

# **MUNICIPALITY OF ANCHORAGE, ALASKA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended December 31, 2023**



**MUNICIPALITY OF ANCHORAGE, ALASKA**  
**Annual Comprehensive Financial Report**  
**December 31, 2023**  
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## **Introductory Section**

# MUNICIPALITY OF ANCHORAGE

Office of the Chief Fiscal Officer



Phone: (907) 343-6610

*Philippe D. Brice, CFO*

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August 15, 2025

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

Transmittal of the Annual Comprehensive Financial Report.

The Annual Comprehensive Financial Report (ACFR) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2023, is hereby submitted. The Anchorage Home Rule Charter and Anchorage Municipal Code require an annual report on financial and administrative activities with an independent audit of all municipal accounts by a certified public accountant. BDO USA, P.C. performed the independent audit in accordance with generally accepted auditing standards. Management is responsible for the accuracy, completeness, and fairness of the presentation including all disclosures.

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

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

BDO USA, P.C. was retained to perform both the financial and the compliance audits of Federal and State financial assistance programs for the year ended December 31, 2023. BDO USA, P.C. audited all 2023 financial records. BDO USA, P.C. reports are included in the financial section of the ACFR and in both financial assistance reports.

## **Profile of the Municipality of Anchorage**

The City of Anchorage was originally incorporated in 1920 and unified with the Greater Anchorage Area Borough in 1975 to create the Municipality of Anchorage. The Municipality is located in the southcentral part of the State of Alaska. It encompasses a geographic area of approximately 1,958 square miles and in 2023 served a population of an estimated 285,000 people.

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

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

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

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

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

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

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

Additional information regarding the Municipality's government, services, current events, economic indicators and other statistics is located on its municipal website at [www.muni.org](http://www.muni.org).

## Local Economy and Outlook

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the Municipality operates. The Municipality had an approximate population of 285,000 in 2023, representing a slight decrease from the prior year. As the largest Alaskan city, the Municipality is home to approximately 40 percent of the State's residents. The Anchorage School District had 42,500 students enrolled for the 2022–2023 academic year, continuing a modest decline in enrollment. The Municipality is also home to the University of Alaska Anchorage, a State-operated university, and the Alaska Pacific University, a tribal university.

Unemployment in the Municipality continued to decline in 2023. The average unemployment rate was 3.2 percent, down from 3.6 percent in 2022. This rate was slightly below the national average and continued to reflect a strengthening local labor market. Anchorage added approximately 4,000 jobs over the course of 2023, with notable gains in healthcare, education, and public administration.

Inflation moderated in 2023 compared to the prior year, with Anchorage experiencing an average inflation rate of 4.2 percent. While still elevated compared to historical norms, this represented a significant improvement from the 8.1 percent rate in 2022.

Anchorage's tourism sector remained a vital contributor to the local economy. Visit Anchorage reported continued growth in hotel demand, with room taxes exceeding \$43 million. The leisure and hospitality industry saw a 7.8 percent increase in employment, driven by strong visitor numbers and expanded seasonal offerings.

Anchorage continues to serve as a central hub for commerce, education, and recreation in Alaska, and the Municipality remains committed to supporting sustainable growth and fiscal responsibility.

The Don Young Port of Alaska (the Port) is ice-free year-round and is served by two major maritime carriers, TOTE, Inc. and Matson, Inc., along with petroleum and cement operators. The Port serves 90 percent of the State of Alaska's population and handles approximately 75 percent of Alaska's inbound cargo, driving over \$14 billion in statewide economic activity annually. It is one of 22 strategic ports nationwide deploying equipment and supplies internationally to and from five military installations. The Port brought in 5.4 million tons of fuel and freight in 2023, an increase of 200,000 tons over 2022. The Port is currently undergoing a modernization project to replace aging terminals with new, state-of-the-art facilities. Phase 1, the construction of a new petroleum and cement terminal, was completed in 2022. Groundbreaking for the new administration building occurred in 2023 and was completed in 2024. Additionally, the North Extension Stabilization phase, awarded a \$68.7 million Ports and Infrastructure Development Grant in 2022, remains on track for completion in 2025.

Construction employment within the Municipality increased in 2023 by approximately 3.5 percent, or 650 jobs over July of the prior year. The Municipality recorded an increase of \$205.6 million in total new construction assessed value, composed of \$157.2 million for residential properties and \$48.4 million for commercial properties during 2023. The total assessed value of all properties, including new construction, reflected a 4.8 percent increase.

Professional and business services added 750 jobs in 2023, a 2.7 percent increase over the prior year. The federal Infrastructure Investment and Jobs Act, signed in November 2021, continues to drive demand for engineering, architecture, environmental, and other professional services. The Act is expected to inject approximately \$5 billion in infrastructure funding into Alaska's economy over five years.

Health care employment remains a cornerstone of the Municipality's service-producing industry. After a flat year in 2022, the sector added 300 jobs in 2023, bringing the total to approximately 39,600 jobs as of July 2023. The Municipality continues to serve as Alaska's healthcare hub, offering advanced medical facilities and technologies that allow residents to access care locally. With a growing senior population—estimated at 34,200 individuals aged 65 and older, or 12.0 percent of the population—demand for health care services is expected to expand further.

## **Relevant Financial Policies**

The Municipality's Assembly-approved Fund Balance Policy, established by Resolution No. 2015-84, governs the management of the general fund, which includes five major sub-funds and forty nonmajor sub-funds. The policy consists of three key components:

- The Municipality prepares and manages budgets for its five major general fund sub-funds to maintain an unrestricted general fund balance equal to 10 percent of current year expenditures, designated as a bond rating set-aside and classified as committed fund balance.
- Nonmajor general fund operating sub-funds (limited and rural service areas) are managed to maintain an unrestricted fund balance of 8.25 percent of current year expenditures, also designated as a bond rating set-aside and classified as committed fund balance.
- Budgets for the five major sub-funds are also managed to maintain unrestricted fund balances between 2 percent and 3 percent of current year expenditures as a working capital reserve, classified as unassigned fund balance. Limited and rural service areas have additional working capital reserve set-aside percentages that contribute to the unassigned fund balance.

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

## **Long-term Financial Planning**

The Municipality has no legal debt limit mandated by Municipal Charter, Municipal Code, or State Statute. It continues to maintain strong credit ratings on all outstanding debt.

## **Acknowledgements**

This report would not have been possible without the dedicated efforts of the entire staff of the Controller Division and the cooperation of employees throughout the Municipality who provided detailed information, support, and assistance. To all of you, we extend our sincere gratitude.

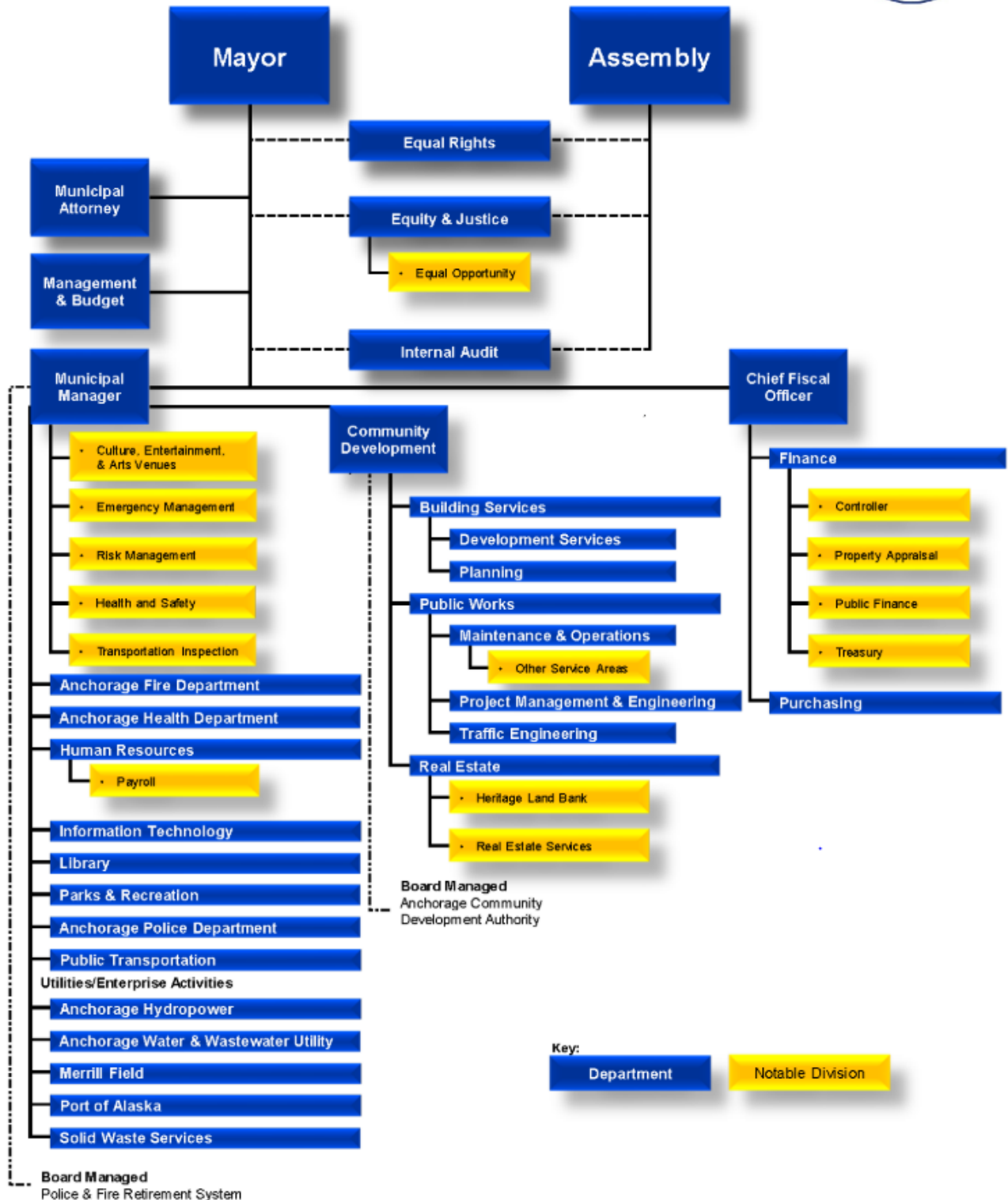
Respectfully submitted,



**Philippe Brice**  
**Chief Fiscal Officer**



# Municipality of Anchorage



# MUNICIPALITY OF ANCHORAGE PRINCIPAL OFFICIALS

## LEGISLATIVE BRANCH

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

The following citizens were elected to service on the Assembly:

Christopher Constant, Chair  
Daniel Volland  
Erin Baldwin Day  
Felix Rivera  
George Martinez  
Jared Goecker

Anna Brawley, Vice Chair  
Kameron Perez-Verdia  
Keith McCormick  
Scott Meyers  
Yarrow Silvers  
Zachary Johnson

### Executives:

Jamie Heinz, Municipal Clerk  
Darrel Hess, Ombudsman  
Dean Gates, Assembly Counsel  
Matthew Farina, Assembly Program and Budget Analyst

## EXECUTIVE BRANCH

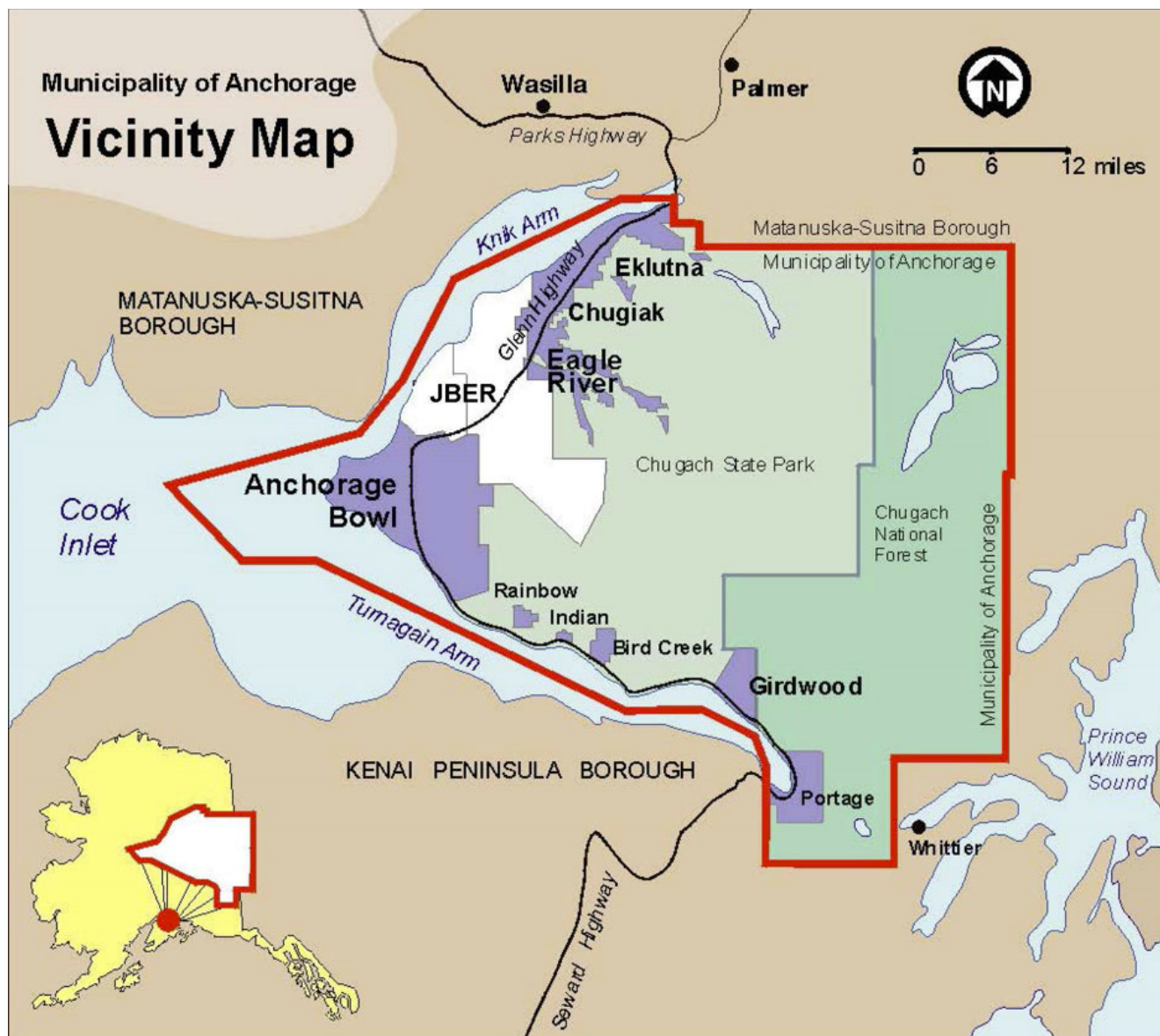
The executive and administrative power of Anchorage is vested in the mayor. The mayor, by charter, is required to appoint all heads of municipal departments and the chief medical officer of the municipality, and may participate in all assembly meetings to the same extent as an assembly member, but may not vote.

The citizens of Anchorage elected:

Suzanne LaFrance, Mayor

### Executives:

Eva Gardner, Municipal Attorney  
Rebecca A. Windt Pearson, Municipal Manager  
William D. Falsey, Chief Administrative Officer  
Philippe D. Brice, Chief Fiscal Officer  
Alden Thern, Director of Internal Audit  
Ona R. Brause, Director – Office of Management and Budget



## **Financial Section**



Tel: 907-278-8878  
Fax: 907-278-5779  
[www.bdo.com](http://www.bdo.com)

3601 C Street, Suite 600  
Anchorage, AK 99503

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Municipality of Anchorage's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Alaska Center for Performing Arts, Inc., which represent 0.3%, 0.3% and 1.4%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Alaska Center for Performing Arts, Inc., are based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 8 to the financial statements, the Municipality of Anchorage adopted the provisions of Governmental Accounting Standards Board Statement Number 96, SBITAs. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



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

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

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

### ***Other Information***

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

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2025 on our consideration of the Municipality of Anchorage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality of Anchorage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality of Anchorage's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska  
August 15, 2025



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Statement of Net Position

December 31, 2023

Exhibit A-1

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash	\$ 83,133	\$ 6,375	\$ 89,508
Cash and investments in central treasury	364,885,369	104,902,837	469,788,206
Equity in bond and grant capital acquisition and construction pool	7,760,758	7,671,686	15,432,444
Investments	-	-	-
Accrued interest on investments	3,636,050	1,161,491	4,797,541
Interest receivable, other	-	223,986	223,986
Receivables (net of allowance for uncollectibles)	39,857,066	19,549,584	59,406,650
Due to primary government	-	-	-
Due from component unit	235,461	-	235,461
Due from fiduciary funds	316,015	-	316,015
Internal balances	23,862,323	(23,862,323)	-
Intergovernmental receivables	20,007,416	7,273,556	27,280,972
Inventories	1,491,392	4,412,142	5,903,534
Prepaid items and deposits	14,290,915	1,148,708	15,439,623
Leases receivable	348,882	1,485,946	1,834,828
Assets held for resale	-	-	-
Restricted current assets:			
Escrow for LED lighting project	-	-	-
Investments	458,473,714	-	458,473,714
Investments in Angel Fund programs	4,504,523	-	4,504,523
Equity in general cash pool-bond and loan debt service	-	17,161,703	17,161,703
Equity in bond and grant capital acquisition and construction pool	-	37,886,511	37,886,511
Total current assets	939,753,017	179,022,202	1,118,775,219
Noncurrent assets:			
Receivable - installment sale of Electric Utility	-	96,841,316	96,841,316
Receivables (net of allowance for uncollectibles)	-	416,927	416,927
Leases receivable	3,574,828	76,522,916	80,097,744
Unamortized debt expense	-	666,832	666,832
Unbilled special assessments	-	1,843,695	1,843,695
Regulatory and other assets	-	7,529,398	7,529,398
Assets held for resale	4,888,761	242,093	5,130,854
Net OPEB assets	149,928,788	20,727,167	170,655,955
Internal balances	(647,082)	647,082	-
Loans receivable, net	3,429,419	-	3,429,419
Restricted noncurrent assets:			
Equity in general cash pool - customer deposits	-	435,095	435,095
Cash legal settlement set aside	-	1,950,000	1,950,000
Landfill postclosure cash reserve	-	19,736,075	19,736,075
Endowment fund	-	-	-
Debt service investments	-	5	5
Investments for operations	-	3,000,000	3,000,000
Investments held for debt service	-	5,215,400	5,215,400
Intergovernmental receivables	-	52,082,898	52,082,898
Capital assets, not being depreciated	2,809,387,668	256,135,537	3,065,523,205
Capital assets, being depreciated, net	649,703,433	1,489,800,311	2,139,503,744
Total noncurrent assets	3,620,265,815	2,033,792,747	5,654,058,562
Total assets	4,560,018,832	2,212,814,949	6,772,833,781
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	10,839,711	2,377,033	13,216,744
Related to pension	34,717,547	3,527,197	38,244,744
Related to OPEB	12,365,049	1,415,068	13,780,117
Total deferred outflows of resources	57,922,307	7,319,298	65,241,605
Total Assets and Deferred Outflows of Resources	\$ 4,617,941,139	\$ 2,220,134,247	\$ 6,838,075,386

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Statement of Net Position  
December 31, 2023

Exhibit A-1

	Component Units			Total Reporting Entity
	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.	
<b>Assets</b>				
Current assets:				
Cash	\$ -	\$ 6,572,826	\$ 5,604,102	\$ 12,266,436
Cash and investments in central treasury	-	-	-	469,788,206
Equity in bond and grant capital acquisition and construction pool	-	-	-	15,432,444
Investments	292,405,489	-	-	292,405,489
Accrued interest on investments	-	-	-	4,797,541
Interest receivable, other	-	-	-	223,986
Receivables (net of allowance for uncollectibles)	69,117,536	619,514	246,894	129,390,594
Due to primary government	132,201,993	-	-	132,201,993
Due from component unit	-	-	-	235,461
Due from fiduciary funds	-	-	-	316,015
Internal balances	-	-	-	-
Intergovernmental receivables	-	-	-	27,280,972
Inventories	4,527,483	-	-	10,431,017
Prepaid items and deposits	2,611,590	213,928	36,967	18,302,108
Leases receivable	-	893,486	-	2,728,314
Assets held for resale	-	2,215,350	-	2,215,350
Restricted current assets:				
Escrow for LED lighting project	-	500,470	-	500,470
Investments	-	-	-	458,473,714
Investments in Angel Fund programs	-	-	-	4,504,523
Equity in general cash pool-bond and loan debt service	-	-	-	17,161,703
Equity in bond and grant capital acquisition and construction pool	-	-	-	37,886,511
Total current assets	500,864,091	11,015,574	5,887,963	1,636,542,847
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	-	96,841,316
Receivables (net of allowance for uncollectibles)	-	-	-	416,927
Leases receivable	-	-	-	80,097,744
Unamortized debt expense	-	-	-	666,832
Unbilled special assessments	-	-	-	1,843,695
Regulatory and other assets	-	-	-	7,529,398
Assets held for resale	-	-	-	5,130,854
Net OPEB assets	208,724,706	1,042,481	-	380,423,142
Internal balances	-	-	-	-
Loans receivable, net	-	-	-	3,429,419
Restricted noncurrent assets:				
Equity in general cash pool - customer deposits	-	-	667,190	1,102,285
Cash legal settlement set aside	-	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-	19,736,075
Endowment fund	-	-	298,385	298,385
Debt service investments	-	-	-	5
Investments for operations	-	-	-	3,000,000
Investments held for debt service	-	-	-	5,215,400
Intergovernmental receivables	-	-	-	52,082,898
Capital assets, not being depreciated	43,023,804	12,728,795	-	3,121,275,804
Capital assets, being depreciated, net	1,264,236,964	5,377,591	105,442	3,409,223,741
Total noncurrent assets	1,515,985,474	19,148,867	1,071,017	7,190,263,920
Total assets	2,016,849,565	30,164,441	6,958,980	8,826,806,767
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	5,664,583	-	-	18,881,327
Related to pension	49,841,781	158,485	-	88,245,010
Related to OPEB	25,673,485	89,476	-	39,543,078
Total deferred outflows of resources	81,179,849	247,961	-	146,669,415
Total Assets and Deferred Outflows of Resources	\$ 2,098,029,414	\$ 30,412,402	\$ 6,958,980	\$ 8,973,476,182

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Statement of Net Position  
December 31, 2023

Exhibit A-1

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and retainages	\$ 25,619,943	\$ 5,922,470	\$ 31,542,413
Accrued payroll liabilities	15,541,822	2,463,808	18,005,630
Capital acquisition and construction accounts and retainage payable	3,306,421	8,585,281	11,891,702
Accrued interest payable	7,870,605	5,378,827	13,249,432
Contingent liabilities	1,600,060	-	1,600,060
Due to primary government	-	-	-
Due to component unit	87,834,264	-	87,834,264
Unearned revenue and deposits	12,348,272	513,684	12,861,956
Liabilities payable from restricted assets	-	4,212,293	4,212,293
Noncurrent liabilities:			
Due within one year:			
Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	109,658,126	33,688,734	143,346,860
Due within more than one year:			
Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	615,388,108	655,832,829	1,271,220,937
Liabilities payable from restricted assets - customer deposits	-	435,095	435,095
Net pension liability - actuarially funded	398,565,713	44,252,078	442,817,791
Net OPEB liability	139,897,419	-	139,897,419
Total liabilities	<u>1,417,630,753</u>	<u>761,285,099</u>	<u>2,178,915,852</u>
<b>Deferred Inflows of Resources</b>			
Contributions in aid of construction (net of amortization)	-	331,883,264	331,883,264
Related to leases	3,793,447	75,789,365	79,582,812
Time restricted health permit receipts	1,027,359	-	1,027,359
Related to land sales	1,211,488	-	1,211,488
Related to pension	-	-	-
Related to OPEB	7,046,031	974,092	8,020,123
Related to installment sale of Electric Utility	-	96,841,316	96,841,316
General property tax receipts	-	-	-
Debt service tax receipts	-	-	-
Total deferred inflows of resources	<u>13,078,325</u>	<u>505,488,037</u>	<u>518,566,362</u>
Total liabilities and deferred inflows of resources	<u>1,430,709,078</u>	<u>1,266,773,136</u>	<u>2,697,482,214</u>
<b>Net Position</b>			
Net investment in capital assets	2,867,757,143	808,328,740	3,676,085,883
Restricted for:			
Debt service	14,640,420	5,215,400	19,855,820
Maintenance and operations	-	-	-
Acquisition and construction	18,771,505	54,032,898	72,804,403
Operations	2,030,165	3,000,000	5,030,165
Alcoholic beverages retail sales taxes	5,946,679	-	5,946,679
Convention center operating reserve	37,752,881	-	37,752,881
E911 surcharge	4,561,338	-	4,561,338
Nuisance abatement	364,973	-	364,973
Legal settlement (opioid)	1,058,900	-	1,058,900
Police and fire retiree medical liability	34,235,680	-	34,235,680
Grant activity	9,675,370	-	9,675,370
Perpetual care - nonexpendable	150,000	-	150,000
Fines and forfeitures	816,799	-	816,799
MOA Trust	410,100,520	-	410,100,520
Broadway Alaska	-	-	-
Endowment	-	-	-
Individual contributions	-	-	-
Bond rating	-	-	-
Federal Impact Aid 8003(d)	-	-	-
Pupil transportation	-	-	-
Student allotment	-	-	-
Unrestricted net position (deficit)	<u>(220,630,312)</u>	<u>82,784,073</u>	<u>(137,846,239)</u>
Total net position	<u>3,187,232,061</u>	<u>953,361,111</u>	<u>4,140,593,172</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 4,617,941,139</u>	<u>\$ 2,220,134,247</u>	<u>\$ 6,838,075,386</u>

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Statement of Net Position

December 31, 2023

Exhibit A-1

	Component Units			
			Alaska	
	Anchorage	Anchorage	Center for	
	School District	Development	the	
		Authority	Performing	Total Reporting
			Arts, Inc.	Entity
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and retainages	\$ 13,782,427	\$ 555,390	\$ 671,995	\$ 46,552,225
Accrued payroll liabilities	15,017,669	-	-	33,023,299
Capital acquisition and construction accounts and retainage payable	-	-	-	11,891,702
Accrued interest payable	5,245,797	-	-	18,495,229
Contingent liabilities	-	-	-	1,600,060
Due to primary government	-	125,676	320,251	445,927
Due to component unit	-	-	-	87,834,264
Unearned revenue and deposits	1,287,054	369,569	2,677,637	17,196,216
Liabilities payable from restricted assets	-	-	-	4,212,293
Noncurrent liabilities:				
Due within one year:				
Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	73,515,554	188,815	-	217,051,229
Due within more than one year:				
Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	453,208,662	419,278	95,850	1,724,944,727
Liabilities payable from restricted assets - customer deposits	-	-	-	435,095
Net pension liability - actuarially funded	416,490,714	2,192,544	-	861,501,049
Net OPEB liability	-	-	-	139,897,419
Total liabilities	978,547,877	3,851,272	3,765,733	3,165,080,734
<b>Deferred Inflows of Resources</b>				
Contributions in aid of construction (net of amortization)	-	-	-	331,883,264
Related to leases	-	853,100	-	80,435,912
Time restricted health permit receipts	-	-	-	1,027,359
Related to land sales	-	-	-	1,211,488
Related to pension	8,208,753	-	-	8,208,753
Related to OPEB	13,785,567	65,238	-	21,870,928
Related to installment sale of Electric Utility	-	-	-	96,841,316
General property tax receipts	113,040,463	-	-	113,040,463
Debt service tax receipts	18,701,540	-	-	18,701,540
Total deferred inflows of resources	153,736,323	918,338	-	673,221,023
Total liabilities and deferred inflows of resources	1,132,284,200	4,769,610	3,765,733	3,838,301,757
<b>Net Position</b>				
Net investment in capital assets	816,917,444	17,567,235	-	4,510,570,562
Restricted for:				
Debt service	4,037,112	-	-	23,892,932
Maintenance and operations	-	-	667,190	667,190
Acquisition and construction	-	-	-	72,804,403
Operations	-	-	-	5,030,165
Alcoholic beverages retail sales taxes	-	-	-	5,946,679
Convention center operating reserve	-	-	-	37,752,881
E911 surcharge	-	-	-	4,561,338
Nuisance abatement	-	-	-	364,973
Legal settlement (opioid)	-	-	-	1,058,900
Police and fire retiree medical liability	-	-	-	34,235,680
Grant activity	-	-	-	9,675,370
Perpetual care - nonexpendable	-	-	-	150,000
Fines and forfeitures	-	-	-	816,799
MOA Trust	-	-	-	410,100,520
Broadway Alaska	-	-	330,608	330,608
Endowment	-	-	298,385	298,385
Individual contributions	-	-	126,062	126,062
Bond rating	26,348,401	-	-	26,348,401
Federal Impact Aid 8003(d)	292,214	-	-	292,214
Pupil transportation	3,000,859	-	-	3,000,859
Student allotment	2,478,655	-	-	2,478,655
Unrestricted net position (deficit)	112,670,529	8,075,557	1,771,002	(15,329,151)
Total net position	965,745,214	25,642,792	3,193,247	5,135,174,425
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,098,029,414	\$ 30,412,402	\$ 6,958,980	\$ 8,973,476,182

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Statement of Activities

Year ended December 31, 2023

Exhibit A-2

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

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 42,730,844	\$ 6,843,939	\$ 52,104,437	\$ 5,237,869
Fire services	113,696,145	11,661,431	23,896,772	1,590,915
Police services	138,736,248	15,809,221	5,026,912	200,000
Health and human services	59,399,567	1,461,799	20,215,879	121,416
Economic and community development	100,397,022	13,953,616	9,632,292	4,570,857
Public transportation	39,276,813	3,673,484	8,598,994	2,045,277
Public works	44,666,384	398,730	2,832,061	17,682,524
Maintenance and operations of roads and facilities	43,475,522	630,656	2,398,257	624,354
Education	260,087,517	-	-	-
Interest and fiscal agent charges on long-term debt	21,718,366	-	-	-
Total governmental activities	864,184,428	54,432,876	124,705,604	32,073,212
<b>Business-type Activities:</b>				
Water	45,998,137	69,070,407	222,018	-
Wastewater	50,600,993	68,400,008	204,939	-
Port	29,419,692	19,968,478	14,174	86,477,961
Municipal Airport	10,618,304	1,920,425	162,160	7,880,049
Disposal	33,478,326	28,719,477	6,198	1,997,955
Refuse	14,846,317	14,209,738	43,785	-
Anchorage Hydropower	543,897	4,865,524	-	-
Total business-type activities	185,505,666	207,154,057	653,274	96,355,965
Total primary government	\$ 1,049,690,094	\$ 261,586,933	\$ 125,358,878	\$ 128,429,177
<b>Component Units:</b>				
Anchorage School District	\$ 646,930,708	\$ 7,492,825	\$ 170,383,977	\$ 32,128,802
Anchorage Community Development Authority	9,581,229	12,653,906	-	-
Alaska Center for the Performing Arts, Inc.	11,954,445	10,974,307	765,501	-
Total Component Units	\$ 668,466,382	\$ 31,121,038	\$ 171,149,478	\$ 32,128,802
<b>General Revenues:</b>				
Property taxes				
Motor vehicle taxes				
Hotel and motel taxes				
Alcoholic beverages taxes				
Tobacco taxes				
Marijuana taxes				
Fuel products taxes				
Assessments in lieu of taxes				
Grants and entitlements not restricted to specific programs				
Appropriation from Municipality of Anchorage				
Investment income				
Other				
<b>Transfers:</b>				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit A-2

Statement of Activities  
Year ended December 31, 2023

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

Primary Government			Component Units				Total Reporting Entity
Governmental Activities	Business-Type Activities	Total	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.		
\$ 21,455,401	\$ -	\$ 21,455,401	\$ -	\$ -	\$ -	\$ -	\$ 21,455,401
(76,547,027)	-	(76,547,027)	-	-	-	-	(76,547,027)
(117,700,115)	-	(117,700,115)	-	-	-	-	(117,700,115)
(37,600,473)	-	(37,600,473)	-	-	-	-	(37,600,473)
(72,240,257)	-	(72,240,257)	-	-	-	-	(72,240,257)
(24,959,058)	-	(24,959,058)	-	-	-	-	(24,959,058)
(23,753,069)	-	(23,753,069)	-	-	-	-	(23,753,069)
(39,822,255)	-	(39,822,255)	-	-	-	-	(39,822,255)
(260,087,517)	-	(260,087,517)	-	-	-	-	(260,087,517)
(21,718,366)	-	(21,718,366)	-	-	-	-	(21,718,366)
(652,972,736)	-	(652,972,736)	-	-	-	-	(652,972,736)
-	23,294,288	23,294,288	-	-	-	-	23,294,288
-	18,003,954	18,003,954	-	-	-	-	18,003,954
-	77,040,921	77,040,921	-	-	-	-	77,040,921
-	(655,670)	(655,670)	-	-	-	-	(655,670)
-	(2,754,696)	(2,754,696)	-	-	-	-	(2,754,696)
-	(592,794)	(592,794)	-	-	-	-	(592,794)
-	4,321,627	4,321,627	-	-	-	-	4,321,627
-	118,657,630	118,657,630	-	-	-	-	118,657,630
(652,972,736)	118,657,630	(534,315,106)	-	-	-	-	(534,315,106)
			(436,925,104)	-	-	-	(436,925,104)
			-	3,072,677	-	-	3,072,677
			-	-	(214,637)	-	(214,637)
			(436,925,104)	3,072,677	(214,637)	-	(434,067,064)
609,175,663	-	609,175,663	-	-	-	-	609,175,663
21,425,497	-	21,425,497	-	-	-	-	21,425,497
43,343,603	-	43,343,603	-	-	-	-	43,343,603
16,319,854	-	16,319,854	-	-	-	-	16,319,854
20,695,515	-	20,695,515	-	-	-	-	20,695,515
5,835,085	-	5,835,085	-	-	-	-	5,835,085
14,398,632	-	14,398,632	-	-	-	-	14,398,632
13,099,475	-	13,099,475	-	-	-	-	13,099,475
-	-	-	334,947,650	-	-	-	334,947,650
-	-	-	256,691,028	-	-	-	256,691,028
68,903,624	13,399,638	82,303,262	8,646,216	416,240	29,796	-	91,395,514
-	-	-	22,414,719	-	-	-	22,414,719
24,895,917	(24,895,917)	-	-	-	-	-	-
838,092,865	(11,496,279)	826,596,586	622,699,613	416,240	29,796	-	1,449,742,235
185,120,129	107,161,351	292,281,480	185,774,509	3,488,917	(184,841)	-	481,360,065
3,002,111,932	846,199,760	3,848,311,692	779,970,705	22,153,875	3,378,088	-	4,653,814,360
\$ 3,187,232,061	\$ 953,361,111	\$ 4,140,593,172	\$ 965,745,214	\$ 25,642,792	\$ 3,193,247	\$ -	\$ 5,135,174,425

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit B-1

Governmental Funds

Balance Sheet

December 31, 2023

	General	MOA Trust	Roads and Drainage Capital Project	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 10,370	\$ -	\$ -	\$ 72,763	\$ 83,133
Cash and investments in central treasury	98,342,462	29,302	1,504,904	205,563,424	305,440,092
Investments	-	409,981,338	-	48,492,376	458,473,714
Accrued interest on investments	2,872,987	743,743	-	19,320	3,636,050
Receivables (net of allowance for uncollectibles)	28,929,645	-	-	7,938,641	36,868,286
Intergovernmental receivables	1,306,674	-	680,915	18,019,827	20,007,416
Special assessments receivable, net	1,526,715	-	85,232	153,309	1,765,256
Leases receivable	1,068,237	-	-	2,855,473	3,923,710
Due from component units	426	-	-	235,035	235,461
Due from other funds	25,139,272	-	-	6,922,526	32,061,798
Due from fiduciary funds	-	-	-	316,015	316,015
Inventories	958,052	-	-	-	958,052
Prepaid items and deposits	1,991,921	-	-	10,378,689	12,370,610
Assets held for resale	4,888,761	-	-	-	4,888,761
Advances to other funds	47,492,739	-	-	765,000	48,257,739
Investments in Angel Fund program	-	-	-	4,504,523	4,504,523
Loans receivable, net	-	-	-	3,429,419	3,429,419
Total assets	\$ 214,528,261	\$ 410,754,383	\$ 2,271,051	\$ 309,666,340	\$ 937,220,035
<b>Liabilities</b>					
Accounts payable and retainages	\$ 15,294,356	\$ 653,863	\$ 2,258,545	\$ 9,605,910	\$ 27,812,674
Accrued payroll liabilities	14,611,271	-	50,338	315,687	14,977,296
Due to other funds	-	-	5,157,689	2,956,785	8,114,474
Due to component unit	87,834,264	-	-	-	87,834,264
Unearned revenue and deposits	2,778,237	-	-	9,570,035	12,348,272
Advances from other funds	5,838,311	-	-	17,248,681	23,086,992
Total liabilities	126,356,439	653,863	7,466,572	39,697,098	174,173,972
<b>Deferred Inflows of Resources</b>					
Time restricted health permit receipts	1,027,359	-	-	-	1,027,359
Unavailable revenues:					
Intergovernmental revenues	-	-	-	413,679	413,679
Loans	-	-	-	2,140,062	2,140,062
Property taxes	11,560,498	-	-	-	11,560,498
Risk management claims	450,827	-	-	-	450,827
Special assessments	1,568,526	-	220,757	2,077	1,791,360
Leases	1,011,273	-	-	2,782,174	3,793,447
Library charges	51,431	-	-	-	51,431
Land sales	-	-	-	1,211,488	1,211,488
Total deferred inflows of resources	15,669,914	-	220,757	6,549,480	22,440,151
<b>Fund Balances</b>					
Nonspendable	55,331,473	-	-	10,606,558	65,938,031
Restricted	2,030,165	410,100,520	-	127,824,545	539,955,230
Committed	54,948,008	-	-	45,353,676	100,301,684
Assigned	-	-	-	79,976,116	79,976,116
Unassigned (deficit)	(39,807,738)	-	(5,416,278)	(341,133)	(45,565,149)
Total fund balances	72,501,908	410,100,520	(5,416,278)	263,419,762	740,605,912
Total liabilities, deferred inflows of resources, and fund balances	\$ 214,528,261	\$ 410,754,383	\$ 2,271,051	\$ 309,666,340	\$ 937,220,035

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2023

Exhibit B-2

Total net position reported for governmental activities in the statement of net position is different because:			
Total fund balances - governmental funds		\$	740,605,912
The PERS ARHCT, RMP and ODD OPEB plans have been funded in excess of required contributions.			
This asset is not a financial resource and therefore it is not reported in the funds.			149,928,788
Capital assets used in government are not financial resources and therefore, are not reported in the funds:			3,459,091,101
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:			
Property taxes	\$	11,560,498	
Intergovernmental revenues		413,679	
Risk management claims		450,827	
Library fees		51,431	
Special assessments		1,791,360	
Long-term loan receivable		<u>2,140,062</u>	
			16,407,857
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in governmental funds:			
Deferred charges on bond refunding		10,839,711	
Deferred outflows of resources related to pension		34,717,547	
Deferred outflows of resources related to OPEB		<u>12,365,049</u>	
			57,922,307
Internal service funds charge the costs of fleet management, insurance, and information technology to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position:			
Total internal service funds equity related to governmental activities		40,217,940	
Net of amounts included in:			
Capital assets, net of depreciation and amortization		(55,560,141)	
Accrued interest payable		55,432	
Compensated absences		1,014,655	
SBITAs payable		3,415,896	
Deferred inflows of resources related to OPEB		306,005	
Deferred outflows of resources related to pension		(1,108,052)	
Deferred outflows of resources related to OPEB		(444,536)	
Net pension obligation		13,901,574	
Net OPEB asset		<u>(6,511,337)</u>	
			(4,712,564)
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in governmental funds:			
General obligation bonds, including premium and discount		(462,256,663)	
Certificates of participation bonds		(41,135,000)	
Alaska Center for the Performing Arts, Inc. bonds		(2,702,378)	
Direct financing agreements		(5,436,695)	
Pollution remediation		(4,396,945)	
CIVICVentures revenue bonds		(78,176,175)	
Loan payable		(18,300,000)	
Compensated absences		(27,771,869)	
Leases payable		(34,811,378)	
SBITAs payable		(3,644,469)	
Net pension liability		(398,565,713)	
Net OPEB liability		(139,897,419)	
Accrued interest payable		<u>(7,870,605)</u>	
			(1,224,965,309)
Deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in governmental funds:			
Deferred inflows of resources related to OPEB		<u>(7,046,031)</u>	
			(7,046,031)
Net position of governmental activities		\$	<u><u>3,187,232,061</u></u>



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit B-3

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended December 31, 2023

	General	MOA Trust	Roads and Drainage Capital Project	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 688,391,157	\$ -	\$ -	\$ 41,675,457	\$ 730,066,614
Assessments in lieu of taxes	13,099,475	-	-	-	13,099,475
Special assessments	228,353	-	19,927	938,767	1,187,047
Licenses and permits	10,591,506	-	-	-	10,591,506
Intergovernmental	27,889,883	-	2,434,942	101,260,956	131,585,781
Charges for services	21,626,398	-	-	561,740	22,188,138
Fines and forfeitures	6,911,284	-	-	437,270	7,348,554
E911 surcharges	-	-	-	8,060,562	8,060,562
Investment income	12,061,691	44,967,803	-	9,213,079	66,242,573
Interest income on leases	24,383	-	-	132,792	157,175
Restricted contributions	99,955	-	-	1,963,840	2,063,795
Other	2,542,515	-	-	1,683,849	4,226,364
Total revenues	783,466,600	44,967,803	2,454,869	165,928,312	996,817,584
<b>Expenditures</b>					
Current:					
General government	25,152,050	2,088,398	-	3,447,362	30,687,810
Fire services	115,596,215	-	-	6,917,107	122,513,322
Police services	139,737,594	-	-	11,849,655	151,587,249
Health and human services	18,364,516	-	-	40,366,818	58,731,334
Economic and community development	67,237,665	-	-	21,369,701	88,607,366
Public transportation	29,462,525	-	-	8,500,876	37,963,401
Public works	7,603,368	-	-	1,169,430	8,772,798
Maintenance and operations of roads and facilities	42,513,265	-	-	102,762	42,616,027
Education	260,087,517	-	-	-	260,087,517
Debt service:					
Principal	45,616,852	-	-	7,090,390	52,707,242
Interest and fiscal agent charges	21,955,878	-	-	5,233,152	27,189,030
Bond issuance costs	526,683	-	-	-	526,683
Debt service - Leases:					
Principal	4,330,435	-	-	-	4,330,435
Interest	840,659	-	-	-	840,659
Debt service - SBITAs:					
Principal	81,529	-	-	56,800	138,329
Interest	5,053	-	-	-	5,053
Capital outlay	1,662,344	-	33,762,707	37,248,736	72,673,787
Capital outlay - SBITAs	569,066	-	-	-	569,066
Total expenditures	781,343,214	2,088,398	33,762,707	143,352,789	960,547,108
Excess (deficiency) of revenues over expenditures	2,123,386	42,879,405	(31,307,838)	22,575,523	36,270,476
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	40,820,725	2,562,967	3,920,490	49,721,136	97,025,318
Transfers to other funds	(44,900,695)	(16,300,000)	-	(12,868,580)	(74,069,275)
Premium on tax anticipation notes	1,272,500	-	-	-	1,272,500
Draws on direct financing agreements	19,252,291	-	-	-	19,252,291
Insurance recoveries	273,186	-	-	-	273,186
Other financing source SBITAs	356,457	-	-	-	356,457
Proceeds from sale of capital assets	510,950	-	-	2,025,540	2,536,490
Total other financing sources (uses)	17,585,414	(13,737,033)	3,920,490	38,878,096	46,646,967
Net change in fund balances	19,708,800	29,142,372	(27,387,348)	61,453,619	82,917,443
Fund balances, beginning of year	52,793,108	380,958,148	21,971,070	201,966,143	657,688,469
Fund balances, end of year	\$ 72,501,908	\$ 410,100,520	\$ (5,416,278)	\$ 263,419,762	\$ 740,605,912

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
Year ended December 31, 2023

Exhibit B-4

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balance – total governmental funds \$ 82,917,443

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

Capital outlay and equipment purchases	\$ 38,725,158	
Contributed assets	24,664,576	
Depreciation and amortization expense	<u>(48,100,032)</u>	15,289,702

Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. This is the increase (decrease) in:

Intergovernmental revenues	(1,678,079)	
Property taxes	1,127,235	
Special assessments	(39,881)	
Library charges	51,431	
Loans receivable	1,137,922	
Risk management claims	<u>(90,061)</u>	508,567

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

Premium on bond sales and tax anticipation notes	(1,272,500)	
Principal repayment on bonds	52,707,242	
Direct financing agreements - proceeds	(952,291)	
Loan proceeds	(18,300,000)	
Principal repayments on leases	4,330,435	
Principal repayments on SBITAs	138,329	
Net change in premiums, discounts, and deferred charges - bonds	<u>5,729,357</u>	42,380,572

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as government fund expenditures. These are the (increase) decrease in:

Compensated absences	938,215	
Pollution remediation	(563,000)	
Changes in pension liabilities and related deferred outflows and inflows of resources	19,025,451	
Changes in OPEB assets and liabilities and related deferred outflows and inflows of resources	22,170,415	
Accrued interest payable	<u>(973,817)</u>	40,597,264

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

Change in net position of governmental activities	<u>3,426,581</u>	
	<u>\$ 185,120,129</u>	

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-1

Proprietary Funds  
Statement of Net Position  
December 31, 2023

**Business-Type Activities - Enterprise Funds**

**Assets**

Current assets:

	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>	<b>Disposal Utility</b>
Cash	\$ -	\$ 2,200	\$ 500	\$ 2,424
Cash and investments in central treasury	31,616,835	28,201,761	-	31,619,021
Equity in bond and grant capital acquisition and construction pool	-	-	-	4,318,652
Accrued interest on investments	302,010	279,366	185,149	-
Receivables (net of allowance for uncollectibles)	5,969,589	7,346,081	1,389,522	2,951,346
Intergovernmental receivables	-	-	-	-
Inventories	3,261,098	776,583	329,025	45,436
Prepaid items and deposits	618,252	413,123	81,224	6,949
Special assessments receivable	57,101	49,947	-	-
Leases receivable, current portion	179,781	15,153	1,022,334	-
Interest receivable leases	-	-	180,227	-
Unbilled reimbursable projects	160,527	120,967	-	-
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	23,350,905	14,535,606	-	-
Equity in general cash pool-bond and loan debt service	8,517,365	8,644,338	-	-
Total current assets	74,033,463	60,385,125	3,187,981	38,943,828

Noncurrent assets:

Receivable - installment sale of Electric Utility	-	-	-	-
Leases receivable, net current portion	1,611,524	132,297	59,229,139	-
Assets held for resale	-	-	242,093	-
Advances to other funds	-	-	-	-
Receivables (net of allowance for uncollectibles)	416,927	-	-	-
Net OPEB asset	9,207,550	8,499,276	587,816	257,068
Unamortized debt expense	388,050	278,782	-	-
Unbilled special assessments	968,979	874,716	-	-
Regulatory and other assets	2,675,291	3,366,444	-	-
Restricted assets:				
Restricted equity in general cash pool - customer deposits	328,286	106,809	-	-
Cash legal settlement set aside	-	-	1,950,000	-
Landfill postclosure cash reserve	-	-	-	19,736,075
Debt service investments	-	-	-	3
Intergovernmental receivables	-	-	50,084,943	1,997,955
Investments for operations	-	-	-	-
Investments held for debt service	-	-	5,215,400	-
Capital assets, net	559,187,085	434,089,536	437,973,259	168,189,008
Total noncurrent assets	574,783,692	447,347,860	555,282,650	190,180,109
Total assets	648,817,155	507,732,985	558,470,631	229,123,937

**Deferred Outflows of Resources**

Deferred charge on refunding	1,505,849	871,184	-	-
Related to pension	1,566,873	1,446,345	100,030	43,746
Related to OPEB	628,611	580,255	40,131	17,550
Total deferred outflows of resources	3,701,333	2,897,784	140,161	61,296
Total assets and deferred outflows of resources	\$ 652,518,488	\$ 510,630,769	\$ 558,610,792	\$ 229,185,233

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-1

Proprietary Funds  
Statement of Net Position  
December 31, 2023

	<b>Business-Type Activities – Enterprise Funds (Continued)</b>		<b>Governmental Activities – Internal Service Funds</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Proprietary Funds</b>
<b>Assets</b>				
Current assets:				
Cash	\$ 1,251	\$ 6,375	\$ -	\$ 6,375
Cash and investments in central treasury	13,465,220	104,902,837	59,445,277	164,348,114
Equity in bond and grant capital acquisition and construction pool	3,353,034	7,671,686	7,760,758	15,432,444
Accrued interest on investments	394,966	1,161,491	-	1,161,491
Receivables (net of allowance for uncollectibles)	1,504,504	19,161,042	1,223,524	20,384,566
Intergovernmental receivables	7,273,556	7,273,556	-	7,273,556
Inventories	-	4,412,142	533,340	4,945,482
Prepaid items and deposits	29,160	1,148,708	1,920,305	3,069,013
Special assessments receivable	-	107,048	-	107,048
Leases receivable, current portion	268,678	1,485,946	-	1,485,946
Interest receivable leases	43,759	223,986	-	223,986
Unbilled reimbursable projects	-	281,494	-	281,494
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	-	37,886,511	-	37,886,511
Equity in general cash pool-bond and loan debt service	-	17,161,703	-	17,161,703
Total current assets	26,334,128	202,884,525	70,883,204	273,767,729
Noncurrent assets:				
Receivable - installment sale of Electric Utility	96,841,316	96,841,316	-	96,841,316
Leases receivable, net current portion	15,549,956	76,522,916	-	76,522,916
Assets held for resale	-	242,093	-	242,093
Advances to other funds	-	-	5,838,311	5,838,311
Receivables (net of allowance for uncollectibles)	-	416,927	-	416,927
Net OPEB asset	2,175,457	20,727,167	6,511,337	27,238,504
Unamortized debt expense	-	666,832	-	666,832
Unbilled special assessments	-	1,843,695	-	1,843,695
Regulatory and other assets	1,487,663	7,529,398	-	7,529,398
Restricted assets:				
Restricted equity in general cash pool - customer deposits	-	435,095	-	435,095
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Landfill postclosure cash reserve	-	19,736,075	-	19,736,075
Debt service investments	2	5	-	5
Intergovernmental receivables	-	52,082,898	-	52,082,898
Investments for operations	3,000,000	3,000,000	-	3,000,000
Investments held for debt service	-	5,215,400	-	5,215,400
Capital assets, net	146,496,960	1,745,935,848	55,560,141	1,801,495,989
Total noncurrent assets	265,551,354	2,033,145,665	67,909,789	2,101,055,454
Total assets	291,885,482	2,236,030,190	138,792,993	2,374,823,183
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	-	2,377,033	-	2,377,033
Related to pension	370,203	3,527,197	1,108,052	4,635,249
Related to OPEB	148,521	1,415,068	444,536	1,859,604
Total deferred outflows of resources	518,724	7,319,298	1,552,588	8,871,886
Total assets and deferred outflows of resources	\$ 292,404,206	\$ 2,243,349,488	\$ 140,345,581	\$ 2,383,695,069

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-1

Proprietary Funds  
Statement of Net Position  
December 31, 2023

**Business-Type Activities - Enterprise Funds**

**Liabilities**

Current liabilities:

	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>	<b>Disposal Utility</b>
Accounts payable, other accrued liabilities and retainages	\$ 1,514,533	\$ 1,112,721	\$ 626,320	\$ 2,435,082
Accrued payroll liabilities	973,203	750,285	132,018	394,356
Capital acquisition and construction accounts and retainage payable	-	-	7,011,939	395,749
Compensated absences	1,074,147	1,127,903	175,124	516,592
Claims payable and incurred but not reported	-	-	-	-
Due to other funds	-	-	22,505,599	-
Accrued interest payable	1,316,135	2,603,219	339,068	733,590
Accrued interest on leases	-	-	842	1,774
Pollution remediation obligation	93,000	465,000	-	-
Long-term obligations maturing within one year	14,140,972	13,170,993	525,000	1,675,390
Unearned revenue and deposits	-	-	-	34
Leases payable, current portion	3,916	3,291	41,520	35,645
SBITAs payable, current portion	4,375	-	4,375	-
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	26	131	-	-
Unearned revenue	471,397	57,852	-	-
Capital acquisition and construction accounts and retainage payable	1,485,481	2,197,406	-	-
Total current liabilities	21,077,185	21,488,801	31,361,805	6,188,212

Noncurrent liabilities:

Revenue bonds payable (net of unamortized discounts and premiums)	-	85,022,870	-	-
Advances from other funds	-	-	-	-
Alaska Clean Water and Drinking Water loans payable	82,073,017	76,872,141	-	5,641,686
Direct financing agreements	-	-	-	-
Claims payable and incurred but not reported	-	-	-	-
Compensated absences	660,620	383,597	115,689	-
Bonds payable, net current portion	108,846,414	-	67,511,429	68,273,898
Notes payable, net current portion	1,000	1,000	40,000,000	20,699,380
Net pension liability	19,657,929	18,145,780	1,254,975	548,836
Leases payable, net current portion	90,123	56,159	415,313	947,325
SBITAs payable, net current portion	4,607	-	4,607	-
Liabilities payable from restricted assets - customer deposits	328,286	106,809	-	-
Other liabilities:				
Pollution remediation obligation	-	2,175,000	-	-
Future landfill closure costs	-	-	-	47,021,798
Other long-term obligations	-	-	1,720,582	-
Total noncurrent liabilities	211,661,996	182,763,356	111,022,595	143,132,923
Total liabilities	232,739,181	204,252,157	142,384,400	149,321,135

**Deferred Inflows of Resources**

Contributions in aid of construction (net of amortization)	184,946,064	146,937,200	-	-
Related to OPEB	432,718	399,431	27,625	12,081
Related to leases	1,729,957	141,692	58,516,497	-
Related to installment sale of Electric Utility	-	-	-	-
Total deferred inflows of resources	187,108,739	147,478,323	58,544,122	12,081

**Net Position**

Net investment in capital assets	192,447,870	125,235,266	322,459,076	70,519,935
Restricted for:				
Debt service	-	-	5,215,400	-
Acquisition and construction	-	-	52,034,943	1,997,955
Operations	-	-	-	-
Unrestricted net position (deficit)	40,222,698	33,665,023	(22,027,149)	7,334,127
Total net position	232,670,568	158,900,289	357,682,270	79,852,017
Total liabilities, deferred inflows of resources, and net position	\$ 652,518,488	\$ 510,630,769	\$ 558,610,792	\$ 229,185,233

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-1

Proprietary Funds  
Statement of Net Position  
December 31, 2023

	<b>Business-Type Activities – Enterprise Funds (Continued)</b>		<b>Governmental Activities – Internal Service Funds</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Total Proprietary Funds</b>	
<b>Liabilities</b>				
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 233,814	\$ 5,922,470	\$ 2,569,335	\$ 8,491,805
Accrued payroll liabilities	213,946	2,463,808	564,527	3,028,335
Capital acquisition and construction accounts and retainage payable	1,177,593	8,585,281	144,415	8,729,696
Compensated absences	273,291	3,167,057	831,234	3,998,291
Claims payable and incurred but not reported	-	-	28,397,421	28,397,421
Due to other funds	1,356,724	23,862,323	85,000	23,947,323
Accrued interest payable	384,199	5,376,211	55,432	5,431,643
Accrued interest on leases	-	2,616	-	2,616
Pollution remediation obligation	-	558,000	-	558,000
Long-term obligations maturing within one year	358,200	29,870,555	5,137,634	35,008,189
Unearned revenue and deposits	513,650	513,684	-	513,684
Leases payable, current portion	-	84,372	-	84,372
SBITAs payable, current portion	-	8,750	1,082,593	1,091,343
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	-	157	-	157
Unearned revenue	-	529,249	-	529,249
Capital acquisition and construction accounts and retainage payable	-	3,682,887	-	3,682,887
Total current liabilities	4,511,417	84,627,420	38,867,591	123,495,011
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	-	85,022,870	-	85,022,870
Advances from other funds	-	-	31,009,058	31,009,058
Alaska Clean Water and Drinking Water loans payable	-	164,586,844	-	164,586,844
Direct financing agreements	-	-	2,751,912	2,751,912
Claims payable and incurred but not reported	-	-	10,127,695	10,127,695
Compensated absences	-	1,159,906	183,421	1,343,327
Bonds payable, net current portion	38,404,068	283,035,809	-	283,035,809
Notes payable, net current portion	8,890,506	69,591,886	-	69,591,886
Net pension liability	4,644,558	44,252,078	13,901,574	58,153,652
Leases payable, net current portion	-	1,508,920	-	1,508,920
SBITAs payable, net current portion	-	9,214	2,333,303	2,342,517
Liabilities payable from restricted assets - customer deposits	-	435,095	-	435,095
Other liabilities:				
Pollution remediation obligation	-	2,175,000	-	2,175,000
Future landfill closure costs	-	47,021,798	-	47,021,798
Other long-term obligations	-	1,720,582	-	1,720,582
Total noncurrent liabilities	51,939,132	700,520,002	60,306,963	760,826,965
Total liabilities	56,450,549	785,147,422	99,174,554	884,321,976
<b>Deferred Inflows of Resources</b>				
Contributions in aid of construction (net of amortization)	-	331,883,264	-	331,883,264
Related to OPEB	102,237	974,092	306,005	1,280,097
Related to leases	15,401,219	75,789,365	-	75,789,365
Related to installment sale of Electric Utility	96,841,316	96,841,316	-	96,841,316
Total deferred inflows of resources	112,344,772	505,488,037	306,005	505,794,042
<b>Net Position</b>				
Net investment in capital assets	97,666,593	808,328,740	44,110,284	852,439,024
Restricted for:				
Debt service	-	5,215,400	-	5,215,400
Acquisition and construction	-	54,032,898	-	54,032,898
Operations	3,000,000	3,000,000	-	3,000,000
Unrestricted net position (deficit)	22,942,292	82,136,991	(3,245,262)	78,891,729
Total net position	123,608,885	952,714,029	40,865,022	993,579,051
Total liabilities, deferred inflows of resources, and net position	\$ 292,404,206	\$ 2,243,349,488	\$ 140,345,581	\$ 2,383,695,069

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended December 31, 2023

Exhibit C-2

<b>Business-Type Activities – Enterprise Funds</b>				
	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>	<b>Disposal Utility</b>
<b>Operating Revenues</b>				
Charges for sales and services	\$ 65,998,739	\$ 66,139,596	\$ 12,110,735	\$ 28,475,735
Lease revenues	198,332	16,968	-	-
Other	2,340,940	1,461,359	4,226,279	243,742
Total operating revenues	68,538,011	67,617,923	16,337,014	28,719,477
<b>Operating Expenses</b>				
Operations	26,710,309	32,625,510	10,799,722	18,377,393
Change in landfill closure liability	-	-	-	4,400,287
Depreciation and amortization	12,814,557	12,429,825	13,023,730	5,978,685
Total operating expenses	39,524,866	45,055,335	23,823,452	28,756,365
Operating income (loss)	29,013,145	22,562,588	(7,486,438)	(36,888)
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	4,066,855	3,386,278	13,998	2,136,157
Investment loss on landfill postclosure cash reserve	-	-	-	2,377,833
Installment sale	-	-	-	-
Other revenues	26,146	20,294	1,744,242	-
Intergovernmental revenue	222,018	204,939	14,174	6,198
Lease interest income	38,384	3,371	1,887,222	-
Interest expense	(5,512,401)	(4,532,501)	(3,787,861)	(4,648,296)
Interest expense on leases	(5,668)	(3,156)	(17,021)	(17,659)
Allowance for funds used during construction (AFUDC)	467,866	758,420	-	-
Gain (loss) on sale of capital assets	-	-	21,775	-
Long-term debt issuance expenses	-	-	(42,500)	-
Other expenses	(919,080)	(981,450)	(1,730,616)	-
Net nonoperating revenues (expenses)	(1,615,880)	(1,143,805)	(1,896,587)	(145,767)
Income (loss) before capital contributions and transfers	27,397,265	21,418,783	(9,383,025)	(182,655)
Capital contributions	-	-	86,477,961	1,997,955
Transfers of capital assets to governmental activities	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(10,732,018)	(6,958,865)	(1,976,009)	(1,804,341)
Change in net position	16,665,247	14,459,918	75,118,927	10,959
Net position, beginning of year	216,005,321	144,440,371	282,563,343	79,841,058
Net position, end of year	\$ 232,670,568	\$ 158,900,289	\$ 357,682,270	\$ 79,852,017

See accompanying notes to the financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended December 31, 2023

Exhibit C-2

	<b>Business-Type Activities – Enterprise Funds (Continued)</b>		<b>Governmental Activities –</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Proprietary Funds</b>
<b>Operating Revenues</b>				
Charges for sales and services	\$ 16,723,041	\$ 189,447,846	\$ 103,304,093	\$ 292,751,939
Lease revenues	520,411	735,711	-	735,711
Other	561,464	8,833,784	111,470	8,945,254
Total operating revenues	17,804,916	199,017,341	103,415,563	302,432,904
<b>Operating Expenses</b>				
Operations	17,448,079	105,961,013	91,613,995	197,575,008
Change in landfill closure liability	-	4,400,287	-	4,400,287
Depreciation and amortization	6,041,351	50,288,148	14,467,502	64,755,650
Total operating expenses	23,489,430	160,649,448	106,081,497	266,730,945
Operating income (loss)	(5,684,514)	38,367,893	(2,665,934)	35,701,959
<b>Nonoperating Revenues (Expenses)</b>				
Investment income	1,418,517	11,021,805	2,661,051	13,682,856
Investment loss on landfill postclosure cash reserve	-	2,377,833	-	2,377,833
Installment sale	2,565,103	2,565,103	-	2,565,103
Other revenues	353	1,791,035	396,511	2,187,546
Intergovernmental revenue	205,945	653,274	157,005	810,279
Lease interest income	555,334	2,484,311	-	2,484,311
Interest expense	(2,504,151)	(20,985,210)	(584,395)	(21,569,605)
Interest expense on leases	-	(43,504)	-	(43,504)
Allowance for funds used during construction (AFUDC)	-	1,226,286	-	1,226,286
Gain (loss) on sale of capital assets	69,981	91,756	(34,949)	56,807
Long-term debt issuance expenses	-	(42,500)	-	(42,500)
Other expenses	-	(3,631,146)	(10,000)	(3,641,146)
Net nonoperating revenues (expenses)	2,311,082	(2,490,957)	2,585,223	94,266
Income (loss) before capital contributions and transfers	(3,373,432)	35,876,936	(80,711)	35,796,225
Capital contributions	7,880,049	96,355,965	2,762,889	99,118,854
Transfers of capital assets to governmental activities	-	-	(1,371,104)	(1,371,104)
Transfers from other funds	-	-	1,952,290	1,952,290
Transfers to other funds	(3,424,684)	(24,895,917)	(12,416)	(24,908,333)
Change in net position	1,081,933	107,336,984	3,250,948	110,587,932
Net position, beginning of year	122,526,952	845,377,045	37,614,074	882,991,119
Net position, end of year	\$ 123,608,885	\$ 952,714,029	\$ 40,865,022	\$ 993,579,051

Adjustments to reflect the  
consolidation of internal service  
fund activities related to enterprise  
funds  
(175,633)  
Change in net position of business-  
type activities  
\$ 107,161,351



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-3

Proprietary Funds  
Statement of Cash Flows  
Year ended December 31, 2023

**Business-Type Activities - Enterprise Funds**

	<b>Water Utility</b>	<b>Wastewater Utility</b>	<b>Port</b>	<b>Disposal Utility</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers	\$ 68,137,254	\$ 66,843,707	\$ 15,288,280	\$ 28,140,223
Other operating cash receipts	-	-	-	-
Receipts for interfund services provided	-	-	-	-
Payments to employees	(18,656,552)	(18,087,424)	(2,693,804)	(8,360,832)
Payments to vendors	(8,273,116)	(14,353,907)	(6,775,686)	(8,550,625)
Payments for interfund services used	(1,761,742)	(1,710,712)	(1,217,693)	(1,910,498)
Net cash from operating activities	39,445,844	32,691,664	4,601,097	9,318,268
<b>Cash Flows From Non-capital Financing Activities</b>				
Transfers to other funds	(10,732,018)	(6,958,865)	(1,976,009)	(1,804,341)
Security contract	-	-	(1,730,616)	-
Right of way and security fees	-	-	1,744,242	-
Due to other funds	-	-	22,505,599	-
Due from other funds	-	-	-	-
Proceeds from installment sale	-	-	-	-
Advance to other funds	-	-	-	-
Net cash from (for) non-capital financing activities	(10,732,018)	(6,958,865)	20,543,216	(1,804,341)
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from issuance of long-term obligations	-	1,665,847	-	13,959,070
Principal payments on long-term obligations	(15,022,934)	(12,221,615)	(715,000)	(1,038,558)
Financing costs on long-term obligations	-	-	(42,500)	-
Interest payments on long-term obligations	(8,078,681)	(5,910,447)	(3,913,933)	(3,995,959)
Proceeds from issuance of Direct Financing Agreements	-	-	-	-
Capital grant proceeds	-	-	-	-
Acquisition and construction of capital assets	(7,424,098)	(9,327,331)	(75,484,540)	(20,847,863)
Interest payments on leases & SBITAs	-	-	(16,956)	(18,079)
Principal payments on leases & SBITAs	(3,810)	(3,209)	(41,359)	(18,388)
Proceeds from leases	-	-	1,923,467	-
Proceeds from the sale or disposition of capital assets	-	-	21,775	-
Transfers from other funds	-	-	-	-
Capital contributions – customers	260,308	179,414	-	-
Capital contributions – intergovernmental	-	-	42,712,665	-
Net cash from capital and related financing activities	(30,269,215)	(25,617,341)	(35,556,381)	(11,959,777)
<b>Cash Flows From Investing Activities</b>				
Investment Income (loss)	4,214,316	3,434,993	(88,912)	4,514,527
Net increase (decrease) in cash	2,658,927	3,550,451	(10,500,980)	68,677
Cash, beginning of year	61,154,464	47,940,263	17,666,880	55,607,498
Cash, end of year	63,813,391	51,490,714	7,165,900	55,676,175
<b>Reconciliation to Statement of Net Position</b>				
Cash	-	2,200	500	2,424
Cash and investments in central treasury	31,616,835	28,201,761	-	31,619,021
Equity in bond and grant capital acquisition and construction accounts, unrestricted	-	-	-	4,318,652
Restricted equity in bond and grant capital acquisition and construction accounts	23,350,905	14,535,606	-	-
Cash legal settlement set aside	-	-	1,950,000	-
Debt service investments	-	-	5,215,400	3
Restricted investments for operations	-	-	-	-
Restricted equity in general cash pool - customer deposits	328,286	106,809	-	-
Reserved for equity in general cash pool - bond and loan debt service	8,517,365	8,644,338	-	-
Restricted for debt service	-	-	-	-
Restricted for Landfill postclosure cash reserve	-	-	-	19,736,075
Total cash, end of year	\$ 63,813,391	\$ 51,490,714	\$ 7,165,900	\$ 55,676,175

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-3

Proprietary Funds  
Statement of Cash Flows  
Year ended December 31, 2023

	<b>Business-Type Activities -</b>		<b>Governmental Activities -</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Proprietary Funds</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers	\$ 17,434,749	\$ 195,844,213	\$ -	\$ 195,844,213
Other operating cash receipts	284,247	284,247	-	284,247
Receipts for interfund services provided	-	-	103,669,836	103,669,836
Payments to employees	(5,611,671)	(53,410,283)	(12,291,263)	(65,701,546)
Payments to vendors	(10,266,664)	(48,219,998)	(76,238,543)	(124,458,541)
Payments for interfund services used	(1,449,730)	(8,050,375)	(3,962,676)	(12,013,051)
Net cash from operating activities	390,931	86,447,804	11,177,354	97,625,158
<b>Cash Flows From Non-capital Financing Activities</b>				
Transfers to other funds	(3,424,684)	(24,895,917)	(12,416)	(24,908,333)
Security contract	-	(1,730,616)	-	(1,730,616)
Right of way and security fees	-	1,744,242	-	1,744,242
Due to other funds	1,220,957	23,726,556	-	23,726,556
Due from other funds	-	-	157,005	157,005
Proceeds from installment sale	2,565,103	2,565,103	-	2,565,103
Advance to other funds	-	-	3,307,526	3,307,526
Net cash from (for) non-capital financing activities	361,376	1,409,368	3,452,115	4,861,483
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from issuance of long-term obligations	5,927,252	21,552,169	-	21,552,169
Principal payments on long-term obligations	-	(28,998,107)	(7,399,580)	(36,397,687)
Financing costs on long-term obligations	-	(42,500)	-	(42,500)
Interest payments on long-term obligations	(2,137,364)	(24,036,384)	(413,236)	(24,449,620)
Proceeds from issuance of Direct Financing Agreements	-	-	368,520	368,520
Capital grant proceeds	7,024	7,024	-	7,024
Acquisition and construction of capital assets	(8,563,065)	(121,646,897)	(6,597,935)	(128,244,832)
Interest payments on leases & SBITAs	-	(35,035)	(226,304)	(261,339)
Principal payments on leases & SBITAs	-	(66,766)	(1,400,904)	(1,467,670)
Proceeds from leases	560,613	2,484,080	-	2,484,080
Proceeds from the sale or disposition of capital assets	134,998	156,773	(74,624)	82,149
Transfers from other funds	-	-	1,952,290	1,952,290
Capital contributions – customers	-	439,722	-	439,722
Capital contributions – intergovernmental	4,410,353	47,123,018	2,762,889	49,885,907
Net cash from capital and related financing activities	339,811	(103,062,903)	(11,028,884)	(114,091,787)
<b>Cash Flows From Investing Activities</b>				
Investment Income (loss)	1,400,857	13,475,781	2,661,051	16,136,832
Net increase (decrease) in cash	2,492,975	(1,729,950)	6,261,636	4,531,686
Cash, beginning of year	17,326,532	199,695,637	60,944,399	260,640,036
Cash, end of year	19,819,507	197,965,687	67,206,035	265,171,722
<b>Reconciliation to Statement of Net Position</b>				
Cash	1,251	6,375	-	6,375
Cash and investments in central treasury	13,465,220	104,902,837	59,445,277	164,348,114
Equity in bond and grant capital acquisition and construction accounts, unrestricted	3,353,034	7,671,686	7,760,758	15,432,444
Restricted equity in bond and grant capital acquisition and construction accounts	-	37,886,511	-	37,886,511
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Debt service investments	-	5,215,403	-	5,215,403
Restricted investments for operations	3,000,000	3,000,000	-	3,000,000
Restricted equity in general cash pool - customer deposits	-	435,095	-	435,095
Reserved for equity in general cash pool - bond and loan debt service	-	17,161,703	-	17,161,703
Restricted for debt service	2	2	-	2
Restricted for Landfill postclosure cash reserve	-	19,736,075	-	19,736,075
Total cash, end of year	\$ 19,819,507	\$ 197,965,687	\$ 67,206,035	\$ 265,171,722

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3

Proprietary Funds  
Statement of Cash Flows  
Year ended December 31, 2023

**Business-Type Activities - Enterprise Funds**

	Water Utility	Wastewater Utility	Port	Disposal Utility
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:</b>				
Operating income (loss)	\$ 29,013,145	\$ 22,562,588	\$ (7,486,438)	\$ (36,888)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Change in landfill closure liability	-	-	-	4,400,287
Depreciation and amortization	12,814,557	12,429,825	13,023,730	5,978,685
Allowance for uncollectible accounts	(43,829)	(36,917)	-	-
Pension and OPEB relief-noncash revenue	222,018	204,939	14,174	6,198
Other revenues / expenses	26,146	20,187	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:				
Accounts receivable, net	(237,798)	(882,336)	(343,909)	(579,288)
Leases receivable	5,039	6,328	(6,728,907)	-
Inventories	(394,357)	(28,242)	-	2,258
Net OPEB asset	-	-	(5,857)	33,957
Prepaid items and deposits	(393,613)	(218,687)	28,010	748
Unbilled reimbursable projects	(131,619)	(17,787)	-	-
Unbilled special assessments	(4,311)	76,403	-	-
Customer deposits and refunds payable	(91,872)	5,906	-	-
Deferred outflows of resources related to pension	3,159	2,915	14,003	13,280
Deferred outflows of resources related to OPEB	127,349	117,554	14,775	9,907
Accounts payable, other accrued liabilities, and retainages	331,486	144,262	209,146	(392,015)
Accrued payroll liabilities	174,545	101,522	47,321	141,724
SBITAs payable	8,982	-	-	-
Compensated absences	(30,625)	3,837	14,477	(75,125)
Claims payable	-	-	-	-
Net pension liability	(203,520)	(187,864)	(187,588)	(172,557)
Net OPEB asset	(1,195,038)	(1,103,111)	-	-
Deferred inflows of resources related to OPEB	(256,073)	(236,376)	(22,403)	(12,937)
Deferred inflows of resources related to leases	(31,339)	(8,074)	6,024,087	-
Unearned revenues and deposits	(27,986)	56,400	-	34
Other long-term obligations	-	-	(13,524)	-
Regulatory debits	(238,602)	(321,608)	-	-
Total cash from operating activities	39,445,844	32,691,664	4,601,097	9,318,268
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Capital purchases on account	900,806	1,183,108	7,011,939	395,749
Contributed capital for equipment	724,120	594,072	50,084,943	1,997,955
Portion of plant from AFUDC	467,866	758,420	-	-
Total noncash investing, capital, and financing activities	\$ 2,092,792	\$ 2,535,600	\$ 57,096,882	\$ 2,393,704

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit C-3

Proprietary Funds  
Statement of Cash Flows  
Year ended December 31, 2023

	<b>Business-Type Activities -</b>		<b>Governmental Activities -</b>	
	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total Proprietary Funds</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:</b>				
Operating income (loss)	\$ (5,684,514)	\$ 38,367,893	\$ (2,665,934)	\$ 35,701,959
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Change in landfill closure liability	-	4,400,287	-	4,400,287
Depreciation and amortization	6,041,351	50,288,148	14,467,502	64,755,650
Allowance for uncollectible accounts	-	(80,746)	-	(80,746)
Pension and OPEB relief-noncash revenue	52,456	499,785	-	499,785
Other revenues / expenses	353	46,686	396,511	443,197
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:				
Accounts receivable, net	(168,915)	(2,212,246)	(115,200)	(2,327,446)
Leases receivable	(1,934,283)	(8,651,823)	-	(8,651,823)
Inventories	-	(420,341)	(113,532)	(533,873)
Net OPEB asset	(624,019)	(595,919)	(607,961)	(1,203,880)
Prepaid items and deposits	(21,418)	(604,960)	912,384	307,424
Unbilled reimbursable projects	-	(149,406)	-	(149,406)
Unbilled special assessments	-	72,092	-	72,092
Customer deposits and refunds payable	-	(85,966)	-	(85,966)
Deferred outflows of resources related to pension	(66,203)	(32,846)	48,699	15,853
Deferred outflows of resources related to OPEB	(2,147)	267,438	112,431	379,869
Accounts payable, other accrued liabilities, and retainages	2,686	295,565	67,315	362,880
Accrued payroll liabilities	13,097	478,209	23,272	501,481
SBITAs payable	-	8,982	-	8,982
Compensated absences	(2,151)	(89,587)	(72,318)	(161,905)
Claims payable	-	-	(342,603)	(342,603)
Net pension liability	798,844	47,315	(731,737)	(684,422)
Net OPEB asset	-	(2,298,149)	-	(2,298,149)
Deferred inflows of resources related to OPEB	(31,131)	(558,920)	(201,475)	(760,395)
Deferred inflows of resources related to leases	1,673,875	7,658,549	-	7,658,549
Unearned revenues and deposits	343,050	371,498	-	371,498
Other long-term obligations	-	(13,524)	-	(13,524)
Regulatory debits	-	(560,210)	-	(560,210)
Total cash from operating activities	390,931	86,447,804	11,177,354	97,625,158
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Capital purchases on account	1,177,593	10,669,195	144,415	10,813,610
Contributed capital for equipment	7,880,049	61,281,139	-	61,281,139
Portion of plant from AFUDC	-	1,226,286	-	1,226,286
Total noncash investing, capital, and financing activities	\$ 9,057,642	\$ 73,176,620	\$ 144,415	\$ 73,321,035

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Fiduciary Funds  
Statement of Fiduciary Net Position  
December 31, 2023

	<b>Pension and Other Postemployment Benefits Plans</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 83,557
Accrued interest	804,548
Investments:	
Money market funds	11,179,146
Certificate of deposit	7,711,874
U.S. treasuries	5,005,453
U.S. agencies	4,746,258
Corporate fixed income securities	58,115,976
Domestic fixed income funds	952,622
International fixed income funds	6,744,198
Domestic equity securities	132,829,159
International equity securities	86,481,530
Real estate funds	48,239,297
Total investments	<u>362,005,513</u>
Capital assets, net	<u>918</u>
Total assets	<u>362,894,536</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	95,471
Due to other fund	<u>316,015</u>
Total liabilities	<u>411,486</u>
<b>Net Position</b>	
Restricted for:	
Pensions	339,545,824
Postemployment benefits other than pensions	<u>22,937,226</u>
Total net position	<u>\$ 362,483,050</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
Year ended December 31, 2023

	<b>Pension and Other Postemployment Benefits Plans</b>
<b>Additions</b>	
Contributions from the Municipality	\$ 3,841,538
Contributions from plan members	9,750
Investment income:	
Interest	2,168,351
Dividends	4,329,395
Net increase in fair value of investments	38,312,802
Less: investment expense	(1,710,033)
Net investment income	43,100,515
Total additions	46,951,803
<b>Deductions</b>	
Regular benefit payments	37,492,287
Administrative expenses	848,785
Total deductions	38,341,072
Change in fiduciary net position	8,610,731
Net position, beginning of year	353,872,319
Net position, end of year	\$ 362,483,050

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Notes to the Basic Financial Statements

Year ended December 31, 2023

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# **MUNICIPALITY OF ANCHORAGE, ALASKA**

## **Notes to the Basic Financial Statements**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. Reporting Entity**

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

#### **Blended Component Unit**

CIVICVentures is a nonprofit corporation that owns and maintains two Anchorage-based properties: The Dena'ina Civic and Convention Center (the Civic Center), and the William A. Egan Civic and Convention Center (the Egan Center). The Mayor appoints all CIVICVentures board members. As of December 31, 2023, two of the five CIVICVentures Directors were executive employees of the Municipality, and management and accounting functions are performed by the Municipality. CIVICVentures is accounted for as a debt service fund.

#### **Discretely Presented Component Units**

The Anchorage School District (ASD) is a legally separate governmental entity, which is responsible for elementary and secondary education within the Municipality. School Board Members are elected by the voters; however, ASD is a component unit and integral part of the primary government, the Municipality. ASD is fiscally dependent upon the primary government because the Assembly approves the municipal tax appropriation and the total budget, and levies and collects taxes for the District. The Assembly also approves the borrowing of funds and issuance of bonds for the District. ASD has a June 30 fiscal year end; therefore, the financial information presented in these financial statements is as of and for the fiscal year ended June 30, 2023.

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

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

Component unit financial statements may be obtained from applicable respective administrative offices:

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

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

Anchorage Community Development Authority  
245 West 5<sup>th</sup> Avenue, Suite 122  
Anchorage, Alaska 99501

The Alaska Center for the Performing Arts, Inc.  
621 West 6<sup>th</sup> Avenue  
Anchorage, Alaska 99501



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### B. Government-Wide and Fund Financial Statements

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

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

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

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property and other taxes are recognized as revenues in the year for which they are levied. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements have been met. Return of restricted contributions are recorded as a reduction of revenue, if unused.

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

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

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

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

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

The Municipality reports the following major proprietary funds:

- The **Water Utility Enterprise Fund** accounts for the operations of the Municipal-owned Water Utility.
- The **Wastewater Utility Enterprise Fund** accounts for the operations of the Municipal-owned Wastewater Utility.
- The **Port Enterprise Fund** accounts for the operations of the Municipal-owned port.
- The **Disposal Utility Enterprise Fund** accounts for the operations of the Municipal-owned landfill and transfer station.

Additionally, the Municipality reports the following fund types:

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

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

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

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

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

##### **Cash and Cash Equivalents**

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

##### **Investments**

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

##### **Receivables and Payables**

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

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

##### **Property Taxes**

Property taxes attach a lien on property on the first day of the tax year in which taxes are levied. For 2023, real and personal property taxes were levied on June 1. Real property taxes were payable in two installments on June 30 and August 31, and personal property taxes on November 30.

The Municipality is responsible for assessing and collecting property taxes and remitting the amount approved by the Assembly to ASD. The Municipality collected property taxes on behalf of ASD for its general fund and debt service fund in the amounts of \$260,087,517 and \$18,701,540, respectively. ASD had accrued taxes and deferred inflows of resources of \$113,040,463 for financing half of the 2023-2024 budget as of June 30, 2023. Accordingly, amounts reported by the Municipality as due to component units on the statement of net position may not agree with the amounts reported by ASD as due from primary government.

On December 31, 2023, property taxes receivable for the Municipality was \$14,794,379 including penalties and interest of \$593,078 and excluding allowance for uncollectible property tax receivable of \$72,102.

##### **Inventories**

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

##### **Prepays**

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Regulatory and Other Assets

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

### Restricted Assets

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

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

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

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

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

### Capital Assets

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

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

The Utilities capitalize AFUDC to capture the cost of using both debt and equity funds to finance Utility plant additions during the construction period in accordance with regulatory requirements. AFUDC was capitalized in 2023 in the amounts of \$467,866 and \$758,420 for the Water and Wastewater Utilities, respectively.

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and Improvements	10 - 47 years
Production, Treatment, General Plant, Transmission and Reservoirs	5 - 90 years
Lift Stations, Interceptor, Trunks and Laterals	50 - 85 years
Equipment Containers	14 years
Office Equipment and Vehicles	3 - 25 years
Infrastructure (other than roads)	30 - 75 years
Intangible ERP System	10 years
Right-to-use Leased Equipment	5 - 20 years
Right-to-use SBITAs	2 - 5 years

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

#### Compensated Absences

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

#### Long-Term Obligations

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

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

#### **Net Pension and Net OPEB Assets and Liabilities**

For purposes of measuring net pension and net OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension and OPEB assets and liabilities are also reported for the Police and Fire Retirement Pension Trust and the Police and Fire Retiree Medical Trust. Details regarding net pension and OPEB assets and liabilities are discussed in Notes 12 and 13, respectively.

#### **Contributions in Aid of Construction**

The Utilities receive CIAC, which they record as contributed plant in service and deferred inflows of resources. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective plant as a reduction of depreciation expense and a reduction of deferred inflows of resources. Consequently, CIAC is recorded as deferred inflows of resources in the accompanying financial statements. Utility rates also include an AFUDC, which is capitalized in the accompanying financial statements. On December 31, 2023, Water and Wastewater Utility deferred inflow of resources balances related to CIAC were \$184,946,064, and \$146,937,200, respectively.

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

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

#### **Net Position and Flow Assumptions**

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

#### **Fund Balance**

The Assembly adopted a fund balance policy through resolution, which is used by the Municipality to report fund balance. Detailed disclosures regarding the fund balance policy, flow assumptions and reporting are discussed in Note 14.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### **E. Leases & Subscription-Based Information Technology Arrangements**

##### *Lessee:*

The Municipality is party to multiple leases of nonfinancial assets as a lessee. The Municipality recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. At the commencement of a lease, the Municipality initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Municipality determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Municipality uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Municipality generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Municipality is reasonably certain to exercise.

The Municipality monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

##### *Lessor:*

The Municipality leases multiple nonfinancial assets to third parties. The Municipality recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements where applicable.

At the commencement of the lease, the Municipality initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable and adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Municipality determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Municipality uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee. The Municipality monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

##### *Subscription-Based Information Technology Arrangements (SBITAs):*

The Municipality is party to multiple SBITAs of nonfinancial assets. The Municipality recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary fund financial statements. At the commencement of the subscription term, which is when the subscription asset is placed into service, the Municipality initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over its subscription term.

## **MUNICIPALITY OF ANCHORAGE, ALASKA**

### **Notes to the Basic Financial Statements**

Key estimates and judgments related to subscription include how the Municipality determines (1) the discount rate used to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The Municipality uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Municipality generally uses its estimated incremental borrowing rate as the discount rate. The subscription term includes the period during which the Municipality has a noncancellable right to use the subscription assets, also includes periods covered by an option to extend or terminate. Activities associated with a SBITA, other than making subscription payments, should be grouped in to the following three stages, and their costs should be accounted for accordingly: 1) Preliminary Project Stage, 2) Initial Implementation Stage, and 3) Operation and Additional Implementation Stage. The nature of the activity should be the determining factor.

The Municipality monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of any subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

#### **F. Utility Revenues**

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

#### **G. Statement of Cash Flows**

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

#### **H. Use of Estimates**

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

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

#### **A. Excess of Expenditures Over Appropriations**

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

For the year ended December 31, 2023, no expenditures exceeded appropriations in the departments of the general fund:

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



## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### B. Deficit Fund Balance and Deficit Net Position

As of December 31, 2023, an overall deficit fund balance and net deficit position were reported for the following funds:

Major Governmental Funds:

Roads and Drainage Capital Projects Fund	\$ (5,123,363)
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Non-major Governmental Funds:

Other Restricted Resources	\$ (341,133)
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Internal Service Funds:

General Liability/Worker's Compensation	\$ (15,004,175)
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Information Technology	(10,167,242)
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The Roads and Drainage Capital Projects fund reported an overall deficit fund balance because of revenues and other financing sources in excess of expenditures in 2023 not being sufficient to cover the overall deficit fund balance from 2022.

The Other Restricted Resources fund reported an overall deficit fund balance due to more than one year of cumulative expenditures being more than the special assessment revenues. This fund has presented a fund deficit consistently since 2006. The deficit was increased by \$146,243 during 2023.

The General Liability/Worker's Compensation fund again reported an overall net deficit because premiums charged to departments have been insufficient to cover claims, insurance premiums, and administrative costs for many consecutive years.

The Information Technology Fund reported an overall net deficit because for many consecutive years, the charges allocated to other departments have been insufficient to offset the total cost of the information Technology Department, including the cost of the SAP system.

#### C. Related Party Transaction and Revenue Sharing Agreements - ACDA

##### Leased Parking Spaces

The Municipality has leased 493 spaces located on five sites to the Authority for a period of 35 years.

##### Purchased building on 716 West 4<sup>th</sup> Avenue (Anchorage Police Department (APD))

The Municipality was leasing the building at 716 West 4<sup>th</sup> Avenue for the APD office until July 31, 2023. On August 1, 2023, the Municipality purchased the building at the total consideration of \$18,000,000.

##### Anchorage Police Department (APD) Parking Citations

Under a Memorandum of Understanding, ACDA processes parking citations written by the APD, which is part of the Municipality. All citation revenues collected are paid to the APD, and APD then pays ACDA based on the number of citations written and the revenue received. APD was charged \$29,596 for citation processing in 2023; ACDA has a receivable from APD in the amount of \$16,491 on December 31, 2023. ACDA paid APD \$50,484 of citation revenues in 2023. On December 31, 2023, ACDA has a payable to APD of \$35,529.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Municipal Enterprise Service Assessment

Under Anchorage Municipal Code (AMC, or Code) 9.60.125, enacted June 25, 2002, ACDA pays the Municipality a Municipal Enterprise Service Assessment (MESA). The first MESA payment under this ordinance was due in 2003. Payment is calculated by applying the mill rate for the service area (established by the Assembly) to the net book value of the plant in service plus 1.25% of ACDA's gross operating revenue for the preceding year. Gross operating revenue is defined as total operating revenue for the parking services department plus operating revenues plus cash contributions, less operating expenses excluding depreciation in the development department. ACDA paid the Municipality \$591,505 in MESA in 2023.

### Revenue Sharing Agreement

Under an MOU, ACDA entered into a revenue sharing agreement in 2009 for the Authority Hall parking lot (Lot) with the Municipality. Beginning January 15, 2010, 58 of the 60 available spaces in the Lot became available to the public weekdays after 6 PM, on weekends and on Municipal Holidays, for a fee. Revenue collection is performed by ACDA. Of the gross parking revenues received, 50% is distributed to ACDA and 50% to the Municipality. Gross revenues paid by ACDA to the Municipality were \$20,668 in 2023. ACDA has a payable as of December 31, 2023, to the Municipality of \$32,608.

### Permit Sales

The Municipality of Anchorage purchases parking permits from the Authority. Parking permits purchased by the Municipality were 7,857 in 2023.

### D. Related Party Transactions - ASD

The Municipality is responsible for assessing and collecting property taxes and remitting the amount approved by the Assembly to ASD. In addition, there are various services that are performed by the Municipality on behalf of ASD. ASD has a due from the primary government for \$132,201,393 as of June 30, 2023. The following is a summary of related party transactions with ASD:

Property Taxes Collected	
General Fund	\$ 212,394,716
Debt Service Fund	38,661,922
Pupil Transportation Fund	5,634,390
Total Taxes Collected	<u>\$ 256,691,028</u>
Charges for Services:	
Operations of swimming pools	\$ (41,188)
Joint Property and Liability Insurance:	
Purchase of a single property and liability policy, which covers both the Municipality and ASD	\$ (3,281,911)

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

The Municipality has an agreement with the Anchorage Convention and Visitors Bureau (ACVB) to manage and operate the Egan Center and the Civic Center. The Municipality collects a 12% gross hotel, motel, bed, and breakfast tax, with 1/3 for the convention centers, 1/3 for tourism, and 1/3 for general purposes. The Municipality remits to ACVB 95% of the 1/3 tourism tax revenue collected, with the remaining 5% withheld as retainage payable. The retainage is paid to ACVB annually if ACVB successfully meets specific performance standards. The Municipality paid ACVB \$12,739,740 for 2023. ACVB met the specific performance standards for 2023 to receive the 5% retainage. The Municipality reported \$670,513 as retainage payable to ACVB at year ended December 31, 2023.

## **MUNICIPALITY OF ANCHORAGE, ALASKA**

### **Notes to the Basic Financial Statements**

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

The Municipality enters into property tax abatement agreements with local businesses under AMC 12.35-Economic Development Property. Under the code, the Municipality may grant property tax exemptions for up to ten years and/or tax deferrals up to five years on deteriorated property or for economic development purposes. The goal of this code is to encourage development or redevelopment projects considered beneficial to the community in locations where tax incentives are necessary to ensure project viability or long-term economic feasibility. As of December 31, 2023, the Municipality had five property tax abatement agreements, so there is no quantitative threshold for disclosure.

##### **Span Alaska Transportation, LLC**

The Municipality entered into a tax abatement agreement in November 2019 with Span Alaska Transportation, LLC (Span Alaska) under AMC 12.35 - Economic Development Property. Span Alaska is building a 54,000 square foot cross-dock facility. The Municipality agreed to a five-year exemption of real property taxes on 91% of the taxable value of the improvement for five years beginning on January 1, 2020. Real property taxes exempt for 2023 under this agreement was \$7,418,320.

##### **601 Fifth Ave, LLC**

The Municipality entered into a tax abatement schedule on deteriorated property agreement in July 2020 with 601 Fifth Ave, LLC under AMC 12.35 - Economic Development Property to begin in 2021. Real property taxes deferred in 2023 under this agreement were \$0.

##### **Cook Inlet Housing Authority**

The Municipality entered into a tax abatement on deteriorated property agreement with the Cook Inlet Housing Authority (CIHA) in March 2021 under AMC 12.35 - Economic Development Property. In 2020, the Assembly designated the Central Spenard Area as deteriorated property. CIHA applied for and was granted a ten-year exemption of real property taxes for five parcels within this area. Real property taxes exempt in 2023 under this agreement were \$0.

##### **Grateful Bread, LLC**

The Municipality entered into a tax abatement on deteriorated property agreement with Grateful Bread, LLC in July 2021 under AMC 12.35 - Economic Development Property. Grateful Bread LLC applied for and was granted a ten-year exemption on 100% of the assessed value of the property and improvements, commencing after substantial completion of construction or beneficial occupancy of the improvements. Real property taxes exempt in 2023 under this agreement were \$2,115,900.

##### **The Alaska Hotel Group, 239 W. 4<sup>th</sup> Avenue, Limited Partnership**

The Municipality entered into a tax abatement on deteriorated property agreement with the Alaska Hotel Group in May 2022 under AMC 12.35 - Economic Development Property. Real property taxes exempt in 2023 under this agreement were \$0.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### NOTE 3 - CASH AND INVESTMENTS

December 31, 2023, the Municipality had the following cash and investments, with fixed income maturities as noted:

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Petty Cash	\$ 89,508	\$ -	\$ -	\$ -	\$ -
Central Treasury					
Money Market Funds	\$ 67,252,999	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	31,239,689	31,239,689	-	-	-
Commercial Paper	42,719,121	42,719,121	-	-	-
Certificates of Deposit	8,573,291	8,573,291	-	-	-
U.S. Treasuries	151,292,205	37,013,275	103,574,260	10,704,670	-
U.S. Agencies	58,156,801	30,839,769	21,719,303	3,231,615	2,366,114
Municipal Bonds	28,886	13,399	-	-	15,487
Asset-Backed Securities**	24,000,338	727,277	13,382,414	1,472,320	8,418,327
Corporate Fixed Income Securities	168,440,460	83,492,932	49,844,373	24,175,054	10,928,101
	<u>\$ 551,703,790</u>	<u>\$ 234,618,753</u>	<u>\$ 188,520,350</u>	<u>\$ 39,583,659</u>	<u>\$ 21,728,029</u>
MOA Trust Fund:					
Money Market Funds	\$ 1,641,791	\$ -	\$ -	\$ -	\$ -
Bank Loan Investments	22,235,010	-	-	22,235,010	-
Emerging Markets Debt	20,806,320	-	-	-	20,806,320
Fixed Income Funds	45,992,655	-	-	-	45,992,655
Corporate Fixed Income Securities	5,697,447	-	-	5,697,447	-
U.S. Treasuries	19,747,713	-	-	13,781,319	5,966,394
U.S. Agencies	19,561,568	-	-	-	19,561,568
Domestic Equities & Equity Funds	135,802,203	-	-	-	-
International Equities & Equity Funds	87,654,825	-	-	-	-
Real Estate Funds	50,841,806	-	-	-	-
	<u>\$ 409,981,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,713,776</u>	<u>\$ 92,326,937</u>
Police & Fire Retiree Medical Trust Fund:					
Money Market Funds	\$ 1,572,890	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	7,711,875	1,711,783	6,000,092	-	-
U.S. Treasuries	5,005,453	985,391	4,020,062	-	-
U.S. Agencies	4,746,258	249,307	4,496,951	-	-
Fixed Income Funds	952,622	-	169,373	673,969	109,280
International Fixed Income	285,424	-	-	285,424	-
Domestic Equities & Equity Funds	1,739,407	-	-	-	-
International Equities & Equity Funds	1,177,729	-	-	-	-
	<u>\$ 23,191,658</u>	<u>\$ 2,946,481</u>	<u>\$ 14,686,478</u>	<u>\$ 959,393</u>	<u>\$ 109,280</u>

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

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Police & Fire Retiree Medical Liability Fund:					
Money Market Funds	\$ 136,984	\$ -	\$ -	\$ -	\$ -
Fixed Income Funds	8,678,631	-	-	8,678,631	-
Domestic Equities & Equity Funds	12,865,833	-	-	-	-
International Equities & Equity Funds	9,392,558	-	-	-	-
Real Estate Funds	2,854,815	-	-	-	-
	<u>\$ 33,928,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,678,631</u>	<u>\$ -</u>
Police & Fire Retirement Pension Trust Fund:					
Cash	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Money Market Funds	9,434,101	-	-	-	-
Corporate Fixed Income Securities	64,098,343	9,857,213	32,054,577	20,829,195	1,357,358
U.S. Treasuries	1,042,269	1,042,269	-	-	-
Domestic Equities & Equity Funds	131,239,044	-	-	-	-
International Equities & Equity Funds	85,303,801	-	-	-	-
Real Estate Funds	48,239,297	-	-	-	-
	<u>\$ 339,556,855</u>	<u>\$ 10,899,482</u>	<u>\$ 32,054,577</u>	<u>\$ 20,829,195</u>	<u>\$ 1,357,358</u>
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:					
Money Market Funds	\$ 401	\$ -	\$ -	\$ -	\$ -
U.S. Fixed Income Fund	9,718,425	-	-	9,718,425	-
Domestic Equities & Equity Funds	6,034,495	-	-	-	-
International Equities & Equity Funds	3,982,754	-	-	-	-
	<u>\$ 19,736,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,718,425</u>	<u>\$ -</u>
CIVICVentures Component Unit					
Money Market Funds	\$ 28,075	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	1,695,491	1,695,491	-	-	-
U.S. Agencies***	12,127,846	6,026,220	6,101,626	-	-
	<u>\$ 13,851,412</u>	<u>\$ 7,721,711</u>	<u>\$ 6,101,626</u>	<u>\$ -</u>	<u>\$ -</u>
Total Cash and Investments	<u>\$ 1,392,039,457</u>	<u>\$ 256,186,427</u>	<u>\$ 241,363,031</u>	<u>\$ 121,483,079</u>	<u>\$ 115,521,604</u>

\*\*\* U.S. Agencies include debt securities from both government bonds and U.S. Agencies

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

The following table details total investments by area for the Municipality as of December 31, 2023:

<u>Governmental Activities</u>	
Cash	\$ 83,133
Cash and investments in central treasury	374,576,303
Current Restricted:	
Investments	458,473,713
Total Governmental Activities Cash and Investments	<u>\$ 833,133,149</u>
<u>Business-type Activities</u>	
Cash	\$ 6,375
Cash and investments in central treasury	127,727,753
Current Restricted:	
Equity in bond and grant capital acquisition and construction pool	37,886,511
Noncurrent Restricted:	
Restricted equity in general cash pool - customer deposits	435,095
Cash legal settlement set aside	1,950,000
Landfill post closure cash reserve	19,736,075
Investments for operations	3,000,000
Revenue bond reserve investment	5,273,936
Total Business-type Activities Cash and Investments	<u>\$ 196,015,745</u>
<u>Fiduciary Funds</u>	
Cash and cash equivalents	\$ 80,503
Investments	362,810,060
Total Fiduciary Funds Cash and Investments	<u>\$ 362,890,563</u>
 Total Investments	 <u>\$ 1,392,039,457</u>

The following details total accrued interest in cash and investment for the Municipality as of December 31, 2023:

Investment Pool	
Central Treasury	\$ 3,970,017
MOA Trust Fund	743,743
Police & Fire Retiree Medical Trust Fund	61,548
Police & Fire Retirement Pension Trust Fund	743,000
CIVICVentures Component Unit	16,154
Total Accrued Interest - Cash and Investments	<u>\$ 5,534,462</u>
Governmental Activities	\$ 3,636,051
Business-type Activities	1,093,863
Fiduciary Funds	804,548
	<u>\$ 5,534,462</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### A. Municipal Central Treasury

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

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

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

- Obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
- Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
- Taxable and tax-exempt municipal securities having a long-term rating of at least A- by a nationally recognized rating agency or taxable or tax-exempt municipal securities having a short-term rating of at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated AAA by a nationally recognized rating agency.
- Commercial paper, excluding asset-backed commercial paper, rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Bank debt obligations, including unsecured certificates of deposit, notes, time deposits, and bankers' acceptances (with maturities of not more than 365 days), and deposits with any bank, the short-term obligations of which are rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch and which is either:
  - a) Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
  - b) Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Standard & Poor's sovereign rating of AAA, or a Moody's sovereign rating for bank deposits of Aaa, or a Fitch national rating of AAA, and subject to supervision and examination by federal or state banking authorities.
- Repurchase agreements secured by obligations of the U.S. government, U.S. agencies, or U.S. government-sponsored corporations and agencies.
- Dollar denominated corporate debt instruments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Dollar denominated corporate debt instruments rated lower than BBB- (non-investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency, including emerging markets.
- Dollar denominated debt instruments of foreign governments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Asset-Backed Securities (ABS), excluding commercial paper, collateralized by: credit cards, automobile loans, leases and other receivables which must have a credit rating of AA- or above by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Mortgage-Backed Securities, including generic mortgage-backed pass-through securities issued by Ginnie Mae, Freddie Mac, and Fannie Mae, as well as non-agency mortgage-backed securities, Collateralized Mortgage Obligations (CMOs), or Commercial Mortgage-Backed Securities (CMBS), which must have a credit rating of AA- or better by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Debt issued by the Tennessee Valley Authority.
- Money market mutual funds rated Am or better by Standard & Poor's, or the equivalent by another nationally recognized rating agency, as long as they consist of allowable securities as outlined above.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

- The Alaska Municipal League Investment Pool (AMLIP), except that the Working Capital portfolio may not be invested in AMLIP.
- Mutual funds consisting of allowable securities as outlined above.
- Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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

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

The Investment Management Agreement (IMA) for each external manager and the policy and procedures (P&P) applicable to the internally managed investments provide additional guidelines for each portfolio’s investment mandate. The IMA limits the concentration of investments for the Working Capital Portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2023:

Investment Type	Concentration Limit	Working Capital Portfolio Holding % at December 31, 2023
U.S. Government Securities*	Maximum of 100% of investment portfolio	40%
Repurchase Agreements	Maximum of 50% of investment portfolio	10%
Certificates of Deposit	Maximum of 25% of investment portfolio	3%
	Maximum 5% per issuer	
Commercial Paper	Maximum of 25% of investment portfolio	14%
	Maximum 5% per issuer	
Bankers Acceptances	Maximum of 25% of investment portfolio	0%
	Maximum 5% per issuer	
Corporate Fixed Income, Corporate Floating Rate and Variable Rate Debt Securities**	Maximum of 35% of investment portfolio	29%
	Maximum 5% per issuer	
Corporate Floating Rate and Variable Rate Debt Securities***	Maximum of 25% of Corporate Securities	0%
	Maximum 5% per issuer	
Taxable & tax-exempt municipal debt securities	Maximum of 15% of investment portfolio	0%
	Maximum 5% per issuer	
Dollar denominated debt of foreign governments and the International Bank for Reconstruction and Development (IBRD)	Maximum of 10% of investment portfolio	0%
	Maximum 5% per issuer	
Money Market Mutual Funds****	Maximum of 25% of investment portfolio	4%
		<u>100%</u>

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

\*\*The maximum exposure to Corporate fixed, floating and variable rate debt securities in the Working Capital Portfolio is 35 percent.

\*\*\*Corporate floating rate and variable rate debt securities must be 25% or less of the total of Corporate debt securities.

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

Taxable and Tax-Exempt Municipal Debt Securities must have a final maturity within two (2) years of purchase.

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



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

The P&P limits the concentration of investments for the internally managed portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2023:

Investment Type	Concentration Limit	Holding % at December 31, 2023
U.S. Government Securities*	50% to 100% of investment portfolio	39%
Money Market Mutual Funds	0% to 25% of investment portfolio	61%
		<u>100%</u>

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

\*\*The internally Managed Portfolio contained an excess of cash equivalents at December 31, 2023 in anticipation of planned spending on debt service and a large cash payout to the Anchorage School District.

### B. MOA Trust Fund

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

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

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Strategic Allocation	Upper Limit	Investment Holding % at December 31, 2023
Domestic Equities	26%	31%	36%	33%
International Equities	18%	22%	26%	21%
Fixed Income (excluding TIPS)	21%	24%	27%	22%
Emerging Markets	0%	5%	8%	5%
Private Credit	0%	5%	8%	6%
Real Estate	10%	13%	16%	13%
				<u>100%</u>

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

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

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

#### **C. Police and Fire Retiree Medical Trust Fund**

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

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

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

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

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

Investment Type	Target Allocation	Investment Holding % at December 31, 2023
General Funds:		
Equities	70%	
Domestic Equities	42%	42%
International Equities	28%	28%
Fixed Income	30%	
Domestic Fixed Income	23%	23%
International Fixed Income	7%	7%
		<u>100%</u>

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2023
Member Allocated Funds:			
U.S. Treasuries	23%	33%	26%
Government Agencies	20%	30%	25%
Certificate of Deposit	35%	45%	41%
Cash Equivalents	4%	10%	8%
			<u>100%</u>

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

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

Generally, only investments original maturities of three months or less qualify under that definition. Original maturity means to the original maturity to the entity holding the investment.

Examples commonly considered to be cash equivalents are Treasury bills, commercial paper, and money market funds.

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### D. Police and Fire Retiree Medical Liability Fund

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

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

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

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2023
Domestic Equities	34%	44%	38%
International Equities	22%	30%	28%
Fixed Income	22%	28%	26%
Real Estate	6%	14%	8%
Cash & Cash Equivalents	0%	5%	0%
			<u>100%</u>

#### E. Police and Fire Retirement Pension Trust Fund

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

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

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

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

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2023
Domestic Equities:			
Large Cap Core	6%	12%	9%
Large Cap Growth	6%	12%	9%
Large Cap Value	7%	13%	8%
Small Cap Growth	4%	8%	6%
Small/Mid Cap Value	4%	8%	6%
International Equities:			
MSCI ACWI ex US	9.5%	15.5%	13%
Growth	9.5%	15.5%	13%
Fixed Income:			
Domestic Fixed Income	15%	28%	19%
Real Estate Funds:			
Open Ended Property Fund	2%	9%	5%
Farmland	2%	8%	5%
UBS-TPI	1%	7%	4%
Cash & Cash Equivalents:			
Cash Equivalents	0%	4%	3%
			<u>100%</u>

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

- No individual portfolio position shall constitute more than the greater of 5 percent of the security's weight in the agreed upon market index, plus 2 percent, unless specifically authorized by the Police and Fire Retirement Pension Trust's investment board.
- Listed American Depositary Receipts shall constitute no more than 20 percent of the market value of the assets controlled by any fund manager.
- Commercial paper must be rated P-1 by Moody's or A-1 by Standard and Poor's.
- The average credit rating for the fixed income portfolio must be at least BBB+ by both Moody's and Standard and Poor's, and no more than 20 percent of the fixed income portfolio may be in issues rated lower than Baa by Moody's or BBB by Standard and Poor's at the time of purchase.

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

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

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Target Allocation	Upper Limit	Investment Holding % at December 31, 2023
Domestic Equities	24%	30%	36%	30%
International Equities	16%	20%	24%	20%
Domestic Fixed Income	45%	50%	55%	50%
		<u>100%</u>		<u>100%</u>

#### G. CIVICVentures Component Unit

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

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

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

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

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

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

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

#### H. Interest Rate Risk

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

AMC 6.50.030 requires the Working Capital Portfolio have a duration of zero to 270 days. At December 31, 2023, the Working Capital Portfolio had a duration of 0.14 years, or approximately 51 days, and was within the targeted duration. AMC 6.50.030 also requires that the Contingency Reserve Portfolio have an average duration within half a year of its benchmark. At December 31, 2023, the Contingency Reserve Portfolio had a duration of 1.80 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.83 years. AMC 6.50.030 requires the Strategic Reserve Portfolio have a maximum duration no greater than one year in excess of its benchmark. At December 31, 2023, the Strategic Reserve Portfolio had a duration of 3.21 years as compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.59 years.

The Police and Fire Retiree Medical Trust's investment policy requires that the weighted average duration of its fixed income portfolio be within 20 percent of the Barclays Capital Aggregate Index. At December 31, 2023, the duration of the index was 6.43 years and the duration of the Police and Fire Retiree Medical Trust's fixed income portfolio, exclusive of member-allocated funds invested in U.S. Treasuries, was 6.46 years, which is within the required duration per the policy.

The Police and Fire Retirement Pension Trust's investment policy states that the total fixed income portfolio's weighted average duration cannot exceed 120 percent of the market's duration utilizing the Barclays Capital Aggregate Bond Index. At December 31, 2023, the duration of the Barclays Capital Aggregate Index was 6.24 years, and the duration of the Police and Fire Retirement Trust's fixed income portfolio was 3.79 years, which is within the required duration per the policy.

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

#### I. Credit Risk

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

At December 31, 2023, the Municipal Central Treasury's investment in marketable debt securities, excluding U.S. Treasuries, totaled \$250,626,485. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	18%	AAA	6%
Aa	3%	AA	14%
A	23%	A	18%
Baa	27%	BBB	35%
Ba or Lower	12%	BB or Lower	10%
Not Rated	17%	Not Rated	17%
	<u>100%</u>		<u>100%</u>

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

At December 31, 2023, the MOA Trust's investment in marketable debt securities, excluding U.S. Treasuries, totaled \$92,057,990. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	0%	AAA	0%
Aa	0%	AA	0%
A	56%	A	54%
Baa	0%	BBB	2%
Ba or Lower	23%	BB or Lower	23%
Not Rated	21%	Not Rated	21%
	<u>100%</u>		<u>100%</u>

At December 31, 2023, the Police and Fire Retiree Medical Trust had an investment of \$952,622 in commingled domestic fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$285,424 in commingled international fixed income funds with a weighted average credit quality rating of A+.

At December 31, 2023, the Police and Fire Retiree Medical Liability Fund had an investment of \$5,199,259 in commingled fixed income funds with a weighted average credit quality rating of AA, and an investment of \$3,479,372 in commingled fixed income funds with a weighted average credit quality rating of AA.

At December 31, 2023, the Police and Fire Retirement Pension Trust's total fixed income portfolio had a weighted average rating of Baa1 by Moody's. The Police and Fire Retirement Trust's investment in marketable debt securities, excluding U.S. Treasury and Agency Securities, totaled \$64,098,343.

At December 31, 2023, the Police and Fire Retirement Pension Trust's total fixed income portfolio had a weighted average rating of A3 by Moody's. The Police and Fire Retirement Trust's investment in marketable debt securities, excluding U.S. Treasury and Agency Securities, totaled \$63,040,441, with ratings distributed as follows:

Moody's	
Aaa	10%
Aa	2%
A	31%
Baa	41%
Ba or Lower	2%
Not Rated	14%
	<u>100%</u>

At December 31, 2023, the Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund had one investment totaling \$9,683,774 in fixed income funds that were rated AA-.

At December 31, 2023, CIVICVentures' government agency investments were rated "Aaa" by Moody's and "AA+" by Standard and Poor's. CIVICVentures' money market funds were rated "Aaa" by Moody's.

#### Concentration of Credit Risk

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

At December 31, 2023, the MOA Central Treasury, MOA Trust, the Police and Fire Retiree Medical Liability Fund, and the Police and Fire Retirement Pension Trust, had no investments in any single issuer exceeding 5 percent of total investments.



## **MUNICIPALITY OF ANCHORAGE, ALASKA**

### **Notes to the Basic Financial Statements**

The Police and Fire Retiree Medical Trust had more than 5 percent of its investments held with the Federal Home Loan Bank. These investments were 14.25 percent of the Police and Fire Retiree Medical Trust's total investments.

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

At December 31, 2023, more than 5% of the CIVICVentures' investments were held with Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, Tennessee Valley Authority, and Federal Home Loan Mortgage Corporation. These investments are 49.29%, 14.22%, 11.41%, 6.62%, and 6.00%, respectively, of the Corporation's total investments.

#### **Custodial Credit Risk**

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

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

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

As of December 31, 2023, the Municipality of Anchorage holds deposits in the amount of \$280,235 that are not covered by depository insurance and are collateralized with securities held by KeyBank's agent but not in the name of the Municipality of Anchorage.

#### **J. Foreign Currency Risk**

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

The Municipal Central Treasury is not exposed to foreign currency risk because AMC 6.50.030 explicitly prohibits the purchase of securities not denominated in U.S. Dollars. At December 31, 2023, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

The Municipality has the following foreign currency risk measurements as of December 31, 2023:

Fund	Investment	Currency	Fair Value at December 31, 2023
MOA Trust Fund:	Europacific Growth Equity Fund	Various	\$ 43,522,466
	Vanguard International Value Fund	Various	44,132,359
Total MOA Trust Fund			87,654,825
Police and Fire Retiree Medical Trust Fund:	Vanguard Total International Bond Index Fund	Various	\$ 285,434
	Vanguard Total International Stock Index Fund	Various	1,177,729
Total Police and Fire Retiree Medical Trust Fund			1,463,163
Police and Fire Retiree Medical Liability Fund:	Europacific Growth Equity Fund	Various	\$ 4,681,170
	Vanguard International Value Fund	Various	4,711,388
Total Police and Fire Retiree Medical Liability Fund			9,392,558
Police and Fire Retirement Pension Trust Fund:	Capital Guardian International Equity Fund	Various	\$ 42,587,307
	Lazard Asset International Equity	Various	42,716,494
Total Police & Fire Retirement Pension Trust Fund			85,303,801
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:	Vanguard Total International Stock Index Fund	Various	\$ 3,982,755
Total Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:			3,982,755
Total Foreign Currency Risk			\$ 187,797,102

### K. Fair Value Measurements

At December 31, 2023, the Municipality had the following cash and investments, valued as follows:

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

## **MUNICIPALITY OF ANCHORAGE, ALASKA**

### **Notes to the Basic Financial Statements**

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

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

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Municipality has the following recurring fair value measurements as of December 31, 2023:

Investment Type:	December 31, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Petty Cash	\$ 89,508	\$ -	\$ -
Central Treasury:			
Investments Measured at Fair Value:			
Commercial Paper	42,719,121	-	42,719,121
U.S. Treasuries	151,292,205	151,292,205	-
U.S. Agencies	58,156,801	-	58,156,801
Municipal Bonds	28,886	-	28,886
Asset-Backed Securities	24,000,338	-	24,000,338
Corporate Fixed Income Securities	168,440,460	-	168,440,460
	<u>444,637,811</u>	<u>151,292,205</u>	<u>293,345,606</u>
Investments Measured at Amortized Cost:			
Money Market Funds	67,252,999		
Repurchase Agreements	31,239,689		
Certificates of Deposits	8,573,291		
Total Central Treasury	<u>\$ 551,703,790</u>		
MOA Trust Fund:			
Investments Measured at Fair Value:			
Corporate Fixed Income	\$ 5,697,447	\$ -	\$ 5,697,447
U.S. Treasuries	19,747,713	19,747,713	-
U.S. Agencies	19,561,568	-	19,561,568
Domestic Equities and Equity Funds	135,802,203	135,802,203	-
International Equities and Equity Funds	87,654,825	87,654,825	-
Emerging Markets Debt	20,806,320	20,806,320	-
	<u>289,270,076</u>	<u>264,011,061</u>	<u>25,259,015</u>
Investments Measured at Net Asset Value (NAV):			
Bank Loan Investments Funds	22,235,010		
Fixed Income Funds	45,992,655		
Real Estate Funds	50,841,806		
	<u>119,069,471</u>		
Investments Measured at Amortized Cost:			
Money Market Funds	1,641,791		
Total MOA Trust Fund	<u>\$ 409,981,338</u>		

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Investment Type:	December 31, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Police & Fire Retiree Medical Trust Fund:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 5,005,453	\$ 5,005,453	\$ -
U.S. Agencies	4,746,258	-	4,746,258
Fixed Income Funds	952,622	952,622	-
International Fixed Income Funds	285,424	285,424	-
Domestic Equities and Equity Funds	1,739,407	1,739,407	-
International Equities and Equity Funds	1,177,729	1,177,729	-
	<u>13,906,893</u>	<u>9,160,635</u>	<u>4,746,258</u>
Investments Measured at Amortized Cost:			
Money Market Funds	1,572,890		
Certificates of Deposits	7,711,875		
Total Police & Fire Retiree Medical Trust Fund	<u>\$ 23,191,658</u>		
Police & Fire Retiree Medical Liability Fund:			
Investments Measured at Fair Value:			
Fixed Income Funds	8,678,631	8,678,631	-
Domestic Equities and Equity Funds	12,865,833	12,865,833	-
International Equities and Equity Funds	9,392,558	9,392,558	-
	<u>30,937,022</u>	<u>30,937,022</u>	<u>-</u>
Investments Measured at Net Asset Value (NAV):			
Real Estate Funds	2,854,815		
Investments Measured at Amortized Cost:			
Money Market Funds	136,984		
Total Police & Fire Retiree Medical Liability Fund	<u>\$ 33,928,821</u>		
Police & Fire Retirement Pension Trust Fund:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 1,042,269	\$ 1,042,269	\$ -
Corporate Fixed Income Securities	57,410,890	-	57,410,890
Domestic Equities and Equity Funds	70,776,044	70,776,044	-
	<u>129,229,203</u>	<u>71,818,313</u>	<u>57,410,890</u>
Investments Measured at Net Asset Value (NAV):			
Corporate Fixed Income Securities	6,687,453		
Domestic Equities and Equity Funds	60,463,001		
International Equities and Equity Funds	85,303,801		
Real Estate Funds	48,239,296		
	<u>200,693,551</u>		
Investments Measured at Amortized Cost:			
Cash	200,000		
Money Market Funds	9,434,101		
Total Police and Fire Retiree Pension Trust Fund	<u>\$ 339,556,855</u>		

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Investment Type:	December 31, 2023	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:			
Investments Measured at Fair Value:			
U.S. Fixed Income	\$ 9,718,425	\$ -	\$ 9,718,425
Domestic Equities and Equity Funds	6,034,495	6,034,495	-
International Equities and Equity Funds	3,982,754	3,982,754	-
	<u>19,735,674</u>	<u>10,017,249</u>	<u>9,718,425</u>
Investments Measured at Amortized Cost:			
Money Market Funds	401		
Total Anchorage Regional Landfill Closure and Post-Closure Reserve Fund	<u>\$ 19,736,075</u>		
CIVICVentures Component Unit:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 1,695,491	\$ 1,695,491	\$ -
U.S. Agencies	12,127,846	-	12,127,846
	<u>13,823,337</u>	<u>1,695,491</u>	<u>12,127,846</u>
Investments Measured at Amortized Cost:			
Money Market Funds	28,075		
Total CIVICVentures Component Unit	<u>13,851,412</u>		
Total Cash and Investments	<u>\$ 1,392,039,457</u>		
Governmental Activities	\$ 833,133,149		
Business-Type Activities	196,015,745		
Fiduciary Funds	362,890,563		
	<u>\$ 1,392,039,457</u>		

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

The unfunded commitments and redemption information for the investments reported as NAV for December 31, 2023 are as follows:

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
MOA Trust Fund:				
Trumbull Property Fund (d)	\$ 9,041,258	\$ -	Quarterly	60 days
FIAM Core Plus LLC (a)	45,992,655	-	Daily	5 Days
Harrison Street Core Property Fund C LP (f)	20,861,798	-	Quarterly	45 days
Invesco U.S. Income Fund L.P. (g)	20,938,750	-	Quarterly	45 days
Pimco Private Income Fund Onshore (h)	22,235,010	-	Annually	90 days
	<u>\$119,069,471</u>			

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
Police & Fire Retiree Medical Liability Fund:				
Trumbull Property Fund (d)	<u>\$ 2,854,815</u>	\$ -	Quarterly	60 days
Police & Fire Retirement Pension Trust Fund:				
Capital Group International All Countries Equity Trust (b)	\$ 42,587,307	\$ -	Trade Date	3 Days
Lazard International Equity Trust (b)	42,716,494	-	Trade Date	5 Days
EB DV Non-SL Large Cap Growth Stock Index Fund of the Bank of New York Mellon (c)	30,230,790	-	Trade Date	2 Days
EB DV Non-SL Index Fund of the Bank of New York Mellon (c)	30,232,211	-	Trade Date	2 Days
Trumbull Property Fund (d)	15,923,945	-	Quarterly	60 Days
Agrivest Farmland Fund (d)	18,407,977	-	Quarterly	60 days
Trumbull Property Fund	13,907,374	-	Quarterly	60 days
Barrow, Hanley, Mewhinney & Strauss High Yield Fixed Income fund (e)	6,687,453	-	Trade Date	2 Days
	<u>\$200,693,551</u>			

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

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

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

#### **L. 49<sup>th</sup> State Angel Fund Investments**

In 2012, the Municipality was allocated \$13.2 million by the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) to invest in Anchorage area businesses, the first city in the U.S. to receive such an allocation. Through this program, the Municipality established the 49th State Angel Fund (49SAF) to provide a new source of capital to Anchorage area entrepreneurs as well as spur economic development and encourage the creation of a qualified network of Angel investors. The 49SAF makes equity investments in local startups and small businesses that need additional capital for growth.

The Municipality has invested directly in Anchorage area small businesses and in partner funds, who in turn, administer smaller distributions directly to the Anchorage area small businesses. The fair value of investments is calculated using Net Asset Value (NAV) or its equivalent derived from various financial documents provided to the Municipality on an annual basis. The fair value of 49SAF investments using NAV or its equivalent for the year ended December 31, 2023 is as follows:

#### Investments Measured at Net Asset Value (NAV)

Loans and Convertible Notes	\$ 583,500
Investments in Partners Funds	3,234,452
Equity	182,571
Agreements for Future Equity	504,000
Total Investments Measured at NAV	<u>\$ 4,504,523</u>



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### NOTE 4 - RECEIVABLES (Including Loans Receivable)

The Municipality's receivables including the applicable allowance for uncollectible accounts were reported as follows on December 31, 2023:

	Governmental Activities	Business-type Activities	Total
Current:			
Property taxes	\$ 14,866,481	\$ -	\$ 14,866,481
Motor vehicle taxes	934,034	-	934,034
Hotel and motel taxes	6,285,813	-	6,285,813
Alcohol taxes	1,778,771	-	1,778,771
Tobacco taxes	2,311,822	-	2,311,822
Marijuana taxes	615,413	-	615,413
Fuel product taxes	1,365,610	-	1,365,610
E911 surcharge taxes	975,188	-	975,188
Unbilled reimbursable projects	-	281,494	281,494
Special assessments receivable	1,765,256	107,048	1,872,304
Trade accounts, including internal service funds	18,404,248	19,494,858	37,899,106
Total accounts receivable	49,302,636	19,883,400	69,186,036
Allowance for uncollectible accounts	(9,445,570)	(333,816)	(9,779,386)
Total Accounts Receivable, net	<u>\$ 39,857,066</u>	<u>\$ 19,549,584</u>	<u>\$ 59,406,650</u>
Noncurrent:			
Trade accounts	\$ -	\$ 416,927	\$ 416,927
Electric Utility installment sale receivable	-	96,841,316	96,841,316
Land sale promissory note	1,289,357	-	1,289,357
HUD loans (including section 108)	2,140,062	-	2,140,062
Total Accounts Receivable, Leases and Loans, net	<u>\$ 3,429,419</u>	<u>\$ 97,258,243</u>	<u>\$ 100,687,662</u>

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### NOTE 5 - CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance January 1, 2023	Increase	Decrease	Ending Balance December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 1,270,744,491	\$ 250,915	\$ (2,432,291)	\$ 1,268,563,115
Artwork	21,906,811	2,112,720	-	24,019,531
Construction Work in Progress	18,713,738	23,502,933	31,397,065	73,613,736
Infrastructure	1,492,791,752	13,193,664	-	1,505,985,416
Total Capital Assets, Not Being Depreciated	2,804,156,792	39,060,232	28,964,774	2,872,181,798
Capital Assets, Being Depreciated or Amortized				
Buildings and Improvements	791,043,038	21,105,930	-	812,148,968
Equipment	261,727,093	14,296,000	(12,095,741)	263,927,352
Infrastructure	613,846,651	17,095,149	(377,775)	630,564,025
Intangible ERP	80,344,390	1,371,104	-	81,715,494
Right to use SBITAs	-	5,399,799	-	5,399,799
Right-to-use Leased Land	2,365,071	124,694	-	2,489,765
Right-to-use Leased Buildings	64,504,417	-	(29,684,999)	34,819,418
Right-to-use Leased Equipments	6,297,055	-	(135,807)	6,161,248
Total Capital Assets, Being Depreciated or Amortized	1,820,127,715	59,392,676	(42,294,322)	1,837,226,069
Less Accumulated Depreciation or Amortization for:				
Buildings and Improvements	525,251,591	16,365,257	-	541,616,848
Equipment	218,549,353	13,451,673	(9,272,764)	222,728,262
Infrastructure	352,474,928	10,100,539	(356,366)	362,219,101
Intangible ERP	42,027,885	8,034,439	-	50,062,324
Right-to-use SBITAs	-	1,396,364	-	1,396,364
Right-to-use Leased Land	325,956	283,392	-	609,348
Right-to-use Leased Buildings	6,360,234	3,445,683	(2,515,344)	7,290,573
Right-to-use Leased Equipments	817,467	782,349	-	1,599,816
Total Accumulated Depreciation and Amortization	1,145,807,414	53,859,696	(12,144,474)	1,187,522,636
Total Capital Assets, Being Depreciated or Amortized, Net	674,320,301	5,532,980	(30,149,848)	649,703,433
Total Governmental Activities, Net	\$ 3,478,477,093	\$ 44,593,212	\$ (1,185,074)	\$ 3,521,885,231

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

	Beginning Balance January 1, 2023	Increase	Decrease	Ending Balance December 31, 2023
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land and Property held for future use	\$ 91,988,052	\$ -	\$ -	\$ 91,988,052
Construction Work in Progress	173,030,955	124,694,910	(133,578,380)	164,147,485
<b>Total Capital Assets, Not Being Depreciated</b>	<b>265,019,007</b>	<b>124,694,910</b>	<b>(133,578,380)</b>	<b>256,135,537</b>
Capital Assets, Being Depreciated or Amortized:				
Distribution and Collection Systems, Infrastructure	1,840,587,034	18,432,018	(1,161,691)	1,857,857,361
Buildings and Improvements	592,870,464	116,495,663	(1,576,099)	707,790,028
Leased Right-to-Use Assets	1,754,267	18,396	(19,969)	1,752,694
SBITAs Right-to-Use Assets	-	28,796	-	28,796
<b>Total Capital Assets, Being Depreciated or Amortized</b>	<b>2,435,211,765</b>	<b>134,974,873</b>	<b>(2,757,759)</b>	<b>2,567,428,879</b>
Less Accumulated Depreciation and Amortization for:				
Distribution and Collection Systems, Infrastructure	780,288,453	43,020,224	(1,096,673)	822,212,004
Buildings and Improvements	238,965,222	17,798,872	(1,576,099)	255,187,995
Leased Right-to-Use Assets Amortization	110,011	108,960	-	218,971
SBITAs Right-to-Use Assets Amortization	-	9,598	-	9,598
<b>Total Accumulated Depreciation and Amortization</b>	<b>1,019,363,686</b>	<b>60,937,654</b>	<b>(2,672,772)</b>	<b>1,077,628,568</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>1,415,848,079</b>	<b>74,037,219</b>	<b>(84,987)</b>	<b>1,489,800,311</b>
<b>Total Business-Type Activities, Net</b>	<b>\$ 1,680,867,086</b>	<b>\$ 198,732,129</b>	<b>\$ (133,663,367)</b>	<b>\$ 1,745,935,848</b>

Depreciation and amortization expense of right to use assets was charged to the primary government departments and functions as follows:

	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
<b>Governmental Activities:</b>			
General Government	\$ 11,674,821	\$ 3,591,871	\$ 15,266,692
Fire Services	5,038,668	740,478	5,779,146
Police Services	1,535,300	1,186,064	2,721,364
Health and Human Services	1,113,041	73,768	1,186,809
Economic and Community Development	11,659,513	7,392	11,666,905
Public Transportation	1,318,113	20,022	1,338,135
Public Works	9,861,736	-	9,861,736
Maintenance and Operations of Roads and Facilities	4,942,318	288,193	5,230,511
<b>Total Governmental Activities</b>	<b>\$ 47,143,510</b>	<b>\$ 5,907,788</b>	<b>\$ 53,051,298</b>
<b>Business-Type Activities:</b>			
Water	\$ 12,804,942	\$ 9,615	\$ 12,814,557
Wastewater	12,426,056	3,769	12,429,825
Refuse	2,045,441	-	2,045,441
Solid Waste	5,922,531	56,154	5,978,685
Port	12,974,710	49,020	13,023,730
Municipal Airport	3,693,634	-	3,693,634
Anchorage Hydropower	302,276	-	302,276
<b>Total Business-Type Activities</b>	<b>\$ 50,169,590</b>	<b>\$ 118,558</b>	<b>\$ 50,288,148</b>

Depreciation offset by amortization of regulatory liability- contributed  
plant and retirements of group depreciated plant assets

10,649,506

Gross increase in accumulated depreciation and amortization

\$ 60,937,654

### Contractual Commitments

Governmental-type major fund Roads and Drainage Capital Project had contractual commitments for capital construction in the amount of \$14.2 million on December 31, 2023. Business-type major funds Water, Wastewater and Port had contractual commitments for capital construction in the amount of \$12.5 million, \$12.9 million, and \$86.8 million, respectively.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

	Beginning Balance July 1, 2022	Increase	Decrease	Ending Balance June 30, 2023
Capital Assets, Not Being Depreciated:				
Land	\$ 42,357,063	\$ -	\$ -	\$ 42,357,063
Construction Work in Progress	678,750	39,135,344	(39,147,353)	666,741
Total Capital Assets not Being Depreciated	43,035,813	39,135,344	(39,147,353)	43,023,804
Capital Assets Being Depreciated or Amortized:				
Land Improvements	80,639,231	-	(6,900)	80,632,331
Buildings and Equipment	2,022,638,831	43,513,269	(3,505,600)	2,062,646,500
Pupil Transportation	22,137,057	-	-	22,137,057
Leased Right-to-Use Assets	37,347,486	768,328	-	38,115,814
Total Capital Assets Being Depreciated or Amortized	2,162,762,605	44,281,597	(3,512,500)	2,203,531,702
Less Accumulated Depreciation and Amortization For:				
Land Improvements	56,273,308	2,087,561	(6,900)	58,353,969
Buildings and Equipment	802,261,718	47,773,899	(2,291,291)	847,744,326
Pupil Transportation	11,337,066	1,140,843	-	12,477,909
Leased Right-to-Use Assets	13,696,333	7,022,201	-	20,718,534
Total Accumulated Depreciation and Amortization	883,568,425	58,024,504	(2,298,191)	939,294,738
Total Capital Assets, Being Depreciated or Amortized, Net	1,279,194,180	(13,742,907)	(1,214,309)	1,264,236,964
ASD Capital Assets, Net	\$ 1,322,229,993	\$ 25,392,437	\$ (40,361,662)	\$ 1,307,260,768

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

Capital asset activity for the year ended December 31, 2023, is as follows:

	Beginning Balance January 1, 2023	Increase	Decrease	Ending Balance December 31, 2023
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 15,956,795	\$ -	\$ (3,228,000)	\$ 12,728,795
Capital Assets Being Depreciated or Amortized:				
Parking Garages	62,744,396	66,573	(14,271,751)	48,539,218
Lot Improvements	638,531	-	(46,566)	591,965
Furniture and Fixtures	25,472	-	-	25,472
Equipment and Vehicles	2,363,903	7,210	(53,472)	2,317,641
Parking Meters	113,456	1,036,320	(1,741)	1,148,035
Right-to-Use Leased Vehicles	23,552	-	-	23,552
Right-to-Use Leased Buildings	283,816	-	-	283,816
Total Capital Assets Being Depreciated or Amortized	66,193,126	1,110,103	(14,373,530)	52,929,699
Less Accumulated Depreciation or Amortization For:				
Parking Garages	44,719,217	1,622,337	(1,786,922)	44,554,632
Lot Improvements	638,128	404	(46,566)	591,966
Furniture and Fixtures	21,808	1,912	-	23,720
Equipment and Vehicles	1,956,695	181,842	(53,472)	2,085,065
Parking Meters	113,457	-	(1,742)	111,715
Right-to-Use Leased Vehicles	2,944	11,777	-	14,721
Right-to-Use Leased Buildings	113,526	56,763	-	170,289
Total Accumulated Depreciation and Amortization Net	47,565,775	1,875,035	(1,888,702)	47,552,108
Total Capital Assets, Being Depreciated or Amortized, Net	18,627,351	(764,932)	(12,484,828)	5,377,591
ACDA Capital Assets, Net	\$ 34,584,146	\$ (764,932)	\$ (15,712,828)	\$ 18,106,386

### NOTE 6 – DON YOUNG PORT OF ALASKA MODERNIZATION PROGRAM

The Don Young Port of Alaska (Port) is a Municipality-owned and operated facility that handles half of all Alaska inbound marine freight, some 5.1 million tons of fuel and cargo in 2023, half of which is delivered to final destinations outside of Anchorage. It is critical transportation infrastructure serving regional, statewide, and national commerce, economic development, homeland security and disaster recovery needs. The Port is:

- The intermodal transport hub efficiently connecting Alaska's primary marine, road, rail, pipeline, and air cargo systems.
- The Department of Defense commercial strategic seaport that projects U.S. power across Alaska, the Pacific Rim, and the Arctic.
- Anchorage's only foreign trade zone (FTZ No. 160) that extends U.S. Customs duty benefits to Ted Stevens International Airport and other businesses and sites throughout the region.
- Critical infrastructure that is key to successful implementation of virtually every state and federal earthquake/disaster response plan.

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

The Port's aging wharf piles have lost up to three-quarters of original thickness to corrosion. Port officials completed a pile jacket reinforcement program from 2004 to 2020. However, these jackets are a one-time fix that lasts 10 to 15 years with pile replacement as the next requirement to ensure stability of the docks.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

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

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

PAMP and Municipal officials have been working with engineers to replace all Port docks. Phase 1, the construction of the new Petroleum & Cement Terminal at the Port was completed and opened during 2022. Phase 2 work has begun with North Extension stabilization work for landside and waterside underway and estimated completion scheduled for fall of 2025. A new Port Administration building was constructed in 2023 with occupancy complete in May 2024. The old Port Administration building is planned for demolition in spring of 2025 to make way for the replacement and modernization of Terminal 1. Future design and planning for the completion of the Port modernization program is ongoing.

#### NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

##### A. Interfund Receivables and Payables

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

Interfund Payable to General Fund from:

Nonmajor Governmental Funds	\$ 1,276,949
Nonmajor Enterprise Funds	1,356,724
Port of Anchorage Funds	22,505,599
Total Interfund Payable to General Fund	<u>25,139,272</u>

Interfund Payable to Nonmajor Governmental Funds from:

Roads & Drainage Capital Projects Fund	5,157,689
Nonmajor Governmental Funds	1,679,837
Internal Service Funds	85,000
Total Interfund Payable to Nonmajor Governmental Funds	<u>6,922,526</u>
Total Interfund Payables	<u>\$ 32,061,798</u>

All balances are expected to be settled within the next fiscal year, except for interfund receivables and payables recorded as Advances to/from other funds. Advances receivable on December 31, 2023, were as follows:

Advances from General Fund to Nonmajor Governmental Funds for FEMA	\$ 16,204,357
Advances from General Fund to Nonmajor Governmental Funds for Capital	1,044,324
Advances from General fund to IT for Capital and Operating	30,244,058
Subtotal, General fund advances	<u>47,492,739</u>
Advances from Nonmajor Governmental Funds to Equipment	
Maintenance fund for Capital	765,000
Advances from Internal Service Funds to General fund for Capital	5,838,311
Total Advances Receivable	<u>\$ 54,096,050</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Fund to:

Roads and Drainage Capital Projects Fund for Capital	\$ 3,920,490
Nonmajor Governmental Funds to Fund OPEB Liability	1,086,934
Nonmajor Governmental Funds for Debt Service	5,432,378
Nonmajor Governmental Funds for Operating	914,373
Nonmajor Governmental Funds for Grant Matching	1,182,078
Nonmajor Governmental Funds for Capital	30,412,152
Internal Service Funds for Capital	1,952,290
Total Transfers from General Fund	<u>44,900,695</u>

From MOA Trust Fund to:

General Fund for Annual Operating Subsidy	<u>16,300,000</u>
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From Nonmajor Governmental Funds to:

General Fund for Debt Service	2,187,775
Nonmajor Governmental Funds for Operating Subsidy	1,300,000
Nonmajor Governmental Funds for Capital	3,025,437
Nonmajor Governmental Funds for Debt Service	6,355,368
Total Transfers from Nonmajor Governmental Funds	<u>12,868,580</u>

From Water Utility Fund to General Fund (1)	10,732,018
From Wastewater Utility Fund to General Fund (2)	6,958,865
From Disposal Utility Fund to General Fund (1)	1,804,341
From Port Fund to General Fund (3)	1,976,009

From Nonmajor Enterprise Funds to:

General Fund (4)	861,717
MOA Trust Fund for Annual Contribution (5)	2,562,967
Total Transfers from Nonmajor Enterprise Funds	<u>3,424,684</u>

From Internal Service Funds to:

Nonmajor Governmental Funds for Grants Matching	12,416
Total Transfers To at the Fund Level	<u>\$ 98,977,608</u>

Transfers included: (1) MUSA and dividend payments; (2) MUSA payments; (3) MESA and dividend payments; (4) MESA, MUSA, and dividend payments; and (5) Anchorage Hydro Fund annual contribution to the MOA Trust.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### NOTE 8 – LEASE AGREEMENTS AND SUBSCRIPTION-BASED IT ARRANGEMENTS

#### LEASES

##### A. Municipality as Lessee

The Municipality has entered into multiple lease agreements as lessee for various nonfinancial assets. As of December 31, 2023, the outstanding balance of leases payable was \$36,404,670. The Municipality is required to make monthly, quarterly, and annual principal payments plus interest. The lease agreements did not contain a stated interest rate; therefore, the Municipality used its incremental borrowing rates from 1.65% to 2.63% as the discount rate of leases depending on each contract's terms. The nonfinancial assets have various useful lives. No material direct costs payments were made. The total book value of the right-to-use assets as of December 31, 2023, was \$45,223,125 and had accumulated amortization of \$9,718,707, which is presented in Note 5 Capital Assets.

The future principal and interest lease payments as of December 31, 2023, were as follows:

##### Governmental Activities:

Years:	Leases Payable		
	Principal	Interest	Total
2024	\$ 4,431,569	\$ 789,855	\$ 5,221,424
2025	4,094,427	702,518	4,796,945
2026	3,905,414	617,555	4,522,969
2027	1,756,490	555,795	2,312,285
2028	1,641,365	517,452	2,158,817
2029-2033	5,184,513	2,103,396	7,287,909
2034-2038	4,713,284	1,504,118	6,217,402
2039-2043	3,747,157	942,986	4,690,143
2044-2048	4,199,319	431,328	4,630,647
2049-2053	1,137,840	19,822	1,157,662
Totals	\$ 34,811,378	\$ 8,184,825	\$ 42,996,203

##### Business-Type Activities:

Years:	Leases Payable		
	Principal	Interest	Total
2024	\$ 84,372	\$ 36,579	\$ 120,951
2025	87,655	34,992	122,647
2026	91,086	33,306	124,392
2027	94,675	31,516	126,191
2028	98,428	29,616	128,044
2029-2033	473,543	118,715	592,258
2034-2038	471,649	63,968	535,617
2039-2043	175,145	12,925	188,070
2044-2048	6,808	2,540	9,348
2049-2053	8,126	1,223	9,349
2054	1,805	65	1,870
Totals	\$ 1,593,292	\$ 365,445	\$ 1,958,737



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### B. Municipality as Lessor

The Municipality, as lessor, entered into multiple-year lease agreements to third parties for various nonfinancial assets at discount rates ranging from 2.43% to 6.05% depending on contract terms. The lengths of the lease terms vary, and the Municipality has used its incremental borrowing rates as the discount rate when the stated interest rate was not included in the contract. The Municipality recognized \$3,148,231 in lease revenue and \$2,641,486 in interest revenue for the year ended December 31, 2023. As of December 31, 2023, the Municipality's receivable for future lease payments was \$81,932,572. The Municipality recognized a deferred inflow of resources associated with the lease of \$79,582,812 on December 31, 2023, that will be recognized as revenue over the remainder of the lease terms.

### SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAs)

The Municipality implemented GASB Statement No. 96 effective for the year beginning January 1, 2023. Under GASB 96, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. There was no significant impact from GASB 96 implementation to the Municipality's beginning net position.

The Municipality has entered into multiple SBITAs as of December 31, 2023, the outstanding balance of SBITAs payable was \$3,662,433. The Municipality is required to make annual principal payments plus interest. The SBITAs did not contain a stated interest rate; therefore, the Municipality used its incremental borrowing rates from 5.09% to 5.51% as the discount rate of SBITAs depending on each contract's terms. The arrangements have various subscription terms. No material direct costs payments were made. The total book value of the right-to-use assets as of December 31, 2023, was \$5,428,595 and had accumulated amortization of \$1,405,962, which is presented in Note 5 Capital Assets.

The future principal and interest SBITAs payments as of December 31, 2023, were as follows:

#### Governmental Activities:

Years:	SBITAs Payable		
	Principal	Interest	Total
2024	\$ 1,161,186	\$ 185,103	\$ 1,346,289
2025	1,206,277	126,181	1,332,458
2026	1,245,860	64,924	1,310,784
2027	31,146	1,585	32,731
Totals	\$ 3,644,469	\$ 377,793	\$ 4,022,262

#### Business-Type Activities:

Years:	SBITAs Payable		
	Principal	Interest	Total
2024	\$ 8,750	\$ 954	\$ 9,704
2025	9,214	489	9,703
Totals	\$ 17,964	\$ 1,443	\$ 19,407

### NOTE 9 - SHORT-TERM OBLIGATIONS

On April 6, 2023, the Municipality issued tax anticipation notes in the General Fund with a face value of \$125,000,000, with a premium of \$1,272,500. The purpose of the issuance was to raise money to pay current expenditures in anticipation of the collection of property taxes. Short-term debt activity for the year ended December 31, 2023, was as follows:

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

	Beginning Balance January 1, 2023	Issued	Redeemed	Ending Balance December 31, 2023
Tax Anticipation Notes	\$ -	\$ 125,000,000	\$ 125,000,000	\$ -

### NOTE 10 - LONG TERM OBLIGATIONS

#### A. Changes in Long-Term Obligations

Long-term obligation activity, net of related premium and discount amortizations, for the year ended December 31, 2023, was as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 514,498,592	\$ -	\$ (52,241,929)	\$ 462,256,663	\$ 38,505,000
CIVICVentures Revenue Bonds	81,585,609	-	(3,409,434)	78,176,175	3,245,000
PAC Roof Revenue Bonds	2,909,803	-	(207,425)	2,702,378	175,000
Certificate of Participation Bonds	45,030,000	-	(3,895,000)	41,135,000	4,005,000
Direct Financing Agreements	20,168,907	1,320,810	(8,163,476)	13,326,241	6,073,073
Loan Agreement	-	18,300,000	-	18,300,000	352,327
<b>Total Debt Payable</b>	<b>664,192,911</b>	<b>19,620,810</b>	<b>(67,917,264)</b>	<b>615,896,457</b>	<b>52,355,400</b>
Compensated Absences	28,782,402	21,423,937	(22,434,470)	27,771,869	22,342,392
Net Pension Liability	432,584,140	-	(34,018,427)	398,565,713	-
Leases Payable	66,404,923	-	(31,593,545)	34,811,378	4,431,569
SBITAs Payable	-	3,644,469	-	3,644,469	1,161,186
Net OPEB Liability	144,761,726	-	(4,864,307)	139,897,419	-
Pollution Remediation	3,833,945	563,000	-	4,396,945	970,158
Claims Payable and IBNR	38,867,719	57,188,517	(57,531,120)	38,525,116	28,397,421
<b>Total Governmental Activities</b>	<b>\$ 1,379,427,766</b>	<b>\$ 102,440,733</b>	<b>\$ (218,359,133)</b>	<b>\$ 1,263,509,366</b>	<b>\$ 109,658,126</b>
<b>Business-type Activities:</b>					
Revenue Bonds	\$ 396,490,566	\$ -	\$ (14,838,837)	\$ 381,651,729	\$ 13,593,050
Long-Term Contracts (Direct Borrowings)	245,089,154	21,552,169	(16,185,088)	250,456,235	16,277,505
<b>Total Debt Payable</b>	<b>641,579,720</b>	<b>21,552,169</b>	<b>(31,023,925)</b>	<b>632,107,964</b>	<b>29,870,555</b>
Compensated Absences	4,416,550	3,023,873	(3,113,460)	4,326,963	3,167,057
Net Pension Liability	44,204,763	47,315	-	44,252,078	-
Leases Payable	1,670,022	-	(76,730)	1,593,292	84,372
SBITAs Payable	-	17,964	-	17,964	8,750
Customer Deposits	-	435,095	-	435,095	-
Pollution Remediation	697,100	2,035,900	-	2,733,000	558,000
Port Road Obligation	1,734,106	-	(13,524)	1,720,582	-
Landfill Closure Liability	42,621,511	4,400,287	-	47,021,798	-
<b>Total Business-type Activities</b>	<b>\$ 736,923,772</b>	<b>\$ 31,512,603</b>	<b>\$ (34,227,639)</b>	<b>\$ 734,208,736</b>	<b>\$ 33,688,734</b>

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

The Municipality implemented GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Direct borrowing is when a government enters into a loan agreement with a lender, usually without an agent. Direct placement is when a government issues a debt security directly to an investor (such as a state agency issuing a debt security directly to an investor). As of December 31, 2023, the Municipality held direct debt as discussed below in footnote E.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### B. General Obligation Bonds

The Municipality issues general obligation (GO) bonds to provide funds for capital acquisition and construction. GO bonds are direct obligations and pledge the full faith and credit of the government. They are generally issued as 20-year serial bonds with principal and interest payments due annually. The Municipality did not issue new GO bonds in 2023 to finance capital projects. As of December 31, 2023, the Municipality reported total outstanding GO bonds in the amount of \$421,690,000.

Description	Amount Outstanding
\$40,435,000 2014A General Obligation General Purpose Bonds due in annual installments of \$1,355,000 to \$1,935,000 through 2025, interest rate from 1.25% to 5%. The issue is for the purpose of general capital projects within the Municipality.	\$ 3,800,000
\$78,430,000 2014B General Obligation General Purpose Refunding Bonds due in annual installments of \$1,510,000 to \$10,390,000 through 2025, interest rate from 1.25% to 5%. The issue was for the purpose of refunding the remainder of 2004C and partially refunding 2005F.	17,250,000
\$47,840,000 2015A General Obligation General Purpose Bonds due in annual installments of \$1,765,000 to \$3,635,000 through 2035, interest rate from 2% to 5%. The issue was for the purpose of general capital projects within the Municipality.	16,465,000
\$115,250,000 2015B General Obligation General Purpose Refunding Bonds due in annual installments of \$4,125,000 to \$20,140,000 through 2028, interest rate from 2% to 5%. The issue was for the purpose of refunding the remainder of 2005C and 2005D and partially refunding 2007C and 2008A.	30,565,000
\$24,870,000 2016A General Obligation General Purpose Bonds due in annual installments of \$865,000 to \$1,875,000 through 2036, interest rate from 3.25% to 5%. The issue was for the purpose of general capital projects within the Municipality.	19,075,000
\$58,235,000 2018A General Obligation General Purpose Bonds due in annual installments of \$1,955,000 to \$4,540,000 through 2038, interest rate from 2.63% to 5%. The issue was for the purpose of general capital projects within the Municipality.	49,870,000
\$32,875,000 2019A General Obligation General Purpose Bonds due in annual installments of \$1,110,000 to \$2,350,000 through 2039, interest rate from 3% to 5%. The issue was for the purpose of general capital projects within the Municipality.	29,365,000
\$27,750,000 2019B General Obligation General Purpose Refunding Bonds due in annual installments of \$2,195,000 to \$3,440,000 through 2030, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2010A-2 after the 2020 payment.	20,825,000
\$44,720,000 2020A General Obligation General Purpose Bonds due in annual installments of \$1,230,000 to \$3,045,000 through 2040, interest rate from 1.75% to 5%. The issue was for the purpose of general capital projects within the Municipality.	40,425,000
\$1,765,000 2020B General Obligation General Purpose Refunding Bonds due in annual installments of \$125,000 to \$270,000 through 2028, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2010C after the 2020 payment.	1,135,000
\$43,820,000 2020C General Obligation General Purpose Refunding Bonds due in annual installments of \$915,000 to \$4,505,000 through 2034, interest rate of .217% to 1.916%. The issue was for the purpose of refunding the remainder of 2012A after the 2022 payment and 2014A after the 2025 payment.	39,860,000

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Description	Amount Outstanding
\$13,900,000 2020D General Obligation General Purpose Refunding Bonds due in annual installments of \$1,100,000 to \$1,725,000 through 2031, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2011A after the 2021 payment.	11,645,000
\$45,245,000 2021A General Obligation General Purpose Bonds due in annual installments of \$1,515,000 to \$3,385,000 through 2041, interest rate from 4% to 5%. The issue was for the purpose of general capital projects within the Municipality.	43,730,000
\$25,595,000 2021B General Obligation General Purpose Refunding Bonds due in annual installments of \$420,000 to \$7,325,000 through 2033, interest rate of 0.819% to 2.485%. The issue was for the purpose of refunding the remainder of 2015A after the 2026 payment and 2015B after the 2027 payment.	24,610,000
\$76,350,000 2022A General Obligation General Purpose Bonds due in annual installments of \$2,405,000 to \$5,620,000 through 2042, interest rate from 4% to 5%. The issue was for the purpose of general capital improvements within the Municipality.	73,070,000
Total General Obligation Debt	<u>\$ 421,690,000</u>

ASD GO bonds are reported as obligations of the component unit since they are expected to be repaid from ASD revenues; such amounts total \$428,510,000 on June 30, 2023. ASD GO bonds are discussed in detail in Section J. All other Municipality GO bonds are reported in the government-wide financial statements.

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

	Governmental Activities		
	Principal	Interest	Total
Years:			
2024	\$ 38,505,000	\$ 17,035,400	\$ 55,540,400
2025	36,215,000	15,271,180	51,486,180
2026	30,675,000	13,591,748	44,266,748
2027	32,040,000	12,232,959	44,272,959
2028	28,950,000	10,803,341	39,753,341
2029-2033	120,210,000	39,557,211	159,767,211
2034-2038	95,760,000	18,472,883	114,232,883
2039-2042	39,335,000	3,171,600	42,506,600
Subtotal	421,690,000	130,136,322	551,826,322
Add unamortized premiums	40,566,663	-	40,566,663
Total	<u>\$ 462,256,663</u>	<u>\$ 130,136,322</u>	<u>\$ 592,392,985</u>

### C. Revenue Bonds

#### CIVICVentures Revenue Bonds

In August 2015, CIVICVentures, a blended component unit, issued \$93,790,000 in Tax-exempt, Non-recourse Revenue Refunding Bonds to finance the acquisition of land and construction of a new civic and convention center. Revenues pledged to pay the debt are those revenues identified in the Indenture of Trust between CIVICVentures and U.S. Bank National Association, consisting of Hotel, Motel, and Bed and Breakfast room taxes collected and remitted pursuant to agreement, by the Municipality. In the event room tax collections are not sufficient to pay the debt, the Municipality is not obligated in any way to pay the debt on behalf of CIVICVentures. Principal and interest paid for the current year, total Hotel, Motel, and Bed and Breakfast tax revenues, related investment income, and other revenue were \$6,575,950, \$6,355,369, \$524,554, and \$124 respectively.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

Bond payments are due in annual installments ranging annually from \$3,015,000 to \$6,715,000 through 2038, with interest rates ranging between 3.5% and 5%. As of December 31, 2023, the Municipality reported as blended total outstanding tax-exempt non-recourse Revenue Bonds in the amount of \$74,955,000.

CIVICVentures revenue bonds' annual debt service requirements to maturity are as follows:

Years:	CIVICVentures		
	Principal	Interest	Total
2024	\$ 3,245,000	\$ 3,410,200	\$ 6,655,200
2025	3,490,000	3,247,950	6,737,950
2026	3,750,000	3,073,450	6,823,450
2027	4,100,000	2,885,950	6,985,950
2028	4,305,000	2,680,950	6,985,950
2029-2033	24,970,000	9,953,250	34,923,250
2034-2038	31,095,000	3,829,000	34,924,000
Subtotal	74,955,000	29,080,750	104,035,750
Add unamortized bond premiums	3,221,175	-	3,221,175
Total	\$ 78,176,175	\$ 29,080,750	\$ 107,256,925

#### Utility and Enterprise Revenue Bonds

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

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

#### Water Utility

The Water Utility has pledged future water customer revenues, net of specified operating expenses, to repay Water Utility revenue bonds. Bond proceeds provided financing for construction and other capital improvements. The bonds are payable solely from Water customer net revenues and are payable through 2047. Total principal and interest remaining to be paid on the bonds is \$145,782,475. Principal and interest paid for the current year and total customer net revenues were \$11,487,219 and \$34,180,124, respectively.

#### Wastewater Utility

The Wastewater Utility has pledged future wastewater customer revenues, net of specified operating expenses, to repay Wastewater Utility revenue bonds. Bond proceeds provided financing for construction and other capital improvements. The bonds are payable solely from Wastewater customer net revenues and are payable through 2047. Total principal and interest remaining to be paid on the bonds is \$114,510,193. Principal and interest paid for the current year and total customer net revenues were \$9,404,817 and \$30,421,231, respectively.

#### Port

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

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

of \$46,210,000, are due in annual installments of \$370,000 and \$2,960,000 (principal payments beginning in 2023 through 2045), plus interest at 1.051% to 3.52%.

The Port has pledged future customer revenues, net of specified operating expenses, to repay Port revenue bonds. Bond proceeds provided financing for construction of the Port Modernization Project. The bonds are payable solely from Port customer net revenues and are payable through 2050. The total principal and interest remaining to be paid on the bonds is \$106,728,142. Interest payments began in 2021, and principal payments began in 2023.

### Refuse and Disposal Utility

In October 2022, Solid Waste Services issued 2022 Series A Refunding Revenue Bonds. Bond proceeds will be used to refinance capital improvements to the solid waste facilities including a portion of the costs of the new Central Transfer Station by refunding the outstanding subordinate lien note and to pay the costs of issuance of the 2022 Solid Waste Services bonds. The 2022 Series A bonds have a total authorized amount of \$109,755,000, are due in annual installments of \$995,000 to \$2,425,000 with principal payments beginning in 2024 through 2062 plus interest ranging from 5.0% to 5.5%. The total principal and interest remaining to be paid on the bonds is \$247,545,950. The bonds were issued at a discount of \$2,159,790.

As of December 31, 2023, the Municipality reported total outstanding Utility and Enterprise Revenue Bonds in the amount of \$362,383,414. The details of those bonds are as follows:

Description	Amount Outstanding
<u>Water Utility</u>	
\$10,000,000 2017 Water Series A Revenue Bonds, due in annual installments of \$1,000,000 through 2027, interest rate of 1.96%.	\$ 4,000,000
\$88,660,000 2017 Water Series B Revenue and Refunding Bonds, due in annual installments of \$545,000 to \$7,590,000 through 2047, interest rate from 3% to 5%.	83,290,000
\$20,402,386 2022 Water Series Revenue Bonds due in annual installments of \$949,874 to \$2,047,634 through 2032, with an interest rate of 3.56%.	17,404,878
Total Water Utility Outstanding	<u>\$ 104,694,878</u>
<u>Wastewater Utility</u>	
\$20,000,000 2017 Wastewater Series A Revenue Bonds, due in annual installments of \$2,000,000 through 2027, interest rate of 1.96%.	\$ 8,000,000
\$64,895,000 2017 Wastewater Series B Revenue and Refunding Bonds, due in annual installments of \$565,000 to \$5,255,000 through 2047, interest rate from 3% to 5%.	58,805,000
\$19,633,000 2022 Wastewater Series A Revenue Bonds, due in annual installments of \$914,055 to \$1,970,416 through 2032, with an interest rate of 3.56%.	16,748,536
Total Wastewater Utility Outstanding	<u>\$ 83,553,536</u>
<u>Port Utility</u>	
\$18,885,000 2020 Port Series A Revenue Bonds, due in annual installments of \$1,275,000 through 2050, interest rate of 2.53%.	\$ 18,885,000
\$46,210,000 2020 Port Series B Revenue Bond, due in annual installments of \$370,000 to \$2,960,000 through 2045, interest rate from 1.071% to 3.52%.	45,495,000
Total Port Utility Outstanding	<u>\$ 64,380,000</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Description	Amount Outstanding
<u>Solid Waste Services Utility</u>	
\$109,755,000 2022 SWS Series A Revenue Bonds, due in annual installments of \$995,000 to \$6,030,000 through 2062, interest rate from 5% to 5.5%.	\$ 109,755,000
Total Solid Waste Services Utility Outstanding	<u>\$ 109,755,000</u>
Total Utility Revenue Bonds Outstanding	<u><u>\$ 362,383,414</u></u>

Annual debt service requirements to maturity for all Utility and Enterprise revenue bonds are as follows:

Years:	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 13,593,050	\$ 15,996,305	\$ 29,589,355
2025	13,773,050	15,477,838	29,250,888
2026	15,643,050	14,931,319	30,574,369
2027	16,613,048	14,332,277	30,945,325
2028	15,283,048	13,693,061	28,976,109
2029-2033	78,748,168	58,062,638	136,810,806
2034-2038	69,315,000	40,435,988	109,750,988
2039-2043	32,015,000	29,798,658	61,813,658
2044-2048	37,605,000	22,257,014	59,862,014
2049-2053	25,180,000	14,690,650	39,870,650
2054-2058	22,240,000	9,495,675	31,735,675
2059-2062	22,375,000	3,011,925	25,386,925
Subtotal	362,383,414	252,183,348	614,566,762
Add unamortized premiums/(discounts), net	19,268,315	-	19,268,315
Total	<u>\$ 381,651,729</u>	<u>\$ 252,183,348</u>	<u>\$ 633,835,077</u>

### Alaska Center for the Performing Arts, Inc. Roof Revenue Bonds

In 2004, the Municipality entered into a loan agreement with the Alaska Municipal Bond Bank Authority to provide funding for ACPA roof repairs. This loan will be repaid with revenues from an ACPA ticket surcharge. In 2014, the ACPA Roof Bond was refinanced in the amount of \$3,735,000 with annual debt service payments ranging from \$160,000 to \$285,000, with 5% interest. 2023 Principal and interest paid, total ACPA ticket surcharge revenues, and related investment income were \$302,250, \$401,112, and \$35,767, respectively. As of December 31, 2023, the Municipality reported an outstanding balance on this bond of \$2,475,000.

Annual debt service requirements to maturity are as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2024	\$ 175,000	\$ 123,750	\$ 298,750
2025	180,000	115,000	295,000
2026	190,000	106,000	296,000
2027	205,000	96,500	301,500
2028	210,000	86,250	296,250
2029-2033	1,230,000	261,750	1,491,750
2034-2036	285,000	14,250	299,250
Subtotal	2,475,000	803,500	3,278,500
Add unamortized premiums, net	227,378	-	227,378
Total	<u>\$ 2,702,378</u>	<u>\$ 803,500</u>	<u>\$ 3,505,878</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### D. Certificate of Participation Bonds

On December 7, 2017, the Municipality issued \$58,675,000 of Certificates of Participation (COP), 2017 Series A (Taxable) Bonds, for the Police and Fire Retirement Pension Trust Fund. Sale proceeds were used to pay for certain unfunded pension liabilities for the Police and Fire Retirement Pension Trust. The four properties attached to the COP are ZJ Loussac Library, Fire Station No. 1, Fire Station No. 3, and APD Training Center/Diamond Data Center. The bonds will be repaid from contributions of property taxes. Principal and interest paid for the current year, total contributions of property taxes to the debt service fund, and related investment income were \$5,432,378, \$5,432,378, and \$24,203, respectively. On December 31, 2023, the balance remaining for the Police and Fire COP was \$41,135,000.

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

Years:	Governmental Activities		
	Principal	Interest	Total
2024	\$ 4,005,000	\$ 1,422,861	\$ 5,427,861
2025	4,130,000	1,300,389	5,430,389
2026	4,255,000	1,170,707	5,425,707
2027	4,395,000	1,032,845	5,427,845
2028	4,540,000	885,173	5,425,173
2029-2033	19,810,000	1,868,379	21,678,379
Total	\$ 41,135,000	\$ 7,680,354	\$ 48,815,354

### E. Notes and Contracts from Direct Borrowings

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

#### Water Utility Commercial Bank Loan Agreement

In 2019, the Water Utility increased a loan agreement with a commercial bank to \$30 million. The Water Utility had a loan balance of \$1,000 on December 31, 2023. On July 14, 2022, the Water Utility refunded a large portion of the Subordinate Lien Note using the 2022 Series A Revenue bonds. Effective May 16, 2021, the Water Utility amended the loan agreement. Key changes in the amendment extend the mandatory prepayment to March 1, 2023, from May 15, 2021; changed the interest rate from being based on London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate (SOFR); the loan commitment amount may now exceed \$30,000,000 if requested by the Water Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the loan agreement, the Water Utility pays fees quarterly of 0.1% per annum based upon the balance authorized, but not drawn, calculated on a weekly basis. Throughout 2023, the interest rate on the loan varied.

#### Wastewater Utility Commercial Bank Loan Agreement

In 2019, the Wastewater Utility increased a loan agreement with a commercial bank to \$30 million. The Wastewater Utility had a loan balance of \$1,000 on December 31, 2023. Effective May 16, 2021, the Wastewater Utility amended the loan agreement. Key changes in the amendment extended the mandatory prepayment to March 1, 2023, from May 15, 2021; changed the interest rate from being based on LIBOR to SOFR; the loan commitment amount may now exceed \$30,000,000 if requested by the Wastewater Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the loan agreement, the Water Utility pays fees quarterly of 0.1% per annum based upon the balance authorized, but not drawn, calculated on a weekly basis. Throughout 2023, the interest rate on the loan varied.



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Port Revolving Credit Agreement

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

This long-term borrowing program was amended and restated as of July 1, 2021, with a new expiration date of December 29, 2023. The note payable was amended on June 1, 2023 with an expiration date of December 1, 2025. The interest rate per annum is the applicable spread of 0.75 percent plus the Securities Industry and Financial Markets Association (SIFMA) rate. The Port exercised the option to draw \$40 million for the needed financing for capital projects related to the Port Modernization Project and as of December 31, 2023, the Port incurred \$1,654,800 in interest expense on unpaid principal.

### Refuse and Disposal Utility Revenue Note Agreement

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

As of December 31, 2023, the combined outstanding principal balance for both Solid Waste Utilities was \$29,589,886, with the Refuse Utility reporting \$8,890,507 of the outstanding principal and the Disposal Utility reporting \$20,699,379 of the outstanding principal. Interest incurred for the year ended December 31, 2023, for both Solid Waste Utilities were \$892,053, with the Refuse Utility reporting \$285,236 and the Disposal Utility reporting \$606,817. Commitment fees incurred for the year ended December 31, 2023, for both Solid Waste Utilities were \$131,226, with the Refuse Utility reporting \$45,120 and the Disposal Utility reporting \$86,106.

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

The Municipality has various Clean Water and Drinking Water Fund loans in its Solid Waste, Water, and Wastewater Utilities from the State of Alaska. The Municipality reported a total outstanding balance on all these loans of \$180,864,349 on December 31, 2023.

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 16,277,505	\$ 4,623,603	\$ 20,901,108
2025	86,366,547	2,520,784	88,887,331
2026	16,550,983	2,209,371	18,760,354
2027	15,905,126	1,961,114	17,866,240
2028	15,500,495	1,722,547	17,223,042
2029-2033	51,425,616	5,703,096	57,128,712
2034-2038	34,177,967	2,488,296	36,666,263
2039-2043	14,251,996	463,200	14,715,196
Total	\$ 250,456,235	\$ 21,692,011	\$ 272,148,246

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### F. Bonds Authorized but Unissued

On December 31, 2023, the Municipality had the following authorized but unissued GO bonds (in thousands):

Purpose	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
Anchorage Parks & Recreation	April 2021	None	3,950	2,690	1,260
	April 2022	None	3,875	-	3,875
	April 2023	None	3,950	-	3,950
Anchorage Roads & Drainage	April 2021	None	36,425	18,800	17,625
	April 2022	None	34,870	-	34,870
	April 2023	None	34,500	-	34,500
Area Wide Transportation Capital Improvement	April 2019	None	1,506	1,236	270
	April 2020	None	1,995	-	1,995
	April 2021	None	1,230	-	1,230
	April 2022	None	1,200	-	1,200
	April 2023	None	1,110	-	1,110
Public Safety- Areawide	April 2020	None	7,785	6,805	980
	April 2021	None	3,750	1,295	2,455
	April 2022	None	880	-	880
	April 2023	None	3,510	-	3,510
Anchorage Fire	April 2021	None	1,950	1,520	430
	April 2022	None	2,100	-	2,100
	April 2023	None	2,625	-	2,625
					\$ 114,865

In April 2023, the Municipality voters approved the issuance of \$45,695,000 in area wide, road and drainage, public-safety, fire protection, and parks and recreation bonds.

### G. Refunded Bond Issues

#### ASD Refunding Bonds

During ASD's fiscal year ended June 30, 2023, the Municipality did not issue a refunding bond.

### H. Defeasance of Debt

#### Municipality Defeasance of Debt

The Municipality defeased certain GO and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the Municipality's financial statements. On December 31, 2023, the defeased balance of GO and revenue bonds remaining to be paid by the escrow agent was \$44,445,000 for the general government.

#### Electric Utility Defeasance of Debt

The Electric Utility defeased certain revenue bonds by placing the proceeds from the sale of the Electric Utility in an irrevocable trust to provide for all future debt service payments on the 2014 Revenue Bond Series A. Accordingly, trust account assets and liabilities for defeased bonds are not reported in the Municipality's financial statements. On December 31, 2023, the defeased balance of the revenue bonds to be paid by the escrow agent was \$152,200,000 for the Electric Utility.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### ASD Defeasance of Debt

ASD has defeased certain GO bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in ASD's financial statements. On June 30, 2023, the amount of GO bonds considered defeased was \$154,095,000.

### I. Direct Financing Agreements

The Municipality entered into revolving direct financing agreements to finance information technology equipment and software, all of which were in service or being installed as of December 31, 2023. In 2023, the Municipality drew \$368,519 to cover capital expenditures. As of December 31, 2023, the outstanding balance of \$7,889,546 was recorded in the Information Technology Internal Service Funds.

The Municipality entered into a revolving direct financing agreement to purchase a handling system for a municipal library, which system was in service as of December 31, 2023. The outstanding balance of \$179,828 was recorded in the Governmental Activities.

The Municipality entered into a revolving direct financing agreement to purchase a Computer Aided Mass Appraisal (CAMA) system, which was an ongoing capital project as of December 31, 2023. In 2023, the Municipality drew \$952,291 to finance additional CAMA capital expenditures. The outstanding balance on December 31, 2023, of \$5,048,337 was recorded in the Governmental Activities.

The Municipality entered into a revolving direct financing agreement to upgrade lighting at various locations within the Municipality, which lighting was in service as of December 31, 2023. The outstanding balance of \$208,530 was recorded in the Governmental Activities.

As of December 31, 2023, debt obligations from direct financing agreements included in current liabilities were \$6,073,073, and debt obligations from direct financing agreements in non-current liabilities were \$7,253,168 for total debt obligations from direct financing agreements of \$13,326,241.

Annual debt service requirements under the Municipality's direct financing agreements were as follows as of December 31, 2023:

	Governmental Activities		
	Principal	Interest	Total
Years:			
2024	\$ 6,073,073	\$ 354,771	\$ 6,427,844
2025	2,699,321	230,764	2,930,085
2026	1,495,780	170,558	1,666,338
2027	1,091,694	122,706	1,214,400
2028	866,510	82,451	948,961
2029-2031	1,099,863	67,259	1,167,122
Total	\$ 13,326,241	\$ 1,028,509	\$ 14,354,750

On August 1, 2023, the Municipality entered into a \$18,300,000 loan agreement with Key Government Finance, Inc. to purchase the building located at 716 West 4<sup>th</sup> Avenue in Anchorage from the ACDA. This loan agreement matures August 1, 2048, bears an interest rate of 5.533% for the first seven years. Effective August 1, 2030, the rate will adjust by 0.01% for each 0.01% variance in the 10-Year Treasury Rate between August 1, 2023, and the date that is seven business days before the first reset date of August 1, 2030. As of December 31, 2023, debt obligations from loan agreement included in current liabilities was \$352,327, and debt obligations from loan agreement in non-current liabilities was \$17,947,673 for total debt obligations from loan agreement of \$18,300,000.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Annual debt service requirements under the Municipality's loan agreement were as follows as of December 31, 2023:

	Governmental Activities		
	Principal	Interest	Total
Years:			
2024	\$ 352,327	\$ 1,007,732	\$ 1,360,059
2025	372,091	987,968	1,360,059
2026	392,963	967,096	1,360,059
2027	415,007	945,052	1,360,059
2028	438,287	921,772	1,360,059
2029-2033	2,588,990	4,211,305	6,800,295
2034-2038	3,401,309	3,398,986	6,800,295
2039-2043	4,468,499	2,331,796	6,800,295
2044-2048	5,870,527	929,767	6,800,294
Total	<u>\$ 18,300,000</u>	<u>\$ 15,701,474</u>	<u>\$ 34,001,474</u>

### J. Anchorage School District Debt

ASD's long-term obligation activity for fiscal year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amount Due within one year
General Obligation Bonds	\$ 461,940,000	\$ 20,425,000	\$ (53,855,000)	\$ 428,510,000	\$ 46,695,000
Direct Financing Agreements	2,141,276	-	(280,244)	1,861,032	290,549
Compensated Absences	12,461,740	16,997,966	(17,546,168)	11,913,538	7,264,760
Leases Payable	22,765,461	-	(3,861,933)	18,903,528	7,324,526
Workers Compensation	14,538,700	6,705,923	(5,420,450)	15,824,173	7,041,219
Medical Claims	5,045,900	34,387,281	(34,533,681)	4,899,500	4,899,500
Pension	292,302,073	124,188,641	-	416,490,714	-
Total	<u>\$ 811,195,150</u>	<u>\$ 202,704,811</u>	<u>\$ (115,497,476)</u>	<u>898,402,485</u>	<u>\$ 73,515,554</u>

Unamortized premium on GO Bonds  
Total

44,812,445  
\$ 943,214,930

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

ASD bonds payable as of June 30, 2023, are comprised of the following individual issues:

General Obligation Bonds	Outstanding Amounts
\$39,345,000 2013 Series A School Construction Serial Bonds due in annual installments of \$865,000 to \$2,920,000 through August 2033; interest at 4% to 5%.	\$ 1,890,000
\$59,075,000 2014 Series C School Construction Serial Bonds due in annual installments of \$1,795,000 to \$4,555,000 through September 2034; interest in 1.25% to 5%.	8,300,000
\$37,150,000 2014 Series D School Construction Refunding Bonds due in annual installments of \$2,120,000 to \$7,200,000 through September 2026; interest at 1.25% to 5%.	9,010,000
\$69,170,000 2015 Series C School Construction Serial Bonds due in annual installments of \$2,095,000 to \$5,265,000 through September 2035; interest at 2% to 5%.	26,555,000
\$81,040,000 2015 Series D School Construction Serial Bonds due in annual installments of \$1,260,000 to \$15,090,000 through September 2026; interest at 2% to 5%.	30,090,000
\$20,270,000 2016 Series B General Obligation School Bonds due in annual installments of \$665,000 to \$1,500,000 through September, 2036, interest at 2% to 5%.	15,895,000
\$35,660,000 2018 Series C General Obligation School Bonds due in annual installments of \$1,105,000 to \$2,640,000 through September, 2038, interest at 2.25% to 5%.	30,910,000
\$57,020,000 2018 Series D General Obligation Refunding School Bonds due in annual installments of \$9,825,000 to \$28,455,000 through September, 2024, interest at 5%.	28,565,000
\$35,610,000 2019 Series C School Construction Serial Bonds due in annual installments of \$1,105,000 and \$2,545,000 through April 2039; interest at 3% to 5%.	30,845,000
\$10,295,000 2019 Series D School Construction Refunding Serial Bonds due in annual installments of \$885,000 and \$1,215,000 through April 2030; interest at 3% to 4%.	7,590,000
\$60,090,000 2020 series E School Construction Serial Bonds due in annual installments of \$1,935,000 to \$4,425,000 through April 2040; interest at 2% to 5%.	54,570,000
\$77,830,000 2020 Series F School Construction Refunding Bonds due in annual installments of \$1,570,000 and \$7,870,000 through April 2034; interest at 3% to 5%.	74,685,000
\$55,300,000 2021 Series C School Construction Serial Bonds due in annual installments of \$1,215,000 and \$4,065,000 through September 2041; interest at 4% to 5%.	54,085,000
\$35,740,000 2021 Series D School Construction Refunding Bonds due in annual installments of \$645,000 and \$4,710,000 through September 2033; interest at 3% to 5%.	35,095,000
\$20,425,000 2022 Series B School Construction Serial Bonds due in annual installments of \$645,000 and \$1,500,000 through September 2042; interest at 4% to 5%.	20,425,000
	\$ 428,510,000

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

Years:	Anchorage School District		
	Principal	Interest	Total
2024	\$ 46,695,000	\$ 15,085,000	\$ 61,780,000
2025	38,705,000	13,096,000	51,801,000
2026	30,135,000	11,651,000	41,786,000
2027	31,330,000	10,455,000	41,785,000
2028	29,050,000	9,336,000	38,386,000
2029-2033	121,255,000	34,331,000	155,586,000
2034-2038	95,485,000	14,670,000	110,155,000
2039-2043	35,855,000	2,403,000	38,258,000
Total	\$ 428,510,000	\$ 111,027,000	\$ 539,537,000

ASD GO bond principal payments due within one year as of June 30, 2023, is \$46,695,000. The Debt Service Fund has \$4,037,112 available to service the GO bonds. There are several restrictions contained in the various bond indentures. ASD follows all significant restrictions.

### Anchorage School District Direct Financing Agreements

During fiscal year 2019, ASD entered into a Direct Financing Agreement to finance the acquisition of sixteen school buses, payable in quarterly installments of \$62,820, ending October 1, 2028, with interest at 3.86%.

During fiscal year 2020, ASD entered into a Direct Financing Agreement to finance the acquisition of eight school buses, payable in quarterly installments of \$25,553, ending January 1, 2030, with interest at 3.86%.

As of June 30, 2023, Direct Financing Agreement debt included in current liabilities was \$290,549, and Direct Financing Agreement debt in non-current liabilities was \$1,570,483, for total Direct Financing Agreement debt obligations of \$1,861,032. ASD's Debt Service Fund will be used to liquidate the Direct Financing Agreements.

The following is a summary of ASD's Direct Financing Agreement debt for the fiscal year ended June 30, 2023:

Direct Financing Agreements	Outstanding Balance	Due within one year
16 School Buses	\$ 1,239,829	\$ 206,386
8 School Buses	621,203	84,163
	<u>\$ 1,861,032</u>	<u>\$ 290,549</u>

Annual debt service requirements under ASD's Direct Financing Agreements are as follows as of June 30, 2023:

Years:	Anchorage School District		
	Principal	Interest	Total
2024	\$ 290,549	\$ 62,943	\$ 353,492
2025	301,236	52,256	353,492
2026	312,321	41,171	353,492
2027	323,818	29,674	353,492
2028	335,743	17,749	353,492
2029-2030	297,365	7,145	304,510
Total	\$ 1,861,032	\$ 210,938	\$ 2,071,970

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

The following is a summary of all assets acquired with the Direct Financing Agreement program as of June 30, 2023:

Direct Financing Agreements	Original Amount	Accumulated Depreciation	Carrying Value
16 School Buses	\$ 2,076,448	\$ 679,172	\$ 1,397,276
8 School Buses	876,560	227,662	648,898
	<u>\$ 2,953,008</u>	<u>\$ 906,834</u>	<u>\$ 2,046,174</u>

In the fiscal year ending June 30, 2022, ASD completed initial recordings of twelve existing leases in accordance with GASB 87 for office buildings and copiers. During fiscal year ending June 30, 2023, ASD did not enter into any new lease agreements. Two building lease amendments were remeasured and recorded for \$605,402. Two building leases expired reducing lease assets \$580,291. The copier lease was amended, remeasured, and recorded for \$743,576. Lease terms vary in number of remaining years and were recorded with an incremental borrowing rate of 4.19 percent. Total lease costs for buildings and copiers were \$7,275,007 and \$797,111, respectively, for the fiscal year ending June 30, 2023.

ASD reported future minimum lease payments at June 30, 2023 as follows:

Years:	Principal	Interest	Total
2024	\$ 7,324,526	\$ 652,418	\$ 7,976,944
2025	6,873,874	354,150	7,228,024
2026	417,302	186,424	603,726
2027	255,689	174,787	430,476
2028	266,611	163,865	430,476
2029-2033	1,631,370	626,790	2,258,160
2034-2038	2,134,156	235,063	2,369,219
Total	<u>\$ 18,903,528</u>	<u>\$ 2,393,497</u>	<u>\$ 21,297,025</u>

### K. Anchorage Community Development Authority Debt

In June 2018, the ACDA Board of Directors approved the purchase of a building located at 716 W. 4<sup>th</sup> Avenue. On August 2, 2018, ACDA closed on this purchase. ACDA utilized the 7<sup>th</sup> Avenue parking garage as collateral for the loan from direct borrowing with Key Government Finance, Inc. It is a 15-year loan for \$14,432,000 at a 5.35% interest rate. Loan payments will be made twice annually each February 1 and August 1 and the loan matures August 1, 2038. As of December 31, 2022, the balance was \$12,988,361. On August 1, 2023 the building was sold to Municipality of Anchorage, and the loan including the interest accrued through July 31, 2023 was paid off.

In April 2021, ACDA entered into a \$573,300 loan through the Municipality's Direct Financing Agreement program to fund the LED Garage Retrofit project. The loan is repaid quarterly over 10 years through April 2031 at 2.28% interest and is secured by the assets of the Municipality. The balance at December 31, 2023 was \$413,013.

Annual debt service requirements to maturity for the ACDA loans are as follows:

Years:	Principal	Interest	Total
2024	\$ 53,001	\$ 8,966	\$ 61,967
2025	54,220	7,747	61,967
2026	55,467	6,500	61,967
2027	56,743	5,224	61,967
2028	58,047	3,920	61,967
2029-2031	135,535	3,892	139,427
Total	<u>\$ 413,013</u>	<u>\$ 36,249</u>	<u>\$ 449,262</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

ACDA's long-term obligation activity for the year-ended December 31, 2023, was as follows:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Amount Due within one year
Direct Borrowing - Loans	\$ 13,453,186	\$ -	\$ (13,040,173)	\$ 413,013	\$ 53,001
Compensated Absences	62,581	150,022	(143,661)	68,942	68,942
Leases Payable	194,451	-	(68,313)	126,138	66,872
Pension	2,440,808	-	(248,264)	2,192,544	-
Total	<u>\$ 16,151,026</u>	<u>\$ 150,022</u>	<u>\$ (13,500,411)</u>	<u>2,800,637</u>	<u>\$ 188,815</u>

### L. Alaska Center for the Performing Arts, Inc. Debt

In 2022, ACPA entered into a five-year lease agreement as a lessee of a copier machine. The lease went into effect on November 17, 2022. An initial lease liability was recorded in the amount of \$21,724. As of December 31, 2023, the outstanding balance on the lease was \$16,283. ACPA is required to make monthly principal and lease payments of \$398. The lease has an interest rate of 4.19%.

During 2023, ACPA entered into a Master Agreement with Evolv Technologies Holdings, Inc., to lease security equipment and software that will be used for security screenings of patrons as they enter the building for events. An initial lease liability was recorded in the amount of \$123,953. The lease period is four years and started when ACPA took possession of the equipment and software in January 2023. The purchase terms total \$194,094 which includes a nonprofit discount of \$47,774.

### NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

#### A. Municipality of Anchorage

##### GO Bonds

The Municipality issued \$81,285,000 GO bonds on July 25, 2024, with maturity date September 1, 2044, for the purpose of financing the costs of road and drainage facilities improvements; renovating, replacing, and renewing park facilities; public safety and transportation improvement police and fire improvements; Public Facilities improvement and related capital improvement projects in the Municipality.

##### Port Revenue Bonds

The Municipality issued \$191,385,000 Port Revenue Bonds on December 17, 2024, with maturity date February 1, 2065, for the purpose of providing funds to refinance certain outstanding debt and to provide for additional funds for capital improvements and related financing expenses of the Don Young Port of Alaska.

##### Direct Financing Agreements

On November 15, 2024, the Municipality entered into a direct equipment lease/purchase agreement for the parking meter equipment with additions, accessions, parts, repairs, improvement, replacements, and substitutions, located throughout the streets of the Municipality of Anchorage in the amount of \$1,240,573.

On March 13, 2025, the Municipality entered into a direct lease agreement for the lifecycle replacement of desktop and laptop computers that are out of warranty and outdated in the amount of \$1,730,602.

#### B. Anchorage School District

##### General Obligation School Bonds

On July 25, 2024, the Municipality, on behalf of ASD, issued \$66,130,000 in GO school bonds.

##### Direct Financing Agreements

On February 29, 2024, the district entered into a bus lease agreement as lessee for financing the acquisition of nine school buses in the amount of \$1,463,670.



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### NOTE 12 - PENSIONS

Substantially all regular employees of the Municipality are members of a public employees' retirement system except for employees who are members of the Police and Fire Pension System Plans, the International Brotherhood of Electrical Workers (IBEW) and International Union of Operating Engineers, Local 302 (Local 302).

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

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

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

#### A. Defined Benefit Pension Plans

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

	Governmental Activities	Business-type Activities	Total
<u>Net Pension Liability</u>			
Public Employees Retirement System	\$ 320,094,920	\$ 44,252,078	\$ 364,346,998
Police and Fire Pension System	78,470,793	-	78,470,793
Total	<u>\$ 398,565,713</u>	<u>\$ 44,252,078</u>	<u>\$ 442,817,791</u>

Total net pension liability for all plans for 2023 was \$442,817,791 and total pension expense was \$32,147,304, which includes on-behalf expenses from the State of \$13,368,227. Total deferred outflows of resources and deferred inflows of resources for all plans were \$38,244,744 and \$0.00, respectively. There were no net pension assets reported for 2023.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### A-1. Public Employees Retirement System (PERS I-III)

#### General Information About the Plan

The Municipality participates in the Alaska PERS program which is also referred to as The Plan. PERS Tiers I-III is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

The Plan provides for retirement, death and disability, and post-employment health care benefits. There are three tiers of employees, based on entry date. For all tiers within the Defined Benefit (DB) plan, full retirement benefits are generally calculated using a formula comprised of a multiplier times the average monthly salary (AMS) times the number of years of service. The multiplier is increased at longevity milestone markers for most employees. Police and Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, cost of living adjustment (COLA), and OPEB benefits. A complete benefit comparison chart is available at the website noted below.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/drb/pers>. Actuarial valuation reports, audited financial statements, and detailed plan information is also available on this website. Plan documents may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, Box 110203, Juneau, Alaska, 99811-0203 or by phoning (907) 465-4460.

The PERS I-III DB Plan was closed to new entrants effective July 1, 2006. New employees hired after that date participate in the PERS IV Defined Contribution (DC) Plan described later in the note.

#### Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from an agent-multiple employer plan to a defined benefit cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded "on-behalf" contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in this note.

Alaska Statutes require the State of Alaska to contribute to the Plan an amount such that, when combined with employer contributions, is sufficient to pay the Plan's past service liability contribution rate as adopted by the ARM Board.

Although current statutes call for the State of Alaska to contribute to the Plan, the Alaska Department of Law determined the statute does not create a legal obligation to assume the Plan liabilities; rather it establishes a contribution mechanism to provide employer relief against rising contribution rates. This relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State initially determined the Plan is not in a special funding situation. The State subsequently reversed its position on this matter, and as of June 30, 2015, the State recorded the liability. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

For current year financial statements, management treated AS 39.35.255 and AS 39.35.280 as constituting a special funding situation under GASB Statement No. 68 rules and recorded all pension related liabilities, deferred inflows and outflows of resources, and disclosures on this basis.

#### Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Police and firefighters are required to contribute 7.5% of the annual covered salary.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Employer and Other Contribution Rates

There are several contribution rates associated with the pension and healthcare contributions and related liabilities. These amounts are calculated on an annual basis.

#### Employer Effective Rate

This is the contractual employer pay-in rate. Under current legislation, this rate is statutorily capped at 22% of eligible wages, subject to a wage floor, and other termination events. This 22% rate is calculated on all PERS participating wages, including wages attributable to employees in the defined contribution plan. Contributions derived from the defined contribution employees are referred to as the Defined Benefit Unfunded Liability (DBUL) contribution.

#### Alaska Retirement Management Board Adopted Rate

This is the rate formally adopted by the ARM Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039.

#### State On-behalf Contribution Rate

This is the rate paid by the State as an on-behalf payment under current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures on a calendar year basis ending December 31, 2023. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period July 1, 2022, to June 30, 2023, in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition. Total on-behalf amounts recognized as of the measurement period are actuarially calculated.

Contribution rates for the years ended June 30, 2023, and June 30, 2024, were determined in the June 30, 2021, and June 30, 2022 actuarial valuations, respectively. Municipality contribution rates for the 2023 calendar year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
January 1, 2023 to June 30, 2023			
Pension	22.00%	24.79%	2.79%
Postemployment Healthcare- ARHCT (see Note 13)	0.00%	0.00%	0.00%
Total Contribution Rates	22.00%	24.79%	2.79%
July 1, 2023 to December 31, 2023			
Pension	22.00%	25.10%	3.10%
Postemployment Healthcare- ARHCT (see Note 13)	0.00%	0.00%	0.00%
Total Contribution Rates	22.00%	25.10%	3.10%

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

In 2023, the Municipality was credited with the following contributions into the pension plan.

	Measurement Period	Municipality's Fiscal Year
	July 1, 2022 to June 30, 2023	January 1, 2023 to December 31, 2023
Employer contributions (including DBUL)	\$ 38,473,097	\$ 38,626,607
Nonemployer contributions (on-behalf)	6,100,808	6,521,923
Total Contributions	<u>\$ 44,573,905</u>	<u>\$ 45,148,530</u>

In addition, employee contributions to the Plan totaled \$5,853,795 during the Municipality's calendar year.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On December 31, 2023, the Municipality reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Municipality. The amount recognized by the Municipality for its proportional share, the related State proportion, and the total were as follows:

Municipality proportionate share of NPL	\$ 364,346,998
State's proportionate share of NPL associated with the Municipality	121,461,455
Total Net Pension Liability	<u>\$ 485,808,453</u>

The total pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, to calculate the net pension liability as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2023, measurement date, the Municipality's proportion was 7.03%, which was a decrease of 0.5% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Municipality recognized pension expense of \$33,479,599. Of this amount, \$13,368,227 was recorded as on-behalf revenue and expense for additional contributions paid by the State. On December 31, 2023, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Measurement Period June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 9,510,026	\$ -
Municipality contributions subsequent to the measurement date	19,530,954	-
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	<u>\$ 29,040,980</u>	<u>\$ -</u>

The \$19,530,954 reported as deferred outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
2024	\$ (3,606,832)
2025	(7,977,010)
2026	21,580,505
2027	(486,637)
Total Amortization	<u>\$ 9,510,026</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 20, 2021 valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.

Inflation	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Layered unfunded accrued actuarial liability, level percent of pay basis
Allocation Methodology	The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratios of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039.
Salary Increases	For peace officers/firefighters, increases range from 8.5% to 3.85%, based on service. For all others, increases range from 6.75% to 2.85%, based on service.
Investment Return / Discount Rate	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and real rate of return of 4.75%.
Mortality	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return, excluding the inflation component of 2.5%, for each major asset class included in the pension plan's target asset allocation as of the measurement period June 30, 2023, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.17%	27%	+/- 6%
Global equity (non-U.S.)	6.55%	22%	+/- 4%
Aggregate bonds	1.63%	23%	+/-10%
Real assets	4.87%	14%	+/- 7%
Private equity	11.57%	14%	+/- 7%
Cash equivalents	0.49%	0%	+/-0%

### Discount Rate

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

### Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net pension liability as of the June 30, 2023, measurement date calculated using the discount rate of 7.25%, and what the Municipality's proportionate share of the net pension liability would be if calculated using a discount rate one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipality's proportionate share of the net pension liability	7.02664%	\$ 489,134,753	\$ 364,346,998	\$ 258,938,090

### Pension Plan Fiduciary Net Position

The public employees' retirement system pension trust fiduciary net position has been determined using the same basis used to determine the public employees' retirement system net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value based on the net asset value reported by the Treasury.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### A-2. Police and Fire Pension System Plans

#### General Information About the Plans

Police and Fire (P&F) Plans I, II and III are defined benefit single-employer plans established by Chapter 3.85 of the Municipal Code. The P&F Plans are administered by the Police and Fire Retirement Board (Retirement Board). The cost of administering the P&F Plans is financed by the Retirement System assets held in a trust account. The Board consists of nine members: three appointed by the Mayor, three elected by the Fire members, and three elected by the Police members. Separate audited financial statements can be obtained by writing to the Police and Fire Retirement System, 3600 Dr. Martin Luther King Jr. Ave, Suite 207, Anchorage, AK 99507, or by phoning (907) 343-8400.

P&F Plans financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

All regular full-time police officers hired prior to October 6, 1994; paramedics and fire fighters hired prior to July 18, 1994; and command officers hired prior to May 24, 1994, are required to participate in a plan. No other person is eligible to participate. Membership is determined by date of initial employment or by employee election.

- Plan I - Members employed on or before June 30, 1977
- Plan II - Members employed between July 1, 1977, and April 16, 1984, and
- Plan III - Members employed between April 17, 1984, and May 25, 1994. Members of Plans I and II were also permitted to elect into Plan III at its inception.

#### Benefits - Plans I and II

- Voluntary Normal Retirement - Eligibility of the earlier of the completion of 20 years of total credited service or the attainment of age 55 with a minimum of five of credited service, receives a benefit of 2.5% of average monthly compensation times the number of years of credited service.
- Voluntary Early Retirement - Eligibility after five years of credited service and upon reaching the age of 55, receives a benefit of 2.5% of the average monthly compensation times the number of years of credited service.
- Deferred Retirement - Eligibility after five years of credited service and upon reaching the age of 55, receives 2.5% of the average monthly compensation times the number of years of credited service.
- Occupational Disability - Benefits are a monthly pension of 66% of the member's gross monthly compensation at the time of disability, payable for the life or until the member has recovered from the disability or is capable of resuming duties like those performed upon retirement. Plan I members may file at any time after retirement. Plan II members must file within seven years of retirement.
- Nonoccupational Disability - Eligibility after five years of credited service prior to the date of disability. Benefits are a monthly pension of 50% of the gross monthly compensation at the time of disability payable for life or until the member has recovered from the disability for which benefits are paid or is physically and mentally capable of performing duties like those performed upon retirement.
- Occupational Death Benefit - Benefits are a monthly pension of 66% of the member's monthly compensation, payable as designated by the member to the surviving spouse or the surviving children until the children reach the age of 18. The member may designate the portion of the benefit paid to the surviving spouse and the portion paid to surviving children. In the event a participant makes no designation, then the surviving beneficiaries will receive the benefit in the following priority: surviving spouse, surviving children under the age of 18, dependent parents, and dependent siblings under the age of 18.
- Nonoccupational Death Benefits - Benefits of a monthly pension of 50% of the member's monthly compensation payable in the same manner as the occupational death benefit described above.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### Benefits - Plan III

- Normal Service Retirement - Eligibility after 20 years of credited service, receives a benefit of 2.5% of the final average compensation times the number of the years of credited service. A COLA is available each year.
- Early Service Retirement - Eligibility after 15 years of credited service, receives a benefit of 2.5% of the final average compensation times the number of the years of credited service, payable for life. A COLA is not available until that date on which they would have accrued 20 years of credited service had they remained employed.
- Deferred Retirement - Eligibility after five years of credited service and upon reaching age 55 or after the date on which the member would have completed 20 years of credited service, had the member remained employed. Benefits are 2.5% of final average compensation times the number of years of credited service, payable for life. A COLA is not available until that date on which they would have accrued 20 years of credited service had they remained employed.
- Occupational Disability - Benefits are a monthly pension of 50% of the member's final average compensation at the time of disability. The benefit is payable for the life or until the member is capable of resuming assigned duties similar to pre-disability assigned duties and is offset by any other wage continuation benefit attributable to the Municipality.
- Nonoccupational Disability - Eligibility after five years of credited service prior to the date of the disability. The benefit is a monthly pension of 25% of final average compensation if the member retires after more than five years but less than 10 years of credited service. For every additional credited year of service more than 10 years up to 20 years, the benefit is increased by 2.5% of final average compensation. The benefit is payable for the life or until the member is capable of resuming duties with any police or fire department.
- Death Benefits - Benefit is 100% of the Disability Benefit the member receiving or would have received at death or 75% of the service retirement benefit to which the member would have been entitled to had the member survived, whichever is greater.
- Children's Benefits - 5% of the final average compensation for each dependent child under 18, up to 10% is payable monthly with disability benefits or to surviving spouses with dependent children.

This is a closed plan, which means that there are no new participants. As of December 31, 2023, the following employees were covered by the benefit terms:

	Plan I	Plan II	Plan III	Total
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	158	115	401	674
Active Plan Members	-	-	-	-
Totals	158	115	401	674

#### Employee Contribution Rates

Members of P&F Plans I, II, and III are required to contribute an amount not to exceed 6% of compensation if the assets to liabilities ratio falls below 100%. There were no contributions to the plans in 2023.

#### Employer Contribution Rates

The Municipality is required to contribute 2.5:1 Municipality/member contribution ratio and any additional contributions to ensure that P&F Plans I, II, and III are adequately funded as determined by the actuary and approved by the Retirement Board.

Benefit and contribution provisions are established by Code and may be amended only by the Assembly. The January 1, 2023, actuarial valuation recommended employee contribution rates for P&F Plans I, II and III not to exceed 6% of employee compensation for the year ending December 31, 2023. In 2017, the Municipality issued \$58.7 million in Certificates of Participation (COP) Series A (Taxable) to provide for a lump-sum contribution to the P&F Plans. Proceeds from the issuance, in the amount of \$58.2 million were contributed, along with \$10.4 million of employer contributions in 2017. The results of the issuance of the COP was to fund 90% of the net



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

pension liability and eliminate the employer contribution requirements until 2024. All past contributions were made in accordance with actuarial recommendations.

### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On December 31, 2023, the Municipality reported an NPL for P&F Plans I, II, and III in the amount of \$78,470,793 in the Governmental Activities Statement of Net Position. The NPL for each of the P&F Plans were calculated as follows:

	Plan I	Plan II	Plan III	Total
Total Pension Liability	\$ 73,716,742	\$ 62,819,678	\$ 281,491,228	\$ 418,027,648
Plan Net Assets	(61,524,598)	(50,644,688)	(227,387,569)	(339,556,855)
Municipality Net Pension Liability	\$ 12,192,144	\$ 12,174,990	\$ 54,103,659	\$ 78,470,793

Detailed information for the changes in total pension liability, plan fiduciary net position, and the net pension liability for each plan is presented in the following tables:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Police &amp; Fire Retirement Plan I</b>			
Balances as of December 31, 2022	\$ 76,724,575	\$ 61,413,948	\$ 15,310,627
Changes for the year:			
Interest on total pension liability	4,564,967	-	4,564,967
Effect of economic/demographic (gains) or losses	(202,609)	-	(202,609)
Benefit payments	(7,370,191)	(7,370,191)	-
Administrative expenses	-	(134,859)	134,859
Net investment income	-	7,615,700	(7,615,700)
Balances as of December 31, 2023	\$ 73,716,742	\$ 61,524,598	\$ 12,192,144
<b>Police &amp; Fire Retirement Plan II</b>			
Balances as of December 31, 2022	\$ 64,347,703	\$ 50,122,965	\$ 14,224,738
Changes for the year:			
Interest on total pension liability	3,846,291	-	3,846,291
Effect of economic/demographic (gains) or losses	239,768	-	239,768
Benefit payments	(5,614,084)	(5,614,084)	-
Administrative expenses	-	(109,987)	109,987
Net investment income	-	6,245,794	(6,245,794)
Balances as of December 31, 2023	\$ 62,819,678	\$ 50,644,688	\$ 12,174,990
<b>Police &amp; Fire Retirement Plan III</b>			
Balances as of December 31, 2022	\$ 284,017,873	\$ 220,788,907	\$ 63,228,966
Changes for the year:			
Service cost	109,022	-	109,022
Interest on total pension liability	17,109,887	-	17,109,887
Effect of economic/demographic (gains) or losses	991,852	-	991,852
Benefit payments	(20,737,406)	(20,737,406)	-
Administrative expenses	-	(490,298)	490,298
Member contributions	-	8,504	(8,504)
Net investment income	-	27,817,862	(27,817,862)
Balances as of December 31, 2023	\$ 281,491,228	\$ 227,387,569	\$ 54,103,659

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

For the year ended December 31, 2023, the Municipality recognized pension expense of (\$900,692), (\$166,004) and (\$265,599) for the P&F Plans I, II, and III, respectively. On December 31, 2023, the Municipality reported deferred inflows of resources related to pensions from the following sources by Plan:

	Measurement Period December 31, 2023
	Deferred Outflows of Resources
Net difference between projected and actual investments- Plan I	\$ 1,781,886
Net difference between projected and actual Investments- Plan II	1,426,366
Net difference between projected and actual investments- Plan III	5,995,512
	<u>\$ 9,203,764</u>

Deferred outflows of resources related to pensions will be recognized in pension expense for each Plan as follows:

### Plan I

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2024	\$ 46,666
2025	678,760
2026	1,858,832
2027	(802,372)
Total Amortization	<u>\$ 1,781,886</u>

### Plan II

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2024	\$ 35,350
2025	551,083
2026	1,498,331
2027	(658,398)
Total Amortization	<u>\$ 1,426,366</u>

### Plan III

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2024	\$ 121,284
2025	2,379,007
2026	6,431,553
2027	(2,936,332)
Total Amortization	<u>\$ 5,995,512</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2024 using the following actuarial assumptions. This section of the report describes the actuarial methods and assumptions used in this report. The actuarial methods and assumptions have been chosen by the Board based on recent experience of the Plans and on current expectations as to future economic conditions. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

Valuation Date	January 1, 2024
Measurement Date	December 31, 2023
Inflation	3% (Plan III)
Salary Increases	N/A
Investment Return	The future investment earnings of the assets of the plan are assumed to accrue at an annual rate of 6.25 percent as of December 31, 2022 and December 31, 2023, compounded annually, net of investment expenses.
Actuarial Cost Method	Entry Age Normal cost method with normal cost expressed as a level percentage of payroll.
Mortality	Retirees: Pub-2010 Public Safety Healthy/Disabled Retiree, sex distinct, generational projection with Unisex Social Security Data Scale. Beneficiaries: Pri-2012 Healthy Retiree, no collar, sex distinct, generational projection with Unisex Social Security Data Scale.

### Long-term Expected Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Large/Mid Cap US equities	4.00%	27%	+/- 6%
Small Cap US equities	4.50%	11%	+/- 4%
International equities	6.65%	24%	+/- 6%
Fixed income	2.30%	19%	+/- 13%
Real estate funds	3.43%	17%	+/- 7%
Cash equivalents	0.00%	2%	+/- 4%

### Discount Rate

All three Plans are projected to remain solvent indefinitely in the future assuming that the actuarially determined contributions continue to be made under the Board's funding policy. Therefore, the discount rate as of each measurement date is equal to the expected rate of return on plan assets, 6.25% as of December 31, 2023, which is the same from the prior year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### Discount Rate Sensitivity

The following presents the net pension liability calculated using the discount rate of 6.25%, and what the P&F Plan's net pension liability would be calculated using a discount rate one-percentage-point lower (5.25%) or one-percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability:			
Plan I	\$ 18,039,010	\$ 12,192,144	\$ 7,081,255
Plan II	17,704,189	12,174,990	7,392,290
Plan III	83,781,590	54,103,659	29,082,407

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Anchorage Police and Fire Retirement System financial report.

#### A-3. IBEW Pension Plan

##### Plan Information

The Municipality's IBEW members in the Electric Utility, Development Services, Traffic Engineering and Maintenance & Operations participate in a cost-sharing defined benefit plan, the Alaska Electrical Pension Plan of the Alaska Electrical Pension Fund (IBEW Plan). The Alaska Electrical Trust Funds (AETF) Board of Trustees administers the IBEW Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. Each year, AETF issues annual financial reports that can be obtained by writing the plan administrator, Alaska Electrical Pension Trust, 2600 Denali Street, Suite 200, Anchorage, Alaska, 99503.

##### Plan Participation and Benefit Terms

The Municipality had 64 employees covered by the Plan as of December 31, 2023. The IBEW Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the IBEW Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the IBEW Local 1547. On March 9, 2021, a new Agreement was approved, effective March 9, 2021, through June 30, 2024.

##### Plan Contributions Requirements

Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The Municipality's required contribution to the IBEW Plan for each hour for which compensation is paid to the employee for 2023 was \$8.35 per hour. The Municipality's total employer contributions to the IBEW Plan for 2023 was \$1,038,841. The Municipality had \$77,193 in required contributions to the IBEW Plan payable to AETF on December 31, 2023. These amounts are paid during the normal course of business in the month following each year end. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the IBEW Plan required other than the contribution per hour compensated as required by the Agreement.

##### Defined Contribution Money Purchase Plan

The Agreement requires employer contributions to be made in an amount of 1.9% of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Money Purchase Plan). The Municipality's employer and employee contributions to the Money Purchase Plan during 2023 were \$200,095 and \$13,410, respectively.

One hundred percent of the Municipality's required contributions to the IBEW plans have been made through these contributions to the AETF.

# **MUNICIPALITY OF ANCHORAGE, ALASKA**

## **Notes to the Basic Financial Statements**

### **A-4. Local 302 Pension Plan (Local 302 Plan)**

#### **Plan Information**

The Municipality's Local 302 members participate in a union-sponsored cost-sharing defined benefit plan, the Local 302 International Operating Engineers Employers Construction Industry Retirement Fund (the Local 302 Plan). The Welfare and Pension Administration Services Inc. administers the Local 302 Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. The Local 302 Plan is not a state or local government; it provides defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers and has no predominant state or local governmental employer. Each year, the Local 302 Plan issues annual financial reports that can be obtained by writing the plan administrator, Welfare and Pension Administration Services Inc., Box 34203, Seattle, Washington, 98124.

#### **Plan Participation and Benefit Terms**

The Municipality has 140 employees covered by the Local 302 Plan as of December 31, 2023. The Local 302 Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the Local 302 Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the Local 302. The current Agreement is effective from July 26, 2022, to June 30, 2026, and automatically renews for a period of one year from its expiration date and for successive periods of one year each thereafter for so long as there is no proper notification of an intent to negotiate a successor Agreement.

#### **Plan Contributions Requirements**

Employer contributions are determined from compensable work hours and the contractual employer contribution rate in effect. The current agreement provides for contributions of \$6.40 per hour worked by a covered employee in 2023. Further, seasonal employees are provided for contributions at \$1.00 per hour worked in 2023. Total employer retirement contributions (covered and seasonal employees) for 2023 was \$1,953,455. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the Local 302 Plan required other than the contribution per hour compensated as required by the Agreement.

One hundred percent of the Municipality's required contributions to the Local 302 Plan have been made through these contributions to the Local 302 International Operating Engineers Employers Construction Industry Retirement Fund.

### **B. Defined Contribution Pension Plan- Public Employees Retirement System (PERS IV)**

#### **Plan Information**

The Municipality participates in the Alaska PERS (PERS IV or the Plan). PERS IV is a Defined Contribution (DC) plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Employees first enrolling into PERS after July 1, 2006, participate in PERS IV. PERS IV is a defined contribution retirement plan that includes a component of defined benefit post-employment health care.

The Plan is included in an annual comprehensive financial report that includes financial statements and other required supplemental information. That report is available via the internet at <http://doa.alaska.gov/dr/pers>. Actuarial valuation reports, audited financial statements, and detailed plan information is also available on this website. Plan documents may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, Box 110203, Juneau, Alaska, 99811-0203 or by phoning (907) 465-4460.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Plan Participation and Benefit Terms

The Plan is governed by Section 401(a) of the Internal Revenue Code. A portion of employee wages and a matching employer contribution are made to the Plan before tax. These contributions plus any change in value (interest, gains, and losses), and minus any Plan administrative fees or other charges, are payable to the employee or the employee's beneficiary at a future date. The Plan is a participant-directed plan with investment options offered by providers that are selected by the ARM Board.

Participating employees are immediately and fully vested in that employee's contributions and related earnings (losses). An employee shall be fully vested in the employer contributions made on that employee's behalf, and related earnings (losses), after five years of service. An employee is partially vested in the employer contributions, made on that employee's behalf, and the related earnings, in the ratio of (a) 25% with two years of service; (b) 50% with three years of service; (c) 75% with four years of service; and (d) 100% with five years of service. Employer contributions, and related earnings, that are contributed for employees that are not fully vested before leaving employment are considered forfeited and returned to the employer. **Plan Contribution Requirements**

The Plan requires both employer and employee contributions. Employees may make additional contributions into the Plan, subject to limitations. Contribution rates are as follows

	Police/Fire		Others	
	1/1 - 6/30	7/1 - 12/31	1/1 - 6/30	7/1 - 12/31
Employee Contribution	8.00%	8.00%	8.00%	8.00%
Employer Contribution Retirement	5.00%	5.00%	5.00%	5.00%

For the year ended December 31, 2023, the Municipality contributed \$7,371,004 to PERS IV for retirement. Employee contributions to the plan totaled \$11,793,453. Total Defined Contribution forfeitures for the Municipality in 2023 were \$352,891.72.

### NOTE 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS PLANS

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

Members of the Police and Fire Retirement Plan participate in one of two post-employment health benefit plans. The Gentile Group plan and the Police and Fire Retiree Medical Group plan are both single employer plans that are available to eligible police and fire participants.

The Plans are included in the Annual Comprehensive Financial Report of the Municipality and are not available as separate reports. Because of this, the Municipality is required to report GASB Statement No. 74- *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* for the Trust reporting. As of December 31, 2023, the Municipality is accounting for and reporting Other Postemployment Benefits under the guidance of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This note will provide information from the perspective of the Trust Plan and from the perspective of the Plan participants in accordance with the aforementioned guidance.

#### Net OPEB Liability

The components of the net OPEB liability for each Plan on December 31, 2023, are as follows:

	Police & Fire		Total
	Gentile Group	Medical Group	
Total OPEB liability	\$ 61,506,369	\$ 98,944,028	\$ 160,450,397
Plan fiduciary net position	-	(20,552,978)	(20,552,978)
Municipality's net OPEB liability	\$ 61,506,369	\$ 78,391,050	\$ 139,897,419
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	20.77%	12.81%

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Board of Trustees

The Plans are administered by an eight-person Board of Trustees. Three voting trustees are appointed by APDEA and three voting trustees by the IAFF, Local 1264. Two non-voting trustees are appointed by the mayor and all trustees are required to be confirmed by the Assembly. The six voting trustees serve for 3-year terms and the mayoral appointed trustees serve at the pleasure of the mayor. The plans were established and are administered by the Municipality. Plan benefits, funding and contribution provisions are established by Municipal Code 3.87 and may be amended by the Board of Trustees and the Assembly.

### Investment of Plan Assets

Plan assets are invested as part of the Municipal Cash Pool and are invested in a manner consistent with the investment policies disclosed in Note 3. One hundred percent of the plan assets belong to the Police and Fire Medical Group, which had a -11.1 percent annual money-weighted rate of return, net of investment expenses for the year ended December 31, 2023.

### Combining Financial Statements for the Police and Fire Medical Trust Fund

The Municipality reported the following Statement of Net Position and the Statement of Changes in Net Position in the Fiduciary Funds section of the Annual Comprehensive Financial Report for the Police and Fire Medical Group and the Gentile Group plans.

#### MUNICIPALITY OF ANCHORAGE Combining Statement of Net Position December 31, 2023

	Police and Fire Medical Group	Gentile Group	Total
Assets			
Cash and cash equivalents	\$ 12,766	\$ -	\$ 12,766
Accrued Interest	61,548	-	61,548
Investments:			
Money market funds	1,572,891	-	1,572,891
Certificate of deposit	7,711,874	-	7,711,874
U.S. treasuries	5,005,453	-	5,005,453
U.S. agencies	4,746,258	-	4,746,258
Fixed income funds	952,622	-	952,622
International fixed income funds	285,424	-	285,424
Domestic equity securities	1,739,407	-	1,739,407
International equity securities	1,177,729	-	1,177,729
Total investments	23,191,658	-	23,191,658
Total assets	23,265,972	-	23,265,972
Liabilities			
Accounts payable and accrued expenses	12,731	-	12,731
Due to other funds	316,015	-	316,015
Total liabilities	328,746	-	328,746
Net Position			
Restricted for:			
Postemployment benefits other than pensions	22,937,226	-	22,937,226
Total net position	\$ 22,937,226	\$ -	\$ 22,937,226

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### MUNICIPALITY OF ANCHORAGE Combining Statement of Changes in Net Position December 31, 2023

	Police and Fire Medical Group	Gentile Group	Total
Additions			
Contributions from the Municipality	\$ 3,841,538	\$ -	\$ 3,841,538
Investment Income:			
Interest	2,508	-	2,508
Dividends	470,037	-	470,037
Net increase (decrease) in fair value of investments	971,320	-	971,320
Less: investment expense	(22,500)	-	(22,500)
Net investment income	1,421,365	-	1,421,365
Total additions	5,262,903	-	5,262,903
Deductions			
Regular benefit payments	3,770,606	-	3,770,606
Administrative expenses	89,067	-	89,067
Total deductions	3,859,673	-	3,859,673
Change in fiduciary net position	1,403,230	-	1,403,230
Net position, beginning of year	21,533,996	-	21,533,996
Net position, end of year	\$ 22,937,226	\$ -	\$ 22,937,226

#### A-1. Gentile Group - Defined Benefit Plan

##### General Information about the Plan

The Gentile Group is a defined benefit, single employer plan, administered by the Municipality. Members of the Police and Fire Retirement Plan who retired prior to January 1, 1995, and command personnel who were employed prior to that date, but not retired at that date, participate in the Gentile Group Plan. This Plan is closed to new members and as of December 31, 2023, all members are now retired. Membership in the Plan consists of the following on December 31, 2023:

Inactive plan members or beneficiaries currently receiving benefits	178
Total plan membership	178

The Municipality pays 100% of a defined benefit insurance premium including health for all eligible retirees as well as dental, audio, and vision coverage for police retirees. Optional dental, audio and vision coverage is paid by the fire and command retirees. The Plan is accounted for on a "pay as you go" method with costs recognized as expenditures as premiums are paid. For 2023, the monthly contribution for each member ranged between \$3,753 and \$4,411 per member depending on age and years of service. Benefit costs totaling \$10,450,090 were paid in 2023. There are no plans in place to terminate or discontinue this benefit for eligible members.



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Actuarial Assumptions

The total OPEB liability for this plan was determined by actuarial valuations as of December 31, 2023, using the following actuarial assumptions:

Measurement Date	December 31, 2023; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the interim.
Discount Rate	3.72 percent per annum (BOY), 3.26 percent per annum (EOY). Source: Bond Buyer 20-Bond GO Index
Actuarial Cost Method	Entry Age Normal. All participants are currently retired.
Mortality	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021.
Healthcare Cost Trend Rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2028 Dental, Vision, and Audio; 3 percent, staying constant to 2028.

### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2023, calculated using the discount rate of 3.26% (a decrease of 0.46% over the prior year's discount rate of 3.72%), and what the Gentile Group plan's net OPEB liability would be if calculated using a discount rate one-percentage-point lower (2.26%) or one-percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Gentile Group	\$ 68,981,735	\$ 61,506,369	\$ 55,317,387

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2023, calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation report, and what the plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group	\$ 55,097,335	\$ 61,506,369	\$ 69,095,700

## A-2. Police and Fire Medical Group - Defined Benefit Plan

### General Information about the Plan

The Police and Fire Medical Group is a single-employer, defined benefit plan, administered by the Municipality. Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, and non-represented command personnel appointed after January 1, 1995, participate in the Police and Fire Medical Group Plan. The Plan is closed to new members. Plan membership consisted of the following on December 31, 2023:

Inactive plan members or beneficiaries currently receiving benefits	372
Active plan members	-
Total plan membership	<u>372</u>

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

Established with both defined benefit and defined contribution characteristics, the Municipality contributes monthly fixed dollar contributions to each member. Contributions are deposited into individual member accounts and can be used to pay qualifying medical costs or health insurance premiums. Additionally, members have access to the Municipality's health insurance program if they elect to pay the associated premium. For 2023, monthly member contributions ranged between \$629 and \$1,028 depending on age and years of service. The Municipality contributed \$3,841,538 to the Police and Fire Medical Group plan in 2023.

#### Actuarial Assumptions

The total OPEB liability for this plan was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions:

Measurement Date	December 31, 2023; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the interim.
Inflation Rate	The Medical CPI-W Inflation rate is assumed to be 4% going forward.
Discount Rate	HRA Plan - 5.49% from 4.10% (BOY), this rate is based on an expected 10-year geometric return for an asset mix of 10% equities/90% fixed income. It reflects a real rate of return of 2.99% and an inflation rate of 2.5%. MH Plan - 3.26%, this rate is based on the Bond Buyers 20 Bond Index as of 12.31.2023, which tracks the average yields of 20 general obligation municipal bonds that mature in 20 years.
Actuarial Cost Method	Entry Age Normal; all participants are currently retired.
Amortization Method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality Rates	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2028.

#### Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investments (HRA plan) is currently 10% Equities and 90% Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 2.99%.

#### Discount Rate

The discount rate used to measure the total OPEB liability was 5.49% (HRA Plan) and 3.26% (MH Plan), which was 4.10% for both plans last year. The projection of cash flows used to determine the discount rate assumed the contributions will continue to follow the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2023, calculated using the discount rate of 5.49%(HRA Plan) and 3.26%(MH Plan), and what the plan's net OPEB liability would be if calculated using a discount rate one-percentage-point lower (4.49% HRA/2.26% MH) or one-percentage-point higher (6.49% HRA/4.26% MH) than the current rate:

	1% Decrease HRA (4.49%) MH (2.26%)	Current Discount HRA (5.49%) MH (3.26%)	1% Increase HRA (6.49%) MH (4.26%)
Police and Fire Medical Group	\$ 86,918,426	\$ 78,391,050	\$ 71,202,664

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2023, calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation report, and what the plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police and Fire Medical Group	\$ 71,330,857	\$ 78,391,050	\$ 88,106,419

### B. Other Postemployment Benefits Plans - Municipality Reporting under GASB Statement No. 75

Substantially all regular employees of the Municipality are members of PERS except for employees who are members of the Police and Fire Retiree Medical Trust Plans (PFRMT).

All Municipal employees who are members of a public employees' retirement system participate in the State of Alaska PERS. Police officers and firefighters who retired prior to January 1, 1995, command personnel who were employed prior to that date, but not retired at that date participate in the Gentile Group Plan of the PFRMT. Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, and non-represented command personnel appointed after January 1, 1995, participate in the Police and Fire Medical Group Plan of the PFRMT. The Police and Fire Retiree Medical Trust Plans are defined benefit single-employer plans established by Chapter 3.87 of the Code. Police officers, command officers, paramedics, and fire fighters hired after these dates are in PERS. All postemployment healthcare benefit obligations of the Municipality are included on the government-wide and proprietary fund financial statements.

Substantially all employees of ASD are either members of PERS or TRS OPEB plans, with balances reported on the entity-wide statement of net position. For TRS Tiers I-II, when pension benefits begin, major medical benefits are provided without cost to all employees first hired before July 1, 1990, who are disabled or age 60 or older regardless of initial hiring dates, or who have at least 25 years of credited service. Other retirees must pay the full premium to have the medical coverage. TRS Tier III employees, who have at least ten years of credited service, are eligible for medical benefits after retirement. If they are not eligible for Medicare, they must pay full premium. After eligible for Medicare, the retiree will be responsible for premium at a reduced percentage depending on the years of service. Retirees may use a health reimbursement arrangement (HRA) account to pay premiums. After the HRA is exhausted, the premiums are the retiree's responsibility. Additional information can be obtained in ASD's separately issued financial statements.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### B-1. Defined Benefit OPEB Plans

The Municipality participates in five defined benefit OPEB plans: PERS Alaska Retiree Healthcare Trust Plan (ARHCT), PERS Retiree Medical Plan (RMP), PERS Occupational Death and Disability Plan (ODD), PFRMT Gentile Group Plan and the PFRMT Police and Fire Medical Group Plan. The total net OPEB assets and liability reported in the Statement of Net Position for the defined benefit OPEB plans are as follows:

	Governmental Activities	Business-type Activities	Total
<b>Net OPEB Liability</b>			
Gentile Group Plan	\$ 61,506,369	\$ -	\$ 61,506,369
Police and Fire Medical Group Plan	78,391,050	-	78,391,050
Total Net OPEB Liability - PFRMT	\$ 139,897,419	\$ -	\$ 139,897,419

	Governmental Activities	Business-type Activities	Total
<b>Net OPEB Asset</b>			
Alaska Retiree Healthcare Trust Plan	\$ 141,733,234	\$ 19,594,157	\$ 161,327,391
Retiree Medical Plan	3,481,324	481,282	3,962,606
Occupational Death and Disability Plan	4,714,230	651,728	5,365,958
Total Net OPEB Asset - PERS	\$ 149,928,788	\$ 20,727,167	\$ 170,655,955

Total net OPEB assets and liability for all plans for 2023 was \$170,655,955 and \$139,897,419, respectively, and total OPEB expense was (\$33,091,199), which includes on-behalf expenses from the State of (\$9,253,269). Total deferred outflows of resources and deferred inflows of resources for all plans were \$13,780,117 and \$8,020,123, respectively.

### B-1a. PERS Defined Benefit OPEB Plans

#### General Information About the Plans

As part of its participation in the PERS Defined Benefit Plan (Tiers I, II, III), which are cost-sharing multiple employer-defined benefit plans, the Municipality participates in the ARHCT, RMP, and ODD. The ARHCT is self-funded and provides major medical coverage to retirees of the Defined Benefit Plan. Benefits vary by Tier level. This plan is closed effective July 1, 2006. The RMP provides major medical coverage to retirees of the PERS Defined Contribution Plan (Tier IV). The RMP is self-insured. Members are not eligible to use this plan until they have at least 10 years of service and are Medicare eligible. The ODD provides death benefits for beneficiaries of plan participants and long-term disability benefits to all active members within PERS. The Plans are administered by the State of Alaska, Department of Administration. Plan documents may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, Box 110203, Juneau, Alaska, 99811-0203 or by phoning (907) 465-4460.

#### Employer Contribution Rates

The Municipality is required to contribute the following percentages of covered payroll into the OPEB plans; for January 1 through June 30, 2023, ARHCT 0%, ODD 0.30%, and RMP 1.10%, for July 1 through December 31, 2023, ARHCT 0%, ODD 0.30%, and RMP 1.01%. Employees do not contribute. In 2023, the Municipality was credited with the following contributions to the OPEB plan:

	Measurement Period	Municipality's Fiscal Year
	July 1, 2022 to June 30, 2023	January 1, 2023 to December 31, 2023
Employer contributions- ARHCT	\$ 332	\$ -
Employer contributions- RMP	1,570,223	1,553,815
Employer contributions- ODD	644,485	670,748
Total Contributions	\$ 2,215,040	\$ 2,224,563

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

On December 31, 2023, the Municipality reported assets for its proportionate share of the net OPEB assets that reflected a reduction for State OPEB support provided to the Municipality. The amount the Municipality recognized for its proportional share, the related State portion, and the total were as follows:

Municipality proportionate share of NOA- ARHCT	\$ 161,327,391
Municipality proportionate share of NOA- RMP	3,962,606
Municipality proportionate share of NOA- ODD	5,365,958
Subtotal Net OPEB Assets	<u>170,655,955</u>
State's proportionate share of ARHCT NOA associated with the Municipality	<u>54,298,466</u>
Total Net OPEB Assets	<u><u>\$ 224,954,421</u></u>

Total OPEB assets for the June 30, 2023, measurement date was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, to calculate the net OPEB assets as of that date. The Municipality's proportion of the net OPEB assets were based on a projection of the Municipality's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined. The Municipality's proportionate share at the June 30, 2023, measurement date changed from the proportionate share as of the June 30, 2022, measurement date, as shown below.

	Measurement Date June 30, 2022	Measurement Date June 30, 2023	Change
Municipality's proportionate share of the net OPEB asset:			
ARHCT	7.48292%	7.01140%	-0.47152%
RMP	8.67294%	8.34514%	-0.32780%
ODD	10.67530%	10.45914%	-0.21616%

As a result of its requirement to contribute to the Plan and changes in the actuarially calculated net OPEB assets, the Municipality recognized net OPEB expense of (\$25,102,900). Of this amount, (\$9,253,269) was recorded for on-behalf revenue and expense for actuarially calculated support provided by the State for the ARHCT plan, which can result in a negative balance in Operating Grants and Contributions in the statement of activities in accordance with GASB Statements No. 75. On December 31, 2023, the Municipality reported deferred outflows of resources and deferred inflows of resources related to all PERS OPEB plans from the following sources:

	Measurement Period June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>All Plans</u>		
Difference between expected and actual experience	\$ 455,746	\$ (1,635,626)
Changes in assumptions	426,114	(6,213,433)
Net difference between projected and actual earnings on OPEB plan investments	7,798,770	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	1,865,733	(171,064)
Municipality contributions subsequent to the measurement date	1,104,514	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB	<u><u>\$ 11,650,877</u></u>	<u><u>\$ (8,020,123)</u></u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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

	Measurement Period June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>ARHCT</u>		
Difference between expected and actual experience	\$ 334,958	\$ -
Changes in assumptions	-	(2,968,789)
Net difference between projected and actual earnings on OPEB plan investments	7,342,839	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	1,627,366	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ARHCT	<u>\$ 9,305,163</u>	<u>\$ (2,968,789)</u>
<u>RMP</u>		
Difference between expected and actual experience	\$ 120,788	\$ (127,908)
Changes in assumptions	426,114	(3,222,315)
Net difference between projected and actual earnings on OPEB plan investments	332,053	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	68,202	(4,776)
Municipality contributions subsequent to the measurement date	760,738	-
Total Deferred Outflows and Deferred Inflows of Resources Related to RMP	<u>\$ 1,707,895</u>	<u>\$ (3,354,999)</u>
<u>ODD</u>		
Difference between expected and actual experience	\$ -	\$ (1,507,718)
Changes in assumptions	-	(22,329)
Net difference between projected and actual earnings on OPEB plan investments	123,878	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	170,165	(166,288)
Municipality contributions subsequent to the measurement date	343,776	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ODD	<u>\$ 637,819</u>	<u>\$ (1,696,335)</u>

The \$1,104,514 reported as deferred outflows of resources related to all PERS OPEB plans resulting from contributions made after the measurement date will be recognized as a reduction in the net OPEB assets in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>All Plans</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2024	\$ (5,050,847)
2025	(7,571,442)
2026	17,449,037
2027	(1,250,714)
2028	(569,512)
Thereafter	(480,282)
Total Amortization	<u>\$ 2,526,240</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Excluding contributions made after the measurement date, deferred outflows of resources and deferred inflows of resources related to each OPEB plan will be recognized in OPEB expense as follows:

<u>ARHCT</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2024	\$ (4,200,816)
2025	(6,632,907)
2026	17,619,653
2027	(449,556)
Total Amortization	<u>\$ 6,336,374</u>

<u>RMP</u>	
Year Ending December 31,	
2024	\$ (489,848)
2025	(553,689)
2026	982
2027	(587,098)
2028	(419,544)
Thereafter	(358,645)
Total Amortization	<u>\$ (2,407,842)</u>

<u>ODD</u>	
Year Ending December 31,	
2024	\$ (360,183)
2025	(384,846)
2026	(171,598)
2027	(214,060)
2028	(149,968)
Thereafter	(121,637)
Total Amortization	<u>\$ (1,402,292)</u>

### Actuarial Assumptions

The collective total OPEB liability for each plan for the June 30, 2023 measurement date was determined by actuarial valuations as of June 30, 2022, which was rolled forward to the measurement date of June 30, 2023. The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

- Per capita claims costs were updated to reflect recent experience.
- The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from postretirement healthcare plan assets.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

Inflation	2.5% per year
Salary Increases	Graded by service from 8.50% to 3.85%, for peace officers/firefighters. Graded by service from 6.75% to 2.85%, for all others.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the projected present value of contributions for FY2024-FY2039.
Investment Return / Discount Rate	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and real rate of return of 4.75%.
Healthcare cost trend rates	Pre-65 medical; 6.7% grading down to 4.5% Post-65 medical; 5.5% grading down to 4.5% Prescription drug; 7.2% grading down to 4.5% EGWP: 7.2% grading down to 4.5% Initial trend rates are for FY 2024 Ultimate trend rates reached in FY 2050
Mortality - Peace Officer/Firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
Mortality - Others	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% (98%) of male and 110%(106%) of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% (102%) of male and 108% of female rates of the Pub-2010 contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.



# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.5%, for each major asset class included in the postretirement healthcare plan's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.17%	27%	+/- 6%
Global equity (non-U.S.)	6.55%	22%	+/- 4%
Aggregate bonds	1.63%	23%	+/- 10%
Real assets	4.87%	14%	+/- 7%
Private equity	11.57%	14%	+/- 7%
Cash equivalents	0.49%	0%	+/-0%

### Discount Rate

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

### Discount Rate Sensitivity

The following presents the Municipality's proportionate share of net OPEB assets calculated using the discount rate of 7.25%, and what the Municipality's proportionate share of net OPEB assets (liabilities) would be if it were calculated using a discount rate one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipality's proportionate share of the NOA- ARHCT	7.01140%	\$ 107,233,277	\$ 161,327,391	\$ 206,769,443
Municipality's proportionate share of the NOA- RMP	8.34514%	137,695	3,962,606	6,884,489
Municipality's proportionate share of the NOA- ODD	10.45914%	5,041,830	5,365,958	5,618,233

### Healthcare Cost Trend Rate Sensitivity

The following presents the Municipality's proportionate share of net OPEB assets as of June 30, 2023, calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation report, and what the respective plan's net OPEB assets (liabilities) would be if it were calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current Healthcare Cost Trend Rates:

	Proportional Share	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Municipality's proportionate share of the NOA- ARHCT	7.01140%	\$ 211,967,342	\$ 161,327,391	\$ 101,029,033
Municipality's proportionate share of the NOA- RMP	8.34514%	7,276,627	3,962,606	(488,858)
Municipality's proportionate share of the NOA- ODD	10.45914%	N/A	5,365,958	N/A

### OPEB Plans Fiduciary Net Position

Detailed information about each OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### B-1b. Police and Fire Retiree Medical Defined Benefit OPEB Plans

#### General Information About the Plans

The Police and Fire Retiree Medical Trust administers two plans: The Gentile Group Plan and the Police and Fire Medical Group Plan. Information about these two plans is included in Section A of this note. For this section of the note, both Plans information will be included together for each disclosure.

#### Employer Contributions

The Municipality pays 100% of the insurance premiums for participants in the Gentile Group Plan and a fixed dollar amount per month for participants in the Police and Fire Medical Group Plan. In 2023, the Municipality was credited with the following contributions to the OPEB plans:

	Measurement Period January 1 to December 31, 2023	
	Gentile Group Plan	Police & Fire Medical Group Plan
Employer contributions	\$ 10,450,090	\$ 3,841,538

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

On December 31, 2023, the Municipality reported net OPEB liabilities (NOL) for both the Gentile Group Plan and the Police and Fire Medical Group Plan. The amount recognized by the Municipality for both plans was as follows:

Gentile Group Plan NOL	\$ 61,506,369
Police & Fire Medical Group NOL	78,391,050
Total Net OPEB Liability	<u>\$ 139,897,419</u>

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

Detailed information for the changes in the total OPEB liability, plan fiduciary net position, and the net OPEB liability for each plan is presented in the following tables:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<u>Gentile Group</u>			
Balances as of December 31, 2022	\$ 58,291,752	\$ -	\$ 58,291,752
Changes for the year:			
Interest cost	2,102,655	-	2,102,655
Differences between expected and actual experience	(1,336,892)	-	(1,336,892)
Changes in assumptions or inputs	5,986,396	-	5,986,396
Benefit payments	(3,537,542)	-	(3,537,542)
Balances as of December 31, 2023	<u>\$ 61,506,369</u>	<u>\$ -</u>	<u>\$ 61,506,369</u>
<u>Police &amp; Fire Medical Group</u>			
Balances as of December 31, 2022	\$ 110,286,937	\$ 22,878,927	\$ 87,408,010
Changes for the year:			
Service cost	68,824	-	68,824
Interest cost	4,416,399	-	4,416,399
Differences between expected and actual experience	(18,427,370)	-	(18,427,370)
Changes in assumptions or inputs	7,876,510	-	7,876,510
Benefit payments	(5,277,272)	(3,604,941)	(1,672,331)
Net investment income	-	(2,562,546)	2,562,546
Employer contributions	-	3,841,538	(3,841,538)
Balances as of December 31, 2023	<u>\$ 98,944,028</u>	<u>\$ 20,552,978</u>	<u>\$ 78,391,050</u>

The total OPEB liabilities for the December 31, 2023 measurement date was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023 to calculate the net OPEB liabilities as of that date.

For the year ended December 31, 2023, the Municipality recognized OPEB expense of \$3,214,617 and (\$11,202,916) for the Gentile Group Plan and the Police and Fire Medical Group Plan, respectively. On

December 31, 2023, the reported deferred outflows of resources related to OPEB from the following sources by Plan:

	Measurement Period December 31, 2023 Deferred Outflow of Resources
<u>Police &amp; Fire Medical Group</u>	
Net difference between projected and actual investments	\$ 2,129,240

There were no deferred inflows and deferred outflows of resources for the Gentile Group Plan. The Police and Fire Medical Group Plan reported \$2,129,240 of deferred outflows of resources related to OPEB resulting from the difference in projected and actual earnings. Deferred inflows of resources related to OPEB will be recognized in OPEB expense for the Police and Fire Medical Group Plan as follows:

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Police & Fire Medical Group Plan

Year Ending December 31,	Amortization of Deferred Outflows of Resources
2024	\$ 321,370
2025	439,853
2026	666,929
2027	701,088
Total Amortization	<u>\$ 2,129,240</u>

### Actuarial Assumptions

The total OPEB liability for the measurement period ended December 31, 2023, was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2023. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

#### Gentile Group Plan

Measurement Date	December 31, 2023; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the interim
Discount rate	3.72%
Actuarial cost method	Entry Age Normal. All participants are currently retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare cost trend rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2028 Dental, Vision, and Audio; 3 percent, staying constant to 2028

#### Police & Fire Medical Group Plan

Measurement Date	December 31, 2023; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the Interim.
Discount rate	5.49% (HRA Plan) & 3.26%(MH Plan)
Inflation	The Medical CPI-W Inflation Rate is assumed to be 4% going forward
Actuarial cost method	Entry Age Normal: all participants are currently retired.
Healthcare cost trend rates	Medical and Prescription; 7 percent, decreasing to 4.5 percent by 2028
Amortization method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021

### Long-term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investment is currently 10% Equities and 90% Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 2.99%.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### Discount Rate

The discount rates used to measure the total OPEB liability were 3.26% for the Gentile Group Plan and 5.49%(HRA Plan) & 3.26%(MH Plan) for the Police and Fire Medical Group Plan. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for the Gentile Group decreased 0.46% from the prior year. The discount rate for the Police and Fire Medical Group increased 1.39%(HRA Plan) and decreased 0.84%(MH Plan) from the prior year. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Discount Rate Sensitivity

The following presents the net OPEB liability calculated using the discount rate of 3.26% for the Gentile Group Plan and 5.49%(HRA Plan) & 3.26%(MH Plan) for the Police and Fire Medical Group Plan, and what the two Plan's net OPEB liability would be if it were calculated using a discount rate one-percentage-point lower or one-percentage-point higher than the current rate for each of the two Plans:

	Current Discount Rate		
	1% Decrease (2.26%)	(3.26%)	1% Increase (4.26%)
Gentile Group Plan	\$ 68,981,735	\$ 61,506,369	\$ 55,317,387

	1% Decrease HRA(4.49%)/MH(2.26%)	Current Discount Rate HRA(5.49%)/MH(3.26%)	1% Increase HRA(6.49%)/MH(4.26%)
Police & Fire Medical Group Plan	\$ 86,918,426	\$ 78,391,050	\$ 71,202,664

### Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability for each Plan as of December 31, 2023, calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation report, and what the two Plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	Current Healthcare Trend		
	1% Decrease	Rate	1% Increase
Gentile Group Plan	\$ 55,097,335	\$ 61,506,369	\$ 69,095,700

	Current Healthcare Trend		
	1% Decrease	Rate	1% Increase
Police & Fire Medical Group Plan	\$ 71,330,857	\$ 78,391,050	\$ 88,106,419

### OPEB Plans Fiduciary Net Position

Detailed information about the Gentile Group and Police and Fire Medical Group OPEB Plan's fiduciary net position is available in the Municipality's annual comprehensive financial report as fiduciary funds and detailed disclosures are presented in Section A of this note.

## B-2. Defined Contribution Plans - PERS Defined Contribution OPEB Plans

### General Information About the Plans

Defined Contribution Pension Plan participants (PERS Tier IV) participate in the ODD, and the Retiree Medical RMP. Information on these plans is included in the comprehensive annual financial report for the PERS Plans noted above. These plans provide for death, disability, and postemployment healthcare benefits.

### Employer Contribution Rates

Employees do not contribute to the Defined Contribution OPEB plans. Employer contribution rates for the year ended December 31, 2023, were as follows:

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

	Tier IV Police/Fire		Tier IV Others	
	1/1 - 6/30	7/1 - 12/31	1/1 - 6/30	7/1 - 12/31
Employer Contribution				
Health Reimbursement Arrangement	3.00%	3.00%	3.00%	3.00%
Retiree Medical Plan	1.10%	1.01%	1.10%	1.01%
Death & Disability Benefit	0.68%	0.68%	0.30%	0.30%
Total Employer Contribution	4.78%	4.69%	4.40%	4.31%

### Healthcare Reimbursement Arrangement

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of all employees in the plan”. Prior to July 1, 2023, a flat rate of approximately \$2,237 per year for full time employees and \$1.43 per part time hour worked were paid. For pay periods ending after July 1, 2023, a flat rate of approximately \$2,303 per year for full time employees and \$1.48 per part time hour worked were paid.

### Annual Postemployment Healthcare Cost

In 2023, the Municipality contributed \$3,509,411 in Defined Contribution OPEB costs. These amounts have been recognized as expenditures/expenses.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### NOTE 14 - FUND BALANCE - GOVERNMENTAL FUNDS

In the fund financial statements, the Municipality reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

**Restricted fund balance.** This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance.** These amounts can only be used for specific purposes pursuant to constraints imposed by formal ordinances of the Assembly – the Municipality’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Assembly removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned fund balance.** This classification reflects the amounts constrained by the Municipality’s “intent” to be used for specific purposes but are neither restricted nor committed. The Assembly has given the Mayor or the Mayor’s designee the authority to assign amounts to be used for specific purposes through the budgetary process. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

**Unassigned fund balance.** This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the Municipality’s policy is to use externally restricted resources first, then unrestricted resources - committed, assigned, and unassigned - in order, as needed.

In 2011, the Assembly approved AR 2011-345(S) which set the fund balance policy in accordance with GASB 54. In 2014, the Assembly approved AR 2014-221 which revised the method of calculating certain components of the fund balance categories, to better aid in assessing the needs of the Municipality. Management’s spending policy is to use restricted fund balance first when expenditures are incurred to which any resource is available, then to use unrestricted fund balances in the following order: committed, assigned, and unassigned. In 2015, the Assembly approved AR 2015-84 which amended the definition of expenditures used in the calculation of certain components of fund balance. As of December 31, 2023, there are no other amendments to the Fund Balance Policy.

Beginning in March 2020, the Assembly approved several Emergency Orders (EOs) that provided temporary exemptions from the fund balance set-asides due to the COVID-19 pandemic. The Municipality anticipates Federal Emergency Management Agency (FEMA) reimbursements to assist with revenue loss during the shutdowns and additional expenditures incurred during the health emergency, which caused the fund balance to dip below the set-asides set in AR 2015-84. The Municipality is also incurring continued costs associated with the November 30, 2018, earthquake. FEMA reimbursement and insurance recoveries were received in 2023 related to the earthquake and anticipates this will continue into 2024.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

	General	MOA Trust	Road & Drainage Capital Projects	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Inventories	\$ 958,052	\$ -	\$ -	\$ -	\$ 958,052
Prepaid Items and Deposits	1,991,921	-	-	10,378,689	12,370,610
Long-term Loans Receivable	-	-	-	77,869	77,869
Advances to Other Funds	47,492,739	-	-	-	47,492,739
Assets Held for Resale	4,888,761	-	-	-	4,888,761
Cemetery Perpetual Fund	-	-	-	150,000	150,000
Total Nonspendable	55,331,473	-	-	10,606,558	65,938,031
<b>Restricted</b>					
Unspent MLP Sale Proceeds	616,855	-	-	-	616,855
Unspent Special Levies	1,413,310	-	-	-	1,413,310
Nuisance Property Abatement	-	-	-	364,973	364,973
Capital Improvements	-	-	-	18,771,505	18,771,505
MOA Trust Fund	-	410,100,520	-	-	410,100,520
Police & Fire Retiree Medical Liability	-	-	-	34,235,680	34,235,680
E911 Surcharge	-	-	-	4,561,338	4,561,338
Federal Grants	-	-	-	308,903	308,903
Alcoholic Beverage Sales Tax	-	-	-	5,946,679	5,946,679
Federal/State Fines & Forfeitures	-	-	-	816,799	816,799
Convention Center Operating Fund	-	-	-	37,752,881	37,752,881
49th State Angel Fund	-	-	-	9,348,927	9,348,927
Opioid Settlement	-	-	-	1,058,900	1,058,900
Miscellaneous Operational Grants	-	-	-	17,540	17,540
Debt Service	-	-	-	14,640,420	14,640,420
Total Restricted	2,030,165	410,100,520	-	127,824,545	539,955,230
<b>Committed</b>					
Bond Rating	50,632,938	-	-	-	50,632,938
Capital Improvements	-	-	-	36,389,556	36,389,556
Heritage Land Bank	-	-	-	8,310,590	8,310,590
Miscellaneous Operational Grants	-	-	-	653,530	653,530
Operating Projects Committed	4,315,070	-	-	-	4,315,070
Total Committed	54,948,008	-	-	45,353,676	100,301,684
<b>Assigned</b>					
Nuisance Property Abatement	-	-	-	26,641	26,641
Capital Improvements	-	-	-	838,390	838,390
Cemetery Perpetual Fund	-	-	-	539,939	539,939
E911 Surcharge	-	-	-	214,136	214,136
State Grants	-	-	-	74,877,611	74,877,611
Alcoholic Beverage Sales Tax	-	-	-	714,668	714,668
Federal/State Fines & Forfeitures	-	-	-	106,113	106,113
Miscellaneous Operational Grants	-	-	-	3,812	3,812
Opioid Settlement	-	-	-	59,067	59,067
Property Assessed Clean Energy Pro	-	-	-	18,328	18,328
Convention Center Operating Fund	-	-	-	2,577,411	2,577,411
Total Assigned	-	-	-	79,976,116	79,976,116
<b>Unassigned</b>					
Working Capital Reserve	11,182,925	-	-	-	11,182,925
Other Unassigned	(50,990,663)	-	(5,416,278)	(341,133)	(56,748,074)
Total Unassigned	(39,807,738)	-	(5,416,278)	(341,133)	(45,565,149)
Total Fund Balance (Deficit)	\$ 72,501,908	\$ 410,100,520	\$ (5,416,278)	\$ 263,419,762	\$ 740,605,912



## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

Alaska State Statute 29.35.470 states that taxes levied within a differential tax zone exceeding the amount that would otherwise have been levied may only be used for services provided within that zone. The Municipality reported \$1 in restricted fund balance in the General Fund equal to excess taxes collected for the EMS Special Lease Levy and \$1.41 million in restricted fund balance in the General Fund equal to excess taxes collected for the APD IT System Special Levy. The Municipality reported \$616,855 in restricted fund balance in the General fund equal to the unspent portion of Electric Utility sale proceeds to be used for ongoing administration related to the sale.

The Municipality, by resolution, established a bond rating included in committed fund balance and a working capital reserve included in unassigned fund balance. For 2023, \$50,632,938 of committed fund balance for bond rating is reported and \$12,425,260 of the bond rating reserve is available. None of the unassigned fund balance for working capital reserve is available after offsetting the other unassigned fund deficit.

Set asides for Bond Rating and Working Capital Reserves are reported as follows:

Bond Rating:	
Committed	\$ 50,632,938
Net Unassigned Deficit	(38,207,678)
Available Bond Rating Reserve	<u>\$ 12,425,260</u>
Working Capital Reserve:	
Unassigned for Working Capital	\$ 11,182,925
Unassigned Fund Balance Deficit	(49,390,603)
Net Unassigned Deficit	(38,207,678)
Available Working Capital Reserve	<u>\$ -</u>

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

Major Funds:	
Road and Drainage Capital Project Fund	<u>\$ 14,205,366</u>
Nonmajor Capital Project Funds:	
Public Safety	2,546,773
Parks & Recreation	2,295,759
Areawide	2,675,217
Public Transportation	17,987,762
Heritage Land Bank	75,711
Total Nonmajor Capital Project Funds	<u>\$ 25,581,222</u>

#### NOTE 15 - RISK MANAGEMENT AND SELF INSURANCE

The Municipality is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; illness of and injuries to employees; unemployment; and natural disasters. The Municipality utilizes three risk management funds to account for and finance its uninsured risks of loss.

The Municipality provides coverage up to the maximum of \$3,000,000 per occurrence for automobile and general liability claims and for each workers' compensation claim. No settled claim exceeded this commercial coverage in 2023, 2022 or 2021.

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

All Municipal departments participate in the risk management program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

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, 2023, is dependent upon future developments. On December 31, 2023, claims incurred but not reported included in the liability accounts are \$20,300,026 in the General Liability/Workers' Compensation Fund and Medical/Dental Self Insurance Fund.

Changes in the funds' claim liability amounts in 2023 and 2022 are as follows:

	Balance January 1, 2022	Current Year Claims and Changes in Estimates	Claims Paid	Balance December 31, 2023
General Liability/Workers' Compensation	\$ 31,834,491	\$ 10,461,188	\$ (9,183,160)	\$ 33,112,519
Medical/Dental	7,008,376	46,559,857	(48,203,233)	5,365,000
Unemployment	24,852	167,472	(144,727)	47,597
	<u>\$ 38,867,719</u>	<u>\$ 57,188,517</u>	<u>\$ (57,531,120)</u>	<u>\$ 38,525,116</u>

	Balance January 1, 2021	Current Year Claims and Changes in Estimates	Claims Paid	Balance December 31, 2022
General Liability/Workers' Compensation	\$ 28,659,939	\$ 11,609,207	\$ (8,434,655)	\$ 31,834,491
Medical/Dental	6,127,409	48,575,384	(47,694,417)	7,008,376
Unemployment	93,496	157,658	(226,302)	24,852
	<u>\$ 34,880,844</u>	<u>\$ 60,342,249</u>	<u>\$ (56,355,374)</u>	<u>\$ 38,867,719</u>

On December 31, 2023, the Medical and Dental Self Insurance Fund had unrestricted net position of \$35,240,774, an increase of \$4,664,078 from 2022.

On December 31, 2023, the General Liability and Worker's Compensation Fund had a deficit of \$15,004,175, an increase in the deficit of \$1,216,690 from 2022. The increase in the deficit is due to an increase in reserves for worker's comp claims based on actuarial estimates.

### NOTE 16 - MOA TRUST FUND

On April 2, 2002, Anchorage voters approved Proposition No. 4 which amended the Anchorage Municipal Charter (Charter) to fundamentally change distribution rules applicable to the MOA Trust. Key Proposition No. 4 excerpts include:

- "The trust fund shall be defined as an endowment fund with a controlled spending policy limiting dividend distribution."
- "Any use of the corpus, or a portion of the corpus, separate from the controlled spending policy of the endowment, may only be used for purposes approved by a majority of the voters voting on a ballot proposition in a regular or special election."
- "Under the endowment's-controlled spending policy an annual dividend may be appropriated by the assembly provided that the annual appropriation does not exceed 5% of the average asset balance of the trust."

Code was also revised to accompany the Charter change. Changes made to AMC 6.50.060 further define and clarify the methodology to be used in paying out an annual not-to-exceed dividend amount from the Trust each year.

Depending on the investment market conditions in any given year, the Trust may or may not generate sufficient realized and unrealized net earnings to cover the dividend payout specified in the Code. Under the endowment

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

model followed by the Trust, however, the annual dividend from the Trust is based on a payout rate which is applied to the average market value of the Trust over multiple calendar quarters, as further defined in the Code. The calculated annual dividend from the Trust is available for appropriation by the Municipal Assembly (Assembly) to help fund the general government budget. The endowment model is tied to an average market value, not to annual earnings, and it cannot exceed a 5% maximum long-term real rate of return per Charter. During periods of market decline, the Trust may experience a negative return; nonetheless the voter-approved endowment model for the Trust makes it possible for the Assembly to pay out no more than a 5% dividend by drawing from the fund's corpus. Over time, the Trust is expected to benefit from positive market years (i.e., years in which the real rate of return exceeds the maximum 5% payout rate); however, the Assembly must not exceed the 5% cap on annual distributions. This means that any excess returns generated during positive years in the market effectively are converted to corpus. Additionally, the Municipal Treasurer is required by Code to determine whether the Trust's purchasing power is being maintained, by performing an analysis at least every five years.

In January 2009, the Assembly, in response to substantial 2008 investment losses, amended AMC 6.50.060 to further limit the annual dividend payout. Effective January 1, 2010, no more than 4% of the Trust's market value for the twenty consecutive quarters ending on March 31 of each year was made available for appropriation by the Assembly to help fund the general government budget. This policy change was to remain in effect until such time as the Trust's market value recovered to a level equal to or greater than the Trust's market value on December 31, 2007.

In recognition of significant recovery in the investment market since the 2008/2009 crash, in November 2016, the Assembly approved an amendment to AMC 6.50.060 to increase the payout rate for the MOA Trust from 4% to 4.25%, effective January 1, 2017. This payout rate was applied annually to the Trust's average market value over the twenty trailing calendar quarters ending March 31 of each year, to determine the maximum amount available for annual appropriation to help fund the general government budget.

In anticipation of the Electric Utility sale in late October 2020, the Assembly further amended AMC 6.50.060 in September 2020 to authorize a 5% maximum payout rate in 2020 and a 4.5% maximum payout rate in 2021 and future years. The Trust's payout rates are to be applied to a variable average market value calculation that accumulates from two trailing calendar quarters of average market value in year 2020 to twenty trailing calendar quarters of average market value by year 2026 and beyond. The annual dividend calculation continues to be determined as of March 31 of each year, and the calculation parameters cited in the revised Code shall determine the not-to-exceed amount available for annual appropriation to help fund the general government budget starting in 2020 and beyond.

At the Municipal Treasurer's request, the Investment Advisory Commission (IAC) held two special meetings at the beginning of 2022 regarding the appropriateness of the dividend payout level for the year 2022 and beyond. Based on information and analysis provided by the Trust's independent investment consultant, the IAC passed a Resolution recommending a reduction in the dividend payout rate to not-to-exceed 4%. The IAC believed this was necessary to preserve the Trust's long-term purchasing power, which is the primary objective cited for the Trust in the Municipal Charter and Municipal Code. The Assembly accepted the Commission's Resolution (AIM 35-2022) at the March 1, 2022, Assembly meeting. Consistent with AIM 35-2022, \$17.1 million of the Trust fund balance was transferred to the General Fund in 2022.

During 2022 the Municipal Treasurer, the IAC, and the investment consultant analyzed the Trust's governance structure. In December 2022, the IAC voted in support of a ballot ordinance to change the Trust's governance structure from the existing sole fiduciary model to a new fiduciary Board of Trustees based on recommendations received from the investment consultant. On the April 4, 2023, regular municipal election, Anchorage voters approved the new governance structure, and the new structure has been implemented.

In June of 2023, the Anchorage Assembly passed AO No. 2023-66, an omnibus ordinance which amended certain sections of the Municipal Code establishing a new Board of Trustees to provide fiduciary oversight and direction to the MOA Trust Fund. The Board was seated on October 17, 2023, formerly taking over management of the Fund from the Treasurer who had served as sole fiduciary. The IAC ceased to exist and function at that date as well.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### NOTE 17 - REGULATORY AND OTHER MATTERS

#### A. Water Utility

##### **Recurring Rates: Revenue Requirement (2020 Test Year / 2022 Rates)**

On December 3, 2021, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase of 1.75%, to be effective January 18, 2022. This request was granted by the RCA on January 18, 2022, under Order 1 in Docket U-22-002. On February 7, 2023, the RCA issued Order 8 in the same docket, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Water Utility and RAPA. The 1.75% rate increase is now permanent, and no refunds are to be issued.

##### **Recurring Rates: Plant Replacement and Improvement Surcharge Mechanism (2021 Test Year)**

On December 14, 2022, in TA Letter TA176-122, the Water Utility requested approval to establish a plant replacement and improvement surcharge mechanism (PRISM) in the Water Utilities tariff and to establish an initial Water Utility PRISM surcharge of 1.85%, to be effective January 30, 2023. On January 20, 2023, the RCA issued Letter Order number L2300016 approving the PRISM in the Water Utilities tariff and the initial Water Utility PRISM surcharge rate of 1.85%. The PRISM surcharge was implemented on customer bills effective January 30, 2022.

#### B. Wastewater Utility

##### **Recurring Rates: Revenue Requirement (2020 Test Year / 2022 Rates)**

On December 3, 2021, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 3.75%, to be effective January 18, 2022. This request was granted by the RCA on January 18, 2022, under Order 1 in Docket U-22-003 for the Wastewater Utility. On February 7, 2023, the RCA issued Order 8 in the same docket, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Wastewater Utility and RAPA. The 3.75% rate increase is now permanent, and no refunds are to be issued.

##### **Recurring Rates: Plant Replacement and Improvement Surcharge Mechanism (2021 Test Year)**

On December 14, 2022, in TA Letter TA177-126, the Wastewater Utility requested approval to establish a PRISM in the Wastewater Utility tariff and to establish an initial Wastewater Utility PRISM surcharge of 0.81%, to be effective January 30, 2023. On January 20, 2023, the RCA issued Letter Order number L2300016 approving the PRISM in the Wastewater Utility's tariff and the initial Wastewater Utility PRISM surcharge rate of 0.81%. The PRISM surcharge was implemented on customer bills effective January 30, 2022.

#### C. Electric Utility

##### **Acquisition of the Electric Utility by Chugach Electric Association, Inc. and the formation of Anchorage Hydropower**

On April 1, 2019, Chugach Electric, Inc. (CEA) filed a petition with the RCA requesting necessary approvals for acquiring the Electric Utility from the Municipality and requesting an amendment of Certificate of Public Convenience and Necessity (CPCN) No. 8 to reflect the acquired service territory. The petition was approved with amendments during 2020.

The transaction transferring the assets of the Electric Utility to CEA closed on October 30, 2020. On November 11, 2021, the Municipality and CEA agreed on a final purchase price.

On October 30, 2020, the Municipality and CEA entered into a Power Purchase Agreement (PPA) for CEA to acquire 64.29% of the Municipality's 53.33% share of the Eklutna generation output for a term of 35 years, among other things. On November 23, 2020, the Municipality and Matanuska Electric Association, Inc. (MEA) entered into a PPA whereby MEA, among other things, acquired the rights to buy 35.71% of the Municipality's share of the generation from Eklutna for 35 years.

The Municipality provides wholesale electric power from the Eklutna Hydroelectric Project Switchyard as the Municipality of Anchorage dba Anchorage Hydropower, CPCN No. 780. In the final Order of the acquisition docket, the RCA required that the Municipality establish a \$3 million operating reserve for its Hydropower Utility.

# **MUNICIPALITY OF ANCHORAGE, ALASKA**

## **Notes to the Basic Financial Statements**

### **Fish and Wildlife Agreement**

In 1991, the Municipality, along with CEA, and MEA, (collectively known as Eklutna Purchasers), United States Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NMFS), Alaska Energy Authority, and the State of Alaska entered into an agreement regarding protection, mitigation of damages to, and enhancement of fish and wildlife affected by hydroelectric development of the Eklutna Project. According to that agreement, the Eklutna Purchasers will be responsible for the consultation, study, and implementation provisions applicable to the Eklutna Project.

The agreement requires the Eklutna Purchasers to develop a study plan and a Final Fish and Wildlife Plan in consultation with the USFWS, NMFS, the Alaska Departments of Fish and Game, Environmental Conservation and Natural Resources, and other stakeholders, including the public, and submit it to the Governor for approval. The Plan shall consist of measures recommended by the Purchasers for the protection, mitigation of and damages to and enhancement of fish and wildlife (including related spawning grounds and habitat). The Governor of Alaska shall establish a Final Fish and Wildlife Program, which the Eklutna Purchasers shall be required to implement.

Plan implementation shall begin no later than 2027 and end no later than 2031. The Eklutna Purchasers are required by the agreement to repeat the process on a recurring basis every 35 years. The Municipality is responsible for 19.04% of the costs of the study and for plan implementation according to the PPAs with the other Eklutna Purchasers. There is currently no estimation of the total costs to the Municipality of implementing the Plan.

### **NOTE 18 – CONTINGENCIES**

The Municipality, in the normal course of its activities, is involved in various claims and litigation. Except as specifically described below, it is the opinion of management and the Municipal Attorney that these matters are not expected to have a material adverse effect on the Municipality's financial statements.

In the normal course of operations, the Municipality becomes involved in various litigation matters, including, among others, claims by third parties for alleged property damages, personal injuries, and other matters. The Municipality believes that it has meritorious defenses against these claims and has used multiple factors in determining potential exposure. The Municipality has recorded an estimate for this potential exposure as a contingent liability in the amount of \$1,600,060 as of December 31, 2023.

#### **A. Litigation**

##### **Port Expansion**

A multi-year expansion project at the Port began in 2003 and continued until May 31, 2012. The project encountered problems and work was suspended while the Port investigated the scope and cause of the problems and determined how to proceed.

Investigative reports concluded the project design was flawed and significant aspects of the work were constructed incorrectly. In March 2013, the Port filed suit to recover damages. In 2016 and 2017, the Municipality reached agreements with all the private party defendants to fully and finally settle, release and resolve any and all claims, liabilities and damages of the Municipality for a total of \$19,350,000. These settlements were recorded as legal settlements shown on the Port's statements of revenues, expenses, and changes in net position as non-operating revenue. As required under two of the settlement agreements, the Port restricted \$1.95 million of the settlements to a Port litigation escrow account recorded in 2016 as restricted assets "legal settlement set-aside", in the Port's statements of net position. An order for dismissal in the US District Court of the District of Alaska was signed on February 22, 2017, closing the case filed in the State of Alaska.

A separate action in the United States Court of Federal Claims against the U.S. Maritime Administration (MARAD) was filed in March 2024. Trial occurred in February 2021 and final judgement was entered on February 24, 2021, awarding the Municipality the sum of \$367,446,809. The judgement was timely appealed to the United States Court of Appeals for the Federal Circuit on April 25, 2022, with oral arguments scheduled on March 7, 2024. In an opinion issued December 16, 2024, a panel of judges with the U.S. court of Appeals for the Federal Circuit

## **MUNICIPALITY OF ANCHORAGE, ALASKA**

### **Notes to the Basic Financial Statements**

partially rescinded the award and reduced the damages awarded to \$11,3 million. The Municipality could choose to bring additional arguments forward, but the strategy is yet to be determined.

#### **B. Grants**

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

#### **NOTE 19 - ENVIRONMENTAL ISSUES**

The Municipality has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present, and future activity that may result in environmental impact. It is accounting policy to record a liability when the likelihood of responsibility for an environmental impact is probable and the cost of mitigating the impact is estimable within reasonable limits. On December 31, 2023, there are environmental issues that meet both criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

##### **A. Solid Waste Landfill Sites**

The Municipality's landfill at Merrill Field was closed during 1987 following approximately 50 years of usage. An active gas migration control system was constructed in 1992 and has since operated without fail. Operation of the gas control system has been effective in maintaining compliance with regulations pertaining to landfill gas and protecting public safety.

In 1996, a project was undertaken to improve existing groundwater controls and to construct a new system to control and collect groundwater from beneath the site for treatment in the municipal wastewater system. This collection system has operated without fail and has been effective in mitigating potential offsite migration of contaminants. The Municipality continues to maintain landfill gas and groundwater control systems and to perform monitoring of this site in compliance with state and federal regulations governing closure of solid waste facilities.

##### **B. Air Quality Violations at Anchorage Regional Landfill**

On or about March 28, 2018, the Alaska Department of Environmental Conservation (ADEC) issued a Notice of Violation (NOV) to the Municipality of Anchorage, Solid Waste Fund, alleging multiple violations of the Municipality's Air Quality Operating Permits for the Anchorage Regional Landfill, all relating to the emission of landfill gas. On or about June 10, 2019, the ADEC issued a second NOV to the Solid Waste Fund alleging 1) failure to conduct surface emission monitoring (SEM), and 2) failure to meet certification requirements. The Solid Waste Utility met with ADEC on a several occasions in an attempt to resolve the alleged violations; the Solid Waste Utility and ADEC engaged in an exchange of letters discussing potential compliance measures and settlement of civil penalties. On May 12, 2022, ADEC and the Municipality agreed to a Final Compliance Order by Consent in this matter. The order contained several mandatory corrective actions to be undertaken by the Solid Waste Utility in response to the violations, including installation of additional gas control capacity, surface emissions monitoring and reporting requirements. In addition, the Municipality has agreed to pay administrative fees, costs, and expenses of ADEC, a penalty of \$200,000, and to perform a Supplemental Environmental Project (SEP). The total costs of the SEP and corrective actions are not currently determinable, however ADEC requires a minimum cost of the SEP at \$271,000. The liabilities were paid as of December 31, 2022.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### C. Landfill Closure and Post-closure Care Cost

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and post-closure costs each year, the Solid Waste Utility records an operating expense based on landfill capacity. During 2023, the future closure and post-closure care costs were re-evaluated and adjusted to reflect current conditions. On December 31, 2023, the Solid Waste Fund had a recorded liability of \$47,021,798 associated with these future costs, based on the use of 38.295 percent of the landfill's estimated capacity. Based upon the 2023 study (unaudited), it is estimated Solid Waste will recognize an additional \$72,505,386 in liability expense between 2024 and 2064, the current estimated date the landfill is expected to reach full capacity. These amounts are based upon what it would cost to perform all the closure and post-closure functions in 2023. Future inflation costs and additional costs that might arise from changes in requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both. Activity in the long-term liability for landfill closure and post-closure care reserve was as follows:

	Balance January 1, 2023	Addition	Deletion	Balance December 31, 2023	Due in One Year
Future Landfill Closure Costs	\$ 42,621,511	\$ 4,400,287	\$ -	\$ 47,021,798	\$ -

State laws and federal regulations require the Municipality to provide financial assurances for future closure and post-closure costs by one of several allowable mechanisms available. The Municipality elected to use the "Local Government Test" financial assurance mechanism to comply with the regulation. Pursuant to AMC §26.80.060 a restricted cash and investment account has been established to fund the liability for landfill closure and post-closure purposes. On December 31, 2023, Solid Waste Services reported \$19,736,075 of restricted assets for payment of closure and post-closure care costs.

#### D. Electric Utility

Effective October 30, 2020, CEA acquired most of the assets and assumed some of the liabilities of the Electric Utility. Pursuant to the PPA Section 2.03 (d), CEA assumed environmental claims and liabilities under environmental laws, that in each case, are directly related to the purchased assets (including violations of environmental laws and the presence or release of hazardous materials at, in, on or under, or migrating from or to, the purchased assets).

Pursuant to Section 8.02 (d) of the PPS, the Municipality agreed to indemnify CEA and pay and reimburse CEA for losses incurred in relation to the assumed environmental liabilities that exceed \$25 million in the aggregate prior to the tenth anniversary of the closing date of the acquisition.

The Municipality does not anticipate such losses and therefore is not recognizing a liability for any such losses in its statement of net position.

#### E. Pollution Remediation Obligation

##### Water Utility

##### **AWWU Boston St. and E. 11<sup>th</sup> Court R/W (ADEC File No. 2100.38.584)**

In September 2019, contaminated soil and groundwater was encountered during the removal and replacement of a water line rehabilitation project. Cleanup completed status from ADEC is expected in 2024.

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

#### **AWWU Denali contaminated Site (ADEC File# to be determined)**

A known contamination site was disturbed while performing a mainline rehabilitation project. This action reopened a case between ADEC and another party which has resulted in litigation alleging that AWWU failed to properly maintain the wastewater system which led to damages to the building's systems.

The Utility has estimated a pollution remediation obligation in the amount of \$93,000 for the above site as of December 31, 2023. The potential for material changes in the estimate is possible depending upon the response received from the ADEC and the results of the ongoing litigation.

#### **Wastewater Utility**

##### **AWWU Pump Station No. 12-UST (ADEC File No. 2100.26.044)**

In 2017, the Utility was in the process of submitting documentation to ADEC to obtain cleanup complete status when another spill occurred from an above ground fuel tank in the general area of the original fuel spill that occurred in 1990. Due to this, the Utility is expecting to perform soil borings in 2024 with contaminated soil removal and disposal in 2025 and follow-up monitoring in 2026. Pollution remediation obligation is estimated at \$1.5 million as of December 31, 2023.

##### **MOA AWWU Maintenance and Operation Facility Diesel AST Overfill (ADEC File No. 2100.28.574) and MOA AWWU Maintenance Facility (1997 Tank Removal) 325 E. 94<sup>th</sup> Court (ADEC File No. 2100.38.588)**

In 2016, the Wastewater Utility experienced a fuel spill on the Utility Operations and Maintenance facility located at 325 East 94<sup>th</sup> Court for which preliminary actions removed surface and some subsurface contamination. A third party agreed through mediation to pay a portion of the preliminary cleanup costs. The Utility is planning to make improvements at the site which result in further cleanup and contamination mitigation. Pollution remediation obligation is estimated a \$.9 million as of December 31, 2023.

##### **AWWU Operations Facility Used Oil Tank Removal 503 E. 94<sup>th</sup> Ct. (ADEC File No. 2100.26.331)**

A contaminated site was revealed to the Utility in 2013 for which there were no records of cleanup data. The Utility installed a monitoring and sampling site in 2016. An ADEC chronology report states that site sampling had not occurred since 2001. In 2016, samples from the monitoring well had a DRO result in exceedance of ADEC cleanup levels. ADEC had been sent a request for extension on the cleanup plan submittal date, in 2018 the work plan was approved. To fully address contamination at the site would require excavation and thermal treatment of up to 600 tons of soil from the site as part of capital project work. Pollution remediation obligation is estimated a \$.2 million as of December 31, 2023.

The Utility uses the expected cash flow technique to measure the liability. The Utility estimated a reasonable range of potential outlays to estimate a total pollution remediation obligation of \$2.6 million as of December 31, 2023. The potential for material changes in the estimate is possible depending upon the responses received from ADEC.

#### **Port**

In February 2012, the Port entered into an agreement with the Department of Defense to acquire 48 acres of undeveloped land (Tract J) for fair market value of \$10,305,000. In exchange, the Port has committed to provide a permanent access road connecting Joint Base Elmendorf-Richardson to the Port and to accept responsibility for the environmental condition of the transferred land. This obligation is reflected on the Port's Statement of Net Position as a non-current liability totaling \$1,720,582 as of December 31, 2023. Port recognized a capital contribution in the amount of \$8,425,612 in 2011 related to the land described above. Both Tract H and Tract J at the Port are ADEC designated contaminated sites. In 2023, no required monitoring expenses were incurred for either Tract H or Tract J.

#### **Other Environmental Issues**

The Municipality is aware of certain potential environmental issues as follows:



## **MUNICIPALITY OF ANCHORAGE, ALASKA**

### **Notes to the Basic Financial Statements**

#### **Public Works Transit Facility Sites**

Soil contamination from a subsurface hydraulic oil leak was discovered in 1990 at the Public Works Transit Facility (PWTF). Bus hydraulic lifts 4, 6, 9 and 10 were the source of the leak. During soil testing at the PWTF in 2016, as part of preparation for removal and replacement of existing fuel storage tanks, diesel contamination due to leakage from on-site fuel storage tanks was detected. This constituted a second site separate from the hydraulic oil leak discovered in 1990. Remediation work for this contamination is planned to be performed at the time of the scheduled removal and replacement of the tanks. The Municipality estimates a pollution remediation obligation of \$1,386,300 as of December 31, 2023.

#### **Gambell Street Right-of-Way Site**

The presence of GROs, DROs, and multiple VOCs exceeding applicable cleanup standards was discovered because of road right-of-way work along Gambell Road south of the intersection with Benson Boulevard in 2006. Approximately 400 tons of contaminated soil were excavated and sent for remediation. The most recent testing at the site continued to show levels of GROs and DROs in ground water and VOCs in soil gases above applicable cleanup standards. A work plan for future testing and remediation activities has not yet been developed; therefore, the cost associated with any future actions cannot be determined at this time.

#### **Northwood Maintenance Facility Site**

The presence of numerous contaminants exceeding applicable cleanup levels was discovered at two sites at the Municipality's Northwood Drive Maintenance Facility. In 1992, three areas of stained soil were discovered on the grounds of the facility. Testing found levels of DROs and RROs over applicable cleanup standards. The Municipality estimates a pollution remediation obligation for this site of \$294,458 as of December 31, 2023.

#### **Third Addition Block 39, Lot 15 Site**

The presence of DROs in soil and ground water exceeding applicable cleanup levels due to a leaking underground heating oil storage tank was discovered on a parcel of land during a road improvement project in July of 2008. The tank was removed, and approximately 15 cubic yards of affected soil was excavated from the site and sent for remediation. In January 2020, ADEC requested a work plan to complete site characterization and conceptual site model. The Municipality estimates a pollution remediation obligation of \$18,700 as of December 31, 2023. Currently, the costs associated with any future actions, above the estimate as of December 31, 2023, cannot be determined at this time.

#### **Second Avenue Easement Site**

Soil and groundwater contamination from diesel range and residual range organic chemicals (DROs and RROs) and lead was discovered in the 1990's at the former Second Avenue easement storage site at 1021 East Third Avenue. In 2023, the project to remove contaminated soil from the site amounting \$260,000 is cancelled due to costs increase that went beyond budget. The Municipality estimates a pollution remediation obligation of \$78,534 as of December 31, 2023 and continue to incur future costs due to the presence of lead contaminants.

#### **Fire Station 4 Site**

The presence of contamination from DROs, GROs, benzene, toluene, ethylbenzene, and xylenes were detected at the Fire Station 4 site located at 4350 MacInnes Street. The site is currently required by ADEC to have annual groundwater testing to monitor contamination levels. The Municipality reported a pollution remediation liability of \$14,118 for these activities as of December 31, 2023.

#### **Fleet Maintenance Facility Site**

The presence of contamination from DROs, GROs, RROs, benzene, and toluene, resulting from multiple underground storage tanks and the Facility's Paint shop, were detected at the Fleet Maintenance Facility at 4333 Bering Street in the 1990s. Test results indicated levels of multiple contaminants above ADEC cleanup levels, but generally stable or decreasing from the last monitoring event except for RRO levels in one sample. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$201,150 as of December 31, 2023.

# **MUNICIPALITY OF ANCHORAGE, ALASKA**

## **Notes to the Basic Financial Statements**

### **Peacock Cleaners Site**

The presence of DROs, tetrachloroethylene, and trichloroethylene chemicals exceeding applicable clean up levels were discovered on a parcel of Municipal-owned land at 4501 Lake Otis Parkway. From 1996 through 2008, this property was operated as a dry-cleaning facility. The Municipality estimated a reasonable range of potential outlays and accrued a liability for estimated pollution remediation obligation of \$2,403,684. There has been no change to this amount as of December 31, 2023.

### **Spenard Road Project**

In September 2017, an underground storage tank was discovered during construction along West 27<sup>th</sup> Avenue. In October 2017, the tank was removed and approximately 8 cubic yards of soil were generated from the excavation. After sampling, the excavation was backfilled with imported clean soil. ADEC can request further action on the site, and as such, future costs for remediation at these sites will depend on responses from ADEC and the results of future monitoring and are not estimable at this time.

## **NOTE 20 - SUBSEQUENT EVENTS**

### **A. Anchorage Water Utility**

#### **Per- and polyfluoroalkyl substances (PFAS or PFASs)**

PFAS are known as forever chemicals and have been identified as a public health and environmental issue facing communities across the United States. Because of the duration and breadth of use, PFAS can be found in surface water, groundwater, soil, and air-from remote rural areas to densely populated urban centers. A growing body of scientific evidence shows that exposure at certain levels to specific PFAS can adversely impact all living things.

In April 2024 the Environmental Protection Agency issued regulations requiring water utilities to test and possibly treat for PFASs. At this time, the financial implications of this regulation are undeterminable.

### **B. Don Young Port of Alaska**

#### **Renaming of Port of Alaska**

Effective January 9, 2024, the Port of Alaska was renamed the Don Young Port of Alaska.

#### **Port of Alaska Litigation**

A multi-year Port expansion project began in 2003 and continued until May 31, 2012. The project encountered problems and work was suspended while the scope and the cause of the problems were investigated. Investigative reports concluded the project design was flawed and significant aspects of the work were constructed incorrectly. The Port filed suit to recover damages. A final judgement against MARAD was entered on February 24, 2021, awarding the Municipality \$367,446,809. The judgement was timely appealed to the United States Court of Appeals for the Federal Circuit on April 25, 2022, with oral arguments scheduled on March 7, 2024. In an opinion issued December 16, 2024, a panel of judges with the U.S. court of Appeals for the Federal Circuit partially rescinded the award and reduced the damages awarded to \$11.3 million. The Municipality could choose to bring additional arguments forward, but the strategy is yet to be determined.

#### **Port Revenue Bonds**

On December 17, 2024, the don Young Port of Alaska issued \$191,385,000 in revenue bonds at a coupon rate of 4.25-5.50%, maturing through February 1, 2065.

On April 16, 2025, the Municipality of Anchorage assembly approved the authorization for issuance of revenue bonds for the Don Young Port of Alaska for one or more series in the aggregate principal amount outstanding at any time not to exceed \$1,102,735,000 via Assembly Ordinance 2025-047.

#### **Port Contract**

On April 16, 2025, the Municipality of anchorage Assembly awarded contract through the RFP process to a single vendor for construction services related to the Don Young Port of Alaska Modernization Program for \$807,456,515 via Assembly Memorandum AM 327-2025.

# MUNICIPALITY OF ANCHORAGE, ALASKA

## Notes to the Basic Financial Statements

### C. Municipality Subsequent Events

#### Mayoral Election

The latest triennial Municipal mayoral election was held on April 2, 2024, with a runoff election on May 14, 2024. Suzanne LaFrance was elected Mayor, took office July 1, 2024, and will serve an initial term through June 30, 2027.

#### Federal Emergency Management Agency Receivables

The Municipality experienced several natural disasters that qualified for FEMA cost recovery: the 2018 November Cook Inlet Earthquake; the COVID pandemic; the 2021 Southcentral Alaska Storm; and the 2022 Eagle River Avalanche. Most of the recovery for these emergencies was appropriated with EOs that allow for tax recovery above the tax cap for amounts not recovered from FEMA and exemption of these amounts from the fund balance reserve requirements. As of March 21, 2024, amounts not anticipated to be recovered by FEMA for the COVID pandemic are approximately \$1.1 million. As of April 17, 2024, amounts not anticipated to be recovered by FEMA for the 2018 November Cook Inlet Earthquake are estimated at \$0.5 million. The 2021 Southcentral Alaska Storm and the 2022 Eagle River Avalanche are anticipated to be mostly recovered by FEMA.

#### General Government Debt

Anchorage voters approved \$46,145,000 and \$61,520,000 of GO bonds on April 4, 2023, and April 2, 2024, respectively, for capital improvements and upgrades for Municipal facilities, roads, and assets. The Municipality did not issue any GO bonds in 2023. On March 22, 2023, the Assembly authorized and provided for the issuance of \$125,000,000 in tax anticipation notes to pay ongoing 2023 expenses and on April 23, 2024, the Assembly authorized and provided for the issuance of \$150,000,000 in tax anticipation notes to pay ongoing 2024 expenses until sufficient money from receipt of ad valorem property taxes and from other revenue sources becomes available in each respective year. Tax anticipation notes were issued and paid in 2023 and no tax anticipation notes were issued for 2024.

### NOTE 21 - NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*). The following new accounting standards were considered and/or implemented by the Municipality for 2023 reporting:

GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – Effective for the year ending December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The Municipality evaluated GASB 94 impacts and determined there were no impacts to the Municipality's financial statements for the current fiscal year.

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* – Effective for the year ending December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The Municipality analyzed SBITAs to determine which SBITAs applied to GASB 87, then accounted for those SBITAs accordingly.

GASB Statement No. 99 - *Omnibus 2022* – Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for the year ending December 31, 2023. The effective date for the provisions of this Statement related to financial guarantees and

## MUNICIPALITY OF ANCHORAGE, ALASKA

### Notes to the Basic Financial Statements

the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for the year ending December 31, 2024.

The Governmental Accounting Standards Board issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 100 - *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 – Effective for the year ending December 31, 2024; earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 - *Compensated Absences* – Effective for the year ending December 31, 2024; earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 – *Certain Risk Disclosures* – Effective for the year ending December 31, 2025; earlier application is encouraged. The objective of this Statement is to provide users of government financial statements with essential information about risks related to governments' vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103 – *Financial Reporting Model Improvements* – Effective for the year ending December 31, 2026; earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. If this Statement is early-implemented, all component units should also implement this Statement in the same year, subject to the provisions of GASB Statement No., 14, paragraph 59.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets* – Effective for year-end December 31, 2026; earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments.

## **Required Supplementary Information**

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Required Supplementary Information - Budgetary Comparison Schedule  
with Expenditures by Function for the General Fund  
Year ended December 31, 2023

	Budget		Actual		Budget to	Actual	Variance With
	Original	Final	Budgetary Basis		GAAP	GAAP Basis	Final Budget
					Difference		
<b>Revenues:</b>							
Taxes	\$ 683,936,813	\$ 684,909,292	\$ 688,391,157		\$ -	\$ 688,391,157	\$ 3,481,865
Assessments in lieu of taxes	14,168,149	14,168,149	13,099,475		-	13,099,475	(1,068,674)
Special assessments	227,830	227,830	228,353		-	228,353	523
Licenses and permits	9,545,496	9,545,496	10,591,506		-	10,591,506	1,046,010
Intergovernmental	17,004,340	17,014,965	22,534,933	(1)	5,354,950	27,889,883	5,519,968
Charges for services	24,817,181	24,806,556	21,626,398		-	21,626,398	(3,180,158)
Fines and forfeitures	7,359,306	7,359,306	6,911,284		-	6,911,284	(448,022)
Investment income	7,385,020	7,385,020	12,061,691		-	12,061,691	4,676,671
Interest income on leases	24,384	24,384	24,383		-	24,383	(1)
Restricted contributions	139,331	139,331	99,955		-	99,955	(39,376)
Other revenues	2,478,247	2,478,247	2,542,515		-	2,542,515	64,268
<b>Total revenues</b>	<b>767,086,097</b>	<b>768,058,576</b>	<b>778,111,650</b>		<b>5,354,950</b>	<b>783,466,600</b>	<b>10,053,074</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	28,965,992	30,001,831	24,742,977	(1)	409,073	25,152,050	(5,258,854)
Fire services	118,996,262	118,841,430	113,705,359	(1)	1,890,856	115,596,215	(5,136,071)
Police services	145,677,492	146,172,583	137,901,803	(1)	1,835,791	139,737,594	(8,270,780)
Health and human services	18,698,880	19,318,130	18,235,163	(1)	129,353	18,364,516	(1,082,967)
Economic and community development	71,685,964	72,382,623	66,725,463	(1)	512,202	67,237,665	(5,657,160)
Public transportation	31,203,962	30,383,932	29,281,324	(1)	181,201	29,462,525	(1,102,608)
Public works	7,371,496	7,279,507	7,372,046	(1)	231,322	7,603,368	92,539
Education	260,087,517	260,087,517	260,087,517	(1)	-	260,087,517	-
Maintenance and operations	42,472,993	43,548,161	42,348,113	(1)	165,152	42,513,265	(1,200,048)
<b>Debt service:</b>							
Principal	45,670,462	45,660,071	45,616,852		-	45,616,852	(43,219)
Interest	22,496,006	22,507,082	21,955,878		-	21,955,878	(551,204)
Debt issuance costs	564,293	652,916	526,683		-	526,683	(126,233)
<b>Debt service - Leases</b>							
Principal	4,373,051	4,632,512	4,330,435		-	4,330,435	(302,077)
Interest	1,026,058	1,027,631	840,659		-	840,659	(186,972)
<b>Debt service - SBITAs</b>							
Principal	-	81,529	81,529		-	81,529	-
Interest	-	5,053	5,053		-	5,053	-
Capital Outlay	899,646	960,981	1,662,344		-	1,662,344	701,363
Capital Outlay - SBITAs	-	-	-	(3)	569,066	569,066	-
<b>Total expenditures</b>	<b>800,190,074</b>	<b>803,543,489</b>	<b>775,419,198</b>		<b>5,924,016</b>	<b>781,343,214</b>	<b>(28,124,291)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(33,103,977)</b>	<b>(35,484,913)</b>	<b>2,692,452</b>		<b>(569,066)</b>	<b>2,123,386</b>	<b>38,177,365</b>
<b>Other financing sources (uses):</b>							
Transfers from other funds	39,146,668	41,284,443	40,820,725		-	40,820,725	(463,718)
Transfers to other funds	(17,841,270)	(45,637,640)	(44,900,695)		-	(44,900,695)	736,945
Premium on bonds and notes sale	1,121,923	1,121,923	1,272,500		-	1,272,500	150,577
Proceeds from sale of capital assets	104,000	218,798	510,950		-	510,950	292,152
Insurance recoveries	73,145	329,300	273,186		-	273,186	(56,114)
Other financing source - SBITAs	-	-	-	(3)	356,457	356,457	-
Draws on direct financing agreements	-	20,052,290	19,252,291		-	19,252,291	(799,999)
<b>Total other financing source (uses)</b>	<b>22,604,466</b>	<b>17,369,114</b>	<b>17,228,957</b>		<b>356,457</b>	<b>17,585,414</b>	<b>(140,157)</b>
<b>Net change in fund balance (deficit)</b>	<b>(10,499,511)</b>	<b>(18,115,799)</b>	<b>19,921,409</b>		<b>(212,609)</b>	<b>19,708,800</b>	<b>38,037,208</b>
Fund balance (deficit), beginning of year	52,793,108	52,793,108	52,793,108		-	52,793,108	-
<b>Fund balance (deficit), end of year</b>	<b>\$ 42,293,597</b>	<b>\$ 34,677,309</b>	<b>\$ 72,714,517</b>		<b>\$ (212,609)</b>	<b>\$ 72,501,908</b>	<b>\$ 38,037,208</b>

## Explanation of differences:

(1) Effective July 1, 2008, the Municipality changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. On-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(2) Effective January 1, 2022, the Municipality adopted GASB 87. The other financing source - Leases are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - Leases amounts would fluctuate based on new leases and lease terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2022, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(3) Effective January 1, 2023, the Municipality adopted GASB 96. The other financing source - SBITA are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - SBITA amounts would fluctuate based on new SBITA and SBITA terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2023, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

**Note:**

This schedule is for informational purposes only. The budget presented by function for the General Fund in this schedule is not the legal level of budget authority. This schedule provides a variance analysis of revenue, expenditures, and other financing sources (uses) to budget in a format similar to the basic financial statements.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
Budgetary Data  
December 31, 2023

In 2003, the Municipality implemented GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*. This Statement, an amendment to GASB Statement No. 34, clarifies the budgetary presentation requirements for governments with significant budgetary perspective differences that result in not being able to present budgetary comparison information for their general fund and major special revenue funds. Estimated appropriations in the Municipality's General Fund Budget do not correspond to the expenditures reported for the general fund on a GAAP basis. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison.

In accordance with the Anchorage Home Rule Charter, the Mayor is required to submit a proposed budget for the next fiscal year to the Assembly at least 90 days before the end of the current fiscal year. The Assembly holds two public hearings on the proposed budget. The Assembly may increase or decrease any item and may add or delete items; but must approve a budget and appropriate the necessary resources by ordinance at least 21 days prior to year-end. Otherwise, the Mayor's proposal becomes the budget and appropriation.

The Assembly approved 2023 operating budgets and appropriations of direct costs at the department level, and indirect costs at the fund or sub-fund level. Some departmental appropriations span more than one fund. The Assembly approved 2023 capital budgets with anticipated appropriation of resources for the general government and appropriations for each utility. Upon certification by the Chief Fiscal Officer that actual resources have become available for specific general government capital projects, e.g., when a grant is accepted, a bond sale or interfund transfer is approved, or a special assessment district is created, a supplemental appropriation is submitted to the Assembly for final approval. Supplemental appropriations are also submitted for approval upon certification by the Chief Fiscal Officer that operating grant funds have become available. The legal level of a budgetary control is the fund or sub-fund level for revenues and the department level for expenditures and other financing uses.

During the year, no obligation involving the expenditure of money may be made unless the Chief Fiscal Officer has certified 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 above \$1 million is not valid until approved by the voters. The Mayor may transfer all or part of any unencumbered balance between categories within an appropriation.

At the end of the year, an unencumbered operating appropriation lapses into the fund from which it was appropriated; except that supplemental appropriations of grant and capital project resources do not lapse until their purpose has been accomplished or abandoned.

Annual budgets are adopted for the General Fund, MOA Trust (a Permanent Fund), Heritage Land Bank (a Special Revenue Fund), the Convention Center Operating Reserve (a Special Revenue Fund), E911 Surcharge (a Special Revenue Fund), Police and Fire Retiree Medical Liability (a Special Revenue Fund), Other Restricted Resources (a Special Revenue Fund), Alcoholic Beverages Retail Sales Tax (a Special Revenue Fund), Nuisance Property Abatement (a Special Revenue Fund), ACPA Surcharge Revenue Bond (a Debt Service Fund), and Police and Fire Retirement Certificates of Participation (a Debt Service Fund), and the administrative operating costs of the Pension Trust Fund. Appropriations for these funds lapse at year end to the extent they have not been expended or encumbered. The General Fund is the only major fund required to be included as required supplementary information.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
Budgetary Data  
December 31, 2023

Annual budgets are also adopted for proprietary fund types. However, since the measurement focus for proprietary fund types is upon determination of net income, financial position and cash flows, GAAP does not require the adoption of budgets, and budgetary comparisons are not included for these funds.

The Assembly is required to approve the School District budget (in total only) and appropriate by ordinance the necessary resources at least sixty days prior to the current School District year end. Any budget revisions during the year increasing the total appropriation require approval by the Assembly. Expenditures may not exceed the aggregate total amount of the budget.



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Required Supplementary Information - Condition Rating of Anchorage's Road Network  
December 31, 2023

Exhibit E-2

	<b>Percentage of Lane - Miles in Good or Better Condition</b>		
	<b>2023</b>	<b>2020</b>	<b>2017</b>
Anchorage Road District	75.60%	75.00%	75.00%
Chugiak/Eagle River Road District	94.20%	94.50%	97.95%
Girdwood Road District *	93.40%	100.00%	100.00%
Other Road Districts	75.00%	76.80%	79.80%
New Road District	0.00%	0.00%	0.00%
Overall System	79.60%	79.40%	88.19%

Note: \*Girdwood were excluded from 2020 survey results. All roads are new and make up less than 1% of the total network.

	<b>Percentage of Lane - Miles in Fair Condition</b>		
	<b>2023</b>	<b>2020</b>	<b>2017</b>
Anchorage Road District	24.40%	25.00%	25.00%
Chugiak/Eagle River Road District	5.80%	5.50%	2.05%
Girdwood Road District*	6.60%	0.00%	0.00%
Other Road Districts	25.00%	23.20%	20.20%
New Road District	0.00%	0.00%	0.00%
Overall System	20.40%	20.60%	11.81%

Note: \*Girdwood were excluded from 2020 survey results. All roads are new and make up less than 1% of the total network.

<b>Comparison of Estimated-to-Actual Maintenance/Preservation (in Thousands)</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Anchorage Road District:					
Needed	\$ 27,846	\$ 37,160	\$ 34,748	\$ 30,035	\$ 12,923
Actual	25,406	35,737	33,246	28,769	12,448
Chugiak/Eagle River Road District:					
Needed	3,212	4,114	3,932	2,635	3,350
Actual	2,826	3,739	3,743	3,179	3,189
Girdwood Road District:					
Needed	521	260	1,128	389	430
Actual	704	288	1,379	576	582
Other Road Districts:					
Needed	3,424	1,725	2,672	3,004	2,546
Actual	2,390	1,127	2,754	3,292	3,462
Overall System:					
Needed	35,003	43,259	42,481	36,065	19,249
Actual	31,326	40,891	41,123	35,818	19,681
Difference	3,677	2,368	1,358	247	(432)

Note: In 2023, Applied Research Associates, Inc (ARA) performed pavement profile measurements on the Municipality of Anchorage's (MOA) paved roadway network using a high-speed Road Surface Profilometer (RSP). Field testing took place in August and September of 2023. The pavement profile measurements were analyzed to determine the International Roughness Index (IRI) and rutting values for each pavement sections within the network. MOA provided GIS data and a list of roads, encompassing approximately 933 lane miles, which includes both arterial and residential roads across the greater Anchorage, Eagle River, Chugiak and Girdwood areas. Among these, roughly 870 lane miles were paved and accessible, while the remaining 63 lane miles were either gravel, under construction, inaccessible, non-existent, or too short to survey. IRI and rutting data were averaged for each pavement section and subsequently converted into an overall condition 'Grade score', ranging from "A - Excellent" to "F - Serious" pavement conditions. This grading takes into account varying levels of IRI and rutting and is dependent on the functional classification of the roadway. It is the Municipality's policy to maintain 60% or more of the total paved road miles in good (C,D) or better (A,B) condition. Condition assessments are required to be updated every three years.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-3

Public Employees' Retirement System - Defined Benefit Pension Plan  
Schedule of Municipality's Proportionate Share of Net Pension Liability  
Last Nine Fiscal Years

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net Pension Liability	Municipality's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Municipality's Covered Payroll	Municipality's Proportionate Share of Net Pension Liability as Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2023	2023	7.02664%	\$ 364,346,998	\$ 121,461,455	\$ 485,808,453	\$ 234,535,163	155.35%	68.23%
2022	2022	7.53455%	384,024,572	106,284,436	490,309,008	234,549,792	163.73%	67.97%
2021	2021	8.63707%	316,850,984	42,923,535	359,774,519	234,337,418	135.21%	76.46%
2020	2020	7.10609%	419,343,172	173,522,412	592,865,584	236,393,735	177.39%	61.61%
2019	2019	6.46468%	353,891,460	140,522,422	494,413,882	222,683,365	158.92%	63.42%
2018	2018	7.27074%	361,285,220	104,636,568	465,921,788	219,633,972	164.49%	65.19%
2017	2017	6.72870%	347,836,470	129,589,885	477,426,355	209,843,388	165.76%	63.37%
2016	2016	7.76436%	433,996,281	54,685,280	488,681,561	203,264,624	213.51%	59.55%
2015	2015	6.16382%	298,946,265	80,071,590	379,017,855	194,627,317	153.60%	63.96%

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

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Public Employees' Retirement System - Defined Benefit Pension Plan  
Schedule of Municipality Contributions  
Last Nine Calendar Years

Exhibit E-4

Year Ended December 31,	Measurement Period Ended June 30,	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	2023	\$ 38,626,607	\$ 38,626,607	\$ -	\$ 236,737,334	16.316%
2022	2022	35,752,681	35,752,681	-	233,492,167	15.312%
2021	2021	32,796,090	32,796,090	-	235,583,497	13.921%
2020	2020	30,804,418	30,804,418	-	231,875,142	13.285%
2019	2019	28,217,952	28,217,952	-	224,487,144	12.570%
2018	2018	29,774,107	29,774,107	-	221,619,627	13.435%
2017	2017	28,704,730	28,704,730	-	215,244,809	13.336%
2016	2016	24,562,145	24,562,145	-	207,168,838	11.856%
2015	2015	21,876,448	21,876,448	-	199,173,691	10.984%

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

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Police and Fire Retirement System - Defined Benefit Pension Plan  
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan I  
Last Ten Calendar Years

Exhibit E-5

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,564,967	4,710,523	4,895,191	5,236,330	5,262,793	5,543,250	6,133,683	6,317,389	6,480,803	6,674,747
Differences between expected and actual experience	(202,609)	(1,208,963)	(214,547)	(149,501)	(363,349)	(1,044,715)	(554,310)	(263,269)	334,288	(172,965)
Changes of assumptions	-	(1,474,884)	-	2,648,091	4,006,938	657,071	7,094,507	-	657,285	674,653
Benefits payments, including refunds of member contributions	(7,370,191)	(7,621,648)	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Net change in total pension liability	(3,007,833)	(5,594,972)	(3,214,585)	(301,982)	833,756	(3,128,148)	4,270,689	(2,422,500)	(1,082,189)	(1,428,361)
Total pension liability - beginning	76,724,575	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506	88,792,867
Total pension liability - ending (a)	73,716,742	76,724,575	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506
Plan fiduciary net position:										
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	14,552,500	1,546,175	1,338,525	1,952,158
Contributions - Plan members	-	-	-	-	-	-	-	-	-	-
Total net investment income (loss)	7,615,700	(8,857,818)	10,209,738	7,778,969	13,545,709	(3,869,127)	10,533,712	5,189,299	400,284	3,984,313
Benefits payments, including refunds of member contributions	(7,370,191)	(7,621,648)	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Administrative expenses	(134,859)	(108,471)	(165,768)	(143,423)	(110,762)	(162,303)	(129,583)	(134,202)	(125,927)	(122,469)
Net change in plan fiduciary net position	110,650	(16,587,937)	2,148,741	(401,356)	5,362,321	(12,315,184)	16,553,438	(1,875,348)	(6,941,683)	(2,790,794)
Plan fiduciary net position - beginning	61,413,948	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,956	78,261,747
Plan fiduciary net position - ending (b)	61,524,598	61,413,948	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,953
Plan's net pension liability (a) - (b)	\$ 12,192,144	\$ 15,310,627	\$ 4,317,662	\$ 9,680,988	\$ 9,581,614	\$ 14,110,179	\$ 4,923,143	\$ 17,205,892	\$ 17,753,044	\$ 11,893,553
Plan fiduciary net position as a percentage of total pension liability:	83.46%	80.04%	94.75%	88.68%	88.84%	83.40%	94.41%	79.48%	79.42%	86.39%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-6

Police and Fire Retirement System - Defined Benefit Pension Plan  
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan II  
Last Ten Calendar Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,846,291	3,850,300	3,961,040	4,205,177	4,189,753	4,279,605	4,670,017	4,783,176	4,879,585	4,983,645
Differences between expected and actual experience	239,768	508,334	(178,265)	(615,273)	(259,479)	540,098	(648,422)	(369,686)	53,268	(181,652)
Changes of assumptions	-	(1,372,116)	-	2,375,314	3,039,405	575,930	5,986,612	-	542,944	551,964
Benefits payments, including refunds of member contributions	(5,614,084)	(5,620,967)	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Net changes in total pension liability	(1,528,025)	(2,634,449)	(1,853,138)	293,590	1,198,230	(393,698)	4,166,985	(1,511,469)	(430,063)	(498,756)
Total pension liability - beginning	64,347,703	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715	66,010,471
Total pension liability - ending (a)	62,819,678	64,347,703	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715
Plan fiduciary net position:										
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	10,642,589	1,108,376	964,863	1,520,220
Contributions - Plan members	-	-	-	-	-	-	-	-	2,587	11,321
Total net investment income (loss)	6,245,794	(7,174,510)	8,197,839	6,241,327	10,625,627	(3,027,387)	8,168,950	3,990,641	298,556	2,995,775
Benefits payments, including refunds of member contributions	(5,614,084)	(5,620,967)	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Administrative expenses	(109,987)	(88,146)	(133,297)	(113,701)	(86,907)	(126,157)	(100,190)	(103,090)	(95,720)	(92,067)
Net change in plan fiduciary net position	521,723	(12,883,623)	2,428,629	455,998	4,767,271	(8,942,875)	12,870,127	(929,032)	(4,735,574)	(1,417,464)
Plan fiduciary net position - beginning	50,122,965	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044	58,509,508
Plan fiduciary net position - ending (b)	50,644,688	50,122,965	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044
Plan's net pension liability (a) - (b)	\$ 12,174,990	\$ 14,224,738	\$ 3,975,564	\$ 8,257,331	\$ 8,419,739	\$ 11,988,780	\$ 3,439,603	\$ 12,142,745	\$ 12,725,182	\$ 8,419,671
Plan fiduciary net position as a percentage of total pension liability	80.62%	77.89%	94.06%	88.00%	87.72%	82.20%	94.92%	80.90%	80.45%	87.15%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,000	\$ 119,000
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9567.81%	7075.35%

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Police and Fire Retirement System - Defined Benefit Pension Plan  
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan III  
Last Ten Calendar Years

Exhibit E-7

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	\$ 109,022	\$ 136,440	\$ 280,530	\$ 451,859	\$ 575,265	\$ 634,210	\$ 512,332	\$ 513,183	\$ 783,360	\$ 1,022,911
Interest	17,109,887	16,495,110	16,888,430	17,492,654	16,960,207	17,329,124	18,276,072	18,494,293	18,458,939	18,278,963
Differences between expected and actual experience	-	2,855,324	(3,876,244)	(1,849,533)	1,998,834	(3,551,709)	(2,956,525)	(3,485,409)	33,760	1,301,916
Changes of assumptions	991,852	(341,985)	-	11,703,635	12,180,462	2,688,614	27,608,785	-	2,559,038	2,394,994
Benefits payments, including refunds of member contributions	(20,737,406)	(19,818,154)	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Net changes in total pension liability	(2,526,645)	(673,265)	(6,297,042)	8,436,015	12,687,571	(1,227,610)	25,065,249	(2,813,043)	4,105,486	5,757,513
Total pension liability - beginning	284,017,873	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512	238,976,999
Total pension liability - ending (a)	281,491,228	284,017,873	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512
Plan fiduciary net position:										
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	43,403,087	4,439,969	3,587,533	5,296,694
Contributions - Plan members	8,504	39,299	52,169	72,577	126,516	126,875	129,027	126,336	179,057	219,810
Total net investment income (loss)	27,817,862	(31,119,774)	35,085,659	26,668,984	43,760,749	(12,391,936)	32,167,264	15,376,844	1,068,849	11,011,844
Benefits payments, including refunds of member contributions	(20,737,406)	(19,818,154)	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Administrative expenses	(490,298)	(392,241)	(571,731)	(477,285)	(358,256)	(509,647)	(392,022)	(396,242)	(358,981)	(338,673)
Net change in plan fiduciary net position	6,598,662	(51,290,870)	14,976,339	6,901,676	24,501,812	(31,102,557)	56,931,941	1,211,797	(13,253,153)	(1,051,596)
Plan fiduciary net position - beginning	220,788,907	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922	212,963,518
Plan fiduciary net position - ending (b)	227,387,569	220,788,907	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922
Plan's net pension liability (a) - (b)	\$ 54,103,659	\$ 63,228,966	\$ 12,611,361	\$ 33,884,742	\$ 32,350,403	\$ 44,164,644	\$ 14,289,697	\$ 46,156,389	\$ 50,181,229	\$ 32,822,590
Plan fiduciary net position as percentage of total pension liability	80.78%	77.74%	95.57%	88.36%	88.55%	83.63%	94.73%	81.24%	79.83%	86.59%
Covered payroll	\$ 449,000	\$ 691,000	\$ 1,215,000	\$ 1,374,000	\$ 1,913,000	\$ 2,108,000	\$ 2,169,000	\$ 2,199,000	\$ 3,538,000	\$ 4,817,000
Net pension liability as percentage of covered payroll	12049.81%	9150.36%	1037.97%	2466.14%	1691.08%	2095.10%	658.81%	2098.97%	1418.35%	681.39%

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Police and Fire Retirement System - Defined Benefit Pension Plan  
Schedule of Municipality Contributions - Plans I, II, and III  
Last Ten Calendar Years

Exhibit E-8

**Plan I**

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered
2023	\$ 1,091,000	\$ -	\$ 1,091,000	\$ -	0.00%
2022	1,571,000	-	1,571,000	-	0.00%
2021	1,876,000	-	1,876,000	-	0.00%
2020	2,321,000	-	2,321,000	-	0.00%
2019	1,633,000	-	1,633,000	-	0.00%
2018	2,319,000	-	2,319,000	-	0.00%
2017	2,262,000	14,552,000	(12,290,000)	-	0.00%
2016	1,546,000	1,546,000	-	-	0.00%
2015	1,339,000	1,339,000	-	-	0.00%
2014	1,952,000	1,952,000	-	-	0.00%

**Plan II**

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered
2023	\$ 522,000	\$ -	\$ 522,000	\$ -	0.00%
2022	905,000	-	905,000	-	0.00%
2021	1,204,000	-	1,204,000	-	0.00%
2020	1,556,000	-	1,556,000	-	0.00%
2019	881,000	-	881,000	-	0.00%
2018	1,461,000	-	1,461,000	-	0.00%
2017	1,634,000	10,643,000	(9,009,000)	-	0.00%
2016	1,108,000	1,108,000	-	-	0.00%
2015	965,000	965,000	-	133,000	725.56%
2014	1,520,000	1,520,000	-	119,000	1277.31%

**Plan III**

Year Ended December 31,	Contractually Required Contribution	Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	\$ 1,427,000	\$ -	\$ 1,427,000	\$ 449,000	0.00%
2022	3,323,000	-	3,323,000	691,000	0.00%
2021	4,501,000	-	4,501,000	1,215,000	0.00%
2020	5,768,000	-	5,768,000	1,374,000	0.00%
2019	3,584,000	-	3,584,000	1,913,000	0.00%
2018	5,883,000	-	5,883,000	2,108,000	0.00%
2017	6,497,000	43,403,000	(36,906,000)	2,169,000	2001.06%
2016	4,440,000	4,440,000	-	2,199,000	201.91%
2015	3,588,000	3,588,000	-	3,538,000	101.41%
2014	5,297,000	5,297,000	-	4,817,000	109.96%

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-9

International Brotherhood of Electrical Workers (IBEW) - Defined Benefit Pension Plan  
Schedule of Municipality Contributions  
Last Ten Calendar Years

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	\$ 1,038,841	\$ 1,038,841	\$ -	\$ 6,415,774	16.19%
2022	992,012	992,012	-	6,030,438	16.45%
2021	981,685	981,685	-	6,088,018	16.12%
2020	3,785,172	3,785,172	-	23,508,823	16.10%
2019	3,249,636	3,249,636	-	20,988,410	15.48%
2018	3,382,920	3,382,920	-	21,707,594	15.58%
2017	3,272,545	3,272,545	-	21,544,626	15.19%
2016	3,396,484	3,396,484	-	21,965,741	15.46%
2015	3,059,562	3,059,562	-	20,773,482	14.73%
2014	2,642,768	2,642,768	-	19,554,891	13.51%



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-10

International Union of Operating Engineers (Local 302) - Defined Benefit Pension Plan  
Schedule of Municipality Contributions  
Last Ten Calendar Years

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	\$ 1,953,455	\$ 1,953,455	\$ -	\$ 12,098,012	16.15%
2022	1,971,177	1,971,177	-	17,650,369	11.17%
2021	1,974,183	1,974,183	-	16,558,076	11.92%
2020	1,936,421	1,936,421	-	14,773,511	13.11%
2019	1,771,218	1,771,218	-	8,071,114	21.95%
2018	1,730,721	1,730,721	-	8,246,406	20.99%
2017	1,855,325	1,855,325	-	11,171,478	16.61%
2016	1,619,742	1,619,742	-	8,304,334	19.50%
2015	1,673,864	1,673,864	-	8,615,835	19.43%
2014	1,519,659	1,519,659	-	8,336,369	18.23%

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
Police and Fire Medical Trust - OPEB Plans  
For the year ended December 31, 2023

**Public Employees' Retirement System - Defined Benefit Pension Plan**

In accordance with GASB Statement No. 82, Covered Payroll is defined as payroll on which contributions to the pension plan are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Schedule of Municipality's Proportionate Share of the Net Pension Liability

- This table is presented based on the Plan measurement date. For December 31, 2023, the Plan measurement date is June 30, 2023.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes to the Discount Rate of 7.25% between 2023 and 2022.
- There were no changes in the valuation method from the prior measurement period. There were no changes in the allocation methodology from the prior measurement period.

The total pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions used in the June 30, 2022, actuarial valuation (latest available) was based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2022, actuarial valuation are the same as those used in the June 30, 2021, valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions is included in the plan measurement results, while a portion of the contributions is reported as a deferred outflow of resources on the statement of net position.

**Police and Fire Retirement System - Defined Benefit Pension Plans**

In accordance with GASB Statement No. 82, Covered Payroll is defined as payroll on which contributions to the pension plan are based. These tables are for the Police and Fire Retirement System are presented for Plans I, II, and III separately.

Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios

- These tables are presented based on the Plan's measurement date of December 31, 2023.
- There were no changes in the discount rate of 6.25% between 2022 and 2023.
- The mortality tables were not changed for 2023.
- There were no changes to the valuation method or benefit terms from the prior measurement period.

Schedule of Municipality Contributions

- These tables are based on the Municipality's contributions for each year presented.

**International Brotherhood of Electrical Workers - Defined Benefit Pension Plan**

Schedule of Municipality Contributions

- This table presents the Municipality's contributions for each of the last ten years based on calendar year contributions.
- In accordance with GASB Statement No. 78, Covered Payroll is defined as payroll on which contributions to the pension plan are based.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
Police and Fire Medical Trust - OPEB Plans  
For the year ended December 31, 2023

**International Union of Operating Engineers (Local 302) - Defined Benefit Pension Plan**

This pension table is intended to present 10 years of information.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented.
- In accordance with GASB Statement No. 78, Covered Payroll is defined as payroll on which contributions to the pension plan are based.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-11

Police and Fire Medical Trust - Gentile Group OPEB Plan  
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios  
Last Seven Calendar Years

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	2,102,655	1,460,000	1,750,308	2,136,721	2,900,050	2,681,663	2,577,654
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,336,892)	-	(8,511,999)	-	(7,357,231)	-	-
Changes of assumptions or other inputs	5,986,396	(12,330,638)	(1,918,326)	18,451,635	3,379,239	(5,742,889)	4,726,088
Benefit payments	(3,537,542)	(3,422,765)	(3,357,746)	(4,055,590)	(3,580,877)	(4,290,275)	(4,270,000)
Net changes in total OPEB liability	3,214,617	(14,293,403)	(12,037,763)	16,532,766	(4,658,819)	(7,351,501)	3,033,742
Total OPEB liability - beginning	58,291,752	72,585,155	84,622,918	68,090,152	72,748,971	80,100,472	77,066,730
Total OPEB liability - ending (a)	61,506,369	58,291,752	72,585,155	84,622,918	68,090,152	72,748,971	80,100,472
Plan fiduciary net position:							
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	-
Contributions - Plan members	-	-	-	-	-	-	-
Total net investment income	-	-	-	-	-	-	-
Benefits payments, including refunds of member contributions	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-	-	-	-
Plan's net OPEB liability (a) - (b)	\$ 61,506,369	\$ 58,291,752	\$ 72,585,155	\$ 84,622,918	\$ 68,090,152	\$ 72,748,971	\$ 80,100,472
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-12

Police and Fire Medical Trust - Police and Fire Medical Group OPEB Plan  
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios  
Last Seven Calendar Years

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:							
Service cost	\$ 68,824	\$ 66,114	\$ 186,734	\$ 179,725	\$ 118,469	\$ 113,693	\$ 109,111
Interest	4,416,399	3,508,774	2,172,762	2,222,388	2,587,708	2,627,528	2,674,785
Changes in benefit terms		-	-	-	-	-	-
Differences between expected and actual experience	(18,427,370)	22,878,927	825,799	(376,724)	(3,294,961)	-	-
Changes of assumptions or other inputs	7,876,510	-	32,709,391	1,182,123	(1,864,560)	-	-
Benefit payments	(5,277,272)	(5,237,302)	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Net changes in total OPEB liability	(11,342,909)	21,216,513	30,755,688	(75,763)	(5,904,196)	(1,208,891)	(1,123,698)
Total OPEB liability - beginning	109,348,901	88,132,388	57,376,700	57,452,463	63,356,659	64,565,550	65,689,248
Total OPEB liability - beginning difference	938,036	-	-	-	-	-	-
Total OPEB liability - ending (a)	98,944,028	109,348,901	88,132,388	57,376,700	57,452,463	63,356,659	64,565,550
Plan fiduciary net position:							
Contributions - Employer - Municipality of Anchorage	3,841,538	3,666,621	3,672,522	3,579,657	4,785,966	4,261,037	4,287,648
Contributions - Plan members	-	-	-	-	-	-	-
Total net investment income (loss)	(2,562,546)	1,096,088	1,996,872	1,421,311	388,241	(126,515)	966,715
Benefits payments, including refunds of member contributions	(3,604,941)	(5,237,302)	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Administrative expenses	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(2,325,949)	(474,593)	530,396	1,717,693	1,723,355	184,410	1,346,769
Plan fiduciary net position - beginning	22,878,927	23,353,520	22,823,124	21,105,431	19,382,076	19,197,667	17,850,898
Plan fiduciary net position - ending (b)	20,552,978	22,878,927	23,353,520	22,823,124	21,105,431	19,382,076	19,197,667
Plan's net OPEB liability (a) - (b)	\$ 78,391,050	\$ 86,469,974	\$ 64,778,868	\$ 34,553,576	\$ 36,347,032	\$ 43,974,583	\$ 45,367,883
Plan fiduciary net position as percentage of total OPEB liability	20.77%	20.92%	26.50%	39.78%	36.74%	30.59%	29.73%
Covered payroll	N/A	\$ 6,026,901	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Net OPEB liability as percentage of covered payroll	N/A	1434.73%	1112.45%	614.16%	668.65%	852.21%	909.98%

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

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Police and Fire Medical Trust OPEB Plans  
Schedule of Municipality's Contributions  
Last Seven Calendar Years

Exhibit E-13

**Gentile Group Plan**

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 3,537,542	\$ 3,422,765	\$ 3,357,746	\$ 4,055,590	\$ 3,580,877	\$ 4,290,275	\$ 4,270,000
Contributions in relation to the actuarially determined contribution	10,450,090	10,741,628	11,538,792	11,807,381	11,935,465	11,790,796	10,096,430
Contribution excess	<u>\$ (6,912,548)</u>	<u>\$ (7,318,863)</u>	<u>\$ (8,181,046)</u>	<u>\$ (7,751,791)</u>	<u>\$ (8,354,588)</u>	<u>\$ (7,500,521)</u>	<u>\$ (5,826,430)</u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Police and Fire Medical Group Plan**

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 4,175,836	\$ 7,011,262	\$ 3,854,445	\$ 4,037,152	\$ 4,108,452	\$ 3,846,815	\$ 3,846,815
Contributions in relation to the actuarially determined contribution	3,841,538	3,666,621	3,672,522	3,579,657	3,516,241	3,477,037	4,919,538
Contribution deficiency (excess)	<u>\$ 334,298</u>	<u>\$ 3,344,641</u>	<u>\$ 181,923</u>	<u>\$ 457,495</u>	<u>\$ 592,211</u>	<u>\$ 369,778</u>	<u>\$ (1,072,723)</u>
Covered payroll	N/A	\$ 6,026,901	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Contributions as percentage of covered payroll	N/A	60.84%	63.07%	63.63%	64.69%	67.38%	98.68%

Note: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Gentile Group Plan and Police and Fire Medical Group Plan  
Schedule of Investment Returns  
Last Seven Calendar Years

Exhibit E-14

**Gentile Group Plan**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A

Note A: The Gentile Group Plan is a "pay as you go plan," with the Municipality of Anchorage funding each year's expenditures with annual appropriations.

**Police and Fire Medical Group Plan**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-11.10%	4.90%	9.00%	6.70%	2.00%	-0.70%	5.40%			

Note: These schedules are intended to present information for 10 years. Additional years for the Police and Fire Medical Group Plan will be displayed as they become available

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
Police and Fire Medical Trust - OPEB Plans  
For the year ended December 31, 2023

**Gentile Group - Defined Benefit OPEB Plan**

“Covered-employee Payroll” is defined in GASB Statement No. 74 as “the payroll of employees that are provided with OPEB through the OPEB plan.” The Gentile Group is a defined group of retirees resulting from a lawsuit, Municipality of Anchorage v. Gentile (8/16/96), 922 P 2d 248. The Municipality pays for 100% of the retirees’ medical premiums, with optional dental, vision, and audio available. This is a “pay as you go” plan with no plan assets and no covered-employee payroll.

Schedule of Changes in Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2023.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of the Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- The Gentile Group defined benefit plan is a “pay as you go” plan with no plan assets, therefore there is no investment returns for this plan.

**Police and Fire Medical Group- Defined Benefit OPEB Plan**

“Covered Payroll” is defined in GASB Statement No. 85 as the payroll of employees on which contributions to the OPEB Plan are based as a measure of pay.

Schedule of Changes in the Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2023.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- Plan assets are invested in the Municipal Cash Pool and governed by the investment policies disclosed in Note 3 of the financial statements. Investment returns are consistent with the rate of return on the investment pool.



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-15

Required Supplementary Information  
PERS - Defined Benefit OPEB Plans  
Schedule of Municipality's Proportional Share of Net OPEB Asset / Liability  
Last Seven Fiscal Years

**ARHCT**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2023	2023	7.01140%	\$ (161,327,391)	\$ (54,298,466)	\$ (215,625,857)	\$ 234,535,163	68.79%	133.96%
2022	2022	7.48292%	(147,231,374)	(42,085,443)	(189,316,817)	234,549,792	62.77%	128.51%
2021	2021	8.67301%	(222,493,393)	(29,140,872)	(251,634,265)	234,337,418	94.95%	135.54%
2020	2020	7.10320%	(32,167,325)	(13,345,353)	(45,512,678)	236,393,735	13.61%	106.15%
2019	2019	6.46430%	9,591,733	3,813,875	13,405,608	222,683,365	4.31%	98.13%
2018	2018	7.26927%	74,603,636	21,656,677	96,260,313	219,633,972	33.97%	88.12%
2017	2017	6.72970%	56,849,394	21,194,336	78,043,730	209,843,388	27.09%	89.68%

**RMP**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2023	2023	8.34514%	\$ (3,962,606)	\$ -	\$ (3,962,606)	\$ 234,535,163	1.69%	124.29%
2022	2022	8.67294%	(3,012,111)	-	(3,012,111)	234,549,792	1.28%	120.08%
2021	2021	8.83072%	(2,370,341)	-	(2,370,341)	234,337,418	1.01%	115.10%
2020	2020	8.63482%	612,468	-	612,468	236,393,735	0.26%	95.23%
2019	2019	8.50957%	2,035,830	-	2,035,830	222,683,365	0.91%	83.17%
2018	2018	8.45717%	1,076,174	-	1,076,174	219,633,972	0.49%	88.71%
2017	2017	7.92735%	413,411	-	413,411	209,843,388	0.20%	93.98%

**ODD**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2023	2023	10.45914%	\$ (5,365,958)	\$ -	\$ (5,365,958)	\$ 234,535,163	2.29%	349.24%
2022	2022	10.67530%	(4,679,836)	-	(4,679,836)	234,549,792	2.00%	348.80%
2021	2021	10.94848%	(4,825,323)	-	(4,825,323)	234,337,418	2.06%	374.22%
2020	2020	11.47188%	(3,127,235)	-	(3,127,235)	236,393,735	1.32%	283.80%
2019	2019	11.42255%	(2,769,397)	-	(2,769,397)	222,683,365	1.24%	297.43%
2018	2018	8.45717%	(1,642,551)	-	(1,642,551)	219,633,972	0.75%	270.62%
2017	2017	7.92735%	(1,124,811)	-	(1,124,811)	209,843,388	0.54%	212.97%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-16

Required Supplementary Information  
PERS - Defined Benefit OPEB Plans  
Schedule of Municipality Contributions  
Last Seven Calendar Years

**ARHCT**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	2023	\$ -	\$ -	\$ -	\$ 236,737,334	0.00%
2022	2022	2,811,727	2,811,727	-	233,492,167	1.20%
2021	2021	6,561,715	6,561,715	-	235,583,497	2.79%
2020	2020	9,324,769	9,324,769	-	231,875,142	4.02%
2019	2019	10,714,150	10,714,150	-	224,487,144	4.77%
2018	2018	9,665,350	9,665,350	-	221,619,627	4.36%
2017	2017	10,416,994	10,416,994	-	215,244,809	4.84%

**RMP**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	2023	\$ 1,553,815	\$ 1,553,815	\$ -	\$ 236,737,334	0.66%
2022	2022	1,507,549	1,507,549	-	233,492,167	0.65%
2021	2021	1,554,735	1,554,735	-	235,583,497	0.66%
2020	2020	1,617,474	1,617,474	-	231,875,142	0.70%
2019	2019	1,268,460	1,268,460	-	224,487,144	0.57%
2018	2018	997,360	997,360	-	221,619,627	0.45%
2017	2017	978,781	978,781	-	215,244,809	0.45%

**ODD**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	2023	\$ 670,748	\$ 670,748	\$ -	\$ 236,737,334	0.28%
2022	2022	626,660	626,660	-	233,492,167	0.27%
2021	2021	603,644	603,644	-	235,583,497	0.26%
2020	2020	548,520	548,520	-	231,875,142	0.24%
2019	2019	483,278	483,278	-	224,487,144	0.22%
2018	2018	363,282	363,282	-	221,619,627	0.16%
2017	2017	235,195	235,195	-	215,244,809	0.11%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Required Supplementary Information  
Police and Fire Medical Trust - Defined Benefit OPEB Plans  
Schedule of Municipality's Net OPEB Liability  
Last Seven Fiscal Years

Exhibit E-17

**Gentile Group Plan**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability
2023	2023	100.00%	\$ 61,506,369	\$ -	0.00%	0.00%
2022	2022	100.00%	58,291,752	-	0.00%	0.00%
2021	2021	100.00%	72,585,155	-	0.00%	0.00%
2020	2020	100.00%	84,622,918	-	0.00%	0.00%
2019	2019	100.00%	68,090,152	-	0.00%	0.00%
2018	2018	100.00%	72,748,971	-	0.00%	0.00%
2017	2017	100.00%	80,100,471	-	0.00%	0.00%

**Police and Fire Medical Group Plan**

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability
2023	2023	100.00%	\$ 78,391,050	\$ -	0.00%	20.77%
2022	2022	100.00%	86,469,974	6,026,901	1434.73%	20.92%
2021	2021	100.00%	64,778,868	5,823,093	1112.45%	26.50%
2020	2020	100.00%	34,553,576	5,626,177	614.16%	39.78%
2019	2019	100.00%	36,347,032	5,435,920	668.65%	36.74%
2018	2018	100.00%	43,974,583	5,160,091	852.21%	30.59%
2017	2017	100.00%	45,367,883	4,985,595	909.98%	29.73%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Required Supplementary Information  
Police and Fire Medical Trust - Defined Benefit OPEB Plans  
Schedule of Municipality Contributions  
Last Seven Fiscal Years

Exhibit E-18

**Gentile Group Plan**

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	2023	\$ 3,537,542	\$ 10,450,090	\$ (6,912,548)	\$ -	0.00%
2022	2022	3,422,765	10,741,628	(7,318,863)	-	0.00%
2021	2021	3,357,746	11,538,792	(8,181,046)	-	0.00%
2020	2020	4,055,590	11,807,381	(7,751,791)	-	0.00%
2019	2019	3,580,877	11,935,465	(8,354,588)	-	0.00%
2018	2018	4,290,275	11,790,796	(7,500,521)	-	0.00%
2017	2017	4,270,000	10,096,430	(5,826,430)	-	0.00%

**Police and Fire Medical Group Plan**

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2023	2023	\$ 4,175,836	\$ 3,841,538	\$ 334,298	\$ -	0.00%
2022	2022	7,011,262	3,666,621	3,344,641	6,026,901	60.84%
2021	2021	3,854,445	3,672,522	181,923	5,823,093	63.07%
2020	2020	4,037,152	3,579,657	457,495	5,626,177	63.63%
2019	2019	4,108,452	3,516,241	592,211	5,435,920	64.69%
2018	2018	4,290,275	3,477,037	813,238	5,160,091	67.38%
2017	2017	4,270,000	4,919,538	(649,538)	4,985,595	98.68%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Notes to Required Supplementary Information  
OPEB Plans  
For the year ended December 31, 2023

**Public Employees' Retirement System - Defined Benefit OPEB Plans**

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plans are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Both OPEB tables below are presented for each of the three PERS OPEB plans: ARHCT, RMP, and ODD.

Schedule of the Municipality's Proportionate Share of the Net OPEB Asset and Liability

- The tables presented are based on the Plan measurement date. For December 31, 2023, the Plan measurement date is June 30, 2023.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes to the Discount Rate of 7.25% between 2022 and 2023.
- The actuarial assumptions used in the June 30, 2023, actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2022, actuarial valuation are the same as those used in the June 30, 2021 valuation, except:
  - The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.
  - Per capita claims costs were updated to reflect recent experience.
- There were no changes in the valuation method from the prior measurement period.
- There were no changes in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2023, allocated the net OPEB asset and liability based on the present value of contributions for fiscal year 2024 through 2039.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions is included in the plan measurement results, while a portion of the contributions is reported as a deferred outflow of resources on the December 31, 2023, statement of net position.

**Police and Fire Retiree Medical Trust - Defined Benefit OPEB Plans**

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plan are based. "Covered Employee Payroll" is presented when contributions to the OPEB plan are not based on a measure of pay.

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

Schedule of the Municipality's Net OPEB Liability

- This table is presented based on the Plan measurement date of December 31, 2023.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in assumptions from the prior measurement period, except for a reduction in the Discount Rate for Gentile Group Plan to 3.26% and changes in the Discount rate for Police and Fire Medical Group to 5.49% (HRA Plan) and 3.26% (MH Plan) from 4.1%.
- There were no changes in the valuation method from the prior measurement period.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the Statement of Net Position.

## **Additional Required Information**

## **Additional Budgetary Comparison Schedules**

The **General Fund Sub-funds** budgetary comparison schedule and reconciliation to GAAP is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the fund and sub-fund level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

The **Department** budgetary comparison schedule and reconciliation to GAAP for the General Fund is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the department level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-19

Supplementary Information - Additional Budgetary Comparison Schedule  
by General Fund Sub-Funds  
Year ended December 31, 2023

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
<b>Revenues and Other Financing Sources:</b>						
Areawide Service Area	\$430,374,662	\$451,030,884	\$ 456,496,450	\$ -	\$456,496,450	\$ 5,465,566
Areawide EMS Lease Special Levy	829,029	829,029	829,029	-	829,029	-
Chugiak Fire Service Area	1,445,294	1,445,294	1,772,076	-	1,772,076	326,782
Glen Alps Service Area	394,944	394,944	397,959	-	397,959	3,015
Girdwood Valley Service Area	4,231,473	5,031,473	4,259,593	-	4,259,593	(771,880)
Areawide APD IT Systems Special Levy	1,840,000	1,840,000	1,840,000	-	1,840,000	-
Former Borough Roads and Drainage Service Area	-	-	7,968	-	7,968	7,968
Fire Service Area	87,520,115	87,520,115	87,479,216	-	87,479,216	(40,899)
Roads and Drainage Service Area	84,604,014	84,604,014	85,874,186	-	85,874,186	1,270,172
Limited Service Areas	11,645,410	11,645,410	12,128,902	-	12,128,902	483,492
Anchorage Metropolitan Police Service Area	145,471,713	145,570,713	145,799,326	-	145,799,326	228,613
Turnagain Arm Police Service Area	21,782	21,782	23,023	-	23,023	1,241
Anchorage Bowl Parks and Recreation Service Area	25,649,979	25,710,479	26,379,886	-	26,379,886	669,407
Eagle River Chugiak Parks and Recreational Service Area	5,172,951	5,172,951	5,090,991	-	5,090,991	(81,960)
Building Safety Service Area	5,338,900	5,338,900	6,493,678	-	6,493,678	1,154,778
Public Finance and Investment	2,927,157	2,927,157	2,197,178	-	2,197,178	(729,979)
Police and Fire Retiree Medical Defined Contribution Support	14,410	14,410	15,558	-	15,558	1,148
Operating Projects Committed General	50,000	1,967,775	1,967,775	-	1,967,775	-
MLP Sale Proceeds	-	-	1,188,508	-	1,188,508	1,188,508
Other Financing source SBITA	-	-	-	(3) 356,457	356,457	-
SOA PERs On-Behalf Payments	-	-	-	(1) 5,354,950	5,354,950	-
Total revenues and other finance sources	807,531,833	831,065,330	840,241,302	5,711,407	845,952,709	9,175,972
<b>Expenditures and Other Financing Uses:</b>						
Areawide Service Area	433,393,713	452,784,975	442,494,228	-	444,094,288	(10,290,747)
Areawide EMS Lease Special Levy	1,658,058	1,658,058	829,029	-	829,029	(829,029)
Chugiak Fire Service Area	1,445,294	2,365,294	2,245,591	-	2,245,591	(119,703)
Glen Alps Service Area	394,944	694,944	467,088	-	467,088	(227,856)
Girdwood Valley Service Area	4,239,780	5,039,780	4,735,703	-	4,735,703	(304,077)
Areawide APD IT Systems Special Levy	1,840,000	3,387,800	101,231	-	101,231	(3,286,569)
Fire Service Area	87,165,569	87,165,569	86,301,615	-	86,301,615	(863,954)
Roads and Drainage Service Area	84,604,014	84,604,014	84,863,408	-	84,863,408	259,394
Limited Service Areas	11,841,960	12,592,960	11,354,794	-	11,354,794	(1,238,166)
Anchorage Metropolitan Police Service Area	146,923,457	147,022,457	141,182,434	-	141,182,434	(5,840,023)
Turnagain Arm Police Service Area	21,782	21,782	16,479	-	16,479	(5,303)
Anchorage Bowl Parks and Recreation Service Area	25,649,979	25,710,479	24,176,785	-	24,176,785	(1,533,694)
Eagle River Chugiak Parks and Recreational Service Area	5,172,951	9,172,951	8,208,412	-	8,208,412	(964,539)
Building Safety Service Area	8,107,110	8,107,110	7,366,926	-	7,366,926	(740,184)
Public Finance and Investment	2,561,083	2,561,083	2,448,725	-	2,448,725	(112,358)
Police and Fire Retiree Medical Defined Contribution Support	234,876	234,876	185,458	-	185,458	(49,418)
Operating Projects Committed General	2,776,774	6,019,445	1,704,375	-	1,704,375	(4,315,070)
MLP Sale Proceeds	-	37,552	37,552	-	37,552	-
Capital Outlay - SBITA	-	-	-	(3) 569,066	569,066	-
SOA PERs On-Behalf Payments	-	-	-	(1) 5,354,950	5,354,950	-
Total expenditures and other financing uses	818,031,344	849,181,129	818,719,833	5,924,016	826,243,909	(30,461,296)
Net change in fund balance (deficit)	(10,499,511)	(18,115,799)	21,521,469	(212,609)	19,708,800	39,637,268
Fund balance (deficit), beginning of year	52,793,108	52,793,108	52,793,108	-	52,793,108	-
Fund balance (deficit), end of year	\$ 42,293,597	\$ 34,677,309	\$ 74,314,577	\$(212,609)	\$ 72,501,908	\$ 39,637,268

Explanation of differences:

(1) Effective July 1, 2008, Anchorage changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. On-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, Anchorage has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(2) Effective January 1, 2022, the Municipality adopted GASB 87. The other financing source - Leases are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - Leases amounts would fluctuate based on new leases and lease terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2022, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(3) Effective January 1, 2023, the Municipality adopted GASB 96. The other financing source - SBITA are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - SBITA amounts would fluctuate based on new SBITA and SBITA terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2023, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

**Note:**

This schedule is for informational purposes only. This schedule provides revenues and other financing sources and expenditures and other financing uses for the General Fund by sub-fund. The legal level of budgetary control is adopted for revenues and other financing sources at the fund and sub-fund level. Expenditures and other financing uses are legally budgeted at the department level and are presented at the sub-fund level for informational purposes only.



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit E-20

Supplementary Information - Additional Budgetary Comparison Schedule  
by Department for the General Fund  
Year ended December 31, 2023

	Budget		Actual Budgetary Basis		Budget to GAAP	Actual	Variance With
	Original	Final			Difference	GAAP Basis	Final Budget
<b>Expenditures and Other Financing Uses:</b>							
Assembly	\$ 8,158,094	\$ 8,273,094	\$ 7,097,351	(1)	\$ 36,615	\$ 7,133,966	\$ (1,175,743)
Chief Fiscal Officer	558,847	568,784	516,570	(1)	5,265	521,835	(52,214)
Economic and Community Development	63,670,732	68,703,710	64,020,603	(1)(3)	526,987	64,547,590	(4,683,107)
Education	260,087,517	260,087,517	260,087,517		-	260,087,517	-
Equal Rights Commission	820,902	820,902	772,468	(1)	1,967	774,435	(48,434)
Equity and Justice	715,453	715,453	609,895		-	609,895	(105,558)
Finance	13,801,221	14,658,512	14,276,264	(1)	160,502	14,436,766	(382,248)
Fire	114,089,691	115,819,691	111,465,209	(1)(3)	1,905,254	113,370,463	(4,354,482)
Health and Human Services	15,650,399	16,378,674	14,981,363	(1)(3)	488,594	15,469,957	(1,397,311)
Human Resources	6,690,865	6,690,865	6,496,834	(1)	33,073	6,529,907	(194,031)
Information Technology	1,252,697	1,252,697	1,132,072	(1)	4,101	1,136,173	(120,625)
Internal Audit	817,833	817,833	779,622	(1)	13,113	792,735	(38,211)
Maintenance and Operations	59,867,560	61,223,673	60,491,971	(1)(3)	179,550	60,671,521	(731,702)
Management and Budget	1,208,711	1,208,711	760,135	(1)	28,918	789,053	(448,576)
Mayor	2,586,253	2,576,253	2,409,450	(1)	4,902	2,414,352	(166,803)
Municipal Attorney	8,599,366	8,599,366	7,178,609	(1)	59,263	8,837,932	(1,420,757)
Municipal Manager	3,465,350	3,465,350	2,704,466	(1)(3)	61,010	2,765,476	(760,884)
Non Departmental	2,887,000	2,924,552	2,532,503		-	2,532,503	(392,049)
Police and Fire Retiree Medical	217,217	217,217	(25,419)	(1)	7,730	(17,689)	(242,636)
Police	136,798,119	138,444,919	130,471,713	(1)(3)	1,907,549	132,379,262	(7,973,206)
Public Transportation	29,990,016	30,233,555	29,328,060	(1)(3)	261,289	29,589,349	(905,495)
Public Works	62,145,810	61,918,110	61,297,998	(1)	231,322	61,529,320	(620,112)
Purchasing	1,843,844	1,843,844	1,771,316	(1)	7,012	1,778,328	(72,528)
Real Estate Services	11,218,813	30,848,813	26,419,757		-	26,419,757	(4,429,056)
Total expenditures and other financing uses	807,142,310	838,292,095	807,576,327		5,924,016	815,100,403	(30,715,768)
 Add: net intragovernmental costs and billings	10,889,034	10,889,034	11,143,506		-	11,143,506	254,472
Total expenditures and other financing uses	<u>\$ 818,031,344</u>	<u>\$ 849,181,129</u>	<u>\$ 818,719,833</u>		<u>\$ 5,924,016</u>	<u>\$ 826,243,909</u>	<u>\$ (30,461,296)</u>

Explanation of differences:

(1) Effective July 1, 2008, the Municipality changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. On-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, on-behalf payment amounts have fluctuated significantly. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, Anchorage has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(2) Effective January 1, 2022, the Municipality adopted GASB 87. The other financing source - Leases are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - Leases amounts would fluctuate based on new leases and lease terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2022, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(3) Effective January 1, 2023, the Municipality adopted GASB 96. The other financing source - SBITA are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - SBITA amounts would fluctuate based on new SBITA and SBITA terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2023, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

**Note:**

This schedule does not provide detail by departments for revenues and other financing sources. This is because the legal level of budgetary control is adopted only for expenditures and other financing uses at the department level. Intragovernmental Costs and Billings are not budgeted by the Assembly. They are presented for comparison purposes for total expenditures only.

## **Supplementary Information**

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for specific revenues that are legally restricted to expenditure for particular purposes.

The **Heritage Land Bank Fund** accounts for Municipal-owned real estate.

The **Opioid Settlement Fund** accounts for proceeds received from settlements that have been reached with manufacturers, distributors, and other entities involved in the opioid epidemic.

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

The **Convention Center Operating Reserve Fund** accounts for dedicated bed tax collections and transfers associated with the construction of the new convention and civic center and related tourism activities.

The **E911 Surcharge Fund** accounts for financial resources for acquisition, implementation, and maintenance of the enhanced 911 emergency system.

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

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

The **49th State Angel Fund** accounts for financial resources that may be used only in accordance with all provisions and requirements of the Small Business Jobs Act and the policy guidelines from the U.S. Department of Treasury's State Small Business Credit Initiative.

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

The **Alcoholic Beverages Retail Sales Tax Fund** accounts for monies collected from the sales tax on alcoholic beverages to be used for funding police and first responders, address child abuse, sexual assault and domestic violence, and substance abuse treatment, mental and behavioral health, and homelessness.

The **Nuisance Property Abatement Fund** accounts for monies dedicated to addressing, mitigating, and abating nuisances on private property within the Municipality.

The **Miscellaneous Operational Grants Fund** accounts for the use of miscellaneous restricted contributions and donations.

The **Other Restricted Resources Fund** accounts for the use of other specific revenues that are legally restricted for specified purposes.

The **Property Assessed Clean Energy Program Fund** accounts for PACE program.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2023

Exhibit F-1

	Special Revenue								
	Heritage Land Bank	Opioid Settlement Fund	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund	Police and Fire Retiree Medical Liability
<b>Assets</b>									
Cash	\$ -	\$ -	\$ 72,763	\$ -	\$ -	\$ -	\$ -	\$ -	-
Cash and investments in central treasury	7,430,835	1,117,967	850,149	38,926,799	3,831,906	83,170,105	4,301,813	4,852,864	-
Investments	-	-	-	-	-	-	-	-	33,929,444
Accrued interest on investments	-	-	-	-	-	-	-	-	-
Due from other funds	85,000	-	-	-	-	-	-	-	-
Due from fiduciary funds	-	-	-	-	-	-	-	-	316,015
Due from component units	-	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	3,736,347	975,188	30	-	-	-
Intergovernmental receivables	-	-	-	-	-	9,868,413	6,697,368	-	-
Special assessments receivable, net	-	-	-	-	-	-	-	-	-
Leases receivable	2,855,473	-	-	-	-	-	-	-	-
Prepaid items and deposits	-	-	7,036	-	-	370	-	-	-
Loans receivable	1,289,357	-	-	-	-	-	2,140,062	-	-
Advances to other funds	765,000	-	-	-	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	-	-	4,504,523	-
Total assets	12,425,665	1,117,967	929,948	42,663,146	4,807,094	93,038,918	13,139,243	9,357,387	34,245,459
<b>Deferred Outflows of Resources</b>									
Deferred grant advancement	-	-	-	-	-	-	-	-	-
Total assets and deferred outflow of resources	\$ 12,425,665	\$ 1,117,967	\$ 929,948	\$ 42,663,146	\$ 4,807,094	\$ 93,038,918	\$ 13,139,243	\$ 9,357,387	\$ 34,245,459
<b>Liabilities</b>									
Accounts payable and retainages	\$ 4,749	\$ -	\$ -	\$ 2,332,854	\$ 31,620	\$ 1,036,523	\$ 1,584,882	\$ 26	\$ -
Accrued payroll liabilities	9,200	-	-	-	-	124,534	24,567	8,434	-
Due to other funds	-	-	-	-	-	-	-	-	9,779
Unearned revenue and deposits	29,595	-	-	-	-	381,844	9,080,829	-	-
Advances from other funds	-	-	-	-	-	16,204,357	-	-	-
Total liabilities	43,544	-	-	2,332,854	31,620	17,747,258	10,690,278	8,460	9,779
<b>Deferred Inflows of Resources</b>									
Unavailable revenues:									
Intergovernmental revenues	-	-	-	-	-	413,679	-	-	-
Loans	-	-	-	-	-	-	2,140,062	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Leases	2,782,174	-	-	-	-	-	-	-	-
Land sales	1,211,488	-	-	-	-	-	-	-	-
Total deferred inflows of resources	3,993,662	-	-	-	-	413,679	2,140,062	-	-
<b>Fund Balances (Deficits)</b>									
Nonspendable	77,869	-	7,036	-	-	370	-	-	-
Restricted	-	1,058,900	816,799	37,752,881	4,561,338	-	308,903	9,348,927	34,235,680
Committed	8,310,590	-	-	-	-	-	-	-	-
Assigned	-	59,067	106,113	2,577,411	214,136	74,877,611	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	8,388,459	1,117,967	929,948	40,330,292	4,775,474	74,877,981	308,903	9,348,927	34,235,680
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 12,425,665	\$ 1,117,967	\$ 929,948	\$ 42,663,146	\$ 4,807,094	\$ 93,038,918	\$ 13,139,243	\$ 9,357,387	\$ 34,245,459

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2023

Exhibit F-1

	Special Revenue (Continued)						Debt Service			
	Alcoholic Beverages Retail Sales Tax	Nuisance Property Abatement	Miscellaneous Operational Grants	Property Assessed Clean Energy Program	Other Restricted Resources	Total Special Revenue	ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
<b>Assets</b>										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,763	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	8,723,786	352,940	702,354	19,828	-	154,281,346	507,552	-	-	507,552
Investments	-	-	-	-	-	33,929,444	-	13,851,412	711,520	14,562,932
Accrued interest on investments	-	-	-	-	-	-	-	16,154	3,166	19,320
Due from other funds	-	-	-	-	-	85,000	-	-	-	-
Due from fiduciary funds	-	-	-	-	-	316,015	-	-	-	-
Due from component units	-	-	-	-	-	-	235,035	-	-	235,035
Receivables (net of allowance for uncollectibles)	1,778,771	39,335	20,000	-	-	6,549,671	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	16,565,781	-	-	-	-
Special assessments receivable, net	-	-	-	-	153,309	153,309	-	-	-	-
Leases receivable	-	-	-	-	-	2,855,473	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	7,406	-	-	-	-
Loans receivable	-	-	-	-	-	3,429,419	-	-	-	-
Advances to other funds	-	-	-	-	-	765,000	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	4,504,523	-	-	-	-
Total assets	10,502,557	392,275	722,354	19,828	153,309	223,515,150	742,587	13,867,566	714,686	15,324,839
<b>Deferred Outflows of Resources</b>										
Deferred grant advancement	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflow of resources	10,502,557	392,275	722,354	19,828	153,309	223,515,150	742,587	13,867,566	714,686	15,324,839
<b>Liabilities</b>										
Accounts payable and retainages	\$ 3,680,560	\$ 661	\$ 27,472	\$ 1,500	\$ 1,602	\$ 8,702,449	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	144,000	-	-	-	-	310,735	-	-	-	-
Due to other funds	-	-	-	-	492,840	502,619	-	-	684,419	684,419
Unearned revenue and deposits	16,650	-	20,000	-	-	9,528,918	-	-	-	-
Advances from other funds	-	-	-	-	-	16,204,357	-	-	-	-
Total liabilities	3,841,210	661	47,472	1,500	494,442	35,249,078	-	-	684,419	684,419
<b>Deferred Inflows of Resources</b>										
Unavailable revenues:										
Intergovernmental revenues	-	-	-	-	-	413,679	-	-	-	-
Loans	-	-	-	-	-	2,140,062	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	2,782,174	-	-	-	-
Land sales	-	-	-	-	-	1,211,488	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	6,547,403	-	-	-	-
<b>Fund Balances (Deficits)</b>										
Nonspendable	-	-	-	-	-	85,275	-	-	-	-
Restricted	5,946,679	364,973	17,540	-	-	94,412,620	742,587	13,867,566	30,267	14,640,420
Committed	-	-	653,530	-	-	8,964,120	-	-	-	-
Assigned	714,668	26,641	3,812	18,328	-	78,597,787	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(341,133)	(341,133)	-	-	-	-
Total fund balances (deficits)	6,661,347	391,614	674,882	18,328	(341,133)	181,718,669	742,587	13,867,566	30,267	14,640,420
Total liabilities, deferred inflows of resources, and fund balances (deficits)	10,502,557	392,275	722,354	19,828	153,309	223,515,150	742,587	13,867,566	714,686	15,324,839

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2023

Exhibit F-1

	Capital Projects								Permanent Fund	Total Nonmajor Governmental Funds
	Areawide	Public Safety	Public Transportation	Mis-cellaneous	Parks and Recreation	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
<b>Assets</b>										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,763
Cash and investments in central treasury	25,003,664	3,691,749	2,974,138	374,112	15,768,421	80,006	2,192,497	50,084,587	689,939	205,563,424
Investments	-	-	-	-	-	-	-	-	-	48,492,376
Accrued interest on investments	-	-	-	-	-	-	-	-	-	19,320
Due from other funds	6,837,526	-	-	-	-	-	-	6,837,526	-	6,922,526
Due from fiduciary funds	-	-	-	-	-	-	-	-	-	316,015
Due from component units	-	-	-	-	-	-	-	-	-	235,035
Receivables (net of allowance for uncollectibles)	589,029	-	-	-	799,941	-	-	1,388,970	-	7,938,641
Intergovernmental receivables	130,847	393,128	502,882	994	426,195	-	-	1,454,046	-	18,019,827
Special assessments receivable, net	-	-	-	-	-	-	-	-	-	153,309
Leases receivable	-	-	-	-	-	-	-	-	-	2,855,473
Prepaid items and deposits	-	10,342,809	28,474	-	-	-	-	10,371,283	-	10,378,689
Loans receivable	-	-	-	-	-	-	-	-	-	3,429,419
Advances to other funds	-	-	-	-	-	-	-	-	-	765,000
Investments in Angel Fund program	-	-	-	-	-	-	-	-	-	4,504,523
Total assets	32,561,066	14,427,686	3,505,494	375,106	16,994,557	80,006	2,192,497	70,136,412	689,939	309,666,340
<b>Deferred Outflows of Resources</b>										
Deferred grant advancement	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflow of resources	\$ 32,561,066	\$ 14,427,686	\$ 3,505,494	\$ 375,106	\$ 16,994,557	\$ 80,006	\$ 2,192,497	\$ 70,136,412	\$ 689,939	\$ 309,666,340
<b>Liabilities</b>										
Accounts payable and retainages	\$ 442,111	\$ 121,304	\$ 64,435	\$ 480	\$ 269,934	\$ -	\$ 5,197	\$ 903,461	\$ -	\$ 9,605,910
Accrued payroll liabilities	3,738	-	493	-	721	-	-	4,952	-	315,687
Due to other funds	89,910	1,679,837	-	-	-	-	-	1,769,747	-	2,956,785
Unearned revenue and deposits	6,701	-	1	30,885	3,530	-	-	41,117	-	9,570,035
Advances from other funds	206,606	837,718	-	-	-	-	-	1,044,324	-	17,248,681
Total liabilities	749,066	2,638,859	64,929	31,365	274,185	-	5,197	3,763,601	-	39,697,098
<b>Deferred Inflows of Resources</b>										
Unavailable revenues:										
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	413,679
Loans	-	-	-	-	-	-	-	-	-	2,140,062
Special assessments	-	-	-	2,077	-	-	-	2,077	-	2,077
Leases	-	-	-	-	-	-	-	-	-	2,782,174
Land sales	-	-	-	-	-	-	-	-	-	1,211,488
Total deferred inflows of resources	-	-	-	2,077	-	-	-	2,077	-	6,549,480
<b>Fund Balances (Deficits)</b>										
Nonspendable	-	10,342,809	28,474	-	-	-	-	10,371,283	150,000	10,606,558
Restricted	7,630,346	1,439,624	3,412,091	-	6,289,444	-	-	18,771,505	-	127,824,545
Committed	23,773,468	6,394	-	341,664	10,080,609	121	2,187,300	36,389,556	-	45,353,676
Assigned	408,186	-	-	-	350,319	79,885	-	838,390	539,939	79,976,116
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	(341,133)
Total fund balances (deficits)	31,812,000	11,788,827	3,440,565	341,664	16,720,372	80,006	2,187,300	66,370,734	689,939	263,419,762
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 32,561,066	\$ 14,427,686	\$ 3,505,494	\$ 375,106	\$ 16,994,557	\$ 80,006	\$ 2,192,497	\$ 70,136,412	\$ 689,939	\$ 309,666,340

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit F-2

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)

Year Ended December 31, 2023

	Special Revenue									
	Heritage Land Bank	Opioid Settlement Fund	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund	Police and Fire Retiree Medical Liability	Alcoholic Beverages Retail Sales Tax
<b>Revenues</b>										
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ 25,355,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-	-	-	-	-	16,319,854
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	66,495,075	30,313,410	-	-	7
Charges for services	476,958	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	313,196	-	-	-	-	-	-	-
E911 surcharges	-	-	-	-	8,060,562	-	-	-	-	-
Investment income (loss)	592,501	59,067	18,155	2,317,454	214,136	42,517	-	(173,719)	4,002,902	714,668
Interest income on leases	132,792	-	-	-	-	-	-	-	-	-
Restricted contributions	-	-	-	-	-	-	-	-	-	-
Other	335	160,533	-	1,099,807	-	-	-	271	-	12,306
Total revenues	1,202,586	219,600	331,351	28,772,864	8,274,698	66,537,592	30,313,410	(173,448)	4,002,902	17,046,835
<b>Expenditures</b>										
Current:										
General government	502,874	-	-	-	-	(34,873)	1,168,891	197,127	48,018	518,600
Fire services	-	-	-	-	1,252,867	(170,170)	3,094,027	-	1,826,864	913,519
Police services	-	-	212,335	-	5,618,311	1,662,915	1,477,097	-	2,014,673	815,017
Health and human services	-	-	-	-	-	9,285,760	12,102,082	-	-	18,937,525
Economic and community development	-	-	-	11,656,913	-	2,921,229	5,410,174	-	-	1,132,056
Public transportation	-	-	-	-	-	2,031,714	6,469,162	-	-	-
Public works	-	-	-	-	-	1,169,430	-	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	-	59,332	43,430	-	-	-
Debt service:										
Principal	-	-	-	-	-	10,390	-	-	-	-
Interest and fiscal agent charges	-	-	-	1,000	-	1,574	-	-	-	-
Debt service - SBITAs:										
Principal	-	-	-	-	-	-	56,800	-	-	-
Capital projects	18,624	-	-	-	-	42,417	1,035,416	-	-	12,150
Total expenditures	521,498	-	212,335	11,657,913	6,871,178	16,979,718	30,857,079	197,127	3,889,555	22,328,867
Excess (deficiency) of revenues over expenditures	681,088	219,600	119,016	17,114,951	1,403,520	49,557,874	(543,669)	(370,575)	113,347	(5,282,032)
<b>Other Financing Sources (Uses)</b>										
Transfers from other funds	-	-	-	904,436	-	887,043	307,451	-	1,086,934	1,300,000
Transfers to other funds	-	-	-	(9,566,168)	-	-	185,363	-	-	-
Proceeds from sale of capital assets	2,025,540	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,025,540	-	-	(8,661,732)	-	887,043	492,814	-	1,086,934	1,300,000
Net change in fund balances	2,706,628	219,600	119,016	8,453,219	1,403,520	50,444,917	(50,855)	(370,575)	1,200,281	(3,982,032)
Fund balances (deficits), beginning of year	5,681,831	898,367	810,932	31,877,073	3,371,954	24,433,064	359,758	9,719,502	33,035,399	10,643,379
Fund balances (deficits), end of year	\$ 8,388,459	\$ 1,117,967	\$ 929,948	\$ 40,330,292	\$ 4,775,474	\$ 74,877,981	\$ 308,903	\$ 9,348,927	\$ 34,235,680	\$ 6,661,347

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit F-2

Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)  
Year Ended December 31, 2023

	Special Revenue (Continued)					Debt Service			
	Nuisance Property Abatement	Miscellaneous Operational Grants	Property Assessed Clean Energy Program	Other Restricted Resources	Total Special Revenue	ACPA Surcharge	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
<b>Revenues</b>									
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ 25,355,603	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	16,319,854	-	-	-	-
Special assessments	-	-	-	938,767	938,767	-	-	-	-
Intergovernmental	-	-	-	-	96,808,492	-	-	-	-
Charges for services	72,852	-	-	-	549,810	-	-	-	-
Fines and forfeitures	124,074	-	-	-	437,270	-	-	-	-
E911 surcharges	-	-	-	-	8,060,562	-	-	-	-
Investment income (loss)	18,762	822	582	(39,837)	7,768,010	35,767	524,554	24,203	584,524
Interest income on leases	-	-	-	-	132,792	-	-	-	-
Restricted contributions	-	286,425	-	-	286,425	-	-	-	-
Other	-	-	9,361	-	1,282,613	401,112	124	-	401,236
Total revenues	215,688	287,247	9,943	898,930	157,940,198	436,879	524,678	24,203	985,760
<b>Expenditures</b>									
Current:									
General government	-	-	1,552	1,045,173	3,447,362	-	-	-	-
Fire services	-	-	-	-	6,917,107	-	-	-	-
Police services	-	49,307	-	-	11,849,655	-	-	-	-
Health and human services	-	41,451	-	-	40,366,818	-	-	-	-
Economic and community development	81,083	168,246	-	-	21,369,701	-	-	-	-
Public transportation	-	-	-	-	8,500,876	-	-	-	-
Public works	-	-	-	-	1,169,430	-	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	102,762	-	-	-	-
Debt service:									
Principal	-	-	-	-	10,390	170,000	3,015,000	3,895,000	7,080,000
Interest and fiscal agent charges	-	-	-	-	2,574	132,250	3,560,950	1,537,378	5,230,578
Debt service - SBITAs:									
Principal	-	-	-	-	56,800	-	-	-	-
Capital projects	-	9,880	-	-	1,118,487	-	-	-	-
Total expenditures	81,083	268,884	1,552	1,045,173	94,911,962	302,250	6,575,950	5,432,378	12,310,578
Excess (deficiency) of revenues over expenditures	134,605	18,363	8,391	(146,243)	63,028,236	134,629	(6,051,272)	(5,408,175)	(11,324,818)
<b>Other Financing Sources (Uses)</b>									
Transfers from other funds	-	-	9,937	-	4,495,801	-	6,355,369	5,432,378	11,787,747
Transfers to other funds	-	-	-	-	(9,380,805)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	2,025,540	-	-	-	-
Total other financing sources (uses)	-	-	9,937	-	(2,859,464)	-	6,355,369	5,432,378	11,787,747
Net change in fund balances	134,605	18,363	18,328	(146,243)	60,168,772	134,629	304,097	24,203	462,929
Fund balances (deficits), beginning of year	257,009	656,519	-	(194,890)	121,549,897	607,958	13,563,469	6,064	14,177,491
Fund balances (deficits), end of year	\$ 391,614	\$ 674,882	\$ 18,328	\$ (341,133)	\$ 181,718,669	\$ 742,587	\$ 13,867,566	\$ 30,267	\$ 14,640,420



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit F-2

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)

Year Ended December 31, 2023

	Capital Projects, Continued							Permanent Fund	Total Nonmajor Governmental Funds
	Areawide	Public Safety	Public Transportation	Mis-cellaneous	Parks and Recreation	Historic Preservation	Heritage Land Bank	Cemetery Perpetual Maintenance	Total Nonmajor Governmental Funds
<b>Revenues</b>									
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,355,603
Alcoholic beverages retail sales taxes	-	-	-	-	-	-	-	-	16,319,854
Special assessments	-	-	-	-	-	-	-	-	938,767
Intergovernmental	382,379	1,794,915	2,045,276	15,078	214,816	-	-	-	101,260,956
Charges for services	-	-	-	-	-	-	-	11,930	561,740
Fines and forfeitures	-	-	-	-	-	-	-	-	437,270
E911 surcharges	-	-	-	-	-	-	-	-	8,060,562
Investment income (loss)	721,439	-	-	-	92,022	4,919	-	42,165	9,213,079
Interest income on leases	-	-	-	-	-	-	-	-	132,792
Restricted contributions	734,951	-	-	-	942,114	350	-	-	1,963,840
Other	-	-	-	-	-	-	-	-	1,683,849
Total revenues	1,838,769	1,794,915	2,045,276	15,078	1,248,952	5,269	-	54,095	165,928,312
<b>Expenditures</b>									
Current:									
General government	-	-	-	-	-	-	-	-	3,447,362
Fire services	-	-	-	-	-	-	-	-	6,917,107
Police services	-	-	-	-	-	-	-	-	11,849,655
Health and human services	-	-	-	-	-	-	-	-	40,366,818
Economic and community development	-	-	-	-	-	-	-	-	21,369,701
Public transportation	-	-	-	-	-	-	-	-	8,500,876
Public works	-	-	-	-	-	-	-	-	1,169,430
Maintenance and operations of roads and facilities	-	-	-	-	-	-	-	-	102,762
Debt service:									
Principal	-	-	-	-	-	-	-	-	7,090,390
Interest and fiscal agent charges	-	-	-	-	-	-	-	-	5,233,152
Debt service - SBITAs:									
Principal	-	-	-	-	-	-	-	-	56,800
Capital projects	23,144,614	6,028,170	2,265,743	15,078	4,643,508	-	33,136	-	37,248,736
Total expenditures	23,144,614	6,028,170	2,265,743	15,078	4,643,508	-	33,136	-	143,352,789
Excess (deficiency) of revenues over expenditures	(21,305,845)	(4,233,255)	(220,467)	-	(3,394,556)	5,269	(33,136)	54,095	22,575,523
<b>Other Financing Sources (Uses)</b>									
Transfers from other funds	23,699,338	1,972,185	1,583,375	40,000	6,142,690	-	-	-	49,721,136
Transfers to other funds	(3,487,775)	-	-	-	-	-	-	-	(12,868,580)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	2,025,540
Total other financing sources (uses)	20,211,563	1,972,185	1,583,375	40,000	6,142,690	-	-	-	38,878,096
Net change in fund balances	(1,094,282)	(2,261,070)	1,362,908	40,000	2,748,134	5,269	(33,136)	54,095	61,453,619
Fund balances (deficits), beginning of year	32,906,282	14,049,897	2,077,657	301,664	13,972,238	74,737	2,220,436	635,844	201,966,143
Fund balances (deficits), end of year	\$ 31,812,000	\$ 11,788,827	\$ 3,440,565	\$ 341,664	\$ 16,720,372	\$ 80,006	\$ 2,187,300	\$ 689,939	\$ 263,419,762

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-1

MOA Trust Fund

Permanent Fund

Budgetary Comparison Schedule

Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 2,020,000	\$ 44,967,803	\$ 42,947,803
<b>Expenditures</b>			
Current:			
General government	2,020,000	2,088,398	(68,398)
Excess of revenues over expenditures	-	42,879,405	42,879,405
<b>Other Financing Sources (Uses)</b>			
Transfers to other funds	(16,300,000)	(16,300,000)	-
Transfers from other funds	-	2,562,967	2,562,967
Total other financing sources (uses)	(16,300,000)	(13,737,033)	2,562,967
Net change in fund balance	(16,300,000)	29,142,372	45,442,372
Fund balance, beginning of year	380,958,148	380,958,148	-
Fund balance, end of year	\$ 364,658,148	\$ 410,100,520	\$ 45,442,372

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-2

Heritage Land Bank  
Special Revenue Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Charges for services	\$662,235	\$173,502	(\$488,733)
Investment income	205,000	592,501	387,501
Other	-	335	335
Lease income	303,456	303,456	-
Interest income on leases	123,792	132,792	9,000
Total revenues	<u>1,294,483</u>	<u>1,202,586</u>	<u>(91,897)</u>
<b>Expenditures</b>			
Current:			
General government	832,672	502,874	329,798
Capital outlay	-	18,624	(18,624)
Total expenditures	<u>832,672</u>	<u>521,498</u>	<u>311,174</u>
Excess of revenues over expenditures	461,811	681,088	219,277
<b>Other Financing Sources (Uses)</b>			
Transfers to other funds	(80,000)	-	80,000
Proceeds from sale of capital assets	924,000	2,025,540	1,101,540
Total other financing sources (uses)	<u>844,000</u>	<u>2,025,540</u>	<u>1,181,540</u>
Net change in fund balance	1,305,811	2,706,628	1,400,817
Fund balance, beginning of year	5,681,831	5,681,831	-
Fund balance, end of year	<u>\$ 6,987,642</u>	<u>\$ 8,388,459</u>	<u>\$ 1,400,817</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-3

Convention Center Operating Reserve  
Special Revenue Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Hotel and motel taxes	\$ 23,842,513	\$ 25,302,092	\$ 1,459,579
P & I on Hotel and motel taxes	49,878	53,511	3,633
Other	-	1,099,807	1,099,807
Investment income	136,000	2,317,454	2,181,454
Total revenues	24,028,391	28,772,864	4,744,473
<b>Expenditures</b>			
Current:			
Economic and community development	18,398,013	11,656,913	6,741,100
Debt service:			
Interest and fiscal agent charges	1,000	1,000	-
Total expenditures	18,399,013	11,657,913	6,741,100
Excess of revenues over expenditures	5,629,378	17,114,951	11,485,573
<b>Other Financing Sources (Uses)</b>			
Transfers to other funds	(3,210,800)	(9,566,168)	(6,355,368)
Transfers from other funds	919,480	904,436	(15,044)
Total other financing sources (uses)	(2,291,320)	(8,661,732)	(6,370,412)
Net change in fund balance	3,338,058	8,453,219	5,115,161
Fund balance, beginning of year	31,877,073	31,877,073	-
Fund balance, end of year	\$ 35,215,131	\$ 40,330,292	\$ 5,115,161

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-4

E911 Surcharge

Special Revenue Fund

Budgetary Comparison Schedule

Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
E911 surcharges	\$ 7,967,411	\$ 8,060,562	\$ 93,151
Investment income	78,000	214,136	136,136
Total revenues	8,045,411	8,274,698	229,287
<b>Expenditures</b>			
Current:			
Fire services	1,371,807	1,252,867	118,940
Police services	6,958,420	5,618,311	1,340,109
Total expenditures	8,330,227	6,871,178	1,459,049
Excess (deficiency) of revenues over expenditures	(284,816)	1,403,520	1,688,336
Net change in fund balance	(284,816)	1,403,520	1,688,336
Fund balance, beginning of year	3,371,954	3,371,954	-
Fund balance, end of year	\$ 3,087,138	\$ 4,775,474	\$ 1,688,336

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-5

Police and Fire Retiree Medical Liability

Special Revenue Fund

Budgetary Comparison Schedule

Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 6,125,828	\$ 4,002,902	\$ (2,122,926)
Total revenues	6,125,828	4,002,902	(2,122,926)
<b>Expenditures</b>			
Current:			
General government	113,344	48,018	65,326
Fire services	1,754,679	1,826,864	(72,185)
Police services	1,935,066	2,014,673	(79,607)
Total expenditures	3,803,089	3,889,555	(86,466)
Excess (deficiency) of revenues over expenditures	2,322,739	113,347	(2,209,392)
<b>Other Financing Sources</b>			
Transfers from other funds	1,086,934	1,086,934	-
Net change in fund balance	3,409,673	1,200,281	(2,209,392)
Fund balance, beginning of year	33,035,399	33,035,399	-
Fund balance, end of year	\$ 36,445,072	\$ 34,235,680	\$ (2,209,392)

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-6

Alcoholic Beverages Retail Sales Tax  
Special Revenue Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Alcoholic beverages retail sales taxes	\$ 16,000,150	\$ 16,170,601	\$ 170,451
Alcoholic beverages retail sales taxes P&I	-	149,253	149,253
Investment income	-	714,668	714,668
Intergovernmental	-	7	7
Other	-	12,306	12,306
Total revenues	16,000,150	17,046,835	1,046,685
<b>Expenditures</b>			
Current:			
General government	1,225,802	518,600	707,202
Fire services	2,061,169	913,519	1,147,650
Police services	826,191	815,017	11,174
Health and human services	22,601,306	18,937,525	3,663,781
Economic and community development	1,511,599	1,132,056	379,543
Capital outlay	30,500	12,150	18,350
Total expenditures	28,256,567	22,328,867	5,927,700
Deficiency of revenues over expenditures	(12,256,417)	(5,282,032)	6,974,385
<b>Other Financing Sources</b>			
Transfers from other funds	1,300,000	1,300,000	-
Net change in fund balance	(10,956,417)	(3,982,032)	6,974,385
Fund balance, beginning of year	10,643,379	10,643,379	-
Fund balance, end of year	\$ (313,038)	\$ 6,661,347	\$ 6,974,385

**MUNICIPALITY OF ANCHORAGE, ALASKA**Exhibit G-7

Nuisance Property Abatement  
Special Revenue Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Charges for services	\$ -	\$ 72,852	\$ 72,852
Fines and forfeitures	-	124,074	124,074
Investment income	-	18,762	18,762
Total revenues	-	215,688	215,688
<b>Expenditures</b>			
Current:			
Economic and community development	48,207	81,083	(32,876)
Total expenditures	48,207	81,083	(32,876)
Excess (deficiency) of revenues over expenditures	(48,207)	134,605	182,812
Net change in fund balance	(48,207)	134,605	182,812
Fund balance, beginning of year	257,009	257,009	-
Fund balance, end of year	\$ 208,802	\$ 391,614	\$ 182,812



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-8

Other Restricted Resources  
Special Revenue Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Special assessments	\$ 1,083,673	\$ 921,000	\$ (162,673)
P&I on assessments	-	17,767	17,767
Investment loss	(30,000)	(39,837)	(9,837)
Total revenues	1,053,673	898,930	(154,743)
<b>Expenditures</b>			
Current:			
General government	1,053,673	1,045,173	8,500
Total expenditures	1,053,673	1,045,173	8,500
Deficiency of revenues over expenditures	-	(146,243)	(146,243)
Net change in fund deficit	-	(146,243)	(146,243)
Fund deficit, beginning of year	(194,890)	(194,890)	-
Fund deficit, end of year	\$ (194,890)	\$ (341,133)	\$ (146,243)

**MUNICIPALITY OF ANCHORAGE, ALASKA**Exhibit G-9

Property Assessed Clean Energy Program

Special Revenue Fund

Budgetary Comparison Schedule

Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Other revenue	\$ 289	\$ 9,361	\$ 9,072
Investment income	-	582	582
Total revenues	289	9,943	9,654
<b>Expenditures</b>			
Current:			
General government	10,226	1,552	8,674
Total expenditures	10,226	1,552	8,674
Excess (deficiency) of revenues over expenditures	(9,937)	8,391	18,328
<b>Other Financing Sources</b>			
Transfers from other funds	9,937	9,937	-
Net change in fund deficit	-	18,328	18,328
Fund deficit, beginning of year	-	-	-
Fund deficit, end of year	\$ -	\$ 18,328	\$ 18,328

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-10

Alaska Center for the Performing Arts, Inc. Surcharge Revenue Bond

Debt Service Fund

Budgetary Comparison Schedule

Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 21,000	\$ 35,767	\$ 14,767
Other	286,000	401,112	115,112
Total revenues	307,000	436,879	129,879
<b>Expenditures</b>			
Debt service:			
Principal	170,000	170,000	-
Interest and fiscal agent charges	132,250	132,250	-
Total expenditures	302,250	302,250	-
Excess of revenues over expenditures	4,750	134,629	129,879
Net change in fund balance	4,750	134,629	129,879
Fund balance, beginning of year	607,958	607,958	-
Fund balance, end of year	\$ 612,708	\$ 742,587	\$ 129,879

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit G-11

Police and Fire Retirement Certificate of Participation Bond

Debt Service Fund

Budgetary Comparison Schedule

Year Ended December 31, 2023

	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance With Budget</b>
<b>Revenues</b>			
Investment income	\$ 10	\$ 24,203	\$ 24,193
<b>Expenditures</b>			
Principal	3,895,000	3,895,000	-
Interest and fiscal agent charges	1,537,378	1,537,378	-
Total expenditures	5,432,378	5,432,378	-
Deficiency of revenues over expenditures	(5,432,368)	(5,408,175)	24,193
<b>Other Financing Sources</b>			
Transfers from other funds	5,432,379	5,432,378	(1)
Net change in fund balance	11	24,203	24,192
Fund balance, beginning of year	6,064	6,064	-
Fund balance, end of year	\$ 6,075	\$ 30,267	\$ 24,192

## Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The **ACPA Surcharge Revenue Bond Fund** accounts for the performing arts center surcharge revenue and debt service on the roof repair loan.

The **CIVICVentures Revenue Bond Fund** accounts for the accumulation of lodging revenue, transfers, investment earnings, and debt service on the Civic Center revenue bonds.

The **Police and Fire Certificate of Participation Bond Fund** accounts for the certificate of participation bond issued to fund the Police and Fire Pension Trust Fund.

## Capital Projects Funds

Capital projects funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Areawide Fund** accounts for general government construction projects not accounted for in other funds.

The **Public Safety Fund** accounts for capital improvement projects in support of police, fire, and rescue operations.

The **Public Transportation Fund** accounts for capital improvement projects for transit facilities and equipment.

The **Miscellaneous Fund** accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

The **Parks and Recreation Fund** accounts for parks and recreation capital improvement projects in the taxing districts which receive parks and recreation services.

The **Historic Preservation Fund** accounts for the preservation of historic structures.

The **Heritage Land Bank Fund** accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

## Permanent Fund

Permanent funds report resources legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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



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## **NONMAJOR ENTERPRISE FUNDS**

Enterprise funds account for activities for which a fee is charged to external users for goods or services received.

The **Refuse Utility Fund** accounts for the Municipal-owned refuse collection services.

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

The **Anchorage Hydropower Fund** accounts for the remaining assets from the Electric Utility sale, including the installment sale revenues.

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit H-1

Nonmajor Enterprise Funds  
Combining Statement of Net Position  
December 31, 2023

	<b>Refuse Utility</b>	<b>Municipal Airport</b>	<b>Anchorage Hydropower</b>	<b>Total</b>
<b>Assets</b>				
Current assets:				
Cash	\$ 1,051	\$ 200	\$ -	\$ 1,251
Cash and investments in central treasury	8,014,083	-	5,451,137	13,465,220
Equity in bond and grant capital acquisition and construction pool	3,135,390	-	217,644	3,353,034
Accrued interest on investments	394,966	-	-	394,966
Intergovernmental receivables	-	7,273,556	-	7,273,556
Receivables (net of allowance for uncollectibles)	1,150,106	325,345	29,053	1,504,504
Leases receivable, current portion	-	268,678	-	268,678
Interest receivable leases	-	43,759	-	43,759
Prepaid items and deposits	26,188	2,972	-	29,160
Total current assets	12,721,784	7,914,510	5,697,834	26,334,128
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	96,841,316	96,841,316
Leases receivable, net current portion	-	15,549,956	-	15,549,956
Net OPEB asset	1,815,846	359,611	-	2,175,457
Regulatory and other assets	-	-	1,487,663	1,487,663
Restricted assets:				
Debt service investments	2	-	-	2
Investments for operations	-	-	3,000,000	3,000,000
Capital assets, net	53,529,365	85,735,864	7,231,731	146,496,960
Total noncurrent assets	55,345,213	101,645,431	108,560,710	265,551,354
Total assets	68,066,997	109,559,941	114,258,544	291,885,482
<b>Deferred Outflows of Resources</b>				
Related to pension	309,007	61,196	-	370,203
Related to OPEB	123,970	24,551	-	148,521
Total deferred outflows of resources	432,977	85,747	-	518,724
Total assets and deferred outflows of resources	\$ 68,499,974	\$ 109,645,688	\$ 114,258,544	\$ 292,404,206



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit H-1

Nonmajor Enterprise Funds  
Combining Statement of Net Position  
December 31, 2023

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and retainages	\$ 112,144	\$ 76,690	\$ 44,980	\$ 233,814
Accrued interest payable	384,199	-	-	384,199
Accrued payroll liabilities	165,032	48,914	-	213,946
Capital acquisition and construction accounts and retainage payable	198,319	809,792	169,482	1,177,593
Compensated absences	198,658	74,633	-	273,291
Bonds payable, current portion	358,200	-	-	358,200
Unearned revenues	173,335	340,315	-	513,650
Due to other funds	-	1,356,724	-	1,356,724
Total current liabilities	1,589,887	2,707,068	214,462	4,511,417
Noncurrent liabilities:				
Notes payable, net current portion	8,890,506	-	-	8,890,506
Bonds payable, net current portion	38,404,068	-	-	38,404,068
Net pension liability	3,876,795	767,763	-	4,644,558
Total noncurrent liabilities	51,171,369	767,763	-	51,939,132
Total liabilities	52,761,256	3,474,831	214,462	56,450,549
<b>Deferred Inflows of Resources</b>				
Related to OPEB	85,337	16,900	-	102,237
Related to leases	-	15,401,219	-	15,401,219
Related to installment sale of Electric Utility	-	-	96,841,316	96,841,316
Total deferred inflows of resources	85,337	15,418,119	96,841,316	112,344,772
<b>Net Position</b>				
Net investment in capital assets	5,678,272	84,926,072	7,062,249	97,666,593
Restricted for operations	-	-	3,000,000	3,000,000
Unrestricted	9,975,109	5,826,666	7,140,517	22,942,292
Total net position	15,653,381	90,752,738	17,202,766	123,608,885
Total liabilities, deferred inflows of resources, and net position	\$ 68,499,974	\$ 109,645,688	\$ 114,258,544	\$ 292,404,206

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit H-2

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended December 31, 2023

	<b>Refuse Utility</b>	<b>Municipal Airport</b>	<b>Anchorage Hydropower</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating Revenues</b>				
Charges for sales and services	\$ 13,932,521	\$ 774,346	\$ 2,016,174	\$ 16,723,041
Lease income	-	520,411	-	520,411
Other	277,217	-	284,247	561,464
Total operating revenues	14,209,738	1,294,757	2,300,421	17,804,916
<b>Operating Expenses</b>				
Operations	10,286,948	6,919,510	241,621	17,448,079
Depreciation and amortization	2,045,441	3,693,634	302,276	6,041,351
Total operating expenses	12,332,389	10,613,144	543,897	23,489,430
Operating income (loss)	1,877,349	(9,318,387)	1,756,524	(5,684,514)
<b>Nonoperating Revenues (Expenses)</b>				
Investment Income (loss)	943,186	(2,826)	478,157	1,418,517
Intergovernmental revenue	43,785	162,160	-	205,945
Installment sale	-	-	2,565,103	2,565,103
Other revenues	-	353	-	353
Interest income on leases	-	555,334	-	555,334
Interest expense	(2,504,151)	-	-	(2,504,151)
Gain on sale of capital assets	-	69,981	-	69,981
Net nonoperating revenues (expenses)	(1,517,180)	785,002	3,043,260	2,311,082
Income (loss) before capital contributions and transfers	360,169	(8,533,385)	4,799,784	(3,373,432)
Capital contributions	-	7,880,049	-	7,880,049
Transfers to other funds	(498,426)	(63,291)	(2,862,967)	(3,424,684)
Change in net position	(138,257)	(716,627)	1,936,817	1,081,933
Net position, beginning of year	15,791,638	91,469,365	15,265,949	122,526,952
Net position, end of year	\$ 15,653,381	\$ 90,752,738	\$ 17,202,766	\$ 123,608,885

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit H-3

Nonmajor Enterprise Funds  
Combining Statement of Cash Flows  
Year ended December 31, 2023

	<b>Refuse Utility</b>	<b>Municipal Airport</b>	<b>Anchorage Hydropower</b>	<b>Total</b>
<b>Cash Flows From (For) Operating Activities</b>				
Receipts from customers	\$ 14,123,469	\$ 1,286,339	\$ 2,024,941	\$ 17,434,749
Other cash receipts	-	-	284,247	284,247
Payments to employees	(4,425,831)	(1,185,840)	-	(5,611,671)
Payments to vendors	(4,700,142)	(5,356,752)	(209,770)	(10,266,664)
Payments for interfund services used	(1,198,433)	(251,297)	-	(1,449,730)
Net cash from (for) operating activities	3,799,063	(5,507,550)	\$2,099,418	390,931
<b>Cash Flows From (For) Non-capital Financing Activities</b>				
Transfers to other funds	(498,426)	(63,291)	(2,862,967)	(3,424,684)
Due to other funds	-	1,356,724	(135,767)	1,220,957
Proceeds from installment sale	-	-	2,565,103	2,565,103
Net cash from (for) non-capital financing activities	(498,426)	1,293,433	(433,631)	361,376
<b>Cash Flows From (For) Capital and Related Financing Activities</b>				
Interest payments on long-term obligations	(2,137,364)	-	-	(2,137,364)
Acquisition and construction of capital assets	(6,966,476)	(1,283,851)	(312,738)	(8,563,065)
Proceeds from issuance of debt	5,927,252	-	-	5,927,252
Interest proceeds from leases	-	560,613	-	560,613
Proceeds from the sale or disposition of capital assets	-	134,998	-	134,998
Capital grant proceeds	7,024	-	-	7,024
Capital contributions	-	4,410,353	-	4,410,353
Net cash from (for) capital and related financing activities	(3,169,564)	3,822,113	(312,738)	339,811
<b>Cash Flows From (For) Investing Activities</b>				
Investment Income (loss)	925,526	(2,826)	478,157	1,400,857
Net increase (decrease) in cash	1,056,599	(394,830)	1,831,206	2,492,975
Cash, beginning of year	10,093,927	395,030	6,837,575	17,326,532
Cash, end of year	\$ 11,150,526	\$ 200	\$ 8,668,781	\$ 19,819,507
Cash	\$ 1,051	\$ 200	\$ -	\$ 1,251
Cash and investments in central treasury	8,014,083	-	5,451,137	13,465,220
Capital acquisition and construction accounts	3,135,390	-	217,644	3,353,034
Restricted for debt service	2	-	-	2
Restricted investments for operations	-	-	3,000,000	3,000,000
Cash, December 31	\$ 11,150,526	\$ 200	\$ 8,668,781	\$ 19,819,507

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit H-3

Nonmajor Enterprise Funds  
Combining Statement of Cash Flows  
Year ended December 31, 2023

	<b>Refuse Utility</b>	<b>Municipal Airport</b>	<b>Anchorage Hydropower</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From (For)</b>				
<b>Operating Activities:</b>				
Operating income (loss)	\$ 1,877,349	\$ (9,318,387)	\$ 1,756,524	\$ (5,684,514)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:				
Depreciation and amortization	2,045,441	3,693,634	302,276	6,041,351
Other revenues	-	353	-	353
Pension and OPEB relief - noncash expense	43,785	8,671	-	52,456
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:				
Accounts receivable, net	(103,174)	(74,508)	8,767	(168,915)
Leases receivable, net	-	(1,934,283)	-	(1,934,283)
Net OPEB asset	(440,679)	(183,340)	-	(624,019)
Prepaid items and deposits	(20,922)	(496)	-	(21,418)
Deferred outflows of resources related to pension	(39,547)	(26,656)	-	(66,203)
Deferred outflows of resources related to OPEB	5,773	(7,920)	-	(2,147)
Accounts payable, other accrued liabilities, and retainages	(20,962)	(8,203)	31,851	2,686
Accrued payroll liabilities	3,982	9,115	-	13,097
Compensated absences payable	(4,036)	1,885	-	(2,151)
Unearned revenue and deposits	16,905	326,145	-	343,050
Net pension liability	468,026	330,818	-	798,844
Deferred inflows of resources related to leases	-	1,673,875	-	1,673,875
Deferred inflows of resources related to OPEB	(32,878)	1,747	-	(31,131)
Total cash from (for) operating activities	<u>\$ 3,799,063</u>	<u>\$ (5,507,550)</u>	<u>\$ 2,099,418</u>	<u>\$ 390,931</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>				
Capital purchases on account	198,319	809,792	169,482	1,177,593
Contributed capital for equipment	-	7,880,049	-	7,880,049
Total noncash investing, capital, and financing activities	<u>\$ 198,319</u>	<u>\$ 8,689,841</u>	<u>\$ 169,482</u>	<u>\$ 9,057,642</u>



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## INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis.

**Risk Management Funds** account for money received from other Municipal funds to pay the costs of self-insurance claims in the following categories:

- General liability, automobile liability, workers' compensation
- Medical/Dental
- Unemployment compensation

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

The **Information Technology Fund** accounts for management information services.

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Internal Service Funds  
Combining Statement of Net Position (Deficit)  
December 31, 2023

Exhibit I-1

<b>Risk Management</b>			
	<b>General Liability /</b>		
	<b>Workers' Compensation</b>	<b>Medical / Dental</b>	<b>Unemployment Compensation</b>
<b>Assets</b>			
Current assets:			
Cash and investments in central treasury	\$ 11,366,626	\$ 40,798,568	\$ 4,194,296
Equity in bond and grant capital acquisition and construction pool	-	-	-
Receivables (net of allowance for uncollectibles)	14,566	1,208,958	-
Inventories	-	-	-
Prepaid items and deposits	1,135,136	-	-
Total current assets	<u>12,516,328</u>	<u>42,007,526</u>	<u>4,194,296</u>
Noncurrent assets:			
Advances to other funds	5,792,251	46,060	-
Net OPEB asset	159,571	-	-
Capital assets, net	7,118	-	-
Total noncurrent assets	<u>5,958,940</u>	<u>46,060</u>	<u>-</u>
Total assets	<u>18,475,268</u>	<u>42,053,586</u>	<u>4,194,296</u>
<b>Deferred Outflows of Resources</b>			
Related to pension	27,155	-	-
Related to OPEB	10,894	-	-
Total deferred outflows of resources	<u>38,049</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 18,513,317</u>	<u>\$ 42,053,586</u>	<u>\$ 4,194,296</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and retainages	\$ 2,224	\$ 1,405,129	\$ -
Accrued payroll liabilities	18,509	6,327	-
Capital acquisition and construction accounts and retainage payable	-	-	-
Compensated absences	35,848	12,396	-
Claims payable and incurred but not reported	22,984,824	5,365,000	47,597
Due to other funds	-	-	-
Accrued interest payable	-	-	-
SBITAs payable maturing within on year	-	-	-
Long-term obligations maturing within one year	-	-	-
Total current liabilities	<u>23,041,405</u>	<u>6,788,852</u>	<u>47,597</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	212	23,960	-
SBITAs payable	-	-	-
Direct financing agreements	-	-	-
Claims payable and incurred but not reported	10,127,695	-	-
Net pension liability	340,681	-	-
Total noncurrent liabilities	<u>10,468,588</u>	<u>23,960</u>	<u>-</u>
Total liabilities	<u>33,509,993</u>	<u>6,812,812</u>	<u>47,597</u>
<b>Deferred Inflows of Resources</b>			
Related to OPEB	7,499	-	-
Total deferred inflows of resources	<u>7,499</u>	<u>-</u>	<u>-</u>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	7,118	-	-
Unrestricted net position (deficit)	(15,011,293)	35,240,774	4,146,699
Total net position (deficit)	<u>(15,004,175)</u>	<u>35,240,774</u>	<u>4,146,699</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 18,513,317</u>	<u>\$ 42,053,586</u>	<u>\$ 4,194,296</u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Internal Service Funds  
Combining Statement of Net Position (Deficit)  
December 31, 2023

Exhibit I-1

	Equipment Maintenance	Information Technology	Total Internal Service Funds
<b>Assets</b>			
Current assets:			
Cash and investments in central treasury	\$ 1,739,254	\$ 1,346,533	\$ 59,445,277
Equity in bond and grant capital acquisition and construction pool	7,760,758	-	7,760,758
Receivables (net of allowance for uncollectibles)	-	-	1,223,524
Inventories	533,340	-	533,340
Prepaid items and deposits	90,300	694,869	1,920,305
Total current assets	<u>10,123,652</u>	<u>2,041,402</u>	<u>70,883,204</u>
Noncurrent assets:			
Advances to other funds	-	-	5,838,311
Net OPEB asset	1,419,111	4,932,655	6,511,337
Capital assets, net	19,523,925	36,029,098	55,560,141
Total noncurrent assets	<u>20,943,036</u>	<u>40,961,753</u>	<u>67,909,789</u>
Total assets	<u>31,066,688</u>	<u>43,003,155</u>	<u>138,792,993</u>
<b>Deferred Outflows of Resources</b>			
Related to pension	241,494	839,403	1,108,052
Related to OPEB	96,884	336,758	444,536
Total deferred outflows of resources	<u>338,378</u>	<u>1,176,161</u>	<u>1,552,588</u>
Total assets and deferred outflows of resources	<u>\$ 31,405,066</u>	<u>\$ 44,179,316</u>	<u>\$ 140,345,581</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and retainages	\$ 446,865	\$ 715,117	\$ 2,569,335
Accrued payroll liabilities	152,245	387,446	564,527
Capital acquisition and construction accounts and retainage payable	45,647	98,768	144,415
Compensated absences	164,877	618,113	831,234
Claims payable and incurred but not reported	-	-	28,397,421
Due to other funds	85,000	-	85,000
Accrued interest payable	-	55,432	55,432
SBITAs payable maturing within on year	-	1,082,593	1,082,593
Long-term obligations maturing within one year	-	5,137,634	5,137,634
Total current liabilities	<u>894,634</u>	<u>8,095,103</u>	<u>38,867,591</u>
Noncurrent liabilities:			
Advances from other funds	765,000	30,244,058	31,009,058
Compensated absences	-	159,249	183,421
SBITAs payable	-	2,333,303	2,333,303
Direct financing agreements	-	2,751,912	2,751,912
Claims payable and incurred but not reported	-	-	10,127,695
Net pension liability	3,029,774	10,531,119	13,901,574
Total noncurrent liabilities	<u>3,794,774</u>	<u>46,019,641</u>	<u>60,306,963</u>
Total liabilities	<u>4,689,408</u>	<u>54,114,744</u>	<u>99,174,554</u>
<b>Deferred Inflows of Resources</b>			
Related to OPEB	66,692	231,814	306,005
Total deferred inflows of resources	<u>66,692</u>	<u>231,814</u>	<u>306,005</u>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	19,478,278	24,624,888	44,110,284
Unrestricted net position (deficit)	7,170,688	(34,792,130)	(3,245,262)
Total net position (deficit)	<u>26,648,966</u>	<u>(10,167,242)</u>	<u>40,865,022</u>
Total liabilities, deferred inflows of resources, and net position (deficit)	<u>\$ 31,405,066</u>	<u>\$ 44,179,316</u>	<u>\$ 140,345,581</u>



**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit I-2

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended December 31, 2023

<b>Risk Management</b>			
	<b>General Liability / Workers' Compensation</b>	<b>Medical / Dental</b>	<b>Unemployment Compensation</b>
<b>Operating Revenues</b>			
Charges for sales and services	\$ 12,249,015	\$ 52,526,026	\$ 516,114
Other	8,955	102,515	-
Total operating revenues	12,257,970	52,628,541	516,114
<b>Operating Expenses</b>			
Operations	14,391,143	50,629,791	167,472
Depreciation and amortization	508	-	-
Total operating expenses	14,391,651	50,629,791	167,472
Operating income (loss)	(2,133,681)	1,998,750	348,642
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental revenue	3,848	-	-
Investment Income (loss)	913,143	2,665,328	247,443
Other revenues	-	-	-
Other expenses	-	-	-
Interest expense	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Net nonoperating revenues (expenses)	916,991	2,665,328	247,443
Income (loss) before capital contributions and transfers	(1,216,690)	4,664,078	596,085
Capital contributions	-	-	-
Transfers of capital assets to governmental activities	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Change in net position	(1,216,690)	4,664,078	596,085
Net position (deficit), beginning of year	(13,787,485)	30,576,696	3,550,614
Net position (deficit), end of year	\$ (15,004,175)	\$ 35,240,774	\$ 4,146,699

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit I-2

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended December 31, 2023

	<b>Equipment Maintenance</b>	<b>Information Technology</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>			
Charges for sales and services	\$ 10,652,361	\$ 27,360,577	\$ 103,304,093
Other	-	-	111,470
Total operating revenues	<u>10,652,361</u>	<u>27,360,577</u>	<u>103,415,563</u>
<b>Operating Expenses</b>			
Operations	8,682,546	17,743,043	91,613,995
Depreciation and amortization	3,777,282	10,689,712	14,467,502
Total operating expenses	<u>12,459,828</u>	<u>28,432,755</u>	<u>106,081,497</u>
Operating income (loss)	<u>(1,807,467)</u>	<u>(1,072,178)</u>	<u>(2,665,934)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental revenue	34,218	118,939	157,005
Investment Income (loss)	543,216	(1,708,079)	2,661,051
Other revenues	369,473	27,038	396,511
Other expenses	-	(10,000)	(10,000)
Interest expense	(60,563)	(523,832)	(584,395)
Gain (loss) on sale of capital assets	39,675	(74,624)	(34,949)
Net nonoperating revenues (expenses)	<u>926,019</u>	<u>(2,170,558)</u>	<u>2,585,223</u>
Income (loss) before capital contributions and transfers	(881,448)	(3,242,736)	(80,711)
Capital contributions	2,762,889	-	2,762,889
Transfers of capital assets to governmental activities	-	(1,371,104)	(1,371,104)
Transfers from other funds	1,000,000	952,290	1,952,290
Transfers to other funds	-	(12,416)	(12,416)
Change in net position	<u>2,881,441</u>	<u>(3,673,966)</u>	<u>3,250,948</u>
Net position (deficit), beginning of year	23,767,525	(6,493,276)	37,614,074
Net position (deficit), end of year	<u><u>\$ 26,648,966</u></u>	<u><u>\$ (10,167,242)</u></u>	<u><u>\$ 40,865,022</u></u>

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit I-3

Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended December 31, 2023

	<b>Risk Management</b>		
	<b>General Liability / Workers' Compensation</b>	<b>Medical / Dental</b>	<b>Unemployment Compensation</b>
<b>Cash Flows From (For) Operating Activities</b>			
Receipts for interfund services provided	\$ 12,260,197	\$ 52,483,837	\$ 516,114
Payments to employees	(492,281)	(332,601)	-
Payments to vendors	(12,013,415)	(50,896,897)	(144,727)
Payments for interfund services used	(1,057,066)	(665)	-
Net cash from (for) operating activities	(1,302,565)	1,253,674	371,387
<b>Cash Flows From (For) Non-capital Financing Activities</b>			
Transfers to other funds	-	-	-
Intergovernmental	3,848	-	-
Advance to other funds	344,400	21,851	-
Net cash from (for) non-capital financing activities	348,248	21,851	-
<b>Cash Flows For Capital and Related Financing Activities</b>			
Principal payments on long-term obligations	-	-	-
Principal payments on SBITAs obligations	-	-	-
Interest payments on long-term obligations	-	-	-
Interest payments on SBITAs obligations	-	-	-
Proceeds from issuance of direct financing agreements	-	-	-
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	(7,626)	-	-
Loss from sale or disposition of capital assets	-	-	-
Capital contributions	-	-	-
Net cash for capital and related financing activities	(7,626)	-	-
<b>Cash Flows For Investing Activities</b>			
Investment Income (loss)	913,143	2,665,328	247,443
Net increase (decrease) in cash	(48,800)	3,940,853	618,830
Cash, beginning of year	11,415,426	36,857,715	3,575,466
Cash, end of year	11,366,626	40,798,568	4,194,296
<b>Reconciliation to Statement of Net Position</b>			
Cash and investments in central treasury	11,366,626	40,798,568	4,194,296
Equity in bond and capital acquisition and construction accounts	-	-	-
Total cash, end of year	\$ 11,366,626	\$ 40,798,568	\$ 4,194,296
<b>Reconciliation of Operating Income (Loss) to Net Cash From (For) Operating Activities:</b>			
Operating income (loss)	\$ (2,133,681)	\$ 1,998,750	\$ 348,642
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Depreciation and amortization	508	-	-
Other (revenues) / expenses	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:			
Accounts receivable, net	2,227	(144,704)	-
Prepaid items and deposits	(217,210)	-	-
Inventories	-	-	-
Net OPEB asset	(3,909)	-	-
Deferred outflows of resources related to pension	3,347	-	-
Deferred outflows of resources related to OPEB	3,792	-	-
Accounts payable and retainages	(192,644)	1,037,178	-
Accrued payroll liabilities	8,035	2,147	-
Compensated absences payable	(1)	3,679	-
Claims payable	1,278,028	(1,643,376)	22,745
Net pension liability	(45,175)	-	-
Deferred inflows of resources related to OPEB	(5,882)	-	-
Total cash from (for) operating activities	(1,302,565)	1,253,674	371,387
<b>Noncash Investing, Capital, and Financing Activities:</b>			
Capital purchases on account	-	-	-
Total noncash investing, capital, and financing activities	\$ -	\$ -	\$ -

**MUNICIPALITY OF ANCHORAGE, ALASKA**

Exhibit I-3

Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended December 31, 2023

	<b>Equipment Maintenance</b>	<b>Information Technology</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows From (For) Operating Activities</b>			
Receipts for interfund services provided	\$ 11,021,834	\$ 27,387,854	\$ 103,669,836
Payments to employees	(528,866)	(10,937,515)	(12,291,263)
Payments to vendors	(6,470,196)	(6,713,308)	(76,238,543)
Payments for interfund services used	(2,063,317)	(841,628)	(3,962,676)
Net cash from (for) operating activities	<u>1,959,455</u>	<u>8,895,403</u>	<u>11,177,354</u>
<b>Cash Flows From (For) Non-capital Financing Activities</b>			
Transfers to other funds	-	(12,416)	(12,416)
Intergovernmental	34,218	118,939	157,005
Advance to other funds	(85,000)	3,026,275	3,307,526
Net cash from (for) non-capital financing activities	<u>(50,782)</u>	<u>3,132,798</u>	<u>3,452,115</u>
<b>Cash Flows For Capital and Related Financing Activities</b>			
Principal payments on long-term obligations	-	(7,399,580)	(7,399,580)
Principal payments on SBITAs obligations	-	(1,400,904)	(1,400,904)
Interest payments on long-term obligations	(60,563)	(352,673)	(413,236)
Interest payments on SBITAs obligations	-	(226,304)	(226,304)
Proceeds from issuance of direct financing agreements	-	368,520	368,520
Transfers from other funds	1,000,000	952,290	1,952,290
Acquisition and construction of capital assets	(5,741,352)	(848,957)	(6,597,935)
Loss from sale or disposition of capital assets	-	(74,624)	(74,624)
Capital contributions	2,762,889	-	2,762,889
Net cash for capital and related financing activities	<u>(2,039,026)</u>	<u>(8,982,232)</u>	<u>(11,028,884)</u>
<b>Cash Flows For Investing Activities</b>			
Investment Income (loss)	543,216	(1,708,079)	2,661,051
Net increase (decrease) in cash	412,863	1,337,890	6,261,636
Cash, beginning of year	9,087,149	8,643	60,944,399
Cash, end of year	<u>9,500,012</u>	<u>1,346,533</u>	<u>67,206,035</u>
<b>Reconciliation to Statement of Net Position</b>			
Cash and investments in central treasury	1,739,254	1,346,533	59,445,277
Equity in bond and capital acquisition and construction accounts	7,760,758	-	7,760,758
Total cash, end of year	<u>\$ 9,500,012</u>	<u>\$ 1,346,533</u>	<u>\$ 67,206,035</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash From (For) Operating Activities:</b>			
Operating income (loss)	\$ (1,807,467)	\$ (1,072,178)	\$ (2,665,934)
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:			
Depreciation and amortization	3,777,282	10,689,712	14,467,502
Other (revenues) / expenses	369,473	27,038	396,511
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:			
Accounts receivable, net	-	27,277	(115,200)
Prepaid items and deposits	-	1,129,594	912,384
Inventories	(113,532)	-	(113,532)
Net OPEB asset	23,191	(627,243)	(607,961)
Deferred outflows of resources related to pension	41,121	4,231	48,699
Deferred outflows of resources related to OPEB	39,193	69,446	112,431
Accounts payable and retainages	262,565	(1,039,784)	67,315
Accrued payroll liabilities	(7,781)	20,871	23,272
Compensated absences payable	(21,886)	(54,110)	(72,318)
Claims payable	-	-	(342,603)
Net pension liability	(545,409)	(141,153)	(731,737)
Deferred inflows of resources related to OPEB	(57,295)	(138,298)	(201,475)
Total cash from (for) operating activities	<u>1,959,455</u>	<u>8,895,403</u>	<u>11,177,354</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>			
Capital purchases on account	45,647	98,768	144,415
Total noncash investing, capital, and financing activities	<u>\$ 45,647</u>	<u>\$ 98,768</u>	<u>\$ 144,415</u>

## FIDUCIARY FUNDS

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

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

The **Police and Fire Retiree Medical Trust Funds** account for contributions and distributions on behalf of Police and Fire retirees who are eligible for the plan covered by the Trust.

## MUNICIPALITY OF ANCHORAGE, ALASKA

## Fiduciary Funds

## Combining Statements of Fiduciary Net Position

December 31, 2023

	Police and Fire Retirement Trust Funds				Police and Fire Retiree Medical Trust Fund	Total Fiduciary Funds
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Police/Fire Medical Group	
<b>Assets</b>						
Cash and cash equivalents	\$ 12,827	\$ 10,558	\$ 47,406	\$ 70,791	\$ 12,766	\$ 83,557
Accrued interest	134,632	110,781	497,587	743,000	61,548	804,548
Investments:						
Money market funds	1,740,653	1,432,293	6,433,309	9,606,255	1,572,891	11,179,146
Certificate of deposit	-	-	-	-	7,711,874	7,711,874
U.S. treasuries	-	-	-	-	5,005,453	5,005,453
U.S. agencies	-	-	-	-	4,746,258	4,746,258
Corporate fixed income securities	10,530,615	8,665,092	38,920,269	58,115,976	-	58,115,976
Domestic fixed income funds	-	-	-	-	952,622	952,622
International fixed income funds	1,170,330	963,003	4,325,441	6,458,774	285,424	6,744,198
Domestic equity securities	23,750,358	19,562,243	87,777,151	131,089,752	1,739,407	132,829,159
International equity securities	15,457,049	12,718,797	57,127,955	85,303,801	1,177,729	86,481,530
Real estate funds	8,740,961	7,192,479	32,305,857	48,239,297	-	48,239,297
Total investments	61,389,966	50,533,907	226,889,982	338,813,855	23,191,658	362,005,513
Capital assets, net	166	137	615	918	-	918
Total assets	61,537,591	50,655,383	227,435,590	339,628,564	23,265,972	362,894,536
<b>Liabilities</b>						
Accounts payable and accrued expenses	14,215	11,981	56,544	82,740	12,731	95,471
Due to other funds	-	-	-	-	316,015	316,015
Total liabilities	14,215	11,981	56,544	82,740	328,746	411,486
<b>Net Position</b>						
Restricted for:						
Pensions	61,523,376	50,643,402	227,379,046	339,545,824	-	339,545,824
Postemployment benefits other than pensions	-	-	-	-	22,937,226	22,937,226
Total net position	\$ 61,523,376	\$ 50,643,402	\$ 227,379,046	\$ 339,545,824	\$ 22,937,226	\$ 362,483,050

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Fiduciary Funds  
Combining Statement of Changes in Fiduciary Net Position  
Year ended December 31, 2023

	Police and Fire Retirement Trust Funds				Police and Fire Retiree Medical Trust Fund	Total Fiduciary Funds
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Police/Fire Medical Group	
<b>Additions</b>						
Contributions from the Municipality	\$ -	\$ -	\$ -	\$ -	\$ 3,841,538	\$ 3,841,538
Contributions from plan members	-	-	9,750	9,750	-	9,750
Investment income:						
Interest	395,757	324,575	1,445,511	2,165,843	2,508	2,168,351
Dividends	705,337	578,425	2,575,596	3,859,358	470,037	4,329,395
Net increase in fair value of investment	6,822,833	5,595,575	24,923,074	37,341,482	971,320	38,312,802
Less: investment expense	(308,265)	(252,812)	(1,126,456)	(1,687,533)	(22,500)	(1,710,033)
Net investment income	7,615,662	6,245,763	27,817,725	41,679,150	1,421,365	43,100,515
Total additions	7,615,662	6,245,763	27,827,475	41,688,900	5,262,903	46,951,803
<b>Deductions</b>						
Regular benefit payments	7,370,191	5,614,084	20,737,406	33,721,681	3,770,606	37,492,287
Administrative expenses	138,585	113,316	507,817	759,718	89,067	848,785
Total deductions	7,508,776	5,727,400	21,245,223	34,481,399	3,859,673	38,341,072
Change in fiduciary net position	106,886	518,363	6,582,252	7,207,501	1,403,230	8,610,731
Net position, beginning of year	61,416,490	50,125,039	220,796,794	332,338,323	21,533,996	353,872,319
Net position, end of year	\$ 61,523,376	\$ 50,643,402	\$ 227,379,046	\$ 339,545,824	\$ 22,937,226	\$362,483,050



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