,106
Solid Waste Fund - Intergovernmental	5,082,700		193,202	4,889,498
Port Fund:				
Interfund	1,140,687			1,140,687
Customers	127,558		1,901	125,657
Intergovernmental	20,604,440		939,353	19,665,087
Municipal Airport Fund:				
Interfund	187,830			187,830
Intergovernmental	32,481,961	(387,095)	1,125,285	30,969,581
Total Enterprise	<u>479,200,295</u>	<u>6,328,564</u>	<u>13,206,838</u>	<u>472,322,021</u>
Internal Service Funds:				
Equipment Maintenance Fund:				
Interfund	17,482,170	1,393,380		18,875,550
Intergovernmental	323,735	(50,998)	20,835	251,902
Management Information Systems Fund:				
Interfund		584,280		584,280
Total Internal Service	<u>17,805,905</u>	<u>1,926,662</u>	<u>20,835</u>	<u>19,711,732</u>
Total Primary Government	<u>\$ 497,006,200</u>	<u>\$ 8,255,226</u>	<u>\$ 13,227,673</u>	<u>\$ 492,033,753</u>
COMPONENT UNITS				
Parking Authority:				
Interfund	\$ 21,270,595	\$ (434,307)		\$ 20,836,288
Intergovernmental	9,997,516		253,739	9,743,777
Saturday Market	10,782		3,081	7,701
School District:				
Interfund		3,271,765		3,271,765
Total Component Units	<u>\$ 31,278,893</u>	<u>\$ 2,837,458</u>	<u>\$ 256,820</u>	<u>\$ 33,859,531</u>

NOTE 10 – RETIREMENT PLANS

Substantially all regular employees of Anchorage are members of the Public Employee Retirement System (PERS) except for employees who are members of the International Brotherhood of Electrical Workers (IBEW). IBEW members participate in a union sponsored cost-sharing defined benefit plan. Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The Electric utility's current agreement provides for contributions of \$3.67 to the Plan for each hour worked by a covered employee. The total employee contributions for 2001, 2000 and 1999 were \$3,610,877, \$3,286,225 and \$3,187,847, respectively. Anchorage's obligation for IBEW employees' retirement is limited to the amount paid to the Alaska Electrical Trust Fund. Each year, IBEW issues audited financial statements that can be obtained by writing to International Brotherhood of Electrical Workers 3333 Denali Street, Anchorage, Alaska 99503

All Anchorage employees who are members of a PERS participate in the Alaska Public Employees Retirement System (State Plan) 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 Anchorage Police and Fire Retirement System. Police officers, command officers, paramedics and fire fighters hired subsequent to these dates are in the State Plan.

A. State of Alaska Public Employees' Retirement System

Plan Description

Anchorage and Anchorage School District contribute to the State of Alaska Public Employees' Retirement System (PERS), a defined benefit, agent multiple-employer public employee retirement system which was established and is administered by the State of Alaska (State) to provide pension, post employment healthcare, death and disability benefits to eligible employees.

All full-time Anchorage and Anchorage School District employees not covered by the State of Alaska Teacher's Retirement System (TRS) are eligible to participate in PERS. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Each fiscal year, PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report 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 calling (907) 465-4460.

Funding Policy and Annual Pension Cost

Employee contribution rates are required by State statute. The funding policy for PERS provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

Annual pension cost for the year ended 2001 and related information for the Municipality of Anchorage (MOA), Anchorage School District (ASD), and Anchorage Parking Authority (APA) are as follows:

	Pension		
	MOA	ASD	APA
Contribution Rates:			
Employee:			
Peace Officers and Firefighters	5.33%	N/A	N/A
Other Employees	4.79%	4.80%	4.80%
Employer:			
Peace Officers and Firefighters	6.21%	N/A	N/A
Other Employees	4.63%	6.27%	2.56%
Actual Pension Cost (in thousands)	\$4,191	\$3,872	\$38
Contributions Made (in thousands)	\$4,191	\$3,872	\$38
Actuarial Valuation Date	June 30, 1998	June 30, 1998	June 30, 1998
Actuarial Cost Method	Projected Unit Credit	Same	Same
Amortization Method	Level Dollar, Open	Same	Same
Amortization Period	Rolling 25 Years	Same	Same
Asset Valuation Method	5-Year Smoothed Market	Same	Same
Actuarial Assumptions:			
Inflation Rate	4%	Same	3.5%
Investment Return	8%	Same	8.25%
Projected Salary Increase:			
Inflation	4%	Same	3.5%
Productivity and Merit - Police	1.50%	Same	2.5%
Productivity and Merit - Other	N/A	N/A	2%
Health Cost Trend	N/A	N/A	N/A
Postemployment Healthcare			
	MOA	ASD	APA
Contribution Rates:			
Employee:			
Peace Officers and Firefighters	2.17%	N/A	N/A
Other Employees	1.96%	1.95%	1.95%
Employer:			
Peace Officers and Firefighters	2.54%	N/A	N/A
Other Employees	1.89%	2.55%	1.04%
Actual Pension Cost (in thousands)	\$1,754	\$1,575	\$15
Contributions Made (in thousands)	\$1,754	\$1,575	\$15
Actuarial Valuation Date	June 30, 1998	June 30, 1998	June 30, 1998
Actuarial Cost Method	Projected Unit Credit	Same	Same
Amortization Method	Level Dollar, Open	Same	Same
Amortization Period	Rolling 25 Years	Same	Same
Asset Valuation Method	5-Year Smoothed Market	Same	Same
Actuarial Assumptions:			
Inflation Rate	4%	Same	Same
Investment Return	8%	Same	8.25%
Projected Salary Increase:			
Inflation	4%	Same	N/A
Productivity and Merit	1.5%	Same	N/A
Health Cost Trend	8.5%	8.5%	7.5%

The components of annual pension cost for the year ended 2001 are as follows:

	Pension		
	MOA	ASD	APA
Annual Required Contribution (ARC)	\$ 4,191	\$ 3,872	\$ 38
Interest on the Net Pension Obligation (NPO)			
Adjustment to the ARC			
Annual Pension Cost (APC)	<u>4,191</u>	<u>3,872</u>	<u>38</u>
Contributions Made	(4,191)	(3,872)	(38)
Increase in NPO			
NPO, Beginning of Year			
NPO, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>

	Postemployment Healthcare		
	MOA	ASD	APA
Annual Required Contribution (ARC)	\$ 1,754	\$ 1,575	\$ 15
Interest on the Net Pension Obligation (NPO)			
Adjustment to the ARC			
Annual Pension Cost (APC)	<u>1,754</u>	<u>1,575</u>	<u>15</u>
Contributions Made	(1,754)	(1,575)	(15)
Increase in NPO			
NPO, Beginning of Year			
NPO, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Three year trend information (in thousands) follows:

MUNICIPALITY OF ANCHORAGE

	Year Ending December 31	APC	Percentage of APC contributed	NPO
Pension	1999	\$ 4,969	100%	
	2000	4,473	100%	
	2001	4,191	100%	
Postemployment healthcare	1999	1,981	100%	
	2000	1,820	100%	
	2001	1,754	100%	

ANCHORAGE SCHOOL DISTRICT

	Year Ending December 31	APC	Percentage of APC contributed	NPO
Pension	1999	\$ 3,567	100%	
	2000	3,767	100%	
	2001	3,872	100%	
Postemployment healthcare	1999	1,329	100%	
	2000	1,527	100%	
	2001	1,575	100%	

ANCHORAGE PARKING AUTHORITY

	Year Ending December 31	APC	Percentage of APC contributed	NPO
Pension	1999	\$ 43	100%	
	2000	42	100%	
	2001	38	100%	
Postemployment healthcare	1999	16	100%	
	2000	16	100%	
	2001	15	100%	

Required Supplementary Information
Schedule of Funding Progress
Pension and Postemployment Healthcare Benefits (in thousands)

	Actuarial valuation year ended June 30	Actuarial value of plan assets	Actuarial accrued liability (AAL)	(Overfunded) unfunded actuarial accrued liability (UAAL)	Funded ratio	Covered payroll	UAAL as a percentage of covered payroll
<u>MUNICIPALITY OF ANCHORAGE</u>							
Pension benefits	1997	382,836	361,233	(21,603)	106%	91,271	(24%)
	1998	411,396	393,723	(17,673)	104%	95,345	(19%)
	1999	428,380	407,062	(21,318)	105%	102,107	(21%)
Postemployment healthcare benefits	1997	142,687	134,635	(8,052)	106%	91,271	(9%)
	1998	164,071	157,022	(7,049)	104%	95,345	(7%)
	1999	173,661	165,019	(8,642)	105%	102,107	(8%)
Total	1997	525,523	495,868	(29,655)	106%	91,271	(32%)
	1998	575,467	550,745	(24,722)	104%	95,345	(26%)
	1999	602,041	572,081	(29,960)	105%	102,107	(29%)
<u>ANCHORAGE SCHOOL DISTRICT</u>							
Pension benefits	1997	191,676	187,638	(4,038)	102%	53,957	(7%)
	1998	210,519	209,487	(1,032)	100%	57,001	(2%)
	1999	215,047	215,888	841	100%	64,342	1%
Postemployment healthcare benefits	1997	71,439	69,934	(1,505)	102%	53,957	(3%)
	1998	83,958	83,547	(411)	100%	57,001	(1%)
	1999	87,178	87,520	342	100%	64,342	1%
Total	1997	263,115	257,572	(5,543)	102%	53,957	(10%)
	1998	294,477	293,034	(1,443)	100%	57,001	(3%)
	1999	302,225	303,408	1,183	100%	64,342	2%
<u>ANCHORAGE PARKING AUTHORITY</u>							
Pension benefits	1997	1,334	1,010	(324)	132%	766	(42%)
	1998	1,429	1,313	(116)	109%	734	(16%)
	1999	1,514	1,204	(310)	126%	744	(42%)
Postemployment healthcare benefits	1997	497	377	(120)	132%	766	(16%)
	1998	571	524	(47)	109%	734	(6%)
	1999	614	489	(125)	126%	744	(17%)
Total	1997	1,831	1,387	(444)	132%	766	(58%)
	1998	2,000	1,837	(163)	109%	734	(22%)
	1999	2,128	1,693	(435)	126%	744	(59%)

B. State of Alaska Teachers' Retirement System

Plan Description

As of June 30, 2001, substantially all permanent Anchorage School District certificated employees participate in the State of Alaska Teachers' Retirement System (TRS), a defined benefit, cost-sharing, multiple-employer public employee retirement system established and administered by the State of Alaska (State). TRS provides pension, postemployment healthcare, death and disability benefits to participants. Benefit and contribution provisions are established by State law and may be amended by the State Legislature.

Each fiscal year, TRS issues a publicly available financial report which includes financial statements and required supplementary information. That the report 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 calling (907) 465-4460.

Funding Policy

Employees contribute 8.65% of their base salary as required by State statute. The funding policy for TRS provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. During the year ended June 30, 2001, 2000 and 1999 were \$19,761,502, \$19,342,284 and \$18,385,146, respectively, which were equal to the required employer contributions for each year.

C. Police and Fire Retirement System Plans

Plans I, II and III are defined benefit single-employer plans established by Chapter 3.85 of the Anchorage Municipal Code. The plans are administered by the Police and Fire Retirement Board (Board). The Board consists of eight members appointed by the mayor and confirmed by the assembly.

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 employment or employee election. Members employed on or before June 30, 1977, are members of Plan I, members employed between July 1, 1977, and April 16, 1984, are members of Plan II and members employed after April 16, 1984, are members of Plan III. Members of Plans I and II were permitted to elect into Plan III at its inception. Police officers, command officers, paramedics and fire fighters hired subsequent to these dates are in the State Plan.

Members of Plan I are required to contribute an amount not to exceed 6% of compensation. Members of Plans II and III are required to contribute not more than 2.5:1 Anchorage/member contribution ratio. Anchorage is responsible for any additional contributions to ensure that Plans I, II, and III are financially sound.

Benefit and contribution provisions are established by the Municipal code and may be amended only by the Assembly. The actuarial valuation recommended contribution rates for Plans I, II and III are zero for both the employee and the employer. All contributions were made in accordance with actuarial recommendations except for Plan III. The Assembly adopted ordinance AO 94-95 which ceased contributions to Plan III on July 24, 1994.

Benefits for all three plans include voluntary normal, early and deferred retirement benefits and occupational and non-occupational disability and death benefits. The extent of benefits varies by plan and basic benefit provisions are discussed in the following paragraphs. Benefits vest after 5 years of service for all plans, retirement benefits are paid monthly for life and are equal to 2.5% of average monthly compensation times years of credited service. A member may retire after 20 years of credited service and immediately begin receiving a monthly benefit. For Plans I and II average monthly compensation is the amount paid during the period of the highest three consecutive calendar years divided by the number of months for which compensation was received. For Plan III, final average compensation is the greater of

the average of the two highest consecutive tax years of base compensation or average of total base compensation for the last 52 pay periods.

Plan I and II members may elect early retirement after five years of credited service and attainment of age 55 and receive a retirement benefit. Plan III members may elect early retirement after 15 years of credited service and either withdraw their contributions or start receiving a retirement benefit. All three plans have deferred retirement options for members who have at least five years credited service and have not reached age 55. Plan I and II members may either withdraw their contributions or remain in the plan and begin receiving a retirement benefit upon reaching age 55. Plan III members either withdraw their contributions or receive a retirement benefit beginning the date on which he or she would have completed 20 years of credited service or upon reaching age 55.

Disability benefits may be either occupational or non-occupational. Benefits are payable for life and are subject to certain restrictions. To be eligible for non-occupational benefits, a member must have five years credited service prior to date of disability. Plan I and II members receive an occupational benefit of 66 2/3% of gross monthly compensation at time of disability and a non-occupational disability of 50% of monthly compensation. Plan III members receive an occupational benefit of 50% of final average compensation at time of disability and a non-occupational disability of 25% of final average compensation at time of disability with more than five but less than ten years credited service. For each additional year of service up to 20 years, the benefit shall increase by 2.5% of final average compensation.

Plan III beneficiaries are entitled to receive limited cost of living adjustments and children's benefits for disabilitants and surviving spouses until dependent children reach age eighteen.

Funding Status and Contribution Requirements

Annual pension cost for the current year and the related information is as follows:

	Police and Fire Retirement Systems		
	Plan I	Plan II	Plan III
Contribution Rates:			
Employee:			
Peace officers and firefighters			
Other employees			
Employer			
Annual Pension Cost (in thousands)			
Contributions made (in thousands)			
Actuarial valuation date	January 1, 2001	January 1, 2001	January 1, 2001
Actuarial cost method	Aggregate	Aggregate	Aggregate
Amortization period	*	*	*
Imputed amortization period	*	*	*
Asset valuation method	Market related	Market related	Market related
Actuarial Assumptions:			
Inflation rate	3.5%	3.5%	3.5%
Investment rate of return	8%	8%	8%
Projected salary increase	4%	4%	4%
Cost of living adjustment	N/A	N/A	1.125%/2.250%

* The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities
 * 1.125% prior to 20th anniversary of hire, and 2.25% after 25th anniversary of hire, based on an underlying CPI assumption of 4.5% per year and the plan provisions.

The components of annual pension cost for the year ended 2001 (in thousands) are as follows:

	Police and Fire Retirement Systems		
	Plan I	Plan II	Plan III
Annual required contribution (ARC)	\$	\$	\$
Interest on the net pension obligation (NPO)			
Adjustment to the ARC			
Annual pension cost (APC)			
Contributions made			
Increase in NPO			
NPO, beginning of year			
NPO, end of year	\$	\$	\$

Three year trend information (in thousands) follows:

	Year ending	Percentage of APC	
		APC	contributed
Plan I	1999	\$	100%
	2000		100%
	2001		100%
Plan II	1999		100%
	2000		100%
	2001		100%
Plan III	1999		100%
	2000		100%
	2001		100%

D. Investments

The State Plan, TRS, and the Police and Fire Retirement System do not own any notes, bonds, or other instruments of Anchorage.

NOTE 11 – POST-EMPLOYMENT HEALTH CARE BENEFITS

Prior to January 1, 1995, Anchorage was required to provide post-employment medical benefits for all retired police officers and fire fighters. In December 1994, Anchorage entered into a defined contribution program to provide medical benefits for police officers and fire fighters. The program went into effect January 1, 1995, and applied to those active duty, non-command personnel who retire after January 1, 1995, and are members of the Police and Fire Retirement System. The program also applies to personnel appointed to non-represented command positions after January 1, 1995. Anchorage has effectively capped the ultimate cost of post-employment medical benefits for this group of employees at approximately \$140.9 million, the present value of which was \$27.6 million as of January 1, 1995.

The significant terms of the agreement required Anchorage to contribute to the Police and Fire Retiree Medical Trust Fund, \$2,000,000 in 1994, and \$490 per month per retired employee in 1995. For all subsequent years, the amount to be contributed per retired employee is adjusted in accordance with the Consumer Price Index (CPI) factors indicated below:

<u>Retirement Age</u>	<u>Service at Retirement</u>	<u>Annual Adjustment</u>
60 or older	25 years	75% of medical CPI
55 - 59		50% of medical CPI
50 - 54	20 - 24 years	50% of medical CPI (with a maximum of 6%)
Less than 50	0 - 19 years	25% of medical CPI (with a maximum of 3%)

Anchorage contributed \$850,292 to the Police and Fire Retiree Medical Trust Fund in 2001.

Anchorage is prefunding the estimated cost of the program with annual payments to the Police and Fire Retiree Medical Liability Debt Service Fund of \$1.7 million, except for 2006 when \$9.8 million will be contributed. Based on actuary report issued in April 1999 the annual payments in 2000 and after were reduced to \$1.3 million. Anchorage will perform an actuarial study every three years and adjust the required annual contribution as needed.

For other personnel retired under the Police and Fire Retirement Plan and command active personnel, Anchorage plans to continue pay-as-you-go post-employment health, dental, audio and vision benefits. To be eligible for post-employment defined health benefits, the participant must be receiving retirement benefits from the Police and Fire Retirement Plan. At December 31, 2001, there were 113 retirees who met the eligibility requirements. Anchorage pays 100 percent of the health portion for all eligible retirees and dental, audio and vision coverage for police retirees; optional dental, audio and vision coverage is paid by the fire and command retirees. The cost of retiree health benefits is recognized as an expenditure as premiums are paid. For 2001, those costs totaled \$3,214,459.

Anchorage employees, including new police and fire employees, who are members of the State Plan will receive medical benefits as determined by that Plan. See Note 10.

NOTE 12 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Selected financial segment information for the Municipal Enterprise Funds as of December 31, 2001, and for the year then ended is as follows (in thousands):

	Electric Utility	Water Utility	Wastewater Utility	Refuse and Solid Waste Utility	Port	Airport	Total
Operating Revenue	\$ 83,084	\$ 28,959	\$ 24,357	\$ 20,060	\$ 8,700	\$ 961	\$ 166,121
Depreciation Expense	16,549	9,493	8,995	2,887	3,335	1,331	42,590
Operating Income (Loss)	21,486	4,044	604	4,035	1,910	(1,134)	30,945
Net Income (Loss)	8,021	29	(1,503)	4,016	9,484	3,268	23,315
Contributions	828	3,458	2,430			(387)	6,329
Property, Plant and Equipment							
Additions	28,035	36,165	11,780	2,669	1,827	4,540	85,016
Deletions	5,426			1,060	36	35	6,557
Net Working Capital	29,901	6,345	3,911	20,060	3,913	1,558	65,688
Total Assets	375,382	386,676	266,456	78,268	88,359	42,391	1,237,532
Long-Term Obligations	241,830	99,727	44,776	25,500	4,704		416,537
Total Fund Equity	112,044	277,408	208,893	38,911	81,994	39,821	759,071

NOTE 13 – REGULATORY AND OTHER MATTERS

A. Electric Utility

Demand and Energy Rates and Cost of Service Study: The Utility's last rate increase was a 3.59 percent permanent increase to demand and energy charges, effective January 1, 1995. A cost of service and rate redesign was approved effective May 1, 1995. The Utility was ordered to file a Revenue Requirement and Cost of Service study by July 1, 2000. Docket U-99-139 is still pending. The 1999 test year data originally filed in June of 2000 is now stale, and the Utility has agreed with the Public Advocacy Section and with the Regulatory Commission Alaska (RCA) that it will file a 2001 test year Revenue Requirement and Cost of Service study. This proceeding should be adjudicated by the end of 2002.

Accounting and Rate Making Treatment of Beluga River Gas Field: In Docket U-96-36, Order No. 7, the RCA required the Utility to file an explanation of its intended accounting treatment and proposed rate making treatment with respect to its Beluga River Gas Field interest. The Utility complied with this order on December 23, 1996. The most noteworthy aspect of this filing is a request to be allowed to defer some costs associated with the gas field interest in order to spread the benefits of the acquisition through time in an equitable manner. While the RCA has approved the Utility's rates on an interim basis, it has not yet issued an order on the deferred cost request. The Utility has deferred charges of \$11,346,747 relating to this issue. Due to the nature of regulatory proceedings, the Utility cannot determine the ultimate impact on its financial statements of this matter, nor what amortization period of these deferred charged will be approved by the RCA. On August 6, 2001, the RCA issued order number 23 in Docket U-96-36, approving the withdrawal of Chugach Electric Association Inc. (CEA) from the docket, clearing the way to final adjudication for this long pending matter. This docket will finally establish the Utility's accounting and rate making treatment of costs associated with its ownership of Beluga River Unit gas reserves. Hearings were held in October 2001, and a final ruling is expected in the near future.

Formal Complaint Against Chugach Electric Association, Inc. (CEA): On October 13, 1997, the Utility filed a formal complaint with the RCA stating that CEA was attempting to illegally provide electrical service to customers within the Utility's certificated service territory and asking the RCA to order CEA to cease its marketing efforts to customers currently served by the Utility. On May 20, 1998, the RCA ruled in favor of the Utility, stating that the Alaska Administrative Codes "specifically prohibit(s) an electric utility from competing with another electric utility to provide an electric service connection for a customer without approval from the Commission". This docket was closed on November 23, 1998. CEA appealed the ruling in Superior Court for the State of Alaska (3AN-98-11584). This matter, having been decided in favor of the Utility by the APUC (predecessor of the RCA) and upheld in Superior Court, has been appealed to the Alaska Supreme Court by CEA.

Certificate Modification U-00-79: On April 11, 2000, the Utility filed a petition to change its Certificate of Public Convenience and Necessity to include a customer which is located on the Fort Richardson Army Post. The RCA granted the Utility's petition to serve a customer within Fort Richardson in Order No U-00-79(7) issued in May 2001. CEA had opposed this petition on the ground that the RCA was not authorized to issue Certificates of Public Convenience and Necessity relating to military installations. CEA has appealed this matter to Superior Court. Subsequent to year end the Superior Court confirmed the RCA's authority.

Rulemaking Docket: The RCA opened a rulemaking docket to consider whether the electric utility industry in Alaska should be restructured in any way. This docket has been combined with a Joint Legislative Committee investigation of possible industry restructuring. This docket was closed by Order Number R-97-10(8) dated September 28, 2001, in which the RCA declined to take any action with regard to industry restructuring at this time.

Eklutna Hydroelectric Project: On October 2, 1997, the ownership of the Eklutna Hydroelectric Project was formally transferred from the Alaska Power Administration, a unit of the United States Department of Energy, to the three participating utilities: the Utility, Chugach Electric Association (CEA) and Matanuska Electric Association (MEA). The Project is jointly owned and operated by the participating utilities and each contributes their proportionate share for operation and maintenance costs. The Utility has a 53.33% ownership interest in the Project and recorded costs of \$215,223 in 2001.

Bradley Lake Hydroelectric Project: The Utility has agreed to acquire a portion of the output of the Bradley Lake Hydroelectric Project (Project) pursuant to a Power Sales Agreement (Agreement). The Agreement specifies that the Utility acquire 25.9% of the output of the Project. The Bradley Lake Hydroelectric Project went on line September 1, 1991. The Utility made payment to the Alaska Energy Authority (AEA) of \$3,347,926 in 2001 for its portion of the costs, and received 84,306 megawatt hours of power in 2001 from the Project. The Utility's estimated cost of power from the Project for 2002 is \$3,650,000.

The Alaska Energy Authority (AEA) issued the Power Revenue Bonds, First and Second Series in September 1989 and August 1990, respectively for the long term financing of the construction costs of the Bradley Lake Hydroelectric Project. The total amount of debt outstanding as of December 31, 2001, was \$139,759,456. The pro rata share of the debt service costs of the Project for which the Utility is responsible, given its 25.9% share of the Project, is \$36,197,699. In the event of payment defaults by other power purchasers, the Utility's share could be increased by up to 25%, which would then cause its pro rata share to be a total of \$45,247,124; the Utility does not now know of or anticipate any such defaults.

In December 1997, AEA entered into a forward delivery bond purchase agreement providing for the issuance of \$47,710,000 Power Revenue Refunding Bonds, Fourth Series on April 4, 2000. On April 4, 2000, AEA issued \$47,710,000 of Power Revenue Refunding Bonds, Fourth Series, for the purpose of refunding \$46,235,000 of the Second Series Bonds. The refunded Second Series Bonds were called on July 1, 2000. The refunding resulted in aggregate debt service payments over the next twenty-two years in a total amount approximately \$6,400,000 less than the debt service payment which would be due on the refunded bonds. There was an economic gain of approximately \$3,500,000.

In order to deliver the Bradley Lake energy and power from the Project to the participants, a transmission line had to be built between the Bradley Junction and the Soldotna Substation. Homer Electric Association constructed the transmission line and the Utility has purchased a portion of the transmission capability of the line in an amount equal to the Utility's share of the Project output. The Utility's portion of the transmission line capability was \$2,795,477, which is being amortized over a 30-year period and is included as intangible plant.

Railbelt Electric Interties: In 1993, the Alaska Legislature appropriated \$90 million in grants from the Railbelt Energy Fund to fund construction of a Northern Intertie between Healy and Fairbanks and a Southern Intertie between Anchorage and the Kenai Peninsula. Several of the necessary agreements have been signed by the utilities. Among them was the agreement allocating a portion of the capacity of the lines to each utility, reflecting ownership interests and financial responsibility for the project costs. Later, 1998, as allowed by the agreements, the Utility withdrew from direct participation in the Northern Intertie, thus relieving itself of any financial responsibility or ownership interest in that line. Access to the Northern Intertie for purposes of engaging in electric sales will be acquired by paying the wheeling rate in effect at the time such sales are imminent. The Utility's financial responsibilities and ownership interest in the Southern Intertie remain in place, with commercial operation anticipated in 2004. Both interties will enhance the stability of the interconnected electrical system and improve reliability through availability of redundant transmission routes.

Underground Amendment to the APUC Act – SB 10: In May 1999, the Legislature of the State of Alaska enacted an Amendment to AS 42.05, *Public Utilities and Carriers, Alaska Public Utilities Commission Act* "requiring an electric utility that provides services in a municipality with a population of more than 200,000 to have an ongoing program of placing existing overhead utility distribution lines underground". The Act requires that electric utilities within municipalities meeting this definition "must spend at least one percent of the utility's annual gross revenue from retail customers in that municipality to place existing overhead utility distribution lines in that municipality underground". An electric utility within a municipality implementing this Act may amend its rates for services provided in the municipality to enable the utility to recover the full cost of placing the lines underground. This amendment to rates is not subject to commission review or approval. The RCA has not adopted regulations to implement this Act; however, the Utility has complied with the conditions of this Act relating to required percentage of undergrounding that must take place during the year.

Gas Supply Contracts: On April 26, 2000 Phillips Alaska, Inc. acquired all of Atlantic Richfield's Alaska (ARCO) assets including the Beluga River Unit.

The Utility purchases natural gas from Phillips Alaska, Inc. and Chevron U.S.A. under contracts approved by the Alaska Public Utilities Commission. The contract price of gas for 2001 and 2000, respectively, was \$1.8499 and \$1.5576/thousand cubic feet plus tax reimbursement and excess royalties (if any). The contract price of gas is adjusted annually based on the price of Light Sweet Crude Oil Futures Contracts. Under its effective tariff, the Utility passes through any gas cost changes directly to its customers in the form of quarterly cost of power adjustment rate changes. In order to provide a source of fuel for its gas turbines, stabilize fuel costs, and lower total energy costs to customers, the Utility acquired Shell Western E & P Inc. and Shell Onshore Ventures Inc.'s (Shell) share of the gas reserves in the Beluga River Field. The purchase price approximated \$120 million, and was finalized December 20, 1996. Gas revenues in 2001 and 2000 consist of sales to third parties pursuant to contracts the Utility assumed from Shell.

The Utility continues to purchase natural gas from Phillips Alaska, Inc. and Chevron U.S.A. under the approved contracts.

B. Water and Wastewater Utilities

Military Contracts: The Utility has sewer service contracts with both Elmendorf Air Force Base (EAFB) and Fort Richardson (Ft. Rich). These contracts, effective 1969-1970, predate economic regulation by the Regulatory Commission of Alaska (RCA), formerly Alaska Public Utilities Commission (APUC). The RCA requires the Utility to bill the military bases at its approved tariff rates that is different from the contract rates. In 2001, the contract rates billed for EAFB and Ft. Rich are \$844 and \$660 per million gallons respectively. The tariff rates for EAFB and Ft. Rich are \$770 and \$660 per million gallons. Anchorage Wastewater Utility (AWWU) filed a Revenue Requirement based on the 1999 test year with a rate decrease of 2.75% applied to AWWU existing tariff rates. RCA approved this rate decrease with an effective date of January 1, 2001.

Beginning in 1992, the Utility has billed tariff rates, recognized revenue based upon the contract amounts and recorded the difference as Deferred Military Revenue. The balance of deferred revenue as of December 31, 2001 was \$1,269,601. This balance includes the estimated refunds of \$181,674 for EAFB and \$68,741 for Ft. Rich subject to military concurrence of price modifications filed per contract. The proposed contract rates for EAFB is \$711 based on the 1999 cost of service applicable to the year 2000. Effective January 1, 2001, Ft. Rich entered into a 10 year contract establishing the effective tariff rate as the contract rate. The Utility plans to request the RCA's authorization to clear all deferred balances and renegotiate with the military bases to use the same rate calculation method as used to establish the tariff rates.

301(h) Waiver: The Environmental Protection Agency issued the Utility a new National Pollutant Discharge Elimination System discharge permit on June 28, 2000 for the Asplund Wastewater Treatment Facility, located at Pt. Woronzof. This permit is good for five (5) years from the date of issuance and contains a Section 301(h) waiver of secondary treatment.

The Utility believes it will be able to meet all the new permit limits contained in the new discharge permit.

NOTE 14 – RISK MANAGEMENT

Primary Government

Anchorage 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 primary government utilizes three risk management funds to account for and finance its uninsured risks of loss.

The government provides coverage up to the maximum of \$2,000,000 per occurrence for automobile and general liability claims and \$500,000 for each workers' compensation claim. Coverage in excess of these amounts is insured by private carriers. Settled claims have not exceeded this commercial coverage in any of the past three years.

The government provides coverage for medical/dental/life benefit claims up to maximum annual claims of \$20,751,736 excluding IBEW employees. Coverage in excess thereof is provided by a private carrier under a retrospective premium agreement which basically provides that the government is financially responsible for all claims during the life of the agreement. The private carrier is the claims servicing agent. The government's liability for coverage for IBEW employees is limited to its contribution, of \$3,568,156 in 2001, to the Alaska Electrical Health and Welfare Trust Fund.

Unemployment compensation expense is based on actual claims paid by the State of Alaska and reimbursed by the government.

All government 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, 2001, is dependent upon future developments. At December 31, 2001, claims incurred but not reported included in the liability accounts are \$4,558,308 in the general liability/workers' compensation fund and \$476,038 in the medical, dental, life fund. No provision has been made for unemployment compensation claims incurred but not paid by the State of Alaska.

Changes in the funds' claim liability amounts in 2000 and 2001 follow:

	Liability Balance January 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance December 31
2000				
General Liability/Workers' Compensation	\$ 7,881,429	\$ 6,233,985	\$ (5,609,388)	\$ 8,506,026
Health	4,506,661	21,681,978	(21,129,978)	5,058,661
Unemployment	171,119	572,834	(628,613)	115,340
	<u>\$ 12,559,209</u>	<u>\$ 28,488,797</u>	<u>\$ (27,367,979)</u>	<u>\$ 13,680,027</u>
2001				
General Liability/Workers' Compensation	\$ 8,506,026	\$ 7,764,302	\$ (5,212,540)	\$ 11,057,788
Health	5,058,661	22,648,530	(27,231,153)	476,038
Unemployment	115,340	324,379	(369,525)	70,194
	<u>\$ 13,680,027</u>	<u>\$ 30,737,211</u>	<u>\$ (32,813,218)</u>	<u>\$ 11,604,020</u>

School District

The School District self-insures to the extent of \$1,000,000 per occurrence for school bus, auto and general liability; \$750,000 per occurrence on workers' compensation; and \$100,000 per occurrence on property losses with coverage in excess thereof provided by private carriers. The School District is self-insured for earthquake or flood damage. The School District has reflected as a designation for self-insurance a portion of the unreserved fund balance to provide for resources to cover the self-insured retentions in the event of multiple losses. The portion has been set at \$9,000,000. The balance in this account does not represent a contingent liability but rather signifies the availability of resources should such a casualty occur.

Changes in the claims liabilities for General Liability, Workers' Compensation, Health and Unemployment for the School District in 2000 and 2001 follow:

	Liability Balance July 1	Current Year Claims and Changes in Estimates	Claims Payment	Liability Balance June 30
2000	<u>\$ 5,621,880</u>	<u>\$ 14,568,464</u>	<u>\$ (14,425,731)</u>	<u>\$ 5,764,613</u>
2001	<u>\$ 5,764,613</u>	<u>\$ 18,170,010</u>	<u>\$ (16,853,907)</u>	<u>\$ 7,080,716</u>

Parking Authority

The Parking Authority participates in the primary government's self-insurance program only for workers' compensation. All other insurance coverage is provided by private carriers.

NOTE 15 – CONTINGENCIES

A. Litigation

Anchorage, in the normal course of its activities, is involved in various claims and litigation. In the opinion of management and the Municipal Attorney, the disposition of these matters is not presently expected to have a material adverse effect on Anchorage's financial statements.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the General or other applicable fund. In management's opinion, disallowances, if any, will be immaterial.

C. Property Tax Limitation

On October 4, 1983, Anchorage voters approved a charter amendment limiting the amount of taxes Anchorage can levy except for debt service. With certain other exceptions, the amendment limits taxes to the amount levied in the previous year increased by Anchorage Consumer Price Index (CPI) and 5-year average population growth. In the opinion of management, Anchorage is in compliance with this limitation.

D. Spending Limitation

On August 3, 1983, the Assembly adopted an ordinance limiting the amount of expenditures in the general government operating budget for tax-supported services. The amount is limited to the previous year's budget increased by amounts no more than the percentage increase in the July CPI over the previous July CPI and those additional increases necessary to provide voter and legally mandated services. In the opinion of management, Anchorage is in compliance with this limitation.

E. Internal Revenue Service Examination of Electric Utility Revenue Bonds

In 1996, the Municipality of Anchorage issued tax-exempt electric revenue bonds to finance capital improvements and a portion of its purchase of the Beluga River Gas Field. Certain of these electric revenue bonds are being examined by the Internal Revenue Service as part of its expanded compliance program for tax-exempt bonds. The impact on the financial statements of this examination is not currently determinable.

NOTE 16 – ENVIRONMENTAL ISSUES

Anchorage has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present and future activity which 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. At December 31, 2001, there are environmental issues which 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 at December 31, 2001.

A. Solid Waste Landfill Site

Anchorage's landfill at Merrill Field was closed during 1987 following approximately 50 years of usage. An active gas migration control system was successfully constructed in 1992 and has since operated without fail. It appears that remedial measures already completed and continued monitoring of the active gas control system have alleviated any potential environmental problems.

In 1992, the 20-year-old subdrain of the leachate collection system at the Merrill Field landfill was cleaned. As a result, the amount of leachate flow increased 241 percent. Subsequently, an outside consultant was hired to make recommendations for improving the leachate collection system to ensure that no off-site migration of leachate will occur. This study was completed in 1994 and recommended a rehabilitation/upgrade of the leachate collection system. Design work for the project was completed in 1995 and construction completed in the fall of 1996. Completion of this project should alleviate any potential environmental problems. The water quality at 16 different locations at the Merrill Field landfill will continue to be monitored.

B. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require Anchorage to place a final cover on its current landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and postclosure costs, Anchorage Solid Waste Services (SWS) is recording as an operating expense in each period an amount based on landfill capacity used as of each balance sheet date. During 1997 the future closure and postclosure were reevaluated and adjusted to reflect current conditions. As of December 2001, SWS had a recorded liability of \$8,765,209 associated with these future costs, based on the use of 20.7 percent of the estimated capacity of the landfill. It is estimated that SWS will recognize another \$33,700,955 in expense and liability between December 31, 2001, and the year 2037, the date the landfill is expected to reach full capacity. These amounts are based on what it would cost to perform all the closure and postclosure functions in 2001. Actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in laws and regulations.

As of December 31, 2001, there are no state laws or regulations requiring Anchorage to provide financial assurances for the closure and postclosure care of the landfill. Federal regulations that went into effect in 1997 do require Anchorage to provide financial assurances for future closure and postclosure costs by one of a number of allowable mechanisms available. Anchorage elected to use the "Local Government Test" financial assurance mechanism to be in compliance with the regulation. Currently no SWS assets are restricted for payment of closure and postclosure care costs. 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.

C. Fuel Contamination Sites

The Alaska Department of Environmental Conservation (ADEC) has five Utility sites that are currently open: two contaminated sites and three former leaking underground storage tank sites. ADEC may issue a No Further Action Proposed (NFRAP) on the Plant 2 site and possibly the Plant 1 site, but it would require a public notice and agreement with all the property owners affected. The ADEC will review the files on the three former underground storage sites to determine if further monitoring is necessary. There is no monitoring or remediation being conducted at this time.

The Public Works Department of the Municipality encountered a hydrocarbon-type contaminant material during a drainage improvement project on Ship Creek Avenue which began May 30, 2001. The contaminant had infiltrated the existing storm drain system and appeared to have settled in the storm drain system until disturbed by the Public Works project. Public Works excavated contaminated soil, treated old diesel and ground water and requested the Utility to pay all costs associated with cleanup and other environmental activities. This request was the result of assuming the contamination was caused from a Utility diesel fuel holding tank that ruptured during the 1964 earthquake. The Utility has not agreed that the source of contamination relates to the 1964 diesel spill. The amount of the potential liability is unknown at this time.

A former owner of the property located at 1040 East First Avenue has filed a lawsuit against Anchorage with the intent to recover cost for a loss of property value due to contamination allegedly from the Utility and Public Works properties. The Utility's responsibility in this matter is unknown until a review of the applicable documents can determine the source of contamination. That review is estimated to cost \$22,000. The total maximum estimated liability is \$250,000.

D. Anchorage Loop Water Transmission Main

In 1997, the State of Alaska, Department of Fish and Game issued Notices of violation to Anchorage Water and Wastewater Utility (AWWU) for failure to comply with its fish and habitat permit, associated with the construction of the Anchorage Loop Water Transmission Main project. In 1997, the Department of the Army, U.S. Army Engineer District, Alaska issued a cease and desist order to AWWU involving the unauthorized discharge of dredged and or fill material into water of the United States, including wetlands, associated with the construction of the Anchorage Loop Water Transmission Main project.

AWWU complied with these orders and corrective actions have been implemented and are continuing. At this time the State of Alaska and the Department of Army have not assessed penalties against AWWU. AWWU believes that any penalties assessed will not be material and will eventually be included in rates.

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MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-1

GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2001 and 2000

	2001	2000
ASSETS		
Equity in General Cash Pool	\$ 76,582,052	\$ 139,820,933
Investments	2,000	2,000
Receivables (Net of Allowances for Uncollectibles):		
Taxes	8,924,634	9,641,947
Accounts	6,213,516	4,970,824
Special Assessments	2,160,041	2,492,295
Intergovernmental	948,503	2,187,450
Due from Component Units:		
Anchorage School District	175,963	365,935
Alaska Center for the Performing Arts	45,090	41,710
Anchorage Parking Authority	108,180	249,929
Interfund Receivables:		
Other Restricted Resources Fund	32,297	
Federal Grants Fund		1,001,611
Jail Bond Debt Service	13,347	
Police/Fire Retiree Medical Liability Fund	1,933,995	1,159,756
MOA Trust Fund	4,718,895	
Police/Fire Retirement Trust Fund		15,365
Inventories	541,275	535,963
Prepaid Items and Deposits	10,746	5,237
Advances to Management Information Systems Fund	1,503,675	1,579,671
Advances to Areawide Capital Projects Fund	347,537	494,146
Advances to Rabbit Creek Sub-Fund	400,000	400,000
Advances to Workers' Compensation Fund	274,000	
Loan to Anchorage Senior Center	1,851,500	
TOTAL ASSETS	\$ 106,787,246	\$ 164,964,772
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable and Retainages	\$ 5,136,654	\$ 3,960,609
Compensated Absences Payable	4,816,400	9,971,303
Due to Anchorage School District Component Unit	45,189,733	42,199,844
Tax Anticipation Notes Payable		50,000,000
Deferred Revenue and Deposits	9,511,797	11,773,074
Total Liabilities	64,654,584	117,904,830
FUND BALANCE:		
Reserved for Encumbrances	5,051,645	4,888,563
Reserved for Inventories	541,275	535,963
Reserved for Prepaid Items and Deposits	10,746	5,237
Reserved for Long-Term Loans	748,900	560,000
Reserved for Advances to Other Funds	2,525,212	2,473,817
Unreserved:		
Designated for Subsequent Year Expenditures	4,830,760	5,139,890
Undesignated - Areawide Service Area	4,837,735	9,750,490
Undesignated - Other Service Areas	23,586,389	23,705,982
Total Fund Balance	42,132,662	47,059,942
TOTAL LIABILITIES AND FUND BALANCE	\$ 106,787,246	\$ 164,964,772

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-2

GENERAL FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, OTHER FINANCING
 SOURCES (USES) AND CHANGES IN FUND BALANCE
 For The Years Ended December 31, 2001 and 2000

	2001	2000
REVENUES		
Taxes	\$ 312,874,763	\$ 288,427,460
Special Assessments	953,492	847,661
Licenses and Permits	9,173,675	8,478,177
Intergovernmental	14,435,748	13,978,579
Charges for Services	13,092,918	11,450,304
Fines and Forfeitures	4,912,096	5,410,503
Investment Income	6,042,739	7,090,683
Other	810,410	1,435,993
Total Revenues	362,295,841	337,119,360
EXPENDITURES		
Current:		
General Government	17,958,700	17,433,341
Public Safety	110,881,722	108,208,911
Public Services	65,390,107	65,705,253
Non-Departmental	8,658,290	8,521,236
Debt Service:		
Principal	19,236,121	17,194,456
Interest and Fiscal Charges	19,584,186	12,358,377
Total Expenditures	241,709,126	229,421,574
Excess of Revenues over Expenditures	120,586,715	107,697,786
OTHER FINANCING SOURCES (USES)		
Operating Transfers from Other Funds	10,930,705	19,676,406
Operating Transfers from Component Units	134,437	135,091
Operating Transfers to Other Funds	(5,903,623)	(4,562,415)
Operating Transfers to Component Units	(132,208,803)	(125,163,387)
Restricted Contributions	1,208,582	
Payments to Defeased/Refunded Bond Escrow Agents		(9,941,837)
Land Sales	37,577	
Net Other Financing Uses	(125,801,125)	(119,856,142)
Deficiency of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(5,214,410)	(12,158,356)
Fund Balance, January 1	47,059,942	59,155,742
Residual Equity Transfers from Other Funds		
Residual Equity Transfers from Component Units	493,010	269,596
Residual Equity Transfers to Other Funds	(205,880)	(207,040)
FUND BALANCE, DECEMBER 31	\$ 42,132,662	\$ 47,059,942

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-3
(Additional Information)

GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL
For the Year Ended December 31, 2001

	Actual	Budget	Variance Favorable (Unfavorable)
AREAWIDE SERVICE AREA			
Revenues:			
Taxes:			
Real Property	\$ 130,384,855	\$ 127,318,303	\$ 3,066,552
Personal Property	20,344,610	19,913,860	430,750
Aircraft	198,653	151,880	46,773
Motor Vehicle Registration	2,496,636	2,604,380	(107,744)
Motor Vehicle Rental	3,867,013	3,050,000	817,013
Hotel-Motel	10,554,352	10,651,200	(96,848)
Excise on Tobacco Products	4,762,237	5,936,000	(1,173,763)
Payments in Lieu of Property Taxes	221,392	198,330	23,062
Municipal Utility Service Assessment	3,903,811	3,823,850	79,961
Penalties and Interest	1,817,194	1,818,500	(1,306)
Licenses and Permits	3,343,555	3,101,210	242,345
Intergovernmental	3,315,383	3,264,408	50,975
Charges for Services	9,541,639	9,520,890	20,749
Fines and Forfeitures	991,413	1,486,250	(494,837)
Investment Income	3,513,982	6,355,495	(2,841,513)
Other	536,968	727,650	(190,682)
Total Revenues	<u>199,793,693</u>	<u>199,922,206</u>	<u>(128,513)</u>
Operating Transfers from Other Funds:			
State Grants Fund	343,705	343,710	(5)
MOA Trust Reserve Fund	9,400,000	9,400,000	
Areawide Capital Projects Fund	365,000	365,000	
Operating Transfers from Other Sub-Funds:			
Roads and Drainage Service Area	22,000	22,000	
Operating Transfers from Alaska Center for the Performing Arts Component Unit	134,437		134,437
Restricted Contributions	692,462	59,500	632,962
Land Sales	37,577		37,577
Residual Equity Transfers from Anchorage Parking Authority Component Unit	493,010	854,520	(361,510)
Total Areawide Service Area	<u>211,281,884</u>	<u>210,966,936</u>	<u>314,948</u>
FORMER CITY SERVICE AREA			
Revenues:			
Taxes:			
Real Property	93,391	77,490	15,901
Personal Property	21,235	17,110	4,125
Municipal Utility Service Assessment	3,363	3,180	183
Penalties and Interest	1,987	119,620	(117,633)
Special Assessments	28,284	47,660	(19,376)
Intergovernmental	598		598
Investment Income	1,366		1,366
Total Former City Service Area	<u>150,224</u>	<u>265,060</u>	<u>(114,836)</u>
CHUGIAK SERVICE AREA			
Revenues:			
Taxes:			
Real Property	449,190	448,910	280
Personal Property	9,568	11,370	(1,802)
Motor Vehicle Registration	8,515	8,880	(365)
Municipal Utility Service Assessment	19,519	19,520	(1)
Penalties and Interest	5,907	5,230	677
Intergovernmental	49,651	45,813	3,838
Investment Income	58,344	82,730	(24,386)
Other	237	49,037	(48,800)
Total Chugiak Service Area	<u>600,931</u>	<u>671,490</u>	<u>(70,559)</u>
GLEN ALPS SERVICE AREA			
Revenues:			
Taxes:			
Real Property	129,415	127,960	1,455
Personal Property	4,582	1,830	2,752
Motor Vehicle Registration	3,507	3,650	(143)
Penalties and Interest	1,343	1,470	(127)
Intergovernmental	5,843	5,830	13
Investment Income	9,208	12,110	(2,902)
Total Glen Alps Service Area	<u>153,898</u>	<u>152,850</u>	<u>1,048</u>

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-3
(Additional Information)

GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL - CONTINUED
For the Year Ended December 31, 2001

	Actual	Budget	Variance Favorable (Unfavorable)
GIRDWOOD SERVICE AREA			
Revenues:			
Taxes:			
Real Property	\$ 671,636	\$ 663,640	\$ 7,996
Personal Property	50,898	55,200	(4,302)
Motor Vehicle Registration	4,006	4,180	(174)
Municipal Utility Service Assessment	16,996	16,970	26
Penalties and Interest	5,839	5,390	449
Intergovernmental	93,237	37,990	55,247
Charges for Services	1,031	1,000	31
Investment Income	6,064	17,080	(11,016)
Other	4,999		4,999
Total Girdwood Service Area	<u>854,706</u>	<u>801,450</u>	<u>53,256</u>
FORMER BOROUGH ROADS AND DRAINAGE SERVICE AREA			
Revenues:			
Taxes:			
Real Property	804		804
Personal Property	150		150
Penalties and Interest	437		437
Special Assessments	1,568	9,180	(7,612)
Intergovernmental	8		8
Investment Income	3,858		3,858
Total Former Borough Roads and Drainage Service Area	<u>6,825</u>	<u>9,180</u>	<u>(2,355)</u>
FIRE SERVICE AREA			
Revenues:			
Taxes:			
Real Property	23,503,504	23,104,360	399,144
Personal Property	3,848,785	3,771,730	77,055
Motor Vehicle Registration	632,550	659,850	(27,300)
Municipal Utility Service Assessment	477,666	470,140	7,526
Penalties and Interest	212,654	201,870	10,784
Licenses and Permits	271,831	218,480	53,351
Intergovernmental	2,466,245	2,308,610	157,635
Charges for Services	185,595	489,440	(303,845)
Investment Income	377,850	923,177	(545,327)
Other	2,721	4,200	(1,479)
Total Fire Service Area	<u>31,979,401</u>	<u>32,151,857</u>	<u>(172,456)</u>
ROADS AND DRAINAGE SERVICE AREA			
Revenues:			
Taxes:			
Real Property	38,566,607	38,103,650	462,957
Personal Property	7,336,638	7,205,600	131,038
Motor Vehicle Registration	570,445	595,060	(24,615)
Hotel - Motel	197,594	198,240	(646)
Municipal Utility Service Assessment	662,794	688,690	(25,896)
Penalties and Interest	367,095	363,670	3,425
Special Assessments	923,640	587,540	336,100
Licenses and Permits	22,247	23,000	(753)
Intergovernmental	2,653,383	1,966,530	686,853
Charges for Services	41,718	63,500	(21,782)
Investment Income	909,523	1,410,081	(500,558)
Other	18,849		18,849
Total Roads and Drainage Service Area	<u>52,270,533</u>	<u>51,205,561</u>	<u>1,064,972</u>

The notes to the financial statements are an integral part of this statement.

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-3
(Additional Information)GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL - CONTINUED
For the Year Ended December 31, 2001

	Actual	Budget	Variance Favorable (Unfavorable)
LIMITED SERVICE AREAS			
Revenues:			
Taxes:			
Real Property	\$ 4,158,945	\$ 4,112,780	\$ 46,165
Personal Property	128,795	136,550	(7,755)
Motor Vehicle Registration	26,042	27,160	(1,118)
Municipal Utility Service Assessment	221,691	221,950	(259)
Penalties and Interest	33,545		33,545
Intergovernmental	132,384	132,860	(476)
Investment Income	139,589	171,330	(31,741)
Charges for Services	14,989		14,989
Total Limited Service Areas	<u>4,855,980</u>	<u>4,802,630</u>	<u>53,350</u>
ANCHORAGE METROPOLITAN POLICE SERVICE AREA			
Revenues:			
Taxes:			
Real Property	32,395,601	31,783,400	612,201
Personal Property	5,135,009	5,001,340	133,669
Motor Vehicle Registration	924,534	964,430	(39,896)
Municipal Utility Service Assessment	804,602	891,950	(87,348)
Penalties and Interest	324,399	349,740	(25,341)
Intergovernmental	5,513,323	5,304,400	208,923
Charges for Services	989,274	718,000	271,274
Fines and Forfeitures	3,920,683	4,293,060	(372,377)
Investment Income	82,662	605,823	(523,161)
Other	239,843	223,090	16,753
Operating Transfers from Other Sub-Funds:			
Areawide Service Area	800,000	800,000	
Restricted Contributions	446,690		446,690
Total Anchorage Metropolitan Police Service Area	<u>51,576,620</u>	<u>50,935,233</u>	<u>641,387</u>
PARKS AND RECREATION SERVICE AREA			
Revenues:			
Taxes:			
Real Property	8,503,993	8,390,110	113,883
Personal Property	1,490,937	1,463,450	27,487
Motor Vehicle Registration	342,068	356,820	(14,752)
Hotel - Motel	349,415	350,560	(1,145)
Municipal Utility Service Assessment	138,454	140,160	(1,706)
Penalties and Interest	86,206	93,100	(6,894)
Intergovernmental	195,456	166,990	28,466
Charges for Services	1,490,857	1,945,350	(454,493)
Investment Income	549,378	393,870	155,508
Other	3,424		3,424
Restricted Contributions	69,430	20,000	49,430
Total Parks and Recreation Service Area	<u>13,219,618</u>	<u>13,320,410</u>	<u>(100,792)</u>
CHUGIAK/EAGLE RIVER PARKS AND RECREATIONAL FACILITIES SERVICE AREA			
Revenues:			
Taxes:			
Real Property	1,107,810	1,097,610	10,200
Personal Property	40,738	40,480	258
Municipal Utility Service Assessment	73,897	73,740	157
Penalties and Interest	7,972	6,280	1,692
Intergovernmental	9,366	5,900	3,466
Charges for Services	234,258	260,100	(25,842)
Investment Income	180,739	118,070	62,669
Other	2		2
Total Chugiak/Eagle River Parks and Recreational Facilities Service Area	<u>1,654,782</u>	<u>1,602,180</u>	<u>52,602</u>

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-3
(Additional Information)

GENERAL FUND
SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL - CONTINUED
For the Year Ended December 31, 2001

	Actual	Budget	Variance Favorable (Unfavorable)
BUILDING SAFETY SERVICE AREA			
Revenues:			
Taxes:			
Real Property	\$ 125,463	\$ 113,910	\$ 11,553
Personal Property	22,231	19,870	2,361
Municipal Utility Service Assessment	1,915	1,900	15
Penalties and Interest	1,128		1,128
Licenses and Permits	5,536,042	4,873,950	662,092
Intergovernmental	871	740	131
Charges for Services	593,557	592,000	1,557
Investment Income	209,663		209,663
Other	3,367	1,000	2,367
Total Building Safety Service Area	<u>6,494,237</u>	<u>5,603,370</u>	<u>890,867</u>
POLICE AND FIRE RETIREE MEDICAL DEFINED CONTRIBUTION SUPPORT			
Revenues:			
Investment Income	513		513
Total Police and Fire Retiree Medical Defined Contribution Support	<u>513</u>		<u>513</u>
TOTAL	<u>\$ 375,100,152</u>	<u>\$ 372,488,207</u>	<u>\$ 2,611,945</u>
TOTAL GENERAL FUND			
Revenues:			
Taxes:			
Real Property	\$ 240,091,214	\$ 235,342,123	\$ 4,749,091
Personal Property	38,434,176	37,638,390	795,786
Aircraft	198,653	151,880	46,773
Motor Vehicle Registration	5,008,303	5,224,410	(216,107)
Motor Vehicle Rental	3,867,013	3,050,000	817,013
Hotel-Motel	11,101,361	11,200,000	(98,639)
Excise on Tobacco Products	4,762,237	5,936,000	(1,173,763)
Payments in Lieu of Property Taxes	221,392	198,330	23,062
Municipal Utility Service Assessment	6,324,708	6,352,050	(27,342)
Penalties and Interest	2,865,706	2,964,870	(99,164)
Special Assessments	953,492	644,380	309,112
Licenses and Permits	9,173,675	8,216,640	957,035
Intergovernmental	14,435,748	13,240,071	1,195,677
Charges for Services	13,092,918	13,590,280	(512,351)
Fines and Forfeitures	4,912,096	5,779,310	(867,214)
Investment Income	6,042,739	10,089,766	(4,047,027)
Other	810,410	1,004,977	(179,578)
Total Revenues	<u>362,295,841</u>	<u>360,623,477</u>	<u>1,672,364</u>
Operating Transfers from Other Funds			
State Grants Fund	343,705	343,710	(5)
MOA Trust Reserve Fund	9,400,000	9,400,000	
Areawide Capital Projects Fund	365,000	365,000	
Operating Transfers from Other Sub-Funds:			
Roads and Drainage Service Area	22,000	22,000	
Areawide Service Area	800,000	800,000	
Operating Transfers from Alaska Center for the Performing Arts Component Unit	134,437		134,437
Restricted Contributions	1,208,582	79,500	1,129,082
Land Sales	37,577		37,577
Residual Equity Transfers from Anchorage Parking Authority Component Unit	493,010	854,520	(361,510)
TOTAL	<u>\$ 375,100,152</u>	<u>\$ 372,488,207</u>	<u>\$ 2,611,945</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-4
(Additional Information)GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2001

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
AREAWIDE SERVICE AREA					
General Government:					
Assembly	\$ 2,883,021	\$ (123,456)	\$ 2,759,565	\$ 2,859,636	\$ 100,071
Equal Rights Commission	536,110	(6,112)	529,998	543,780	13,782
Internal Audit	98,121	(209)	97,912	148,430	50,518
Office of the Mayor	866,082	2,118	868,200	996,242	128,042
Municipal Attorney	873,046	(94,794)	778,252	629,940	(148,312)
Municipal Manager	477,664	42,229	519,893	715,121	195,228
Finance	6,672,930	173,050	6,845,980	7,810,680	964,700
Information Systems	714,646	(2,290)	712,356	716,620	4,264
Community Planning and Development	3,686,001	392,535	4,078,536	3,865,340	(213,196)
Property and Facility Management	801,783	(272,313)	529,470	315,370	(214,100)
Employee Relations	20,657	(28,834)	(8,177)	69,810	77,987
Purchasing	1,774	2,471	4,245	117,570	113,325
Heritage Land Bank	241,654		241,654	269,800	28,146
Charges from/(to) Others					
Total General Government	17,873,489	84,395	17,957,884	19,058,339	1,100,455
Public Safety:					
Health and Human Services	10,170,890	(103,329)	10,067,561	10,407,254	339,693
Fire	9,486,513	(20,388)	9,466,125	9,978,160	512,035
Police	2,644,300		2,644,300	2,808,670	164,370
Charges from/(to) Others					
Total Public Safety	22,301,703	(123,717)	22,177,986	23,194,084	1,016,098
Public Services:					
Cultural and Recreational Services	11,637,276	(65,072)	11,572,204	12,295,451	723,247
Public Transportation	11,685,358	(102,041)	11,583,317	11,754,680	171,363
Public Works	4,059,067	(41,024)	4,018,043	5,111,459	1,093,416
Charges from/(to) Others					
Total Public Services	27,381,701	(208,137)	27,173,564	29,161,590	1,988,026
Non-Departmental - Expenditures					
Debt Service:	8,658,290	(16,190)	8,642,100	8,773,031	130,931
Principal	1,570,415		1,570,415	1,570,420	5
Interest and Fiscal Charges	4,540,223		4,540,223	4,543,474	3,251
Total Debt Service	6,110,638		6,110,638	6,113,894	3,256
Total Expenditures	82,325,821	(263,649)	82,062,172	86,300,938	4,238,766
Operating Transfers to Other Funds:					
State Grants Fund	563,520		563,520	564,520	1,000
Federal Grants Fund	446,970		446,970	446,970	
Police/Fire Retiree Medical Liability Fund	78,000		78,000	78,000	
Areawide Capital Projects Fund	413,294		413,294	424,500	11,206
Miscellaneous Capital Projects Fund	310,000		310,000	310,000	
Management Information Systems Internal Service Fund	355,000		355,000	355,000	
Operating Transfers to Other Sub-Funds:					
Areawide Service Area				67,440	67,440
Anchorage Metropolitan Police Service Area Sub-Fund	800,000		800,000	800,000	
Operating Transfers to Component Units:					
Anchorage School District	131,060,303		131,060,303	131,060,303	
Alaska Center for the Performing Arts	1,148,500		1,148,500	1,148,500	
Anchorage Parking Authority					
Payments to Escrow Agent					
Residual Equity Transfers to Equipment					
Maintenance Fund	96,040		96,040	96,040	
Total Areawide	217,597,448	(263,649)	217,333,799	221,652,211	4,318,412
FORMER CITY SERVICE AREA					
Public Services:					
Charges from/(to) Others	4,358		4,358	4,360	2
Debt Service:					
Principal	115,000		115,000	115,000	
Interest and Fiscal Charges	27,521		27,521	27,720	199
Total Debt Service	142,521		142,521	142,720	199
Total Former City Service Area	146,879		146,879	147,080	201
CHUGIAK SERVICE AREA					
Public Safety:					
Fire and Rescue Operations	489,175	(16,862)	472,313	623,110	150,797
Charges from/(to) Others					
Total Chugiak Service Area	489,175	(16,862)	472,313	623,110	150,797

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL - CONTINUED
For the Year Ended December 31, 2001

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
GLEN ALPS SERVICE AREA					
Public Services:					
Public Works	\$ 221,339	\$ 4,529	\$ 225,868	\$ 232,860	\$ 6,992
Charges from/(to) Others					
Total Glen Alps Service Area	<u>221,339</u>	<u>4,529</u>	<u>225,868</u>	<u>232,860</u>	<u>6,992</u>
GIRDWOOD SERVICE AREA					
Public Safety:					
Fire and Rescue Operations	295,241	(2,225)	293,016	292,720	(296)
Charges from/(to) Others					
Total Public Safety	<u>295,241</u>	<u>(2,225)</u>	<u>293,016</u>	<u>292,720</u>	<u>(296)</u>
Public Services:					
Cultural and Recreational Services	89,533	4,772	94,305	122,870	28,565
Public Works	331,319		331,319	326,560	(4,759)
Charges from/(to) Others					
Total Public Services	<u>420,852</u>	<u>4,772</u>	<u>425,624</u>	<u>449,430</u>	<u>23,806</u>
Debt Service:					
Principal	10,000		10,000	10,000	
Interest and Fiscal Charges	14,354		14,354	14,450	96
Total Debt Service	<u>24,354</u>		<u>24,354</u>	<u>24,450</u>	<u>96</u>
Total Expenditures	<u>740,447</u>	<u>2,547</u>	<u>742,994</u>	<u>766,600</u>	<u>23,606</u>
Operating Transfers to Roads and Drainage Capital Projects Fund	30,000		30,000	30,000	
Residual Equity Transfers to Equipment Maintenance Fund	74,840		74,840	74,840	
Total Girdwood Service Area	<u>845,287</u>	<u>2,547</u>	<u>847,834</u>	<u>871,440</u>	<u>23,606</u>
FORMER BOROUGH ROADS AND DRAINAGE SERVICE AREA					
Public Services:					
Charges from/(to) Others	7,541		7,541	7,550	9
Total Former Borough Roads and Drainage Service Area	<u>7,541</u>		<u>7,541</u>	<u>7,550</u>	<u>9</u>
FIRE SERVICE AREA					
Public Safety:					
Fire & Rescue Operations	28,615,873	(161,915)	28,453,958	30,101,787	1,647,829
Charges from/(to) Others					
Total Public Safety	<u>28,615,873</u>	<u>(161,915)</u>	<u>28,453,958</u>	<u>30,101,787</u>	<u>1,647,829</u>
Debt Service:					
Principal	700,706		700,706	700,710	4
Interest and Fiscal Charges	1,269,335		1,269,335	1,270,160	825
Total Debt Service	<u>1,970,041</u>		<u>1,970,041</u>	<u>1,970,870</u>	<u>829</u>
Total Expenditures	<u>30,585,914</u>	<u>(161,915)</u>	<u>30,423,999</u>	<u>32,072,657</u>	<u>1,648,658</u>
Operating Transfers to Other Funds:					
Police/Fire Retiree Medical Liability Fund	546,000		546,000	546,000	
Management Information Systems Internal Service Fund	26,000		26,000	26,000	
Residual Equity Transfers to Equipment Maintenance Fund	35,000		35,000	35,000	
Total Fire Service Area	<u>31,192,914</u>	<u>(161,915)</u>	<u>31,030,999</u>	<u>32,679,657</u>	<u>1,648,658</u>
ROADS AND DRAINAGE SERVICE AREA					
Public Services:					
Public Works	22,580,718	56,811	22,637,529	24,129,349	1,491,820
Charges from/(to) Others					
Total Public Services	<u>22,580,718</u>	<u>56,811</u>	<u>22,637,529</u>	<u>24,129,349</u>	<u>1,491,820</u>
Debt Service:					
Principal	15,430,000		15,430,000	15,430,000	
Interest and Fiscal Charges	12,114,629		12,114,629	12,122,315	7,686
Total Debt Service	<u>27,544,629</u>		<u>27,544,629</u>	<u>27,552,315</u>	<u>7,686</u>
Total Expenditures	<u>50,125,347</u>	<u>56,811</u>	<u>50,182,158</u>	<u>51,681,664</u>	<u>1,499,506</u>
Operating Transfers to Other Funds:					
Management Information Systems Internal Service Fund	42,000		42,000	42,000	
Operating Transfers to Areawide Service Area Sub-Funds	22,000		22,000	22,000	
Total Roads and Drainage Service area	<u>50,189,347</u>	<u>56,811</u>	<u>50,246,158</u>	<u>51,745,664</u>	<u>1,499,506</u>

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL - CONTINUED
For the Year Ended December 31, 2001

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
LIMITED SERVICE AREAS					
Public Services:					
Public Works	\$ 3,254,584	\$ 290,853	\$ 3,545,437	\$ 3,706,737	\$ 161,300
Charges from/(to) Others					
Total Public Services	3,254,584	290,853	3,545,437	3,706,737	161,300
Operating Transfers to Roads and Drainage					
Capital Projects Fund	1,379,340		1,379,340	1,379,340	
Total Limited Service Areas	4,633,924	290,853	4,924,777	5,086,077	161,300
ANCHORAGE METROPOLITAN POLICE SERVICE AREA					
Public Safety:					
Police Services	53,348,739	113,584	53,462,323	54,022,463	560,140
Charges from/(to) Others					
Total Public Safety	53,348,739	113,584	53,462,323	54,022,463	560,140
Non-Departmental - Expenditures				5,000	5,000
Debt Service:					
Principal	115,000		115,000	115,000	
Interest and Fiscal Charges	182,963		182,963	183,100	137
Total Debt Service	297,963		297,963	298,100	137
Total Expenditures	53,646,702	113,584	53,760,286	54,325,563	565,277
Operating Transfers to Other Funds:					
State Grant Fund	48,548		48,548	93,409	44,861
Federal Grant Fund	110,571		110,571	110,571	
Police/Fire Retiree Medical Liability Fund	676,000		676,000	676,000	
Management Information Systems Internal Service Fund	44,000		44,000	44,000	
Operating Transfers to Areawide Service Area Sub-Fund					
Total Anchorage Metropolitan Police Service Area	54,525,821	113,584	54,639,405	55,249,543	610,138
PARKS AND RECREATION SERVICE AREA					
General Government:					
Charges from/(to) Others	23,228		23,228	52,670	29,442
Total General Government	23,228		23,228	52,670	29,442
Public Services:					
Cultural and Recreational Services	8,711,669	25,138	8,736,807	8,956,433	219,626
Charges from/(to) Others	1,891,933	79,162	1,971,095	2,787,863	816,768
Total Public Services	10,603,602	104,300	10,707,902	11,744,296	1,036,394
Debt Service:					
Principal	1,155,000		1,155,000	1,155,000	
Interest and Fiscal Charges	1,238,635		1,238,635	1,242,540	3,905
Total Debt Service	2,393,635		2,393,635	2,397,540	3,905
Total Expenditures	13,020,465	104,300	13,124,765	14,194,506	1,069,741
Operating Transfers to Other Funds:					
State Grant Fund	380		380	380	
Management Information Systems Internal Service Fund	12,000		12,000	12,000	
Residual Equity Transfers to Equipment Maintenance Fund					
Total Parks and Recreation Service Area	13,032,845	104,300	13,137,145	14,206,886	1,069,741
CHUGIAK/EAGLE RIVER PARKS AND RECREATIONAL FACILITIES SERVICE AREA					
General Government:					
Property and Facility Management	61,973		61,973	80,340	18,367
Charges from/(to) Others					
Total General Government	61,973		61,973	80,340	18,367
Public Services:					
Cultural and Recreational Services	915,412	21,995	937,407	1,137,450	200,043
Charges from/(to) Others					
Total Public Services	915,412	21,995	937,407	1,137,450	200,043
Debt Service:					
Principal	140,000		140,000	140,000	
Interest and Fiscal Charges	196,526		196,526	196,690	164
Total Debt Service	336,526		336,526	336,690	164
Total Expenditures	1,313,911	21,995	1,335,906	1,554,480	218,574
Operating Transfers to Parks and Recreation Capital Projects Fund				47,720	47,720
Total Chugiak/Eagle River Recreational Facilities Service Area	1,313,911	21,995	1,335,906	1,602,200	266,294

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT A-4
(Additional Information)GENERAL FUND
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL - CONTINUED
For the Year Ended December 31, 2001

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
BUILDING SAFETY SERVICE AREA					
Public Safety:					
Building Safety	\$ 5,830,991	\$ (225,476)	\$ 5,605,515	\$ 5,705,228	\$ 99,713
Charges from/(to) Others					
Total Building Safety Service Area	<u>5,830,991</u>	<u>(225,476)</u>	<u>5,605,515</u>	<u>5,705,228</u>	<u>99,713</u>
POLICE AND FIRE RETIREE MEDICAL DEFINED CONTRIBUTION SUPPORT					
General Government:					
Employee Relations	10	(10,263)	(10,253)	10	10,263
Charges from/(to) Others					
Total Police and Fire Retiree Medical Defined Contribution Support	<u>10</u>	<u>(10,263)</u>	<u>(10,253)</u>	<u>10</u>	<u>10,263</u>
TOTAL	<u>\$ 380,027,432</u>	<u>\$ (83,546)</u>	<u>\$ 379,943,886</u>	<u>\$ 389,809,516</u>	<u>\$ 9,865,630</u>
TOTAL GENERAL FUND					
Current:					
General Government	\$ 17,958,700	\$ 74,132	\$ 18,032,832	\$ 19,191,359	\$ 1,158,527
Public Safety	110,881,722	(416,611)	110,465,111	113,939,392	3,474,281
Public Services	65,390,107	275,123	65,665,230	70,573,622	4,908,392
Non-Departmental	8,658,290	(16,190)	8,642,100	8,778,031	135,931
Debt Service:					
Principal	19,236,121		19,236,121	19,236,130	9
Interest and Fiscal Charges	19,584,186		19,584,186	19,600,449	16,263
Total Expenditures	<u>241,709,126</u>	<u>(83,546)</u>	<u>241,625,580</u>	<u>251,318,983</u>	<u>9,693,403</u>
Operating Transfers to Other Funds:					
State Grants Fund	612,448		612,448	658,309	45,861
Federal Grants Fund	557,541		557,541	557,541	
Police/Fire Retiree Medical Liability Fund	1,300,000		1,300,000	1,300,000	
Areawide Capital Projects Fund	413,294		413,294	424,500	11,206
Miscellaneous Capital Projects Fund	310,000		310,000	310,000	
Roads and Drainage Capital Projects Fund	1,409,340		1,409,340	1,409,340	
Parks and Recreation Capital Projects Fund				47,720	47,720
Management Information Systems Internal Service Fund	479,000		479,000	479,000	
Total Operating Transfers to Other Funds	<u>5,081,623</u>		<u>5,081,623</u>	<u>5,186,410</u>	<u>104,787</u>
Operating transfers to Other Sub-Funds:					
Anchorage Metropolitan Police Service Area Sub-Fund	800,000		800,000	800,000	
Areawide Service Area Sub-Fund	22,000		22,000	89,440	67,440
Total Operating Transfers to Other Sub-Funds	<u>822,000</u>		<u>822,000</u>	<u>889,440</u>	<u>67,440</u>
Operating Transfers to Component Units:					
Anchorage School District	131,060,303		131,060,303	131,060,303	
Alaska Center for the Performing Arts	1,148,500		1,148,500	1,148,500	
Anchorage Parking Authority					
Total Operating Transfers to Component Units	<u>132,208,803</u>		<u>132,208,803</u>	<u>132,208,803</u>	
Residual Equity Transfers to Equipment Maintenance Fund	205,880		205,880	205,880	
TOTAL	<u>\$ 380,027,432</u>	<u>\$ (83,546)</u>	<u>\$ 379,943,886</u>	<u>\$ 389,809,516</u>	<u>\$ 9,865,630</u>

The notes to the financial statements are an integral part of this statement.

SPECIAL REVENUE FUNDS

The **Heritage Land Bank Fund** accounts for lease and rental of Municipal-owned real estate.

The **Police Investigation Fund** accounts for the proceeds from sale of property seized by the Police Department, State and Federal agencies.

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

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

The **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.

MUNICIPALITY OF ANCHORAGE, ALASKA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
December 31, 2001
With Comparative Totals for December 31, 2000

	Heritage Land Bank	Police Investigations	State Grants	Federal Grants
ASSETS				
Cash	\$	\$ 8,108	\$	\$
Equity in General Cash Pool	1,927,663	541,087	1,604,258	1,961,422
Investments	999,542			
Interest Receivable	13,985			
Accounts Receivable (Net of Allowances for Uncollectibles)	4,166		4,115	6,099,248
Special Assessments Receivable	725			
Intergovernmental Receivables			8,395,001	4,426,540
Advances to Other Funds	2,944			
Trustee Reserve				
Deferred Charges and Other Assets	226,254			
TOTAL ASSETS	<u>\$ 3,175,279</u>	<u>\$ 549,195</u>	<u>\$ 10,003,374</u>	<u>\$ 12,487,210</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 8,548	\$ 9,777	\$ 2,232,859	\$ 727,557
Compensated Absences Payable	15,334	9,607	694,695	200,102
Interfund Payables				
Deferred Revenue	226,979		441,160	4,552,168
Total Liabilities	<u>250,861</u>	<u>19,384</u>	<u>3,368,714</u>	<u>5,479,827</u>
Fund Balances:				
Reserved for Encumbrances	3,262	9,530	1,905,789	2,638,359
Reserved for Long-Term Loans				6,099,248
Reserved for Advances to Other Funds	2,944			
Unreserved:				
Undesignated	2,918,212	520,281	4,728,871	(1,730,224)
Total Fund Balances	<u>2,924,418</u>	<u>529,811</u>	<u>6,634,660</u>	<u>7,007,383</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,175,279</u>	<u>\$ 549,195</u>	<u>\$ 10,003,374</u>	<u>\$ 12,487,210</u>

The notes to the financial statements are an integral part of these statements.

Miscellaneous Operational Grants	Other Restricted Resources	TOTAL	
		December 31 2001	December 31 2000
\$	\$	\$ 8,108	\$ 8,108
348,507		6,382,937	8,226,248
5,587		1,005,129	1,002,843
44		14,029	2,673
		6,107,529	5,822,174
	51,310	52,035	(5,186)
		12,821,541	7,918,448
		2,944	18,019
			219,018
		226,254	254,872
<u>\$ 354,138</u>	<u>\$ 51,310</u>	<u>\$ 26,620,506</u>	<u>\$ 23,467,217</u>
\$ 234	\$	\$ 2,978,975	\$ 1,666,851
		919,738	874,683
	32,297	32,297	1,001,611
		5,220,307	10,897,253
<u>234</u>	<u>32,297</u>	<u>9,151,317</u>	<u>14,440,398</u>
	2,051	4,558,991	3,541,937
		6,099,248	5,774,166
		2,944	18,019
353,904	16,962	6,808,006	(307,303)
353,904	19,013	17,469,189	9,026,819
<u>\$ 354,138</u>	<u>\$ 51,310</u>	<u>\$ 26,620,506</u>	<u>\$ 23,467,217</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER
 FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Heritage Land Bank	Police Investigations	State Grants	Federal Grants
REVENUES				
Special Assessments	\$	\$	\$	\$
Intergovernmental			28,865,460	10,519,853
Fines and Forfeitures		445,813		
Investment Income	213,459	72,679	37,679	73,347
Other	791,372	188,491	71,255	211,042
Total Revenues	<u>1,004,831</u>	<u>706,983</u>	<u>28,974,394</u>	<u>10,804,242</u>
EXPENDITURES				
Current:				
General Government	637,293		350,423	4,741,805
Public Safety		346,745	20,457,716	3,250,731
Public Services			2,285,897	259,051
Total Current	<u>637,293</u>	<u>346,745</u>	<u>23,094,036</u>	<u>8,251,587</u>
Debt Service:				
Interest and Fiscal Charges				
Payments to Escrow Agent				
Total Debt Service				
Total Expenditures	<u>637,293</u>	<u>346,745</u>	<u>23,094,036</u>	<u>8,251,587</u>
Excess (Deficiency) of Revenues over Expenditures	<u>367,538</u>	<u>360,238</u>	<u>5,880,358</u>	<u>2,552,655</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers from Other Funds			612,448	557,541
Operating Transfers to Other Funds	(705,366)		(343,705)	
Operating Transfers to Component Units			(292,144)	
Land Sales	27,721			
Net Other Financing Sources (Uses)	<u>(677,645)</u>		<u>(23,401)</u>	<u>557,541</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(310,107)	360,238	5,856,957	3,110,196
Fund Balances, January 1	3,234,525	169,573	777,703	3,897,187
Residual Equity Transfer to Parks and Recreation Capital Projects Fund				
FUND BALANCES, DECEMBER 31	<u>\$ 2,924,418</u>	<u>\$ 529,811</u>	<u>\$ 6,634,660</u>	<u>\$ 7,007,383</u>

The notes to the financial statements are an integral part of these statements.

Miscellaneous Operational Grants	Other Restricted Resources	TOTAL	
		December 31 2001	December 31 2000
\$	\$ 454,472	\$ 454,472	\$ 408,206
		39,385,313	27,695,845
		445,813	223,426
69,190	37,501	503,855	459,254
176,561	11,484	1,450,205	1,405,249
<u>245,751</u>	<u>503,457</u>	<u>42,239,658</u>	<u>30,191,980</u>
22,579	461,481	6,213,581	7,906,222
		24,055,192	20,538,526
24,035		2,568,983	1,763,110
<u>46,614</u>	<u>461,481</u>	<u>32,837,756</u>	<u>30,207,858</u>
			335,977
			(5,754,144)
			(5,418,167)
<u>46,614</u>	<u>461,481</u>	<u>32,837,756</u>	<u>24,789,691</u>
199,137	41,976	9,401,902	5,402,289
		1,169,989	6,698,693
		(1,049,071)	(1,843,547)
		(292,144)	(159,404)
		27,721	178,043
		<u>(143,505)</u>	<u>4,873,785</u>
199,137	41,976	9,258,397	(1,232,215)
154,767	793,064	9,026,819	10,259,034
	(816,027)	(816,027)	
<u>\$ 353,904</u>	<u>\$ 19,013</u>	<u>\$ 17,469,189</u>	<u>\$ 9,026,819</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT B-3
(Additional Information)

SPECIAL REVENUE FUND WITH ANNUAL BUDGET
HERITAGE LAND BANK
SCHEDULE OF REVENUES AND LAND SALES
BUDGET AND ACTUAL
For the Year Ended December 31, 2001

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues:			
Investment Income	\$ 213,459	\$ 24,000	\$ 189,459
Other	791,372	210,850	580,522
Land Sales	27,721	403,880	(376,159)
TOTAL	<u>\$ 1,032,552</u>	<u>\$ 638,730</u>	<u>\$ 393,822</u>

EXHIBIT B-4
(Additional Information)

SPECIAL REVENUE FUND WITH ANNUAL BUDGET
HERITAGE LAND BANK
SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2001

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
General Government					
Land Management	\$ 637,293	\$ 1,110	\$ 638,403	\$ 644,510	\$ 6,107
Operating Transfers to Other Funds					
Areawide Capital Projects Fund	522,984		522,984	522,984	
Heritage Land Bank					
Capital Projects Fund	182,382		182,382	182,382	
TOTAL	<u>\$ 1,342,659</u>	<u>\$ 1,110</u>	<u>\$ 1,343,769</u>	<u>\$ 1,349,876</u>	<u>\$ 6,107</u>

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT B-5
(Additional Information)SPECIAL REVENUE FUNDS WITH CARRYOVER BUDGETS
COMBINING SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL
Inception to December 31, 2001

	Actual			Budget	Variance Favorable (Unfavorable)
	Prior Years	Current Year	Total		
POLICE INVESTIGATIONS					
Revenues:					
Fines and Forfeitures	\$ 2,107,778	\$ 445,813	\$ 2,553,591	\$ 2,348,594	\$ 204,997
Investment Income	128,688	72,679	201,367	201,291	76
Other	222,028	188,491	410,519	311,000	99,519
Total Revenues	2,458,494	706,983	3,165,477	2,860,885	304,592
Operating Transfers from General Fund	212,560		212,560	212,560	
Total Police Investigations	2,671,054	706,983	3,378,037	3,073,445	304,592
STATE GRANTS					
Revenues:					
Intergovernmental	138,848,348	28,865,460	167,713,808	163,343,359	4,370,449
Investment Income	3,899,705	37,679	3,937,384		3,937,384
Other	402,787	71,255	474,042	508,051	(34,009)
Total Revenues	143,150,840	28,974,394	172,125,234	163,851,410	8,273,824
Operating Transfers from General Fund	4,255,437	612,448	4,867,885	2,761,960	2,105,925
Total State Grants	147,406,277	29,586,842	176,993,119	166,613,370	10,379,749
FEDERAL GRANTS					
Revenues:					
Intergovernmental	45,848,603	10,519,853	56,368,456	59,476,064	(3,107,608)
Investment Income	651,385	73,347	724,732	377,575	347,157
Other	1,465,168	211,042	1,676,210	209,095	1,467,115
Total Revenues	47,965,156	10,804,242	58,769,398	60,062,734	(1,293,336)
Operating Transfers from General Fund	5,058,311	557,541	5,615,852	5,614,641	1,211
Total Federal Grants	53,023,467	11,361,783	64,385,250	65,677,375	(1,292,125)
MISCELLANEOUS OPERATIONAL GRANTS					
Revenues:					
Investment Income	148,338	69,190	217,528		217,528
Other:					
Donations	1,308,216	176,548	1,484,764	1,572,874	(88,110)
Rental	67,492	13	67,505	68,339	(834)
Total Other	1,375,708	176,561	1,552,269	1,641,213	(88,944)
Total Revenues	1,524,046	245,751	1,769,797	1,641,213	128,584
Operating Transfers from General Fund	108,000		108,000	7,000	101,000
Total Miscellaneous Operational Grants	1,632,046	245,751	1,877,797	1,648,213	229,584
OTHER RESTRICTED RESOURCES					
Revenues:					
Special Assessments	1,241,345	454,472	1,695,817	1,704,079	(8,262)
Investment Income	191,328	37,501	228,829	26,407	202,422
Other	1,991,920	11,484	2,003,404	1,413,472	589,932
Total Revenues	3,424,593	503,457	3,928,050	3,143,958	784,092
Operating Transfers from General Fund	5,188,841		5,188,841	5,200,000	(11,159)
Total Other Restricted Resources	8,613,434	503,457	9,116,891	8,343,958	772,933
TOTAL	\$ 213,346,278	\$ 42,404,816	\$ 255,751,094	\$ 245,356,361	\$ 10,394,733
TOTAL SPECIAL REVENUE FUNDS WITH CARRYOVER BUDGETS					
Revenues:					
Intergovernmental	\$ 184,696,951	\$ 39,385,313	\$ 224,082,264	\$ 222,819,423	\$ 1,262,841
Special Assessments	1,241,345	454,472	1,695,817	1,704,079	(8,262)
Fines and Forfeitures	2,107,778	445,813	2,553,591	2,348,594	204,997
Investment Income	5,019,444	290,396	5,309,840	605,273	4,704,567
Other	5,457,611	658,833	6,116,444	4,082,831	2,033,613
Total Revenues	198,523,129	41,234,827	239,757,956	231,560,200	8,197,756
Operating Transfers from General Fund	14,823,149	1,169,989	15,993,138	13,796,161	2,196,977
TOTAL	\$ 213,346,278	\$ 42,404,816	\$ 255,751,094	\$ 245,356,361	\$ 10,394,733

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT B-6
(Additional Information)

SPECIAL REVENUE FUNDS WITH CARRYOVER BUDGETS
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL
Inception to December 31, 2001

	Prior Years	Actual Current Year	Total	Budget	Variance Favorable (Unfavorable)
POLICE INVESTIGATIONS					
Public Safety - Police	\$ 2,233,864	\$ 346,745	\$ 2,580,609	\$ 2,805,827	\$ 225,218
Operating Transfers to Public Safety					
Capital Projects Fund	205,980		205,980	205,980	
Residual Equity Transfers to Equipment					
Maintenance Fund	61,638		61,638	61,638	
Total Police Investigations	2,501,482	346,745	2,848,227	3,073,445	225,218
STATE GRANTS					
General Government:					
Emergency Management	227,242	51,466	278,708	330,520	51,812
Community Planning and Development	6,160,682	4,190,390	10,351,072	16,805,923	6,454,851
Property and Facility Management	610,565	46,601	657,166	1,010,000	352,834
Non-Departmental	479,034	(3,938,034)	(3,459,000)	1,358,880	4,817,880
Total General Government	7,477,523	350,423	7,827,946	19,505,323	11,677,377
Public Safety:					
Health and Human Services	87,895,407	20,012,937	107,908,344	111,279,985	3,371,641
Fire	32,432	40,365	72,797	310,500	237,703
Police	1,389,806	404,414	1,794,220	2,064,779	270,559
Total Public Safety	89,317,645	20,457,716	109,775,361	113,655,264	3,879,903
Public Services:					
Cultural and Recreational Services	990,112	346,442	1,336,554	1,615,528	278,974
Public Transportation	4,372,826	1,369,682	5,742,508	6,809,020	1,066,512
Public Works	340,540	569,773	910,313	2,105,456	1,195,143
Total Public Services	5,703,478	2,285,897	7,989,375	10,530,004	2,540,628
Debt Service					
Principal Retirement	5,196,703		5,196,703	5,170,427	(26,276)
Interest and Fiscal Charges	124,326		124,326		(124,326)
Total Debt Service	5,321,029		5,321,029	5,170,427	(150,602)
Total Expenditures	107,819,675	23,094,036	130,913,711	148,861,018	17,947,306
Operating Transfers to General Fund	7,803,330	343,705	8,147,035	2,301,310	(5,845,725)
Operating Transfers to Public Safety Capital Projects Fund	286,973		286,973		(286,973)
Operating Transfers to Component Units:					
Anchorage School District	20,421,920	292,144	20,714,064	21,167,526	453,462
Anchorage Parking Authority	4,027,103		4,027,103	4,027,103	
Residual Equity Transfers to Other Funds	300,000		300,000		(300,000)
Total State Grants	140,659,001	23,729,885	164,388,886	176,356,957	11,968,071
FEDERAL GRANTS					
General Government:					
Management Information Systems	9,741	8,873	18,614	26,000	7,386
Community Planning and Development	26,815,295	4,732,932	31,548,227	43,310,733	11,762,506
Total General Government	26,825,036	4,741,805	31,566,841	43,336,733	11,769,892
Public Safety:					
Health and Human Services	6,987,953	1,902,387	8,890,340	9,766,990	876,650
Fire	558,852	902,588	1,461,440	2,821,410	1,359,970
Police	7,218,599	445,756	7,664,355	8,785,242	1,120,887
Total Public Safety	14,765,404	3,250,731	18,016,135	21,373,642	3,357,507
Public Services:					
Parks and Recreation	76,655	13,285	89,940	92,000	2,060
Public Transportation		181,212	181,212	645,000	463,788
Public Works	145,104	64,554	209,658	230,000	20,342
Total Public Services	221,759	259,051	480,810	967,000	486,190
Total Expenditures	41,812,199	8,251,587	50,063,786	65,677,375	15,613,589
Operating Transfers to General Fund	343,389		343,389		(343,389)
Total Federal Grants	42,155,588	8,251,587	50,407,175	65,677,375	15,270,200
MISCELLANEOUS OPERATIONAL GRANTS					
General Government:					
Office of the Mayor	86,743	7,712	94,455	100,265	5,810
Community Planning and Development	129,018	14,867	143,885	179,262	35,377
Total General Government	215,761	22,579	238,340	279,527	41,187
Public Safety:					
Health and Human Services	160,160		160,160	171,820	11,660
Fire	2,984		2,984	5,410	2,426
Total Public Safety	163,144		163,144	177,230	14,086
Public Services:					
Museum	5,449		5,449	6,000	551
Library	516,833	24,023	540,856	569,332	28,476
Parks and Recreation	582,567	12	582,579	618,124	33,545
Total Public Services	1,104,849	24,035	1,128,884	1,191,456	62,572
Total Miscellaneous Operational Grants	1,483,754	46,614	1,530,368	1,648,213	117,845
OTHER RESTRICTED RESOURCES					
General Government:					
Non-Departmental	1,239,162	461,481	1,700,643	1,704,079	3,436
Debt Service					
Principal Retirement				492,125	492,125
Interest and Fiscal Charges	663,790		663,790	5,984,480	5,320,690
Total Debt Service	663,790		663,790	6,476,605	5,812,815
Operating Transfers to Public Services	163,274		163,274	163,274	
Residual Equity Transfers to Parks and Recreation					
Capital Projects Fund		816,027	816,027		(816,027)
Payments to Escrow Agents	5,754,144		5,754,144		(5,754,144)
Total Other Restricted Resources	7,820,370	1,277,508	9,097,878	8,343,958	(753,920)
TOTAL	\$ 194,620,195	\$ 33,652,339	\$ 228,272,534	\$ 255,099,948	\$ 26,827,414

The notes to the financial statements are an integral part of these statements.

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT B-6
(Additional Information)

SPECIAL REVENUE FUNDS WITH CARRYOVER BUDGETS
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET (NON-GAAP BASIS) AND ACTUAL - CONTINUED
Inception to December 31, 2001

	Actual			Budget	Variance Favorable (Unfavorable)
	Prior Years	Current Year	Total		
TOTAL SPECIAL REVENUE FUNDS WITH CARRYOVER BUDGETS					
Expenditures:					
General Government	\$ 35,747,741	\$ 5,567,415	\$ 41,315,156	\$ 64,870,905	\$ 23,555,749
Public Safety	106,480,057	24,055,192	130,535,249	138,011,963	7,476,714
Public Services	7,030,087	2,568,983	9,599,070	12,688,460	3,089,390
Management Information Systems	9,741	8,873	18,614	26,000	7,386
Debt Service	11,738,962		11,738,962	11,647,032	(91,930)
Total Expenditures	161,006,588	32,200,463	193,207,051	227,244,360	34,037,309
Operating Transfers to Other Funds:					
General Fund	8,146,719	343,705	8,490,424	2,230,067	(6,260,357)
Public Services	163,274		163,274	163,274	
Public Safety Capital Projects Fund	492,953		492,953	205,980	(286,973)
Operating Transfers to Component Units:					
Anchorage School District	20,421,920	292,144	20,714,064	21,167,526	453,462
Anchorage Parking Authority	4,027,103		4,027,103	4,027,103	
Residual Equity Transfers to Other Funds:					
Parks and Recreation Capital Projects Fund		816,027	816,027		(816,027)
Equipment Maintenance Fund	361,638		361,638	61,638	(300,000)
TOTAL	\$ 194,620,195	\$ 33,652,339	\$ 228,272,534	\$ 255,099,948	\$ 26,827,414

EXHIBIT B-7
(Additional Information)

FEDERAL GRANTS FUND
SCHEDULE OF CHANGES IN FUND BALANCE RESERVED FOR LONG-TERM LOANS
For the Year Ended December 31, 2001

	Anchor	Rental Rehabilitation	CDBG Rehabilitation	Emergency Rehabilitation	Total
Fund Balance Reserved for Long-Term Loans, January 1	\$ 3,214,445	\$ 11,317	\$ 2,210,354	\$ 338,050	\$ 5,774,166
Deduct:					
Repayments and Write-offs of Loans	(564,895)		(142,544)	(211,219)	(918,658)
Add:					
Disbursements for New Loans and Grants	992,771		55,803	195,166	1,243,740
FUND BALANCE RESERVED FOR LONG-TERM LOANS, DECEMBER 31	\$ 3,642,321	\$ 11,317	\$ 2,123,613	\$ 321,997	\$ 6,099,248

The notes to the financial statements are an integral part of these statements.

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DEBT SERVICE FUNDS

The **Special Assessment Bonds Fund** accounts for special assessments and interest used to retire special assessment bonds which were issued to finance improvements to the assessed properties, except for special assessment bonds accounted for in proprietary funds.

The **Retirement Certificates of Participation Fund** accounts for an annuity investment and related income; the proceeds of which are used to pay rents on certain Certificates of Participation.

The **Police/Fire Retiree Medical Liability Fund** accounts for contributions and earnings which are used to fund the Police/Fire Retiree Medical Trust.

The **Jail Revenue Bond Fund** accounts for debt service on jail revenue bonds and the lease revenue from the jail used to fund the debt service.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT C-1

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2001
With Comparative Totals for December 31, 2000

	Special Assessment Bonds	Retirement Certificates of Participation	Police/Fire Retiree Medical	Jail Bond Debt Service Fund	TOTAL	
					December 31 2001	December 31 2000
ASSETS						
Equity in General Cash Pool	\$ 784,823	\$ 10,857,985	\$	\$	\$ 11,642,808	\$ 10,155,249
Investments		15,106,000	16,309,159		31,415,159	34,035,317
Interest Receivable	2,851	4,693			7,544	24,736
Special Assessments Receivable:						
Current	157,035				157,035	164,133
Delinquent	25,389				25,389	28,214
Deferred	784,790				784,790	985,678
Total Special Assessments Receivable	967,214				967,214	1,178,025
Trustee Reserve	363,799	3,621,512			3,985,311	7,157,184
TOTAL ASSETS	\$ 2,118,687	\$ 29,590,190	\$ 16,309,159	\$	\$ 48,018,036	\$ 52,550,511
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund Payable - General Fund	\$	\$	\$ 1,933,995	\$ 13,347	\$ 1,947,342	\$ 1,159,755
Accounts Payable						6,571
Deferred Revenue	914,454				914,454	1,120,245
Total Liabilities	914,454		1,933,995	13,347	2,861,796	2,286,571
Fund Balances:						
Reserved for Debt Service	822,235	29,590,190	14,375,164	(13,347)	44,774,242	49,881,942
Reserved for Special Assessment Bond Guaranty	381,998				381,998	381,998
Total Fund Balances	1,204,233	29,590,190	14,375,164	(13,347)	45,156,240	50,263,940
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,118,687	\$ 29,590,190	\$ 16,309,159	\$	\$ 48,018,036	\$ 52,550,511

EXHIBIT C-2

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING
SOURCES (USES) AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000

	Special Assessment Bonds	Retirement Certificates of Participation	Police/Fire Retiree Medical	Jail Bond Debt Service Fund	TOTAL	
					December 31 2001	December 31 2000
REVENUES						
Special Assessments	\$ 315,122	\$	\$	\$	\$ 315,122	\$ 369,469
Investment Income (Loss)	56,351	571,209	(799,106)	61,175	(110,371)	1,652,583
Annuity Income		1,493,913			1,493,913	1,775,663
Total Revenues	371,473	2,065,122	(799,106)	61,175	1,698,664	3,797,715
EXPENDITURES						
Debt Service:						
Principal	265,674	2,670,000			2,935,674	2,966,540
Interest and Fiscal Charges	124,707	801,890		3,393,801	4,320,398	2,076,542
Total Expenditures	390,381	3,471,890		3,393,801	7,256,072	5,043,082
Excess (Deficiency) of Revenues over Expenditures	(18,908)	(1,406,768)	(799,106)	(3,332,626)	(5,557,408)	(1,245,367)
OTHER FINANCING SOURCES (USES)						
Operating Transfers from Other Funds			1,300,000		1,300,000	5,494,697
Operating Transfers to Other Funds			(850,292)		(850,292)	(614,848)
Net Other Financing Sources			449,708		449,708	4,879,849
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(18,908)	(1,406,768)	(349,398)	(3,332,626)	(5,107,700)	3,634,482
Fund Balances, January 1	1,223,141	30,996,958	14,724,562	3,319,279	50,263,940	46,629,458
FUND BALANCES, DECEMBER 31	\$ 1,204,233	\$ 29,590,190	\$ 14,375,164	\$ (13,347)	\$ 45,156,240	\$ 50,263,940

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT C-3
(Additional Information)

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES AND TRANSFERS IN
BUDGET AND ACTUAL
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
SPECIAL ASSESSMENT BONDS			
Revenues:			
Special Assessments:			
Collections	\$	\$ 210,275	\$ 210,275
Penalties and Interest		104,847	104,847
Total Special Assessments		315,122	315,122
Investment Income		56,351	56,351
Total Special Assessment Bonds		371,473	371,473
RETIREMENT CERTIFICATES OF PARTICIPATION			
Revenues:			
Investment Income		571,209	571,209
Annuity Income		1,493,913	1,493,913
Total Retirement Certificates of Participation		2,065,122	2,065,122
POLICE/FIRE RETIREE MEDICAL			
Revenues:			
Investment Income (Loss)		(799,106)	(799,106)
Operating Transfers from Other Funds:			
Areawide Service Area Fund	60,000	78,000	18,000
Fire Service Area Fund	420,000	546,000	126,000
Police Service Area Fund	520,000	676,000	156,000
Total Operating Transfers from Other Funds	1,000,000	1,300,000	300,000
Total Police/Fire Retiree Medical	1,000,000	500,894	(499,106)
JAIL BOND DEBT SERVICE FUND			
Revenues:			
Investment Income		61,175	61,175
Total Jail Bond Debt Service Fund		61,175	61,175
Total Revenues and Transfers In	\$ 1,000,000	\$ 2,998,664	\$ 1,998,664
TOTAL DEBT SERVICE FUNDS			
Revenues:			
Special Assessments	\$	\$ 315,122	\$ 315,122
Investment Income		(110,371)	(110,371)
Annuity Income		1,493,913	1,493,913
Total Revenues		1,698,664	1,698,664
Operating Transfers from Other Funds	1,000,000	1,300,000	300,000
Total Revenues and Transfers In	\$ 1,000,000	\$ 2,998,664	\$ 1,998,664

EXHIBIT C-4
(Additional Information)

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS OUT
BUDGET AND ACTUAL
For the Year Ended December 31, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
SPECIAL ASSESSMENT BONDS			
Debt Service:			
Principal	\$ 265,674	\$ 265,674	\$
Interest and Fiscal Charges	125,546	124,707	839
Total Special Assessment Bonds	391,220	390,381	839
RETIREMENT CERTIFICATES OF PARTICIPATION			
Debt Service:			
Principal	2,670,000	2,670,000	
Interest and Fiscal Charges	801,890	801,890	
Total Retirement Certificates of Participation	3,471,890	3,471,890	
POLICE/FIRE RETIREE MEDICAL			
Operating Transfers to Other Funds:			
Police/Fire Retiree Medical Trust Fund	947,340	850,292	97,048
Total Police/Fire Retiree Medical	\$ 947,340	\$ 850,292	\$ 97,048
JAIL BOND DEBT SERVICE FUND			
Debt Service:			
Principal			
Interest and Fiscal Charges	\$ 4,194,697	\$ 3,393,801	\$ 800,896
Total Jail Bond Debt Service Fund	4,194,697	3,393,801	800,896
Total Expenditures and Transfers Out	\$ 9,005,147	\$ 8,106,364	\$ 898,783
TOTAL DEBT SERVICE FUNDS			
Debt Service:			
Principal Retirement	\$ 2,935,674	\$ 2,935,674	\$
Interest and Fiscal Charges	5,122,133	4,320,398	801,735
Operating Transfers to Other Funds	947,340	850,292	97,048
Total Expenditures and Transfers Out	\$ 9,005,147	\$ 8,106,364	\$ 898,783

The notes to the financial statements are an integral part of these statements.

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CAPITAL PROJECT 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 **Roads and Drainage Capital Projects Fund** accounts for all roads and drainage capital improvement projects.

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 parks capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

MUNICIPALITY OF ANCHORAGE, ALASKA
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 December 31, 2001
 With Comparative Totals for December 31, 2000

	Areawide	Public Safety	Roads and Drainage	Public Transportation	Miscellaneous
ASSETS					
Equity in Construction Investment Pool Investments	\$ 141,441	\$ 3,016,840	\$ 442,596	\$	\$
Special Assessments Receivable		3,971,666			
Intergovernmental Receivables		507,956	4,238,501	1,075,179	279,298
Interfund Receivables:					694,234
Public Transportation Capital Projects Fund	520,186				
Roads and Drainage Capital Projects Fund	1,490,595				
Miscellaneous Capital Projects Fund	519,779				
Municipal Airport Fund					
Equipment Maintenance Fund		2,468,671			
Management Information Systems Fund	6,667,725				
Accounts Receivable					
TOTAL ASSETS	<u>\$ 9,339,726</u>	<u>\$ 9,965,133</u>	<u>\$ 4,681,097</u>	<u>\$ 1,075,179</u>	<u>\$ 973,532</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts Payable and Contract Retainages	\$ 224,491	\$ 1,426,741	\$ 2,285,092	\$ 248,519	\$ 67,365
Interfund Payables:					
Areawide Capital Projects Fund			1,490,596	520,186	519,779
General Fund Areawide	347,537				400,000
Deferred Revenue	326,836	753,841			
Total Liabilities	<u>898,864</u>	<u>2,180,582</u>	<u>3,775,688</u>	<u>768,705</u>	<u>987,144</u>
Fund Balances (Deficits):					
Reserved for Encumbrances	1,971,556	3,488,097	4,298,882	137,371	260,574
Unreserved:					
Designated for Capital Project Expenditures	5,468,151	3,995,723		154,385	
Undesignated	1,001,155	300,731	(3,393,473)	14,718	(274,186)
Total Fund Balances (Deficits)	<u>8,440,862</u>	<u>7,784,551</u>	<u>905,409</u>	<u>306,474</u>	<u>(13,612)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 9,339,726</u>	<u>\$ 9,965,133</u>	<u>\$ 4,681,097</u>	<u>\$ 1,075,179</u>	<u>\$ 973,532</u>

CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)
 AND CHANGES IN FUND BALANCES
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Areawide	Public Safety	Roads and Drainage	Public Transportation	Miscellaneous
REVENUES					
Special Assessments	\$	\$	\$	\$	\$ 36,029
Intergovernmental	1,072,526	1,531,871	7,624,054	1,362,111	438,746
Investment Income	256,737	1,986,184	45,514		
Other	944,510	89	10,767		
Total Revenues	<u>2,273,773</u>	<u>3,518,144</u>	<u>7,680,335</u>	<u>1,362,111</u>	<u>474,775</u>
EXPENDITURES					
Capital Project Expenditures	6,240,760	34,152,620	32,777,016	1,742,417	642,029
Excess (Deficiency) of Revenues over Expenditures	<u>(3,966,987)</u>	<u>(30,634,476)</u>	<u>(25,096,681)</u>	<u>(380,306)</u>	<u>(167,254)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers from Other Funds:					
General Fund	413,294		1,409,340		310,000
Heritage Land Bank Fund	522,984				
State Grant Fund					
Areawide Capital Projects Fund		30,000	9,500		
Total Operating Transfers from Other Funds	<u>936,278</u>	<u>30,000</u>	<u>1,418,840</u>		<u>310,000</u>
Operating Transfers to Other Funds:					
Roads and Drainage Capital Projects Fund	(9,500)				
Public Safety Capital Projects Fund	(30,000)				
General Fund	(365,000)				
Jail Revenue Bond Fund					
Public Transportation Capital Projects Fund					
Total Operating Transfers to Other Funds	<u>(404,500)</u>				
Restricted Contributions	1,851,500				
General Obligation Bond Proceeds					
Revenue Bond Proceeds					
Net Other Financing Sources	<u>2,383,278</u>	<u>30,000</u>	<u>1,418,840</u>		<u>310,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>(1,583,709)</u>	<u>(30,604,476)</u>	<u>(23,677,841)</u>	<u>(380,306)</u>	<u>142,746</u>
Fund Balances (Deficits), January 1	10,024,571	38,389,027	25,533,250	686,780	(156,358)
Residual Equity Transfers from Other Restricted Resources Fund					
Residual Equity Transfers to Equipment Maintenance Fund			(950,000)		
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 8,440,862</u>	<u>\$ 7,784,551</u>	<u>\$ 905,409</u>	<u>\$ 306,474</u>	<u>\$ (13,612)</u>

The notes to the financial statements are an integral part of these statements.

Parks and Recreation	Historic Preservation	Heritage Land Bank	TOTAL	
			December 31 2001	December 31 2000
\$ 9,263,131	\$ 52,241	\$ 496,946	\$ 13,413,195	\$ 50,407,938
			3,971,666	29,969,228
2,000,758			279,298	443,939
			8,516,628	12,313,674
			520,186	176,498
			1,490,595	
			519,779	1,273,890
2,162,415			2,162,415	
			2,468,671	560,067
			6,667,725	6,429,866
18,375			18,375	8,206
<u>\$ 13,444,679</u>	<u>\$ 52,241</u>	<u>\$ 496,946</u>	<u>\$ 40,028,533</u>	<u>\$ 101,583,306</u>
\$ 509,438	\$	\$ 6,899	\$ 4,768,545	\$ 8,320,928
			2,530,561	1,450,388
			747,537	894,146
7,495			1,088,172	2,045,850
<u>516,933</u>		<u>6,899</u>	<u>9,134,815</u>	<u>12,711,312</u>
890,463		2,176	11,049,119	37,520,811
11,843,207	32,307	191,617	21,685,390	48,269,215
194,076	19,934	296,254	(1,840,791)	3,081,968
<u>12,927,746</u>	<u>52,241</u>	<u>490,047</u>	<u>30,893,718</u>	<u>88,871,994</u>
<u>\$ 13,444,679</u>	<u>\$ 52,241</u>	<u>\$ 496,946</u>	<u>\$ 40,028,533</u>	<u>\$ 101,583,306</u>

Parks and Recreation	Historic Preservation	Heritage Land Bank	TOTAL	
			December 31 2001	December 31 2000
\$	\$	\$	\$ 36,029	\$ 8,807
2,377,695			14,407,003	11,363,902
37,565	2,617	25,009	2,353,626	1,985,965
253,347			1,208,713	1,782,873
<u>2,668,607</u>	<u>2,617</u>	<u>25,009</u>	<u>18,005,371</u>	<u>15,141,547</u>
4,238,649		143,183	79,936,674	94,364,287
<u>(1,570,042)</u>	<u>2,617</u>	<u>(118,174)</u>	<u>(61,931,303)</u>	<u>(79,222,740)</u>
			2,132,634	1,709,863
		182,382	705,366	1,260,000
			39,500	286,973
		<u>182,382</u>	<u>2,877,500</u>	<u>3,552,660</u>
			(9,500)	
			(30,000)	
			(365,000)	(4,194,697)
				(132,550)
			<u>(404,500)</u>	<u>(4,327,247)</u>
			1,851,500	
				94,858,506
				61,820,181
		182,382	4,324,500	155,904,100
(1,570,042)	2,617	64,208	(57,606,803)	76,681,360
13,919,261	49,624	425,839	88,871,994	14,011,760
816,027			816,027	
<u>(237,500)</u>			<u>(1,187,500)</u>	<u>(1,821,126)</u>
<u>\$ 12,927,746</u>	<u>\$ 52,241</u>	<u>\$ 490,047</u>	<u>\$ 30,893,718</u>	<u>\$ 88,871,994</u>

MUNICIPALITY OF ANCHORAGE

CAPITAL PROJECTS FUNDS
 PROJECT-LENGTH SCHEDULE OF CONSTRUCTION PROJECTS
 AUTHORIZED OR IN PROGRESS
 Inception of Projects to December 31, 2001

	Areawide	Public Safety	Roads and Drainage	Public Transportation
TOTAL PROJECT AUTHORIZATION	\$ 46,723,546	\$ 96,933,433	\$ 214,143,410	\$ 23,011,319
REVENUES				
Special Assessments	\$	\$	\$	\$
Intergovernmental	9,668,925	6,494,026	30,669,499	14,385,179
Investment Income	2,430,707	2,678,217	(334,264)	64,721
Other	6,769,355	1,423,907	675,513	36,105
Total Revenues	<u>18,868,987</u>	<u>10,596,150</u>	<u>31,010,748</u>	<u>14,486,005</u>
EXPENDITURES				
Capital Project Expenditures	<u>31,793,597</u>	<u>80,213,689</u>	<u>164,530,633</u>	<u>16,098,641</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(12,924,610)</u>	<u>(69,617,539)</u>	<u>(133,519,885)</u>	<u>(1,612,636)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers from Other Funds:				
General Fund	10,112,244	3,021,420	6,360,198	197,933
Heritage Land Bank Fund	2,229,192			
Areawide Capital Projects Fund				132,550
State Grant Fund	450,000	286,973		
Federal Grant Fund	80,000			
Roads and Drainage Capital Projects Fund	170,000			
Miscellaneous Capital Projects Fund	20,000			
Total Operating Transfers from Other Funds	<u>13,061,436</u>	<u>3,308,393</u>	<u>6,360,198</u>	<u>330,483</u>
Operating Transfers to Other Funds:				
Jail Revenue Bond Fund		(4,194,697)		
Public Transportation Capital Projects Fund	(537,050)			
Total Operating Transfers to Other Funds	<u>(537,050)</u>	<u>(4,194,697)</u>		
General Obligation Bond Proceeds	7,623,212	78,323,394	131,983,846	1,588,627
Restricted Contributions	1,851,500			
Net Other Financing Sources	<u>21,999,098</u>	<u>77,437,090</u>	<u>138,344,044</u>	<u>1,919,110</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	9,074,488	7,819,551	4,824,159	306,474
Residual Equity Transfers to Other Funds:				
Equipment Maintenance Fund	(633,626)	(35,000)	(3,918,750)	
FUND BALANCES (DEFICITS), DECEMBER 31	<u>\$ 8,440,862</u>	<u>\$ 7,784,551</u>	<u>\$ 905,409</u>	<u>\$ 306,474</u>

The notes to the financial statements are an integral part of these statements.

EXHIBIT D-3
(Additional Information)

Miscellaneous	Parks and Recreation	Historic Preservation	Heritage Land Bank	TOTAL
\$ 6,633,862	\$ 62,812,837	\$ 249,514	\$ 432,495	\$ 450,940,416
\$ 659,233	\$	\$	\$	\$ 659,233
3,009,309	9,761,737			73,988,675
80,779	929,344	269,448	296,254	6,415,206
3,442	1,721,759		50	10,630,131
3,752,763	12,412,840	269,448	296,304	91,693,245
4,081,375	37,340,647	217,207	178,464	334,454,253
(328,612)	(24,927,807)	52,241	117,840	(242,761,008)
315,000	4,220,045		100,000	24,326,840
	35,000		272,207	2,536,399
	352,274			484,824
				736,973
				80,000
				170,000
				20,000
315,000	4,607,319		372,207	28,355,036
				(4,194,697)
				(537,050)
				(4,731,747)
	34,511,734			254,030,813
				1,851,500
315,000	39,119,053		372,207	279,505,602
(13,612)	14,191,246	52,241	490,047	36,744,594
	(1,263,500)			(5,850,876)
\$ (13,612)	\$ 12,927,746	\$ 52,241	\$ 490,047	\$ 30,893,718

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ENTERPRISE FUNDS

REGULATED ENTERPRISES

The **Electric Utility Fund** accounts for the operations of the Municipal-owned utility.

The **Water Utility Fund** accounts for the operations of the Municipal-owned utility.

The **Wastewater Utility Fund** accounts for the operations of the Municipal-owned utility.

NON-REGULATED ENTERPRISES

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 **Port Fund** accounts for operations of the Municipal-owned facility.

The **Municipal Airport Fund** accounts for the operations of Merrill Field, a Municipal-owned airport.

MUNICIPALITY OF ANCHORAGE, ALASKA

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 2001

With Comparative Totals for December 31, 2000

	Electric Utility	Water Utility	Wastewater Utility
ASSETS			
Current Assets:			
Cash	\$ 1,600	\$	\$ 1,700
Equity in General Cash Pool	29,178,654	10,108,519	9,627,320
Interest Receivable	355,393	79,995	128,510
Accounts Receivable (Net of Allowance for Uncollectibles)	8,526,195	2,086,295	2,832,904
Special Assessments Receivable		123,403	350,117
Intergovernmental Receivables			
Notes Receivable			
Unbilled Reimbursable Work Orders	15,649	644,083	528,793
Inventories, at Average Cost	12,408,086	1,266,949	
Total Current Assets	<u>50,485,577</u>	<u>14,309,244</u>	<u>13,469,344</u>
Restricted Assets:			
Customer Deposits	922,762	613,047	613,804
Bond and Contributed Capital Acquisition and Construction Accounts		157,700	(4,182,726)
Revenue Bond Operations and Maintenance Accounts	5,500,000		
Revenue Bond Debt Service Accounts	32,038,999	10,635,489	132,231
Special Assessment Debt Service Accounts		315,826	40,441
Grants Receivable			33,462
Total Restricted Assets	<u>38,461,761</u>	<u>11,722,062</u>	<u>(3,362,788)</u>
Deferred Charges and Other Assets:			
Unamortized Debt Expense	2,694,617	97,600	37,140
Investments in Direct Financing Leases			
Long Term Notes Receivable			
Other Regulatory Assets	11,346,747		
Unbilled Special Assessments		1,097,389	1,874,920
Other	1,666,736	117,453	(2,365)
Total Deferred Charges and Other Assets	<u>15,708,100</u>	<u>1,312,442</u>	<u>1,909,695</u>
Fixed Assets (Net, where Applicable, of Accumulated Depreciation and Amortization)	270,726,628	359,332,337	254,439,286
TOTAL ASSETS	<u><u>\$ 375,382,066</u></u>	<u><u>\$ 386,676,085</u></u>	<u><u>\$ 266,455,537</u></u>

The notes to the financial statements are an integral part of this statement.

Refuse Utility	Solid Waste	Port	Municipal Airport	TOTAL	
				December 31 2001	December 31 2000
\$ 300	\$ 1,475	\$ 150	\$ 200	\$ 5,425	\$ 6,625
5,778,257	18,046,174	4,023,360	225,272	76,987,556	69,017,907
7,365	7,786	305,886	626	885,561	1,352,524
410,835	899,087	1,090,150	9,603	15,855,069	15,076,797
				473,520	432,560
			3,614,644	3,614,644	387,096
			1,760	1,760	2,309
				1,188,525	796,321
				13,675,035	12,512,301
<u>6,196,757</u>	<u>18,954,522</u>	<u>5,419,546</u>	<u>3,852,105</u>	<u>112,687,095</u>	<u>99,584,440</u>
				2,149,613	1,662,310
414,486	3,674,152	20,321,521		20,385,133	14,993,541
		1,000,000		6,500,000	6,493,969
349,461	369,430			43,525,610	41,860,317
				356,267	445,389
				33,462	75,443
<u>763,947</u>	<u>4,043,582</u>	<u>21,321,521</u>		<u>72,950,085</u>	<u>65,530,969</u>
1,511	24,185	103,821		2,958,874	3,325,710
		2,551,674		2,551,674	2,899,745
			39,901	39,901	52,939
				11,346,747	9,500,143
				2,972,309	4,076,508
				1,781,824	2,185,394
<u>1,511</u>	<u>24,185</u>	<u>2,655,495</u>	<u>39,901</u>	<u>21,651,329</u>	<u>22,040,439</u>
3,028,058	45,255,913	58,962,195	38,499,161	1,030,243,578	1,026,977,489
<u>\$ 9,990,273</u>	<u>\$ 68,278,202</u>	<u>\$ 88,358,757</u>	<u>\$ 42,391,167</u>	<u>\$ 1,237,532,087</u>	<u>\$ 1,214,133,337</u>

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET - CONTINUED
 December 31, 2001
 With Comparative Totals for December 31, 2000

	Electric Utility	Water Utility	Wastewater Utility
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts Payable	\$ 4,931,790	\$ 236,291	\$ 465,479
Accrued Expenses	1,070,830		
Compensated Absences Payable	1,387,155	1,051,977	1,052,891
Interfund Payables:			
Parks and Recreation Capital Projects Fund			
Accrued Interest Payable	1,900,386	2,359,085	1,795,668
Long-Term Obligations Maturing within One Year	11,295,000	4,316,546	6,243,884
Advance Billings and Prepayments			
Total Current Liabilities	20,585,161	7,963,899	9,557,922
Current Liabilities Payable from			
Restricted Assets:			
Customer Deposits Payable	922,762	613,047	613,804
Capital Acquisition and Construction Accounts and Retainages Payable		963,570	1,345,600
Total Current Liabilities Payable from Restricted Assets	922,762	1,576,617	1,959,404
Non-Current Liabilities:			
General Obligation Bonds Payable (Net of Unamortized Discount and Deferred Loss on Refunding)			21,438,116
Revenue Bonds Payable (Net of Unamortized Premiums, Discounts, Deferred Gain or Loss on Refunding)	241,829,718	86,134,884	4,769,421
Special Assessment Bonds Payable (Net of Unamortized Discount)		453,974	66,023
Federal Clean Water Loan Payable			18,502,402
Other Loans and Contracts Payable		13,138,323	
Total Non-Current Liabilities	241,829,718	99,727,181	44,775,962
Deferred Credits and Other Liabilities:			
Future Landfill Closure Costs			
Other			1,269,595
Total Deferred Credits and Other Liabilities			1,269,595
Total Liabilities	263,337,641	109,267,697	57,562,883
Equity:			
Contributed Capital (Net, where applicable, of Accumulated Amortization):			
Interfund		315,635	6,882,286
Customers	12,433,709	89,072,437	84,207,762
Intergovernmental		135,567,898	86,726,848
Total Contributed Capital	12,433,709	224,955,970	177,816,896
Retained Earnings:			
Reserved for Revenue Bond Operations and Maintenance	5,865,000		
Reserved for Revenue Bond Debt Service	24,784,596	10,261,305	130,000
Total Reserved	30,649,596	10,261,305	130,000
Unreserved	68,961,120	42,191,113	30,945,758
Total Retained Earnings	99,610,716	52,452,418	31,075,758
Total Equity	112,044,425	277,408,388	208,892,654
TOTAL LIABILITIES AND EQUITY	\$ 375,382,066	\$ 386,676,085	\$ 266,455,537

The notes to the financial statements are an integral part of this statement.

Refuse Utility	Solid Waste	Port	Municipal Airport	TOTAL	
				December 31 2001	December 31 2000
\$ 170,866	\$ 283,556	\$ 142,619	\$ 25,907	\$ 6,256,508	\$ 5,180,032
71,988	409,188	168,028	38,702	1,070,830	415,106
				4,179,929	4,192,415
			2,162,415	2,162,415	
11,467	636,139	145,813		6,848,558	7,152,313
305,000	3,200,673	1,050,000		26,411,103	25,805,938
2,537			66,976	69,513	60,882
<u>561,858</u>	<u>4,529,556</u>	<u>1,506,460</u>	<u>2,294,000</u>	<u>46,998,856</u>	<u>42,806,686</u>
				2,149,613	1,662,310
		140,855	276,486	2,726,511	2,194,480
		<u>140,855</u>	<u>276,486</u>	<u>4,876,124</u>	<u>3,856,790</u>
	8,942,744			30,380,860	37,380,442
638,855	2,022,200	4,704,485		340,099,563	354,045,409
				519,997	573,167
				18,502,402	13,147,792
	13,896,841			27,035,164	23,045,753
<u>638,855</u>	<u>24,861,785</u>	<u>4,704,485</u>		<u>416,537,986</u>	<u>428,192,563</u>
	8,765,209			8,765,209	8,038,573
		13,000		1,282,595	1,810,888
	8,765,209	13,000		10,047,804	9,849,461
<u>1,200,713</u>	<u>38,156,550</u>	<u>6,364,800</u>	<u>2,570,486</u>	<u>478,460,770</u>	<u>484,705,500</u>
137,106		1,140,687	187,830	8,663,544	8,663,544
		125,657		185,839,565	186,217,023
	4,889,498	19,665,087	30,969,581	277,818,912	284,319,728
<u>137,106</u>	<u>4,889,498</u>	<u>20,931,431</u>	<u>31,157,411</u>	<u>472,322,021</u>	<u>479,200,295</u>
		1,000,000		6,865,000	6,200,000
360,281	390,093			35,926,275	34,680,207
360,281	390,093	1,000,000		42,791,275	40,880,207
8,292,173	24,842,061	60,062,526	8,663,270	243,958,021	209,347,335
8,652,454	25,232,154	61,062,526	8,663,270	286,749,296	250,227,542
8,789,560	30,121,652	81,993,957	39,820,681	759,071,317	729,427,837
<u>\$ 9,990,273</u>	<u>\$ 68,278,202</u>	<u>\$ 88,358,757</u>	<u>\$ 42,391,167</u>	<u>\$ 1,237,532,087</u>	<u>\$ 1,214,133,337</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Electric Utility	Water Utility	Wastewater Utility
OPERATING REVENUES			
Charges for Sales and Services	\$ 78,021,329	\$ 25,929,143	\$ 23,306,735
Other	5,062,687	3,029,943	1,050,381
Total Operating Revenues	<u>83,084,016</u>	<u>28,959,086</u>	<u>24,357,116</u>
OPERATING EXPENSES			
Operations	42,864,670	13,779,272	13,644,933
Municipal Utility Service Assessment Taxes	2,183,306	1,643,607	1,112,773
Future Landfill Closure Costs			
Depreciation and Amortization	16,549,386	9,492,538	8,995,069
Total Operating Expenses	<u>61,597,362</u>	<u>24,915,417</u>	<u>23,752,775</u>
Operating Income (Loss)	<u>21,486,654</u>	<u>4,043,669</u>	<u>604,341</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	4,138,219	1,131,924	491,050
Other Revenues	208,136	633,961	
Interest Expense	(17,356,249)	(5,675,465)	(2,622,122)
Allowance for Funds Used During Construction	157,603	796,122	490,618
Amortization of Deferred Charges	(334,599)	(895,092)	(460,784)
Other Expenses	(267,050)		
Net Non-Operating Revenues (Expenses)	<u>(13,453,940)</u>	<u>(4,008,550)</u>	<u>(2,101,238)</u>
Income (Loss) before Operating Transfers	8,032,714	35,119	(1,496,897)
TRANSFER (TO) FROM OTHER FUNDS			
Management Information Systems Fund	(12,000)	(6,000)	(6,000)
NET INCOME (LOSS)	<u>8,020,714</u>	<u>29,119</u>	<u>(1,502,897)</u>
Amortization of Contributed Plant	674,364	5,207,040	5,065,693
Increase in Retained Earnings	8,695,078	5,236,159	3,562,796
Retained Earnings, January 1,	90,915,638	47,216,259	27,512,962
RETAINED EARNINGS, DECEMBER 31	<u>\$ 99,610,716</u>	<u>\$ 52,452,418</u>	<u>\$ 31,075,758</u>

The notes to the financial statements are an integral part of this statement.

Refuse Utility	Solid Waste	Port	Municipal Airport	TOTAL	
				December 31 2001	December 31 2000
\$ 5,588,844	\$ 14,265,654	\$ 5,858,479	\$ 960,730	\$ 153,930,914	\$ 148,972,957
	205,972	2,841,362		12,190,345	12,870,396
<u>5,588,844</u>	<u>14,471,626</u>	<u>8,699,841</u>	<u>960,730</u>	<u>166,121,259</u>	<u>161,843,353</u>
4,791,380	6,805,685	2,884,854	763,520	85,534,314	81,552,798
55,844	759,584	569,595		6,324,709	6,065,442
	726,636			726,636	746,446
523,051	2,363,713	3,335,109	1,331,394	42,590,260	40,673,065
<u>5,370,275</u>	<u>10,655,618</u>	<u>6,789,558</u>	<u>2,094,914</u>	<u>135,175,919</u>	<u>129,037,751</u>
<u>218,569</u>	<u>3,816,008</u>	<u>1,910,283</u>	<u>(1,134,184)</u>	<u>30,945,340</u>	<u>32,805,602</u>
325,270	938,581	1,193,937	62,731	8,281,712	9,193,008
24,731	147,663	6,800,936	4,344,960	12,160,387	2,019,938
(55,037)	(1,359,466)	(356,707)		(27,425,046)	(29,662,718)
(4,000)	(23,695)	(52,600)		1,444,343	1,903,263
				(1,770,770)	(1,943,706)
				(267,050)	(337,380)
<u>290,964</u>	<u>(296,917)</u>	<u>7,585,566</u>	<u>4,407,691</u>	<u>(7,576,424)</u>	<u>(18,827,595)</u>
<u>509,533</u>	<u>3,519,091</u>	<u>9,495,849</u>	<u>3,273,507</u>	<u>23,368,916</u>	<u>13,978,007</u>
(6,000)	(6,000)	(12,000)	(6,000)	(54,000)	
<u>503,533</u>	<u>3,513,091</u>	<u>9,483,849</u>	<u>3,267,507</u>	<u>23,314,916</u>	<u>13,978,007</u>
	193,202	941,254	1,125,285	13,206,838	12,743,731
503,533	3,706,293	10,425,103	4,392,792	36,521,754	26,721,738
8,148,921	21,525,861	50,637,423	4,270,478	250,227,542	223,505,804
<u>\$ 8,652,454</u>	<u>\$ 25,232,154</u>	<u>\$ 61,062,526</u>	<u>\$ 8,663,270</u>	<u>\$ 286,749,296</u>	<u>\$ 250,227,542</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2001

With Comparative Totals for the Year Ended December 31, 2000

	Electric Utility	Water Utility	Wastewater Utility
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 21,486,654	\$ 4,043,669	\$ 604,341
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Future Landfill Closure Costs			
Depreciation and Amortization	16,549,386	9,492,538	8,995,069
Allowance for Uncollectible Accounts	63,507	19,458	1,863
Other Income	(58,914)	633,961	
Changes in Assets and Liabilities Which Increase (Decrease) Cash:			
Accounts Receivable	(360,164)	(200,176)	(28,304)
Notes Receivable			
Intergovernmental Receivables			
Interfund Receivable-Roads & Drainage Capital Projects Fund			
Unbilled Reimbursable Work Orders	13,863	(115,423)	(290,644)
Inventories	(1,013,825)	(148,909)	
Customer Deposits	53,865	79,206	354,232
Non-Regulated Sales-Type Leases			
Other Deferred Charges	(1,486,545)	34,906	7,774
Accounts Payable	762,239	(112,066)	151,505
Accrued Expenses	655,722		
Compensated Absences Payable	(22,303)	24,067	25,201
Interfund Payables:			
General Fund			
Parks and Recreation Capital Projects Fund			
Advance Billings and Prepayments			
Current Liabilities Payable from			
Restricted Assets		253,222	(934,836)
Non-Current Liabilities			335,435
Total Adjustments	15,156,831	9,960,784	8,617,295
Net Cash Provided by Operating Activities	<u>36,643,485</u>	<u>14,004,453</u>	<u>9,221,636</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to Management Information Systems Fund	(12,000)	(6,000)	(6,000)
Net Cash Used by Noncapital Financing Activities	<u>(12,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Advances from Other Funds			
Proceeds from Issuance of Long-Term Obligations		5,006,703	6,044,051
Bond Issuance Costs Paid			
Principal Payments on Long-Term Obligations	(11,290,000)	(4,150,967)	(6,054,724)
Interest Payments on Long-Term Obligations	(15,180,641)	(4,713,869)	(2,123,522)
Proceeds from Disposition of Fixed Assets			
Acquisition and Construction of Fixed Assets	(12,363,206)	(12,131,111)	(10,450,771)
Contributed Capital - Customers	2,539,085	627,537	1,102,733
Contributed Capital - Intergovernmental		1,305,463	548,041
Net Cash Used by Capital and Related Financing Activities	<u>(36,294,762)</u>	<u>(14,056,244)</u>	<u>(10,934,192)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sales and Maturities of Investments			4,331,183
Interest Received	4,510,808	1,173,386	206,342
Purchase of Investments	(798,861)	(705,294)	
Net Cash Provided (Used) by Investing Activities	<u>3,711,947</u>	<u>468,092</u>	<u>4,537,525</u>
NET INCREASE (DECREASE) IN CASH	<u>4,048,670</u>	<u>410,301</u>	<u>2,818,969</u>
Cash, January 1	26,054,346	10,311,265	7,423,855
CASH, DECEMBER 31	<u>\$ 30,103,016</u>	<u>\$ 10,721,566</u>	<u>\$ 10,242,824</u>
Cash	\$ 1,600	\$	\$ 1,700
Cash Equivalent Equity in General Cash Pool	29,178,654	10,108,519	9,627,320
Cash and Cash Equivalents in Restricted Assets	922,762	613,047	613,804
CASH, DECEMBER 31	<u>\$ 30,103,016</u>	<u>\$ 10,721,566</u>	<u>\$ 10,242,824</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Capital Purchases on Account	\$	\$	\$ 1,345,600
Contributed Capital - Customer Private Development		2,082,297	1,603,574
Contributed Equipment			
	<u>\$</u>	<u>\$ 2,082,297</u>	<u>\$ 2,949,174</u>

The notes to the financial statements are an integral part of this statement.

Refuse Utility	Solid Waste	Port	Municipal Airport	TOTAL	
				December 31 2001	December 31 2000
\$ 218,569	\$ 3,816,008	\$ 1,910,283	\$ (1,134,184)	\$ 30,945,340	\$ 32,805,602
	726,636			726,636	746,446
523,051	2,363,713	3,335,109	1,331,394	42,590,260	40,673,065
(7,922)	(128)			76,778	17,917
19,659	21,721	131,001	3,957,865	4,705,293	1,507,780
18,297	(131,802)	(91,458)	40	(793,567)	(57,546)
	41,981		13,587	13,587	13,517
			(3,227,548)	(3,185,567)	(53,936)
				(392,204)	155,270
				(1,162,734)	393,119
				487,303	(298,238)
1,256	8,992	(863,725)		(2,297,342)	(2,720,716)
155,696	68,243	38,984	16,730	1,081,331	543,718
			1,001	656,723	(1,517,674)
(23,781)	10,112	(26,785)		(13,489)	(453,372)
					(57,593)
			2,162,415	2,162,415	
			8,631	8,631	(197,566)
	818	(346,199)	(203,097)	(1,230,092)	(622,921)
				335,435	(9,231)
686,256	3,110,286	2,176,927	4,061,018	43,769,397	38,062,039
904,825	6,926,294	4,087,210	2,926,834	74,714,737	70,867,641
(6,000)	(6,000)	(12,000)	(6,000)	(54,000)	
(6,000)	(6,000)	(12,000)	(6,000)	(54,000)	
	3,383,807			3,383,807	2,952,187
				11,050,754	10,444,588
(290,000)	(3,085,227)	(990,000)		(25,860,918)	(30,295,222)
(53,104)	(1,400,842)	(381,457)		(23,853,435)	(26,009,295)
5,072	33,473	3,552		42,097	174,778
(361,912)	(913,283)	(1,685,833)	(4,229,314)	(42,135,430)	(42,960,532)
	92,468	6,666,383		4,269,355	3,381,300
				8,612,355	4,228,561
(699,944)	(1,889,604)	3,612,645	(4,229,314)	(64,491,415)	(78,083,635)
	767		1,262,220	5,594,170	8,181,837
326,460	939,835	1,178,704	63,002	8,398,537	9,045,426
(220,366)	(3,674,152)	(10,307,604)		(15,706,277)	(4,280,738)
106,094	(2,733,550)	(9,128,900)	1,325,222	(1,713,570)	12,946,525
304,975	2,297,140	(1,441,045)	16,742	8,455,752	5,730,531
5,473,582	15,750,509	5,464,555	208,730	70,686,842	64,956,311
\$ 5,778,557	\$ 18,047,649	\$ 4,023,510	\$ 225,472	\$ 79,142,594	\$ 70,686,842
\$ 300	\$ 1,475	\$ 150	\$ 200	\$ 5,425	\$ 6,625
5,778,257	18,046,174	4,023,360	225,272	76,987,556	69,017,907
				2,149,613	1,662,310
\$ 5,778,557	\$ 18,047,649	\$ 4,023,510	\$ 225,472	\$ 79,142,594	\$ 70,686,842
\$	\$	\$ 140,855	\$ 276,486	\$ 1,762,941	\$ 2,193,662
				3,685,871	1,128,583
					101,154
\$	\$	\$ 140,855	\$ 276,486	\$ 5,448,812	\$ 3,423,399

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INTERNAL SERVICE FUNDS

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, life
- Unemployment compensation

The **Equipment Maintenance Fund** accounts for the management and maintenance of general government equipment and vehicles.

The **Management Information Systems Fund** accounts for management information services.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT F-1

INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
December 31, 2001
With Comparative Totals for December 31, 2000

	Risk Management Funds	Equipment Maintenance Fund	Management Information Systems Fund	Total	
				December 31 2001	December 31 2000
ASSETS					
Current Assets:					
Equity in General Cash Pool	\$ 2,836,796	\$ 15,871,850	\$ 2,729,249	\$ 21,437,895	\$ 16,138,522
Investments					5,018,150
Interest Receivable					85,816
Accounts Receivable (Net of Allowance for Uncollectibles)	25,830		37,481	63,311	83,991
Interfund Receivable	9,784,572			9,784,572	15,382,398
Inventories, at Cost		366,207		366,207	370,828
Prepaid Items	436,712		463,772	900,484	700,211
Total Current Assets	<u>13,083,910</u>	<u>16,238,057</u>	<u>3,230,502</u>	<u>32,552,469</u>	<u>37,779,916</u>
Restricted Assets:					
Contributed Capital Acquisition Account					
Certificates of Participation Capital Acquisition Account					
Certificates of Participation Debt Service Account					639,052
Total Restricted Assets					<u>639,052</u>
Fixed Assets (Net of Accumulated Depreciation)		16,063,774	16,836,136	32,899,910	34,040,821
TOTAL ASSETS	<u>\$ 13,083,910</u>	<u>\$ 32,301,831</u>	<u>\$ 20,066,638</u>	<u>\$ 65,452,379</u>	<u>\$ 72,459,789</u>
LIABILITIES AND EQUITY					
Current Liabilities:					
Accounts Payable	\$ 415,775	\$ 213,815	\$ 168,722	\$ 798,312	\$ 928,942
Compensated Absences Payable		206,858	606,139	812,997	840,919
Claims Payable	6,569,674			6,569,674	4,146,068
Claims Incurred But Not Reported	5,034,346			5,034,346	9,533,959
Interfund Payable	274,000	2,468,671		2,742,671	6,018,350
Current Portion of Advances from Other Funds			2,944	2,944	15,047
Accrued Interest Payable			17,745	17,745	40,636
Deferred Income			88,758	88,758	205,000
Long-Term Obligations Maturing within One Year			895,652	895,652	1,809,967
Total Current Liabilities	<u>12,293,795</u>	<u>2,889,344</u>	<u>1,779,960</u>	<u>16,963,099</u>	<u>23,538,888</u>
Current Liabilities Payable from Restricted Assets:					
Capital Acquisition Accounts Payable		3,243	377,701	380,944	1,774,232
Interfund Payable - Areawide Capital Projects Fund			6,667,725	6,667,725	6,429,866
Interfund Payable - Self Insurance Fund					
Total Liabilities Payable from Restricted Assets		<u>3,243</u>	<u>7,045,426</u>	<u>7,048,669</u>	<u>8,204,098</u>
Non-Current Liabilities:					
Advances from Other Funds			11,288,247	11,288,247	11,506,757
Certificates of Participation Payable			686,994	686,994	1,171,959
Capital Leases Payable			290,013	290,013	412,464
Loan Payable			164,249	164,249	444,676
Total Non-Current Liabilities			<u>12,429,503</u>	<u>12,429,503</u>	<u>13,535,856</u>
Total Liabilities	<u>12,293,795</u>	<u>2,892,587</u>	<u>21,254,889</u>	<u>36,441,271</u>	<u>45,278,842</u>
Equity:					
Contributed Capital (Net, where Applicable of Accumulated Amortization):					
Interfund		18,875,550	584,280	19,459,830	17,482,170
Intergovernmental		251,902		251,902	323,735
Net Contributed Capital		19,127,452	584,280	19,711,732	17,805,905
Retained Earnings (Deficit):					
Unreserved	790,115	10,281,792	(1,772,531)	9,299,376	9,375,042
Total Equity	<u>790,115</u>	<u>29,409,244</u>	<u>(1,188,251)</u>	<u>29,011,108</u>	<u>27,180,947</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 13,083,910</u>	<u>\$ 32,301,831</u>	<u>\$ 20,066,638</u>	<u>\$ 65,452,379</u>	<u>\$ 72,459,789</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT F-2

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Risk Management Funds	Equipment Maintenance Fund	Management Information Systems Fund	Total	
				December 31 2001	December 31 2000
OPERATING REVENUES					
Charges for Sales and Services	\$ 30,605,262	\$ 8,890,970	\$ 16,871,071	\$ 56,367,303	\$ 48,150,819
OPERATING EXPENSES					
Operations	32,431,031	6,091,293	12,938,997	51,461,321	42,701,878
Depreciation and Amortization		3,017,954	2,722,377	5,740,331	7,068,067
Total Operating Expenses	32,431,031	9,109,247	15,661,374	57,201,652	49,769,945
Operating Income (Loss)	(1,825,769)	(218,277)	1,209,697	(834,349)	(1,619,126)
NON-OPERATING REVENUES (EXPENSES)					
Investment Income	604,781	517,174	55,859	1,177,814	1,509,187
Other Revenues		641,482	2,781	644,263	334,782
Interest Expense			(1,032,949)	(1,032,949)	(810,033)
Net Non-Operating Revenues (Expenses)	604,781	1,158,656	(974,309)	789,128	1,033,936
Income (Loss) before Operating Transfers	(1,220,988)	940,379	235,388	(45,221)	(585,190)
TRANSFER (TO) FROM OTHER FUNDS					
Management Information Systems Fund	(32,000)	(19,280)		(51,280)	
NET INCOME (LOSS)	(1,252,988)	921,099	235,388	(96,501)	(585,190)
Amortization of Contributed Plant		20,835		20,835	118,920
Increase (Decrease) in Retained Earnings	(1,252,988)	941,934	235,388	(75,666)	(466,270)
Retained Earnings, January 1	2,043,103	9,339,858	(2,007,919)	9,375,042	9,841,312
RETAINED EARNINGS (DEFICIT), DECEMBER 31	\$ 790,115	\$ 10,281,792	\$ (1,772,531)	\$ 9,299,376	\$ 9,375,042

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT F-3

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Risk Management Funds	Equipment Maintenance Fund	Management Information Systems Fund	Total	
				December 31 2001	December 31 2000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (1,825,769)	\$ (218,277)	\$ 1,209,697	\$ (834,349)	\$ (1,619,126)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:					
Depreciation and Amortization		3,017,954	2,722,377	5,740,331	7,068,067
Other Income			2,781	2,781	2,346
Changes in Assets and Liabilities Which Increase (Decrease) Cash:					
Accounts Receivable	(25,830)		46,510	20,680	162,818
Inventories		4,620		4,620	(13,502)
Prepaid Items	(329,583)		129,310	(200,273)	(578,365)
Accounts Payable	122,020	(124,515)	(128,135)	(130,630)	313,180
Accrued Interest Payable			(22,891)	(22,891)	(21,451)
Compensated Absences Payable		(20,628)	(7,294)	(27,922)	(127,300)
Deferred Income			(116,242)	(116,242)	205,000
Claims Payable	(2,076,007)			(2,076,007)	1,120,819
Current Liabilities Payable from Restricted Assets		(1,388,211)	(5,077)	(1,393,288)	881,231
Total Adjustments	(2,309,400)	1,489,220	2,621,339	1,801,159	9,012,843
Net Cash Provided (Used) by Operating Activities	(4,135,169)	1,270,943	3,831,036	966,810	7,393,717
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfer to Management Information Systems Fund	(32,000)	(19,280)		(51,280)	
Advances from Other Funds	5,871,826			5,871,826	215,692
Advances to Other Funds	(5,458,283)			(5,458,283)	(1,468,314)
Net Cash Used by Non-Capital Financing Activities	381,543	(19,280)		362,263	(1,252,622)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Advances from Other Funds			822,139	822,139	1,955,843
Proceeds from Issuance of Long-Term Obligations			1,197,985	1,197,985	2,180,105
Principal Payments on Long-Term Obligations			(3,230,756)	(3,230,756)	(3,454,401)
Interest Payments on Long-Term Obligations			(1,032,949)	(1,032,949)	(810,033)
Proceeds from Disposition of Fixed Assets		1,202,455		1,202,455	352,035
Acquisition of Fixed Assets		(3,217,291)	(1,994,099)	(5,211,390)	(9,256,833)
Contributed Capital - Interfund		1,393,380		1,393,380	2,047,494
Contributed Capital - Intergovernmental					67,824
Net Cash Used by Capital and Related Financing Activities		(621,456)	(4,237,680)	(4,859,136)	(6,917,966)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales and Maturities of Investments	5,018,150	1,908,604	639,052	7,565,806	2,108,358
Investment Income Received	690,597	517,174	55,859	1,263,630	1,509,191
Net Cash Provided by Investing Activities	5,708,747	2,425,778	694,911	8,829,436	3,617,549
NET INCREASE IN CASH	1,955,121	3,055,985	288,267	5,299,373	2,840,678
Cash, January 1	881,675	12,815,865	2,440,982	16,138,522	13,297,844
CASH, DECEMBER 31	\$ 2,836,796	\$ 15,871,850	\$ 2,729,249	\$ 21,437,895	\$ 16,138,522
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Capital Purchases on Account	\$	\$ 3,243	\$ 377,701	\$ 380,944	\$ 1,774,232

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT F-4

RISK MANAGEMENT FUNDS
COMBINING BALANCE SHEET
December 31, 2001

With Comparative Totals for the Year Ended December 31, 2000

	General Liability/ Workers' Comp	Medical Dental Life	Unemployment Compensation	TOTAL	
				December 31 2001	December 31 2000
ASSETS					
Current Assets:					
Equity in General Cash Pool	\$ 344,163	\$ 1,102,650	\$ 1,389,983	\$ 2,836,796	\$ 881,675
Investments					5,018,150
Interest Receivable					85,816
Accounts Receivable (Net of Allowance for Uncollectibles)	25,830			25,830	
Interfund Receivable	9,784,572			9,784,572	15,382,398
Prepaid Items	404,678	32,034		436,712	107,129
TOTAL ASSETS	\$ 10,559,243	\$ 1,134,684	\$ 1,389,983	\$ 13,083,910	\$ 21,475,168
LIABILITIES AND EQUITY					
Current Liabilities:					
Accounts Payable	\$ 199,556	\$ 216,219	\$	\$ 415,775	\$ 293,755
Claims Payable	6,499,480		70,194	6,569,674	4,146,068
Claims Incurred But Not Reported	4,558,308	476,038		5,034,346	9,533,959
Interfund Payable	274,000			274,000	5,458,283
Total Liabilities	11,531,344	692,257	70,194	12,293,795	19,432,065
Equity:					
Retained Earnings (Deficit):					
Unreserved	(972,101)	442,427	1,319,789	790,115	2,043,103
TOTAL LIABILITIES AND EQUITY (DEFICIT)	\$ 10,559,243	\$ 1,134,684	\$ 1,389,983	\$ 13,083,910	\$ 21,475,168

EXHIBIT F-5

RISK MANAGEMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Year Ended December 31, 2001

With Comparative Totals for the Year Ended December 31, 2000

	General Liability/ Workers' Comp	Medical Dental Life	Unemployment Compensation	TOTAL	
				December 31 2001	December 31 2000
OPERATING REVENUES					
Premiums	\$ 6,946,650	\$ 22,885,653	\$ 772,959	\$ 30,605,262	\$ 28,068,307
OPERATING EXPENSES					
Operations:					
Services and Charges:					
Insurance Premiums	501,163			501,163	449,549
Unemployment Compensation			324,379	324,379	582,061
Claims and Processing Fees Net of Change in Estimated But Not Reported Claims of \$83,010 in 2001 and \$253,212 in 2000	7,764,302			7,764,302	5,609,386
Claims and Processing Fees Net of Change in Estimated But Not Reported Claims of \$(4,582,623) in 2001 and \$552,000 in 2000		22,648,530		22,648,530	21,515,396
Professional Service Fees	554,455	145,814		700,269	523,684
Total Services and Charges	8,819,920	22,794,344	324,379	31,938,643	28,680,076
Charges from Other Departments	492,388			492,388	337,544
Total Operating Expenses	9,312,308	22,794,344	324,379	32,431,031	29,017,620
Operating Income (Loss)	(2,365,658)	91,309	448,580	(1,825,769)	(949,313)
NON-OPERATING REVENUES					
Investment Income:					
Short-Term Investments	479,955	72,075	52,751	604,781	1,093,828
Income (Loss) before Operating Transfers	(1,885,703)	163,384	501,331	(1,220,988)	144,515
TRANSFER (TO) FROM OTHER FUNDS:					
Management Information Systems Fund	(32,000)			(32,000)	
NET INCOME (LOSS)	(1,917,703)	163,384	501,331	(1,252,988)	144,515
Retained Earnings, January 1	945,602	279,043	818,458	2,043,103	1,898,588
RETAINED EARNINGS (DEFICIT), DECEMBER 31	\$ (972,101)	\$ 442,427	\$ 1,319,789	\$ 790,115	\$ 2,043,103

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT F-6

RISK MANAGEMENT FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	General Liability/ Workers' Comp	Medical Dental Life	Unemployment Compensation	TOTAL	
				December 31 2001	December 31 2000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (2,365,658)	\$ 91,309	\$ 448,580	\$ (1,825,769)	\$ (949,313)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:					
Changes in Assets and Liabilities Which Increase (Decrease) Cash:					
Prepaid Items	(297,549)	(32,034)		(329,583)	(1,785)
Accounts Receivable	(25,830)			(25,830)	
Accounts Payable	(77,866)	199,886		122,020	261,377
Claims Payable	2,551,762	(4,582,623)	(45,146)	(2,076,007)	1,120,819
Total Adjustments	2,150,517	(4,414,771)	(45,146)	(2,309,400)	1,380,411
Net Cash Provided (Used) by Operating Activities	(215,141)	(4,323,462)	403,434	(4,135,169)	431,098
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfer to Management Information Systems Fund	(32,000)			(32,000)	
Advances from Other Funds	413,543	5,406,160	52,123	5,871,826	215,692
Advances to Other Funds	(5,406,160)	(52,123)		(5,458,283)	(1,468,314)
Net Cash Provided (Used) by Non-Capital Financing Activities	(5,024,617)	5,354,037	52,123	381,543	(1,252,622)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales and Maturities of Investments	5,018,150			5,018,150	
Interest Received	565,771	72,075	52,751	690,597	1,093,832
Net Cash Provided by Investing Activities	5,583,921	72,075	52,751	5,708,747	1,093,832
NET INCREASE (DECREASE) IN CASH	344,163	1,102,650	508,308	1,955,121	272,308
Cash, January 1			881,675	881,675	609,367
CASH, DECEMBER 31	\$ 344,163	\$ 1,102,650	\$ 1,389,983	\$ 2,836,796	\$ 881,675

The notes to the financial statements are an integral part of this statement.

TRUST AND AGENCY FUNDS

The **Expendable Police/Fire Retiree Medical Trust Fund** accounts for contributions and distributions on behalf of the Police and Fire retirees who are eligible for the plan covered by the Trust.

The **Expendable MOA Trust Reserve Fund** accounts for investments and related income to be used in the event the Non-Expendable MOA Trust Fund does not achieve its yearly earning goal or may be used for additional reductions in property taxes.

The **Non-Expendable Cemetery Perpetual Maintenance Trust Fund** accounts for contributions, revenues and expenditures for perpetual maintenance of the Anchorage Memorial Park Cemetery.

The **Non-Expendable MOA Trust Fund** accounts for investments and related income from proceeds of the sale of Anchorage Telephone Utility and any other amounts the Assembly may add to the fund.

The **Police/Fire Retirement System Pension Trust Funds** account for the contributions, revenues, expenses and distributions of the three Municipal Police and Fire Retirement Plans.

The **Employee Benefits Agency Fund** accounts for payroll-related liabilities.

MUNICIPALITY OF ANCHORAGE, ALASKA

FIDUCIARY FUND TYPES
COMBINING BALANCE SHEET
December 31, 2001

With Comparative Totals for December 31, 2000

	Expendable Trusts			Non-Expendable Trusts		
	Police/Fire Retiree Medical	MOA Trust Reserve	Total	Cemetery Perpetual Maintenance	MOA Trust Fund	Total
ASSETS						
Cash	\$	\$	\$	\$	\$	\$
Equity in General Cash Pool	663		663			
Equity in General Cash Pool - Non-Expendable Trusts				228,997	1,395,332	1,624,329
Investments	4,197,299	14,472,506	18,669,805		120,159,091	120,159,091
Interest Receivable		151,575	151,575		483,849	483,849
Accounts Receivable				100		100
Fixed Assets (Net of Accumulated Depreciation)						
TOTAL ASSETS	<u>\$ 4,197,962</u>	<u>\$ 14,624,081</u>	<u>\$ 18,822,043</u>	<u>\$ 229,097</u>	<u>\$ 122,038,272</u>	<u>\$ 122,267,369</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$	\$ 13,750	\$ 13,750	\$	\$ 94,648	\$ 94,648
Due to Employees						
Due to Employees' Retirement System						
Interfund Payable - General Fund		4,718,895	4,718,895			
Payroll Liabilities						
Total Liabilities		<u>4,732,645</u>	<u>4,732,645</u>		<u>94,648</u>	<u>94,648</u>
Fund Balances:						
Reserved for Retired Employees' Medical Liability	4,197,962		4,197,962			
Reserved for Employees' Retirement System						
Unreserved		9,891,436	9,891,436	229,097	121,943,624	122,172,721
Total Fund Balances	<u>4,197,962</u>	<u>9,891,436</u>	<u>14,089,398</u>	<u>229,097</u>	<u>121,943,624</u>	<u>122,172,721</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,197,962</u>	<u>\$ 14,624,081</u>	<u>\$ 18,822,043</u>	<u>\$ 229,097</u>	<u>\$ 122,038,272</u>	<u>\$ 122,267,369</u>

The notes to the financial statements are an integral part of this statement.

Pension Trusts				Agency	TOTAL	
Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Employee Benefits	December 31 2001	December 31 2000
\$ 88	\$ 56	\$ 156	\$ 300	\$	\$ 300	\$ 300
56,403	36,617	101,506	194,526	9,437,351	9,632,540	8,645,159
108,166,499	70,207,926	194,635,431	373,009,856		1,624,329	235,543
					511,838,752	560,723,046
				9,974	635,424	810,492
					10,074	9,974
7,225	3,524	7,176	17,925		17,925	25,035
<u>\$ 108,230,215</u>	<u>\$ 70,248,123</u>	<u>\$ 194,744,269</u>	<u>\$ 373,222,607</u>	<u>\$ 9,447,325</u>	<u>\$ 523,759,344</u>	<u>\$ 570,449,549</u>
\$ 24,334	\$ 15,797	\$ 43,790	\$ 83,921	\$ 88,683	\$ 281,002	\$ 283,173
				5,254,566	5,254,566	4,512,208
				1,259,774	1,259,774	1,188,824
					4,718,895	15,371
				2,844,302	2,844,302	2,843,878
<u>24,334</u>	<u>15,797</u>	<u>43,790</u>	<u>83,921</u>	<u>9,447,325</u>	<u>14,358,539</u>	<u>8,843,454</u>
108,205,881	70,232,326	194,700,479	373,138,686		4,197,962	4,158,071
					373,138,686	412,859,810
					132,064,157	144,588,214
<u>108,205,881</u>	<u>70,232,326</u>	<u>194,700,479</u>	<u>373,138,686</u>		<u>509,400,805</u>	<u>561,606,095</u>
<u>\$ 108,230,215</u>	<u>\$ 70,248,123</u>	<u>\$ 194,744,269</u>	<u>\$ 373,222,607</u>	<u>\$ 9,447,325</u>	<u>\$ 523,759,344</u>	<u>\$ 570,449,549</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT G-2

EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES
 (USES) AND CHANGES IN FUND BALANCE
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Police/Fire Retiree Medical	MOA Trust Reserve	TOTAL	
			December 31 2001	December 31 2000
REVENUES				
Investment Income (Loss)	\$ (174,426)	\$ (933,890)	\$ (1,108,316)	\$ 231,297
Restricted Contributions		3,417	3,417	
EXPENDITURES				
General Government:				
Operations	635,975	68,903	704,878	625,298
Contributions				10,714
Excess (Deficiency) of Revenues over Expenditures	(810,401)	(999,376)	(1,809,777)	(404,715)
OTHER FINANCING SOURCES (USES)				
Operating Transfers to Other Funds		(12,474,166)	(12,474,166)	(15,119,837)
Operating Transfers from Other Funds	850,292		850,292	20,614,848
Net Other Financing Sources (Uses)	850,292	(12,474,166)	(11,623,874)	5,495,011
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	39,891	(13,473,542)	(13,433,651)	5,090,296
Fund Balance, January 1	4,158,071	23,364,978	27,523,049	22,432,753
FUND BALANCE, DECEMBER 31	\$ 4,197,962	\$ 9,891,436	\$ 14,089,398	\$ 27,523,049

EXHIBIT G-3

EXPENDABLE TRUST FUND
 POLICE AND FIRE RETIREE MEDICAL
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, OTHER
 FINANCING SOURCES AND CHANGES IN FUND BALANCE
 For the Years Ended December 31, 2001 and 2000

	2001	2000
REVENUES		
Investment Income (Loss)	\$ (174,426)	\$ (108,695)
EXPENDITURES		
Operations	635,975	438,909
Excess (Deficiency) of Revenues over Expenditures	(810,401)	(547,604)
OTHER FINANCING SOURCES		
Operating Transfers from Other Funds	850,292	614,848
Excess of Revenues and Other Financing Sources over Expenditures	39,891	67,244
Fund Balance, January 1	4,158,071	4,090,827
FUND BALANCE, DECEMBER 31	\$ 4,197,962	\$ 4,158,071

EXHIBIT G-4

EXPENDABLE TRUST FUND
 MOA TRUST RESERVE
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, OTHER
 FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE
 For the Years Ended December 31, 2001 and 2000

	2001	2000
REVENUES		
Investment Income (Loss)	\$ (933,890)	\$ 339,992
Restricted Contributions	3,417	
EXPENDITURES		
Operations	68,903	186,389
Excess (Deficiency) of Revenues over Expenditures	(999,376)	153,603
OTHER FINANCING SOURCES (USES)		
Operating Transfers to Other Funds	(12,474,166)	(15,119,837)
Operating Transfers from Other Funds		20,000,000
Net Other Financing Sources (Uses)	(12,474,166)	4,880,163
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	(13,473,542)	5,033,766
Fund Balance, January 1	23,364,978	18,331,212
FUND BALANCE, DECEMBER 31	\$ 9,891,436	\$ 23,364,978

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT G-5

NON-EXPENDABLE TRUST FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, OTHER FINANCING SOURCES
 (USES) AND CHANGES IN FUND BALANCE
 For the Year Ended December 31, 2001
 With Comparative Totals for the Year Ended December 31, 2000

	Cemetery Perpetual Maintenance	MOA Trust Fund	TOTAL	
			December 31 2001	December 31 2000
REVENUES				
Investment Income	\$	\$ (3,070,360)	\$ (3,070,360)	\$ 499,095
Restricted Contributions		1,373,605	1,373,605	
Other	19,400		19,400	20,270
EXPENSES				
General Government:				
Operations		447,326	447,326	403,739
Excess (Deficiency) of Revenues over Expenditures	19,400	(2,144,081)	(2,124,681)	115,626
OTHER FINANCING SOURCES (USES)				
Operating Transfers to Other Funds				(9,569,410)
Operating Transfers from Other Funds		3,074,166	3,074,166	20,000,000
Net Other Financing Sources (Uses)		3,074,166	3,074,166	10,430,590
Excess of Revenues and Other Financing Sources over Expenses and Other Financing Uses	19,400	930,085	949,485	10,546,216
Fund Balance, January 1	209,697	121,013,539	121,223,236	110,677,020
FUND BALANCE, DECEMBER 31	\$ 229,097	\$ 121,943,624	\$ 122,172,721	\$ 121,223,236

EXHIBIT G-6

NON-EXPENDABLE TRUST FUND
 CEMETERY PERPETUAL MAINTENANCE
 COMPARATIVE STATEMENTS OF REVENUES AND CHANGES IN FUND BALANCE
 For the Years Ended December 31, 2001 and 2000

	2001	2000
REVENUES		
Other	\$ 19,400	\$ 20,270
Total Revenues	19,400	20,270
Fund Balance, January 1	209,697	189,427
FUND BALANCE, DECEMBER 31	\$ 229,097	\$ 209,697

EXHIBIT G-7

NON-EXPENDABLE TRUST FUND
 MOA TRUST FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, OTHER
 FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE
 For the Years Ended December 31, 2001 and 2000

	2001	2000
REVENUES		
Investment Income (Loss)	\$ (3,070,360)	\$ 499,095
Restricted Contributions	1,373,605	
EXPENSES		
Operations	447,326	403,739
Excess (Deficiency) of Revenues over Expenses	(2,144,081)	95,356
OTHER FINANCING SOURCES (USES)		
Operating Transfers to Other Funds		(9,569,410)
Operating Transfers from Other Funds	3,074,166	20,000,000
Net Other Financing Sources	3,074,166	10,430,590
Excess Revenues and Other Financing Sources over Expenses and Other Financing Uses	930,085	10,525,946
Fund Balance, January 1	121,013,539	110,487,593
FUND BALANCE, DECEMBER 31	\$ 121,943,624	\$ 121,013,539

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT G-8

NON-EXPENDABLE TRUST FUNDS
MOA TRUST FUND
COMBINING STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2001 and 2000

	Cemetery Perpetual Maintenance	MOA Trust Fund	TOTAL	
			December 31 2001	December 31 2000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	\$	\$ (2,144,081)	\$ (2,144,081)	\$ 95,356
Other Income	19,400		19,400	20,270
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Investment Loss (Income)	(10,400)	3,070,360	3,059,960	(511,415)
Change in Assets and Liabilities Which Increase (Decrease) Cash				
Accounts Receivable	(100)		(100)	
Accounts Payable		(3,821)	(3,821)	(1,723)
Net Cash Provided (Used) by Operating Activities	8,900	922,458	931,358	(397,512)
CASH FLOWS NON-CAPITAL FINANCING ACTIVITIES				
Advances from Other Funds		3,074,166	3,074,166	20,000,000
Advances to Other Funds				(9,569,410)
Net Cash Provided by Non-Capital Financing Activities		3,074,166	3,074,166	10,430,590
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	10,400	4,271,661	4,282,061	519,607
Purchase of Investments		(6,898,799)	(6,898,799)	(10,734,181)
Net Cash Provided (Used) by Investing Activities	10,400	(2,627,138)	(2,616,738)	(10,214,574)
NET INCREASE IN CASH	19,300	1,369,486	1,388,786	(181,496)
Cash, January 1	209,697	25,846	235,543	417,039
CASH, DECEMBER 31	<u>\$ 228,997</u>	<u>\$ 1,395,332</u>	<u>\$ 1,624,329</u>	<u>\$ 235,543</u>

EXHIBIT G-9

NON-EXPENDABLE TRUST FUND
CEMETERY PERPETUAL MAINTENANCE
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2001 and 2000

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Other Income	\$ 19,400	\$ 20,270
Adjustment to Reconcile Operating Income to Net Cash Provided - Interest Income in Other Income	(10,400)	(12,320)
Change in Assets and Liabilities Which Increase (Decrease) Cash - Increase in Accounts Receivable	(100)	
Net Cash Provided by Operating Activities	8,900	7,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	10,400	12,320
NET INCREASE IN CASH	19,300	20,270
Cash, January 1	209,697	189,427
CASH, DECEMBER 31	<u>\$ 228,997</u>	<u>\$ 209,697</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT G-10

NON-EXPENDABLE TRUST FUND
MOA TRUST FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2001 and 2000

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (2,144,081)	\$ 95,356
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Investment Loss (Income)	3,070,360	(499,095)
Change in Assets and Liabilities which Increase (Reduce)		
Cash--Decrease in Accounts Payable	(3,821)	(1,723)
Net Cash Provided (Used) by Operating Activities	922,458	(405,462)
CASH FLOWS NON-CAPITAL FINANCING ACTIVITIES		
Advances from Other Funds	3,074,166	20,000,000
Advances to Other Funds		(9,569,410)
Net Cash Provided by Non-Capital Financing Activities	3,074,166	10,430,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	4,271,661	507,287
Purchase of Investments	(6,898,799)	(10,734,181)
Net Cash Used by Investing Activities	(2,627,138)	(10,226,894)
NET (DECREASE) INCREASE IN CASH	1,369,486	(201,766)
Cash, January 1	25,846	227,612
CASH, DECEMBER 31	\$ 1,395,332	\$ 25,846

EXHIBIT G-11

PENSION TRUST FUND
POLICE AND FIRE RETIREMENT SYSTEM
COMBINING STATEMENTS OF CHANGES IN PLAN NET ASSETS
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000

	Plan I	Plan II	Plan III	2001	2000
ADDITIONS:					
Employee Contributions	\$	\$	\$	\$	\$ 5,832
Investment Income:					
Interest	2,212,901	1,420,097	3,932,238	7,565,236	11,101,439
Dividends	1,090,416	695,971	1,925,597	3,711,984	7,917,842
Net Depreciation in Fair Value of Investments	(9,082,025)	(5,773,171)	(15,969,131)	(30,824,327)	(1,227,046)
	(5,778,708)	(3,657,103)	(10,111,296)	(19,547,107)	17,792,235
Less Investment Expense	385,999	250,541	694,570	1,331,110	1,276,555
Net Investment Income	(6,164,707)	(3,907,644)	(10,805,866)	(20,878,217)	16,515,680
Total Additions	(6,164,707)	(3,907,644)	(10,805,866)	(20,878,217)	16,521,512
DEDUCTIONS:					
Reversion to (from) Municipality of Anchorage					40,000,000
Attorney Fees Related to Settlement Agreement					4,385,000
Regular Benefit Payments	7,632,568	2,873,698	7,299,734	17,806,000	15,788,750
Benefit Enhancement Payments					57,955,850
Administrative Expenses	304,518	201,842	530,547	1,036,907	1,058,512
Total Deductions	7,937,086	3,075,540	7,830,281	18,842,907	119,188,112
Net Increase	(14,101,793)	(6,983,184)	(18,636,147)	(39,721,124)	(102,666,600)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:					
Balance, Beginning of Year	122,307,674	77,215,510	213,336,626	412,859,810	515,526,410
BALANCE, END OF YEAR	\$ 108,205,881	\$ 70,232,326	\$ 194,700,479	\$ 373,138,686	\$ 412,859,810

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT G-12
(Additional Information)

PENSION TRUST FUND
POLICE AND FIRE RETIREMENT SYSTEM PLAN I
SCHEDULE OF ADMINISTRATION EXPENSES COMPARED WITH AUTHORIZATIONS
For the Year Ended December 31, 2001

	Authorizations	Actual	Variance Favorable (Unfavorable)
Administration Expenses			
Personal Services	\$ 81,029	\$ 67,603	\$ 13,426
Supplies	2,030	919	1,111
Other Services and Charges Including \$2,062 of Depreciation	260,695	203,053	57,642
Charges from Other Departments	25,510	32,943	(7,433)
Total Administration Expenses	<u>\$ 369,264</u>	<u>\$ 304,518</u>	<u>\$ 64,746</u>

EXHIBIT G-13
(Additional Information)

PENSION TRUST FUND
POLICE AND FIRE RETIREMENT SYSTEM PLAN II
SCHEDULE OF ADMINISTRATION EXPENSES COMPARED WITH AUTHORIZATIONS
For the Year Ended December 31, 2001

	Authorizations	Actual	Variance Favorable (Unfavorable)
Administration Expenses			
Personal Services	\$ 52,594	\$ 43,879	\$ 8,715
Supplies	1,318	597	721
Other Services and Charges Including \$1,338 of Depreciation	169,210	135,983	33,227
Charges from Other Departments	16,558	21,383	(4,825)
Total Administration Expenses	<u>\$ 239,680</u>	<u>\$ 201,842</u>	<u>\$ 37,838</u>

EXHIBIT G-14
(Additional Information)

PENSION TRUST FUND
POLICE AND FIRE RETIREMENT SYSTEM PLAN III
SCHEDULE OF ADMINISTRATION EXPENSES COMPARED WITH AUTHORIZATIONS
For the Year Ended December 31, 2001

	Authorizations	Actual	Variance Favorable (Unfavorable)
Administration Expenses			
Personal Services	\$ 145,804	\$ 121,644	\$ 24,160
Supplies	3,653	1,654	1,999
Other Services and Charges Including \$3,710 of Depreciation	469,093	347,972	121,121
Charges from Other Departments	45,902	59,277	(13,375)
Total Administration Expenses	<u>\$ 664,452</u>	<u>\$ 530,547</u>	<u>\$ 133,905</u>

The notes to the financial statements are an integral part of these statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT G-15

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 For the Year Ended December 31, 2001

	Balance January 1	Additions	Deductions	Balance December 31
EMPLOYEE BENEFITS				
Assets:				
Equity in General Cash Pool	\$ 8,543,550	\$ 180,421,660	\$ 179,527,859	\$ 9,437,351
Accounts Receivable	9,974			9,974
Total Assets	<u>\$ 8,553,524</u>	<u>\$ 180,421,660</u>	<u>\$ 179,527,859</u>	<u>\$ 9,447,325</u>
Liabilities:				
Accounts Payable	\$ 8,614	\$ 24,346,939	\$ 24,266,870	\$ 88,683
Due to Employees	4,512,208	108,420,152	107,677,794	5,254,566
Due to Employees' Retirement System	1,188,824	18,464,611	18,393,661	1,259,774
Payroll Liabilities	2,843,878	53,607,007	53,606,583	2,844,302
Total Liabilities	<u>\$ 8,553,524</u>	<u>\$ 204,838,709</u>	<u>\$ 203,944,908</u>	<u>\$ 9,447,325</u>

The notes to the financial statements are an integral part of this statement.

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MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT H-1

COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS
BY SOURCE
December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
GENERAL FIXED ASSETS		
Land	\$ 168,362,727	\$ 165,384,847
Buildings	337,906,231	337,883,725
Improvements Other Than Buildings	48,342,590	48,337,750
Machinery and Equipment	86,640,749	71,010,496
Construction Work in Progress	343,491,039	278,144,698
TOTAL GENERAL FIXED ASSETS	<u>\$ 984,743,336</u>	<u>\$ 900,761,516</u>
INVESTMENTS IN GENERAL FIXED ASSETS BY SOURCE		
General Fund	\$ 228,956,216	\$ 216,760,227
Special Revenue Funds	68,505,958	68,478,576
Capital Projects Funds	687,281,162	615,522,713
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 984,743,336</u>	<u>\$ 900,761,516</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT H-2

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
December 31, 2001

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Total
GENERAL GOVERNMENT - Areawide					
Assembly	\$	\$	\$	\$ 295,269	\$ 295,269
Equal Rights Commission				10,462	10,462
Internal Audit				44,863	44,863
Office of the Mayor				31,237	31,237
Municipal Attorney				212,994	212,994
Municipal Manager				18,197	18,197
Operations Manager				82,875	82,875
Finance		22,506		610,554	633,060
Information Systems				280,181	280,181
Community Planning and Development	160,000	58,400		173,788	392,188
Property and Facility Management	5,698,453	38,000,738	128,760	566,548	44,394,499
Employee Relations				45,331	45,331
Police/Fire Retiree Medical				9,914	9,914
Purchasing				94,201	94,201
Total General Government	<u>5,858,453</u>	<u>38,081,644</u>	<u>128,760</u>	<u>2,476,414</u>	<u>46,545,271</u>
PUBLIC SAFETY					
Health and Human Services - Areawide		6,058,990		1,122,371	7,181,361
Fire:					
Areawide		207,604	41,269	2,681,568	2,930,441
Chugiak Service Area	518,849	14,165,762		1,373,888	16,058,499
Fire Service Area		162,311		15,565,636	15,727,947
Emergency Medical Service				970,763	970,763
Police:					
Areawide				1,311,038	1,311,038
Police Service Area	900,000	12,807,786	1,254,425	11,396,135	26,358,346
Investigations Fund				529,166	529,166
Building Safety Service Area				347,179	347,179
Total Public Safety	<u>1,418,849</u>	<u>33,402,453</u>	<u>1,295,694</u>	<u>35,297,744</u>	<u>71,414,740</u>
PUBLIC SERVICES					
Cultural and Recreational Services:					
Administration - Areawide		1,372,264	68,298	30,626	1,471,188
Museum - Areawide		26,589,656	36,775	12,042,682	38,669,113
Library - Areawide	1,657,300	57,052,249	1,136,248	3,336,334	63,182,131
Parks and Recreation Service Area	70,894,159	159,491,940	39,448,317	5,002,690	274,837,106
Chugiak/Eagle River Recreation					
Facilities Service Area	4,107,783	879,665	1,119,800	247,846	6,355,094
Transit - Areawide		13,267,287		22,281,631	35,548,918
Public Works:					
Areawide	1,358,168		862,614	1,606,606	3,827,388
Eagle River Rural Roads Service Area				23,094	23,094
Roads and Drainage Service Area	23,408,933	2,206,868	3,051,647	1,615,101	30,282,549
Total Public Services	<u>101,426,343</u>	<u>260,859,929</u>	<u>45,723,699</u>	<u>46,186,610</u>	<u>454,196,581</u>
OTHER - MULTIFUNCTION AND ACTIVITY					
Classified:					
Girdwood Service Area	4,376,502	23,214	57,317	427,762	4,884,795
Heritage Land Bank Fund	52,216,537	2,069,655	1,494	519,954	54,807,640
State Grants Fund	1,293,994	1,929,123	964,882	1,396,750	5,584,749
Federal Grants Fund	1,772,049	1,540,213	161,826	294,840	3,768,928
Miscellaneous Operational Grants Fund			8,918	40,675	49,593
Total Classified	<u>59,659,082</u>	<u>5,562,205</u>	<u>1,194,437</u>	<u>2,679,981</u>	<u>69,095,705</u>
Unclassified Construction Work in Progress:					
Capital Projects Funds					343,491,039
TOTAL GENERAL FIXED ASSETS	<u>\$ 168,362,727</u>	<u>\$ 337,906,231</u>	<u>\$ 48,342,590</u>	<u>\$ 86,640,749</u>	<u>\$ 984,743,336</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT H-3

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2001

Function and Activity	General Fixed Assets January 1	Additions	Deletions	General Fixed Assets December 31
GENERAL GOVERNMENT - Areawide				
Assembly	\$ 138,881	\$ 164,677	\$ 8,289	\$ 295,269
Equal Rights Commission	10,462			10,462
Internal Audit	35,109	14,965	5,211	44,863
Mayor	25,499	5,738		31,237
Municipal Attorney	223,314		10,320	212,994
Municipal Manager	18,197			18,197
Operations Manager	82,875			82,875
Finance	571,312	72,539	10,791	633,060
Management Information Systems	304,529		24,348	280,181
Community Planning and Development	386,628	12,316	6,756	392,188
Property and Facility Management	177,568,824	13,300	133,187,625	44,394,499
Employee Relations	47,554		2,223	45,331
Police/ Fire Retiree Medical	9,914			9,914
Purchasing	97,609	8,135	11,543	94,201
Total General Government	<u>179,520,707</u>	<u>291,670</u>	<u>133,267,106</u>	<u>46,545,271</u>
PUBLIC SAFETY				
Health and Human Services - Areawide	7,188,645		7,284	7,181,361
Fire:				
Areawide	497,767	2,210,456	26,655	2,681,568
Chugiak Service Area	2,056,647	59,174	493,060	1,622,761
Fire Service Area	19,198,570	11,486,541	434,864	30,250,247
Emergency Medical Service - Areawide	959,673	227,554	54,153	1,133,074
Police:				
Areawide	1,311,038			1,311,038
Police Service Area	24,509,285	1,854,029	4,968	26,358,346
Investigations Fund	529,166			529,166
Building Safety Service Area	347,179			347,179
Total Public Safety	<u>56,597,970</u>	<u>15,837,754</u>	<u>1,020,984</u>	<u>71,414,740</u>
PUBLIC SERVICES				
Cultural and Recreational Services:				
Administration - Areawide	1,472,425	8,688	9,925	1,471,188
Museum - Areawide	38,258,258	428,744	17,889	38,669,113
Library - Areawide	63,225,896	7,955	51,720	63,182,131
Parks and Recreation Service Area	141,625,764	133,462,813	251,471	274,837,106
Chugiak/Eagle River Recreation				
Facilities Service Area	6,303,864	51,230		6,355,094
Transit - Areawide	34,917,364	680,133	48,579	35,548,918
Public Works:				
Areawide	2,472,331	1,397,362	42,305	3,827,388
Eagle River Rural Roads Service Area	23,094			23,094
Roads and Drainage Service Area	30,265,307	17,242		30,282,549
Total Public Services	<u>318,564,303</u>	<u>136,054,167</u>	<u>421,889</u>	<u>454,196,581</u>
OTHER - MULTIFUNCTION AND ACTIVITY				
Classified:				
Girdwood Service Area	4,857,084	27,711		4,884,795
Heritage Land Bank Fund	53,667,928	1,139,712		54,807,640
State Grants Fund	5,588,905		4,156	5,584,749
Federal Grants Fund	3,770,328		1,400	3,768,928
Miscellaneous Operational Grants Fund	49,593			49,593
Total Classified	<u>67,933,838</u>	<u>1,167,423</u>	<u>5,556</u>	<u>69,095,705</u>
Unclassified Construction Work in Progress:				
Capital Projects Funds	278,144,698	86,085,048	20,738,707	343,491,039
TOTAL GENERAL FIXED ASSETS	<u>\$ 900,761,516</u>	<u>\$ 239,436,062</u>	<u>\$ 155,454,242</u>	<u>\$ 984,743,336</u>

The notes to the financial statements are an integral part of this statement.

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MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT I-1

COMPARATIVE SCHEDULES OF GENERAL LONG-TERM OBLIGATIONS
December 31, 2001 and 2000

AMOUNTS TO BE PROVIDED AND AVAILABLE
FOR PAYMENT OF GENERAL LONG-TERM OBLIGATIONS

	<u>2001</u>	<u>2000</u>
Amount Available in Debt Service Fund:		
Special Assessment Districts	\$ 1,204,233	\$ 1,223,141
Retirement Certificates of Participation	29,590,190	30,996,958
Police/Fire Retiree Medical	14,375,164	14,724,562
Jail Revenue Bond Debt Service Fund	(13,347)	3,319,279
Total Available	<u>45,156,240</u>	<u>50,263,940</u>
Amount to be Provided:		
Compensated Absences	6,904,440	1,547,343
General Obligation Bonds	281,505,000	300,635,000
General Revenue Bonds	60,453,347	57,120,721
Special Assessment Debt with Government Commitment	50,596	297,361
Retirement Certificates of Participation	(14,275,190)	(13,011,958)
Long-Term Contracts	630,154	736,275
Police/Fire Retiree Medical	124,103,976	124,604,870
Total to be Provided	<u>459,372,323</u>	<u>471,929,612</u>
TOTAL TO BE PROVIDED AND AVAILABLE	<u>\$ 504,528,563</u>	<u>\$ 522,193,552</u>

GENERAL LONG-TERM OBLIGATIONS PAYABLE

Compensated Absences Payable	\$ 6,904,440	\$ 1,547,343
Long-Term Contracts	630,154	736,275
General Obligation Bonds Payable, Serviced by General Fund (1)	281,505,000	300,635,000
General Revenue Bonds Payable	60,440,000	60,440,000
Special Assessment Debt with Government Commitment	1,254,829	1,520,502
Retirement Certificates of Participation	15,315,000	17,985,000
Police/Fire Retiree Medical	138,479,140	139,329,432
TOTAL GENERAL LONG-TERM OBLIGATIONS PAYABLE	<u>\$ 504,528,563</u>	<u>\$ 522,193,552</u>

(1) Additional Debt not recorded in this statement of long-term obligations at December 31, 2001 follows:
 \$27,970,000 in G.O. Bonds are recorded in the Wastewater Utility Fund.
 \$11,370,000 in G.O. Bonds are recorded in the Solid Waste Fund.

The notes to the financial statements are an integral part of this statement.

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MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT J-1
(Additional Information)

CENTRAL TREASURY
SCHEDULE OF ASSETS, LIABILITIES AND EQUITIES
December 31, 2001

ASSETS

Cash:		
First National Bank Alaska	\$	3,858,668
Wells Fargo		227,106
Petty Cash and Change Funds		31,841
Union Bank of California		100,000
Total Cash		<u>4,217,615</u>
Investments:		
General Cash Pool		326,951,524
Construction Investment Pool		34,945,397
Total Investments		<u>361,896,921</u>
Interest Receivable:		
General Cash Pool		1,477,254
Construction Investment Pool		
Total Interest Receivable		<u>1,477,254</u>
TOTAL ASSETS	\$	<u>367,591,790</u>

LIABILITIES AND EQUITIES

Liabilities:		
School District Investments Payable	\$	127,353,732
Equities:		
General Cash Pool		206,439,730
Construction Investment Pool		33,798,328
Total Equities		<u>240,238,058</u>
TOTAL LIABILITIES AND EQUITIES	\$	<u>367,591,790</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT J-2
(Additional Information)CENTRAL TREASURY
EQUITIES DETAIL
December 31, 2001

EQUITIES IN GENERAL CASH POOL

General Fund:		
Areawide Service Area	\$	46,187,442
Former City Service Area		21,495
Chugiak Fire Service Area		1,338,202
Glen Alps Service Area		154,741
Girdwood Valley Service Area		135,910
Former Borough Roads and Drainage Service Area		84,265
Fire Service Area		4,225,503
Roads and Drainage Service Area		7,315,382
Limited Road Service Areas		2,951,943
Limited Street Lighting Service Area		126,368
Anchorage Metropolitan Police Service Area		5,958,924
Parks and Recreation Service Area		2,836,224
Eagle River-Chugiak Park and Recreational Service Area		1,119,602
Building Safety Service Area		4,112,107
Police and Fire Retiree Medical Defined Contribution Support		13,944
Total General Fund	\$	76,582,052
Heritage Land Bank Fund		1,927,663
Police Investigations Fund		541,087
State Grants Funds		1,604,258
Federal Grants Funds		1,961,422
Miscellaneous Operational Grants Fund		348,507
Special Assessment Bond Guaranty Reserve Fund		489,010
Special Assessment Bond Redemption Fund		295,813
Retirement Certificate of Participation Fund		10,857,985
Electric Utility Fund		29,178,654
Electric Utility Fund Reserved for Customer Deposits		922,762
Water Utility Fund		10,108,519
Water Utility Fund Reserved for Customer Deposits		613,047
Wastewater Utility Fund		9,627,320
Wastewater Utility Fund Reserved for Customer Deposits		613,804
Refuse Fund		5,778,257
Solid Waste Fund		18,046,174
Port Fund		4,023,360
Municipal Airport Fund		225,272
Risk Management Fund		2,836,796
Equipment Maintenance Fund		15,871,850
Management Information Systems Fund		2,729,249
Police/Fire Retirement Medical Trust		663
Police/Fire Retirement Trust		194,526
Cemetery Perpetual Maintenance Trust Fund		228,997
Municipality of Anchorage Trust Fund		1,395,332
Employee Benefit Fund		9,437,351
Total Equities in the General Cash Pool		206,439,730
EQUITIES IN CONSTRUCTION INVESTMENT POOL		
Areawide Capital Projects Fund		141,441
Public Safety Capital Projects Fund		3,016,840
Roads and Drainage Capital Projects Funds		442,596
Parks and Recreation Capital Projects Fund		9,263,131
Historic Preservation Capital Projects Fund		52,241
Heritage Land Bank Capital Projects Fund		496,946
Water Utility Fund		157,700
Wastewater Utility Fund		(4,182,726)
Refuse Utility Fund		414,486
Solid Waste Fund		3,674,152
Port Fund		20,321,521
Total Equities in Construction Investment Pool		33,798,328
TOTAL EQUITIES	\$	240,238,058

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT J-3
(Additional Information)

COMBINED SCHEDULE OF INVESTMENTS BY FUND
December 31, 2001

	Date Acquired		Interest Rate	Maturity Date	Carrying Value
GENERAL CASH POOL					
General Government					
First National Bank of Anchorage Repurchase Agreement	December 2001		1.7900%	December 2002	\$ 29,847,994
U.S. Bank Corporate Trust Services Money Market Funds - US BANK TRUST N.A.	November 2001		1.4130%	January 2002	5,297,656
Union Bank of California NA					
Commercial Paper Discount - AMSTEL FUNDING	December 2001		1.8665%	February 2002	13,960,477
Commercial Paper Discount - Waterfront Funding	December 2001		1.9420%	April 2002	20,873,278
Commercial Paper Discount - Westways FDNG	December 2001		1.8602%	March 2002	20,022,757
Federal Agency Discount - Federal Farm Cred	October 2001		2.1699%	January 2002	14,992,964
Federal Agency Discount - Federal Home Loan Mortgage Co.	August 2001		3.3939%	January 2002	6,998,720
Federal Agency Discount - Federal Home Loan Mortgage Co.	August 2001		3.3781%	January 2002	6,989,176
Federal Agency Discount - Federal Home Loan Mortgage Co.	November 2001		1.9542%	April 2002	24,877,420
Federal Agency Discount - Federal Home Loan Mortgage Co.	August 2001		3.4856%	August 2002	245,660
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	August 2001		3.4029%	January 2002	6,980,771
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	August 2001		3.3597%	January 2002	17,951,175
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	August 2001		3.4074%	February 2002	6,971,779
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	August 2001		3.4380%	March 2002	6,942,887
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	November 2001		1.9871%	April 2002	13,913,572
Federal Agency Coupon Securities - Federal Home Loan Bank	June 2001		4.7909%	September 2004	96,805
Federal Agency Coupon Securities - Federal Home Loan Bank	December 2001		4.8149%	September 2004	2,118
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	August 2001		4.4046%	March 2003	1,104,363
Total General Government					<u>\$ 201,056,679</u>
School District					
Union Bank of California NA					
Federal Agency Discount - Federal Home Loan Bank	June 2001		3.5189%	January 2002	\$ 1,199,580
Federal Agency Discount - Federal Home Loan Bank	September 2001		2.2359%	January 2002	2,008,191
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	September 2001		2.2591%	February 2002	533,039
Federal Agency Discount - Federal Home Loan Mortgage Co.	June 2001		3.6282%	February 2002	1,397,060
Federal Agency Coupon Securities - Federal Home Loan Bank	October 2001		2.2947%	February 2002	9,815,448
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	June 2001		3.8684%	June 2002	1,487,850
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	August 2001		3.3970%	February 2002	1,996,400
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	June 2001		3.7531%	January 2002	5,010,150
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	August 2001		3.3697%	January 2002	1,990,810
Federal Agency Discount - Federal Farm Credit Bank	August 2001		3.3320%	January 2002	1,998,780
Federal Agency Discount - Federal Home Loan Mortgage Co.	June 2001		3.6427%	March 2002	2,490,100
Federal Agency Discount - Federal Home Loan Mortgage Co.	June 2001		3.6897%	April 2002	3,481,275
Federal Agency Coupon Securities - Federal Home Loan Bank	June 2001		3.6787%	May 2002	3,572,730
Federal Agency Coupon Securities - Federal Home Loan Bank	October 2000		6.5005%	January 2002	6,011,220
Federal Agency Discount - Federal Home Loan Mortgage Co.	September 2001		2.3513%	March 2002	2,015,880
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	October 2000		6.4115%	April 2002	6,087,180
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	October 2001		2.2660%	April 2002	6,452,098
Federal Agency Coupon Securities - Federal Home Loan Bank	October 2000		6.4204%	July 2002	8,194,960
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	October 2000		6.3856%	October 2002	25,734,250
Federal Agency Discount - Federal Home Loan Mortgage Co.	June 2001		3.6438%	March 2002	11,952,120
Federal Agency Discount - Federal Home Loan Mortgage Co.	June 2001		3.7259%	June 2002	11,996,061
Treasury Coupon Securities - U.S. Treasury	June 2001		3.7392%	September 2002	10,293,700
Total US Government and Agency Securities					125,718,882
U.S. Bank Corporate Trust Services Collateralized Deposit	September 2001			December 2002	175,963
Total School District					125,894,845
Total General Cash Pool					<u>\$ 326,951,524</u>
School District (as of 6-30-01 Audited Financial Statements)					
First National Bank of Anchorage Repurchase Agreement	June 2001			June 2002	\$ 7,003,614
CONSTRUCTION INVESTMENT POOL					
Union Bank of California NA					
Federal Agency Discount - Federal Home Loan Bank	October 2001		2.2824%	January 2002	3,997,534
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	October 2001		2.1719%	January 2002	9,986,508
Federal Agency Discount - Federal Nat'l Mtg. Assoc.	November 2001		1.9633%	April 2002	10,932,898
Federal Agency Discount - FARMER MAC DISC	December 2001		1.7325%	May 2002	10,028,457
Total Construction Cash Pool					<u>\$ 34,945,397</u>
HERITAGE LAND BANK SPECIAL REVENUE FUND PERFORMANCE DEPOSITS					
Union Bank of California NA					
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	March 2001		4.7903%	March 2003	\$ 999,542

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT J-3
(Additional Information)

COMBINED SCHEDULE OF INVESTMENTS BY FUND - CONTINUED
December 31, 2001

	Date Acquired		Interest Rate	Maturity Date		Carrying Value
CORRECTIONAL FACILITY CONSTRUCTION						
Union Bank of California NA						
Federal Agency Discount - FARMER MAC DISC	December 2001		1.7325%	May 2002		\$ 3,971,666
ELECTRIC UTILITY FUND						
Union Bank of California NA						
Medium Term Notes - Merrill Lynch	February 2001		5.4300%	February 2003		\$ 4,502,831
Medium Term Notes - Merrill Lynch	February 2001		5.4300%	February 2003		1,256,604
U.S. Bank Corporate Trust Services						
Federal Agency Coupon Securities - Federal Home Loan Bank	June 2001		4.7909%	September 2004		42,600
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	April 2001		4.4702%	March 2003		2,765,599
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	April 2001		4.4702%	March 2003		8,535,141
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	May 2001		4.6501%	May 2003		2,816,871
Federal Agency Discount - Federal Home Loan Mortgage Co.	August 2001		3.4856%	August 2002		7,906,212
Money Market Funds - US BANK TRUST N.A.	November 2001		1.4130%	January 2002		6,228,846
Money Market Funds - US BANK TRUST N.A.	November 2001		1.4130%	January 2002		448,778
Money Market Funds - US BANK TRUST N.A.	November 2001		1.4130%	January 2002		3,035,517
Total Electric Utility Fund						\$ 37,538,999
WATER AND WASTEWATER SPECIAL ASSESSMENT BOND GUARANTY IN WATER UTILITY FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	May 2001		4.6501%	May 2003		\$ 103,532
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	August 2001		4.1417%	November 2003		67,563
Total Water and Wastewater Special Assessment Bond Guaranty in Water Utility Fund						\$ 171,095
WATER UTILITY FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	April 2001		4.4702%	March 2003		\$ 4,113,032
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	April 1998		5.9800%	May 2002		2,004,004
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	April 2001		4.4702%	March 2003		4,213,350
Total Water Utility Fund						\$ 10,330,386
WASTEWATER FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	April 2001		4.4702%	March 2003		\$ 130,413
REFUSE UTILITY FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	February 2001		5.5301%	February 2004		\$ 349,461
SOLID WASTE FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Nat'l Mtg. Assoc.	February 2001		5.5301%	February 2004		\$ 369,430
PORT OF ANCHORAGE FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	April 2001		4.4702%	March 2003		\$ 1,000,000
GENERAL GOVERNMENT SPECIAL ASSESSMENT BOND GUARANTY DEBT SERVICE FUND						
Union Bank of California NA						
Federal Agency Coupon Securities - Federal Home Loan Mortgage Co.	August 2001		4.1441%	November 2003		\$ 363,799
HISTORIC PROPERTIES						
UBS PaineWebber Inc.						
Money Market Funds	Various		Various	Various		\$ 327,927
US Government and Agency Securities	Various		Various	Various		584,745
Total Historic Properties						\$ 912,672
ALASKA CENTER FOR THE PERFORMING ARTS						
First National Bank of Anchorage						
Repurchase Agreement	December 2001			December 2002		\$ 969,146
Northrim Bank						
Money Market Funds	Various		Various	Various		342,298
Total Alaska Center for the Performing Arts						\$ 1,311,444
RETIREMENT CERTIFICATES OF PARTICIPATION DEBT SERVICE FUND						
Great-West Life Assurance Company						
Non-Participating Annuity Contract	February 1986		Variable	February 2006		\$ 15,106,000
First Trust Washington Money Market	February 1986		6.5000	February 2006		3,621,512
Total Retirement Certificates of Participation Debt Service Fund						\$ 18,727,512

(Continued)

MUNICIPALITY OF ANCHORAGE, ALASKA

EXHIBIT J-3
(Additional Information)

COMBINED SCHEDULE OF INVESTMENTS BY FUND - CONTINUED
December 31, 2001

	Date Acquired	Interest Rate	Maturity Date	Carrying Value
POLICE/FIRE RETIREE MEDICAL LIABILITY FUND				
Columbia Fixed Income Securities Fund	February 1996	Various	Various	\$ 4,425,690
Columbia Special Fund	February 1996	Various	Various	1,964,339
Columbia Common Stock Fund	February 1996	Various	Various	5,268,499
Vanguard/Wellington Fund	March 1997	Various	Various	4,650,631
Total Police/Fire Retiree Medical Liability Fund				<u>\$ 16,309,159</u>
POLICE/FIRE RETIREE MEDICAL TRUST FUND				
Fixed Income Securities	Various	Various	Various	\$ 1,428,787
Equity Securities	Various	Various	Various	1,936,194
Money Market Fund	Various	Various	Various	832,318
Total Police/Fire Retiree Medical Trust Fund				<u>\$ 4,197,299</u>
POLICE/FIRE RETIREMENT SYSTEM TRUST FUND				
Mellon Trust				
Cash Equivalent				
Short-term Collective Investment Funds	Various	Various	Various	\$ 12,353,345
Accrued income Receivable	Various	Various	Various	1,517,940
Total Cash Equivalents				<u>13,871,285</u>
Equity				
Common and Preferred Stocks	Various	Various	Various	120,440,776
Mutual Funds	Various	Various	Various	62,781,314
Commingled Equity Funds	Various	Various	Various	39,826,732
Total Equity				<u>223,048,822</u>
Real Estate				
Commingled Real Estate Funds	Various	Various	Various	<u>9,136,348</u>
Fixed Income				
U.S. Government and Agency Securities	Various	Various	Various	14,773,368
Corporate Bonds and Debentures	Various	Various	Various	52,775,148
Mortgage loans and leasehold interest	Various	Various	Various	59,404,885
Total Fixed Income				<u>126,953,401</u>
Total Police/Fire Retirement System Trust Fund				<u>\$ 373,009,856</u>
MUNICIPALITY OF ANCHORAGE TRUST FUND				
Blackrock				
Core Bond	Various	Various	Various	\$ 58,787,922
McKinley Capital Management				
Large Cap Growth	Various	Various	Various	15,591,156
Stanford C. Bernstein and Co.				
Large Cap Value	Various	Various	Various	23,422,559
Vanguard				
S & P 500 Index Fund	Various	Various	Various	18,087,722
Capital Research & Management				
International Equity Fund	Various	Various	Various	12,124,118
Managers Fund				
Small Cap Value	Various	Various	Various	6,618,120
Total Municipality of Anchorage Trust Fund				<u>\$ 134,631,597</u>
TOTAL ALL FUNDS				<u>\$ 973,224,865</u>

The notes to the financial statements are an integral part of this statement.

MUNICIPALITY OF ANCHORAGE, ALASKA
 COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
 December 31, 2001

EXHIBIT J-4
 (Additional Information)

	Effective Interest Rate	Issue and Maturity Dates	Authorized		Issued	Retired		Outstanding	
			Year	Amount		Year	Total		
GENERAL OBLIGATION BONDS									
GENERAL GOVERNMENT AREAWIDE									
Emergency Medical Services	5.24	9-97	2017	1997	425,000	125,000	5,000	20,000	105,000
Emergency Medical Services	5.30	9-00	2020	1999	660,000	660,000	35,000	35,000	625,000
Emergency Medical Services	5.30	9-00	2020	2000	670,000	670,000			670,000
Water Quality Refunding	5.95	12-92	2008	1992	7,180,000	7,180,000	735,000	3,470,000	3,710,000
Water Quality Refunding	5.86	2-93	2006	1993	4,400,000	4,400,000	385,000	885,000	3,515,000
Port Refunding	5.94	12-92	2008	1992	585,000	585,000	60,000	280,000	305,000
Port Refunding	5.30	6-93	2010	1993	775,000	775,000	60,000	125,000	650,000
Transit Refunding	5.45	3-95	2005	1995	700,000	700,000	25,000	590,000	110,000
Transit	4.88	4-99	2019	1998	900,000	900,000	30,000	60,000	840,000
Transit Refunding	4.76	4-99	2015	1999	480,000	480,000			480,000
Office of Emer.Mgt.	5.24	9-97	2017	1996	500,000	500,000	15,000	60,000	440,000
Senior Center	5.32	9-00	2020	2000	200,000	200,000	5,000	5,000	195,000
Cemetary	5.31	9-00	2020	1999	600,000	600,000	35,000	35,000	565,000
Cemetary	5.31	9-00	2020	2000	700,000	700,000			700,000
AW Communications	5.31	9-00	2020	1999	2,345,000	2,345,000	110,000	110,000	2,235,000
AW Communications	5.31	9-00	2020	2000	1,575,000	1,575,000			1,575,000
Total Areawide					22,695,000	22,395,000	1,500,000	5,675,000	16,720,000
FIRE SERVICE AREA									
Anchorage Fire Service Area									
Refunding	5.62	2-93	2003	1993	240,000	240,000	50,000	120,000	120,000
Refunding	4.60	6-93	2001	1993	290,000	290,000	30,000	290,000	
Refunding	5.09	11-95	2007	1995	1,395,000	1,395,000			1,395,000
Protection	5.24	9-97	2017	1996	730,000	730,000	25,000	95,000	635,000
Protection	5.24	9-97	2017	1997	1,460,000	1,460,000	50,000	190,000	1,270,000
Protection	4.96	4-99	2019	1998	4,820,000	4,820,000	165,000	325,000	4,495,000
Protection	5.30	9-00	2020	1999	2,708,550	2,708,550	345,000	345,000	2,363,550
Protection	5.30	9-00	2020	1999	6,831,450	6,831,450			6,831,450
Protection	5.30	9-00	2020	2000	688,500	688,500			688,500
Protection	5.30	9-00	2020	2000	1,681,500	1,681,500			1,681,500
Total Anchorage Fire Service Area					20,845,000	20,845,000	665,000	1,365,000	19,480,000
Girdwood Fire Service Area									
Protection	5.24	9-97	2017	1997	370,000	315,000	10,000	40,000	275,000
Total Fire Service Area					21,215,000	21,160,000	675,000	1,405,000	19,755,000
POLICE SERVICE AREA									
Protection	4.94	2-94	2009	1990	405,000	180,000	10,000	70,000	110,000
Protection Refunding	5.95	7-95	2005	1995	2,750,000	2,750,000	30,000	2,670,000	80,000
Refunding	5.46	11-95	2012	1995	960,000	960,000			960,000
Refunding	4.77	4-99	2015	1999	325,000	325,000			325,000
Protection	5.28	9-00	2020	2000	750,000	750,000	75,000	75,000	675,000
Total Police Service Area					5,190,000	4,965,000	115,000	2,815,000	2,150,000
PARKS AND RECREATION									
Anchorage Parks & Recreation Service Area									
Parks and Recreation	5.82	6-92	2002	1991	5,000,000	5,000,000	660,000	4,340,000	660,000
Refunding	5.95	7-95	2005	1995	6,110,000	6,110,000	225,000	5,070,000	1,040,000
Parks and Recreation	4.87	4-99	2019	1997	5,075,000	5,075,000	165,000	320,000	4,755,000
Refunding	4.73	4-99	2015	1999	4,035,000	4,035,000	20,000	40,000	3,995,000
Parks and Recreation	5.31	9-00	2020	1999	5,572,250	5,572,250	85,000	85,000	5,487,250
Parks and Recreation	5.31	9-00	2020	1999	422,750	422,750			422,750
Parks and Recreation	5.31	9-00	2020	2000	6,515,000	6,515,000			6,515,000
Total Anchorage Parks & Recreation Service Area					32,730,000	32,730,000	1,155,000	9,855,000	22,875,000
Eagle River-Chugiak Parks & Recreation Service Area									
Park Facilities	5.05	7-95	2005	1995	400,000	400,000	40,000	215,000	185,000
Park Facilities	5.31	9-00	2020	1999	1,940,000	1,940,000	100,000	100,000	1,840,000
Park Facilities	5.31	9-00	2020	2000	1,525,000	1,525,000			1,525,000
Total Eagle River-Chugiak Parks & Recreation Service Area					3,865,000	3,865,000	140,000	315,000	3,550,000
Total All Parks & Recreation					36,595,000	36,595,000	1,295,000	10,170,000	26,425,000
Total Fire, Police, Parks & Recreation					63,000,000	62,720,000	2,085,000	14,390,000	48,330,000
ROADS AND DRAINAGE									
Former City Service Area									
Refunding	4.99	6-93	2007	1993	1,075,000	1,075,000	115,000	635,000	440,000
ARDSA : (Anchorage Roads & Drainage Service Area)									
Roads & Drainage	7.04	8-91	2001	1990	11,020,000	11,020,000	455,000	11,020,000	
Refunding	6.69	7-91	2001	1991	13,675,000	13,675,000	1,080,000	13,675,000	
Roads & Drainage	6.17	6-92	2002	1991	15,000,000	15,000,000	545,000	13,965,000	1,035,000
Refunding	5.97	12-92	2008	1992	21,500,000	21,500,000	2,210,000	9,620,000	11,880,000
Refunding	5.71	2-93	2006	1993	2,265,000	2,265,000	370,000	875,000	1,390,000
Refunding	5.08	6-93	2010	1993	48,800,000	48,800,000	4,885,000	24,230,000	24,570,000
Roads & Drainage	5.21	2-94	2014	1993	15,000,000	15,000,000	605,000	3,745,000	11,255,000
Roads & Drainage SA	4.94	2-94	2009	1993	3,000,000	3,000,000	185,000	1,145,000	1,855,000
Refunding	5.17	2-94	2012	1994	11,305,000	11,305,000	90,000	2,580,000	8,725,000
Refunding	5.45	3-95	2005	1995	12,000,000	12,000,000	410,000	10,045,000	1,955,000
Refunding	5.27	11-95	2012	1995	16,910,000	16,910,000	100,000	2,305,000	14,605,000
Refunding	5.20	5-96	2016	1996	18,000,000	16,500,000	650,000	13,085,000	3,415,000
Roads & Drainage	5.24	9-97	2017	1995		500,000	15,000	60,000	440,000
Roads & Drainage	5.24	9-97	2017	1996	14,980,000	14,980,000	505,000	1,855,000	13,125,000

MUNICIPALITY OF ANCHORAGE, ALASKA
 COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
 December 31, 2001

EXHIBIT J-4
 (Additional Information)

	Effective Interest Rate	Issue and Maturity Dates	Year	Authorized		Retired		Outstanding	
				Year	Amount	Year	Total		
Roads & Drainage	4.88	4-99	2019	1998	27,795,000	48,115,000	1,545,000	3,025,000	45,090,000
Roads & Drainage	4.88	4-99	2019	1997	19,320,000				
Roads & Drainage	4.88	4-99	2019	1995	1,000,000				
Refunding	4.78	4-99	2016	1999	19,815,000	19,815,000	95,000	185,000	19,630,000
Roads & Drainage	5.30	9-00	2020	1999	26,160,000	26,160,000	1,685,000	1,685,000	24,475,000
Roads & Drainage	5.30	9-00	2020	1999	3,800,000	3,800,000			3,800,000
Roads & Drainage	5.30	9-00	2020	2000	28,770,000	28,770,000			28,770,000
Total Anchorage Roads and Drainage Service Area					330,115,000	329,115,000	15,430,000	113,100,000	216,015,000
Total Roads and Drainage					331,190,000	330,190,000	15,545,000	113,735,000	216,455,000
TOTAL GENERAL GOVERNMENT GENERAL OBLIGATION BONDS					416,885,000	415,305,000	19,130,000	133,800,000	281,505,000
ENTERPRISE FUNDS WITH GENERAL GOVERNMENT DEBT:									
WASTEWATER UTILITY									
SERVICE AREA 40									
Refunding	7.21	7-90	2006	1990	10,580,000	10,580,000	150,000	3,335,000	7,245,000
Refunding	7.15	7-91	2001	1991	3,065,000	3,065,000	1,140,000	3,065,000	
Refunding	5.97	12-92	2006	1992	13,140,000	13,140,000	1,300,000	5,475,000	7,665,000
Refunding	4.98	6-93	2010	1993	19,245,000	19,245,000	2,175,000	11,835,000	7,410,000
Refunding	5.00	#####	2001	1993	2,525,000	2,525,000	565,000	2,525,000	
Refunding	4.95	11-95	2005	1995	6,775,000	6,775,000	65,000	1,125,000	5,650,000
Total Wastewater Utility					55,330,000	55,330,000	5,395,000	27,360,000	27,970,000
SOLID WASTE									
Refunding	6.92	7-91	2001	1991	3,170,000	3,170,000	355,000	3,170,000	
Refunding	5.70	2-93	2006	1993	19,230,000	19,230,000	1,580,000	9,630,000	9,600,000
Refunding	4.96	11-95	2005	1995	1,930,000	1,930,000	20,000	160,000	1,770,000
Total Solid Waste					24,330,000	24,330,000	1,965,000	12,960,000	11,370,000
TOTAL ENTERPRISE FUNDS GENERAL OBLIGATION BONDS					79,660,000	79,660,000	7,360,000	40,320,000	39,340,000
TOTAL PRIMARY GOVERNMENT GENERAL OBLIGATION BONDS					496,545,000	494,965,000	26,490,000	174,120,000	320,845,000
SCHOOL DISTRICT									
	7.26	9-90	2000			4,110,000	301,000	4,110,000	
	6.32	1-92	2002			1,500,000	65,000	1,435,598	64,402
	7.26	7-90	2000			8,985,000	659,000	8,985,000	
	6.32	1-92	2002			20,000,000	850,000	19,095,313	904,687
	6.32	1-92	2002			4,400,000	185,000	4,199,089	200,911
	6.27	8-92	2002	1992		19,450,000	785,000	17,725,000	1,725,000
	5.59	12-92	2001	1992	4,970,000	4,970,000	1,295,000	4,970,000	
	5.28	2-93	2001	1993	14,065,000	14,065,000	2,005,000	14,065,000	
	4.81	7-93	2005	1993	41,635,000	41,635,000	2,345,000	25,360,000	16,275,000
	5.45	12-93	2014	1993	19,300,000	19,300,000	11,810,000	15,795,000	3,505,000
	5.83	6-94	2014	1994	174,965,000	63,000,000	13,940,000	42,670,000	20,330,000
	5.41	11-95	2015	1995	58,655,000	58,655,000	9,390,000	16,170,000	42,485,000
	5.38	11-95	2012	1995	31,110,000	31,110,000	4,990,000	5,295,000	25,815,000
	5.41	8-96	2016	1996	53,310,000	53,310,000	15,250,000	18,225,000	35,085,000
	5.41	8-96	2016	1996	21,010,000	10,690,000	3,060,000	3,655,000	7,035,000
	5.41	8-96	2016	1996	9,000,000	1,000,000	285,000	340,000	660,000
	5.21	12-97	2017	1997	18,320,000	18,320,000	625,000	1,780,000	16,540,000
	5.21	12-97	2017	1997	25,530,000	25,530,000	870,000	2,480,000	23,050,000
	4.65	10-98	2014	1998	20,735,000	20,735,000	120,000	200,000	20,535,000
	4.79	Feb-99	2018	1999	55,900,000	55,900,000	1,850,000	3,260,000	52,640,000
	5.39	Aug-00	2020	2000	35,000,000	35,000,000			35,000,000
	5.46	Oct-00	2020	2000	77,900,000	77,900,000			77,900,000
	4.67	Jun-01	2013	2001	51,805,000	51,805,000			51,805,000
	5.02	Jun-01	2021	2001	65,000,000	65,000,000			65,000,000
TOTAL SCHOOL DISTRICT GENERAL OBLIGATION BONDS					778,210,000	706,370,000	70,680,000	209,815,000	496,555,000
TOTAL REPORTING ENTITY GENERAL OBLIGATION BONDS					1,274,755,000	1,201,335,000	97,170,000	383,935,000	817,400,000
REVENUE BONDS									
GENERAL GOVERNMENT - LEASE REVENUE									
Correctional Facility	5.67	4-00	2020	2000	60,440,000	60,440,000	60,440,000		60,440,000
ENTERPRISE FUNDS									
ELECTRIC UTILITY									
Senior Lien Refunding	6.37	1-93	2013	1993	67,715,000	67,715,000	2,625,000	19,225,000	48,490,000
Subordinate Lien Revenue	6.00	10-94	2001	1994	500,000	500,000	500,000	500,000	
Subordinate Lien Revenue	6.25	10-94	2004	1994	500,000	500,000		15,000	485,000
Senior Lien Refunding	5.77	1-96	2015	1995	48,855,000	48,855,000	300,000	1,780,000	47,075,000
Senior Lien Revenue	5.62	8-96	2026	1996	42,530,000	42,530,000	750,000	3,090,000	39,440,000
Senior Lien Revenue	5.35	12-96	2026	1996	78,245,000	78,245,000	1,035,000	4,780,000	73,465,000
Junior Lien Revenue	vari	12-96	2026	1996	30,000,000	30,000,000	470,000	2,220,000	27,780,000
Senior Lien Revenue Refunding	4.29	5-99	2006	1999	42,785,000	42,785,000	5,610,000	10,995,000	31,790,000
Total Electric Utility					311,130,000	311,130,000	11,290,000	42,605,000	268,525,000
WATER UTILITY									
Senior Lien Refund	4.79	9-93	2006	1993	15,585,000	15,585,000	1,245,000	8,455,000	7,130,000
Senior Lien	5.21	9-93	2013	1993	3,000,000	3,000,000	125,000	950,000	2,050,000
Senior Lien Refund	4.91	6-98	2014	1998	25,070,000	25,070,000	1,165,000	3,730,000	21,340,000
Senior Lien	4.91	6-98	2014	1998	3,860,000	3,860,000	180,000	545,000	3,315,000
Senior Lien	6.12	10-99	2029	1999	15,455,000	15,455,000	230,000	610,000	14,845,000
Senior Lien Refund	6.00	10-99	2023	1999	53,060,000	53,060,000	1,115,000	2,540,000	50,520,000
Total Water Utility					116,030,000	116,030,000	4,060,000	16,830,000	99,200,000

MUNICIPALITY OF ANCHORAGE, ALASKA
 COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
 December 31, 2001

EXHIBIT J-4
 (Additional Information)

	Effective Interest Rate	Issue and Maturity Dates	Year	Authorized		Retired		Outstanding	
				Year	Amount	Current Year	Total		
WASTEWATER UTILITY									
Revenue Bonds	6.14	10-99	2029	1999	5,700,000	5,180,000	75,000	185,000	4,995,000
SOLID WASTE									
Refunding	5.48	9-95	2009	1995	3,465,000	3,465,000	230,000	1,080,000	2,385,000
REFUSE COLLECTION									
Refunding	4.99	9-95	2004	1995	2,310,000	2,310,000	290,000	1,355,000	955,000
PORT									
Refunding	5.21	11-95	2006	1995	10,400,000	10,400,000	990,000	4,480,000	5,920,000
TOTAL REPORTING ENTITY REVENUE BONDS					509,475,000	508,955,000	77,375,000	126,975,000	442,420,000
SPECIAL ASSESSMENT BONDS									
GENERAL GOVERNMENT									
CSA District 1 Roads	8.21	5-89	2008	1989	3,438,200	3,438,200	135,000	2,568,200	870,000
District 1P87 Roads	7.72	2-91	2011	1991	728,721	728,721	60,000	373,721	355,000
District 2G90 Natural Gas Line	7.15	12-92	2002	1992	48,667	48,667	1,184	48,667	
District 1G91 Natural Gas Line	7.15	3-93	2003	1993	532,677	532,677	69,489	502,848	29,829
Total General Government					4,748,265	4,748,265	265,673	3,493,436	1,254,829
ENTERPRISE FUNDS									
WATER UTILITY									
CSA District 2	7.82	4-90	2010	1990	590,770	590,770	35,000	470,770	120,000
CSA District 3	8.11	11-90	2010	1990	906,489	906,489	15,902	558,633	347,856
Total Water Utility					1,497,259	1,497,259	50,902	1,029,403	467,856
WASTEWATER UTILITY									
CSA District 3	8.11	11-90	2010	1990	78,959	78,959	4,098	11,815	67,144
Total Enterprise Funds					1,576,218	1,576,218	55,000	1,041,218	535,000
TOTAL SPECIAL ASSESSMENT BONDS					6,324,483	6,324,483	320,673	4,534,654	1,789,829
TOTAL REPORTING ENTITY BONDS					1,790,554,483	1,716,614,483	174,865,673	515,444,654	1,261,609,829
CERTIFICATES OF PARTICIPATION									
GENERAL GOVERNMENT									
Retirement Revenue Refunding	4.94	2-96	2006	1995	27,485,000	27,485,000	2,670,000	12,170,000	15,315,000
INTERNAL SERVICE FUND									
MANAGEMENT INFORMATION SYSTEMS									
Information Systems	vari	4-94	2001	1994	6,995,000	6,995,000	850,000	6,995,000	-
Information Systems	4.75	7-99	2008	1998	2,437,262	2,437,262	512,701	1,266,303	1,170,959
Total Management Information Systems					9,432,262	9,432,262	1,362,701	8,261,303	1,170,959
TOTAL CERTIFICATES OF PARTICIPATION					36,917,262	36,917,262	4,032,701	20,431,303	16,485,959
NOTES AND CONTRACTS									
GENERAL GOVERNMENT									
City Hall PBX	6.46	10-93	2003	1993	600,000	600,000	70,415	465,316	134,684
Fire Department Lease Purchas	5.19	10-99	2010	1999	531,176	531,176	35,706	35,706	495,470
Total General Government					1,131,176	1,131,176	106,121	501,022	630,154
INTERNAL SERVICE FUND									
MANAGEMENT INFORMATION SYSTEMS									
Heritage Land Bank Loan	4.3	4-93	2002	1993	102,084	102,084	15,074	99,139	2,945
General Fund Loan	vari	1-97	2002	1997	3,000,000	2,927,628	833,111	2,181,068	746,559
General Fund Loan PH II	vari				1,800,000	757,115			757,115
IBM Client Server Printer	5.98	5-97	2002	1997	95,000	95,000	20,912	87,748	7,252
IBM Storage Server	5.20	11-00	2005	2000	455,000	455,000	82,520	95,908	359,092
CISCO Equipment	9-99	9-99	2002	1999	150,355	150,355	58,164	115,015	35,340
Self Insurance Fund Loan	vari	8-97	2012	1997	9,345,000	9,308,083	582,932	2,018,582	7,289,501
Self Insurance Fund Loan PH II	vari	2-99	2014	1999	2,500,000	2,495,071			2,495,071
Computer Equipment Lease	4.49	4-98	2003	1998	1,374,071	1,374,071	280,427	929,395	444,676
					18,821,510	17,664,408	1,873,140	5,526,855	12,137,553
ENTERPRISE FUNDS									
WATER UTILITY									
AK Clean Water Fund Loan #12	3.45	vari		1999	2,000,000	2,000,000		82,475	1,999,998
AK Clean Water Fund Loan #12	3.51	vari		1999	3,700,000	2,334,756	90,967	90,967	2,161,316
AK Clean Water Fund Loan #12	4.13	vari		1999	6,865,000	2,554,869			4,616,261
AK Clean Water Fund Loan #12	4.37	vari		1999	3,031,000	1,511,983			3,031,000
AK Clean Water Fund Loan #12	4.2	vari		2000	1,000,000				211,294
AK Clean Water Fund Loan #12	4.2	vari		2000	5,000,000				1,215,000
Total Water Utility					21,596,000	8,401,608	90,967	173,442	13,234,869
WASTEWATER UTILITY									
AK Clean Water Fund Loan #45	4.65	vari	2012	1989	9,600,000	6,208,284	279,685	3,636,561	4,073,985
AK Clean Water Fund Loan #12	4.24	vari	2014	1993	2,443,128	2,443,128	102,664	636,662	1,802,920
AK Clean Water Fund Loan #12:	4.17	vari	2018	1995	2,500,000	1,565,161	56,037	161,471	1,400,779
AK Clean Water Fund Loan #12	3.86	vari	2018	1995	2,500,000	2,073,031	81,888	225,882	1,847,151
AK Clean Water Fund Loan #12	3.74	vari	2018	1995	3,015,000	703,546			2,071,475
AK Clean Water Fund Loan #12:	4.09	vari	2018	1997	1,000,000	959,587	35,516	100,672	858,915
AK Clean Water Fund Loan #127101						356,992			356,992
AK Clean Water Fund Loan # 1:	3.57	vari	2018	1998	535,000	286,051	14,525	14,525	271,527
AK Clean Water Fund Loan #12	3.57	vari	2018	1997	1,950,000	1,138,248			1,138,246
AK Clean Water Fund Loan # 1:	2.50	vari		1997	1,182,000	1,160,368			1,160,368
AK Clean Water Fund Loan #12	3.52	vari		1999	1,410,000	279,685			279,684

MUNICIPALITY OF ANCHORAGE, ALASKA
 COMBINED SCHEDULE OF LONG-TERM OBLIGATIONS
 December 31, 2001

EXHIBIT J-4
 (Additional Information)

	Effective Interest Rate	Issue and Maturity Dates	Authorized		Issued	Retired		Outstanding	
			Year	Amount		Current Year	Total		
AK Clean Water Fund Loan #12	4.30	vari	2000	8,400,000	3,811,525			3,811,525	
AK Clean Water Fund Loan #12	4.3	vari	2000	2,000,000	82,720			82,718	
Total Wastewater Utility				36,535,128	21,068,326	570,315	4,775,773	19,156,285	
SOLID WASTE									
AK Clean Water Fund Loan #12	4.74	vari	2016	1995	10,062,000	9,198,161	459,908	2,299,540	6,898,621
AK Clean Water Fund Loan #12	3.78	vari	2019	1999	9,000,000	8,329,860	430,319	430,319	7,899,541
Total Solid Waste					19,062,000	17,528,021	890,227	2,729,859	14,798,162
TOTAL PRIMARY GOVERNMENT NOTES AND CONTRACTS					97,145,814	65,793,539	3,530,770	13,706,951	59,957,023
ANCHORAGE SCHOOL DISTRICT									
Miscellaneous Equipment	6.85	7-99	2003	1998	165,267	165,267	30,799	97,195	68,072
Total Anchorage School District					165,267	165,267	30,799	97,195	68,072
TOTAL REPORTING ENTITY NOTES AND CONTRACTS					97,311,081	65,958,806	3,561,569	13,804,146	60,025,095
EMPLOYEE BENEFITS PAYABLE									
GENERAL GOVERNMENT									
Compensated Absences					6,904,440	6,904,440			6,904,440
Police/Fire Retiree Medical					140,918,257	140,918,257	850,292	2,439,117	138,479,140
Total Employee Benefits Payable					147,822,697	147,822,697	850,292	2,439,117	145,383,580
TOTAL REPORTING ENTITY LONG-TERM OBLIGATIONS					2,072,605,523	1,967,313,248	183,310,235	552,119,220	1,483,504,463