

**Municipality of Anchorage, Alaska
Solid Waste Services**
(Refuse and Disposal Utilities of the Municipality
of Anchorage, Alaska)

Financial Statements, Required
Supplementary Information, Supplementary
Information, and Other Information
December 31, 2024

(With Independent Auditor's Report Thereon)

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Solid Waste Services**

(Refuse and Disposal Utilities of the Municipality of Anchorage, Alaska)

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December 31, 2024

(With Independent Auditor's Report Thereon)

Municipality of Anchorage, Alaska Solid Waste Services

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Municipality of Anchorage, Alaska Solid Waste Services

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Independent Auditor's Report

Honorable Mayor and Members of the Assembly

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Solid Waste Services, the enterprise funds Solid Waste Refuse Utility and Solid Waste Disposal Utility of the Municipality of Anchorage, Alaska, ("Solid Waste Services"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Solid Waste Services' basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Solid Waste Services of the Municipality of Anchorage, Alaska, as of December 31, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Solid Waste Services 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 opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only Solid Waste Services and do not purport to, and do not, present fairly the financial position of the Municipality of Anchorage, as of December 31, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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.

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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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Solid Waste Services' 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Solid Waste Services' proportionate share of the net pension and net other postemployment benefit liability and asset and Solid Waste Services' contributions to the pension and other postemployment benefit plans 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Solid Waste Services' basic financial statements. The supplementary information identified in the table of contents 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 GAAS. In our opinion, the supplementary information identified in the table of contents is 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 statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 March 30, 2026 on our consideration of Solid Waste Services' 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 Solid Waste Services' 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 Solid Waste Services' internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
March 30, 2026

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Management's Discussion and Analysis

Municipality of Anchorage, Alaska Solid Waste Services

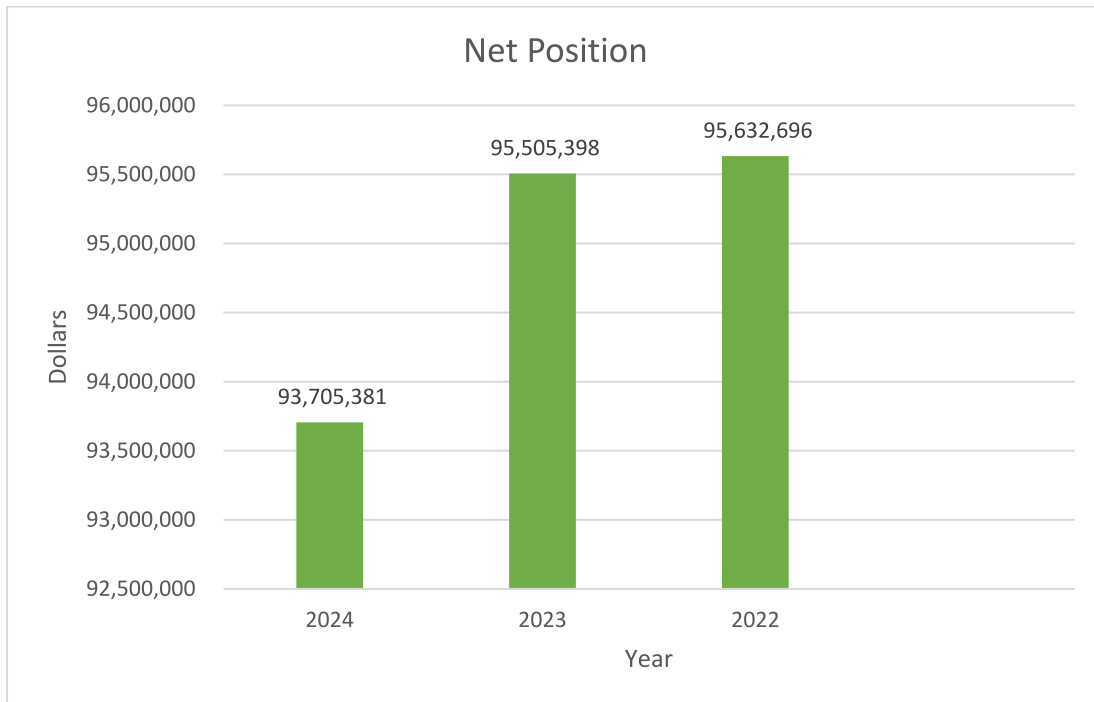
Management's Discussion and Analysis December 31, 2024

Solid Waste Services is an Enterprise Utility of the Municipality of Anchorage, Alaska.

The following is a discussion and analysis of Solid Waste Services' financial performance, providing an overview of the financial activities for the years ended December 31, 2024, 2023 and 2022. This discussion and analysis are designed to assist the reader in focusing on the significant financial issues, provide an overview of Solid Waste Services' financial activities and identify changes in Solid Waste Services' financial position. Readers are encouraged to consider the information presented here in conjunction with Solid Waste Services' financial statements and accompanying notes, for a wholistic understanding of the Enterprise Utility.

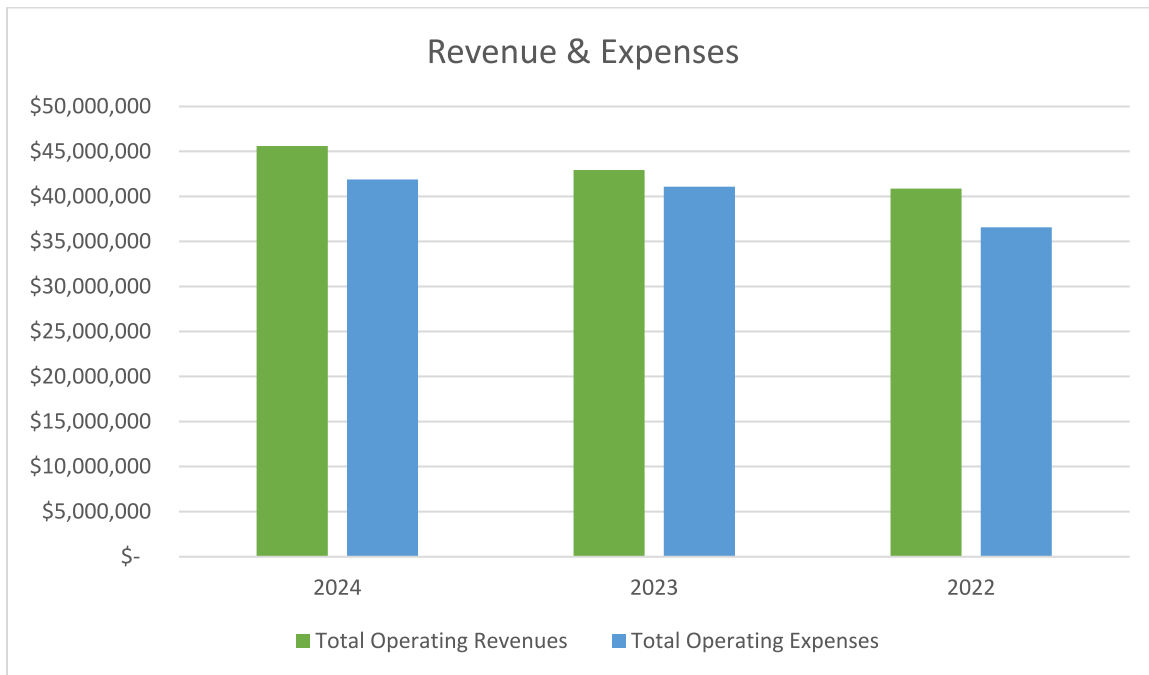
Financial Highlights

- Net position decreased by \$1,800,017 or 1.9% in 2024. The decrease in net position was primarily due to a decrease in unrestricted assets in 2024.
- Operating revenues increased \$2,662,365 or 6.2% in 2024 due to scheduled increases in rates approved by the Municipal Assembly.
- Operating expenses increased by \$789,386 or 1.9% in 2024. This increase is partially due to increased depreciation with several large capital items coming online, as well as increased cost of goods in 2024.



Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis



Overview of the Financial Statements

Solid Waste Services is an Enterprise Utility, meaning it operates much like a business within the Municipality that operates both the Refuse Collections utility and the Disposal utility. Solid Waste Services reports as an enterprise fund of the Municipality and is not supported by tax revenue.

Solid Waste Services' financial statements offer short and long-term information about activities of Solid Waste Services and collectively provide an indication of Solid Waste Services' financial health for the year ended December 31, 2024, and include the following: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; Notes to the Basic Financial Statements; and Required Supplementary Information (RSI). The basic financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

Statement of Net Position - This statement includes all Solid Waste Services' assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

Statement of Revenues, Expenses, and Changes in Net Position - This statement presents Solid Waste Services' operating revenues and expenses and nonoperating revenues and expenses, and the change in net position for the year presented.

Statement of Cash Flow - This statement reports cash and cash equivalent activities for the year resulting from operating activities, noncapital financing activities, capital, and related financing activities, and investing activities. The net result of these activities added to the beginning of year cash and cash equivalents reconciles to cash and cash equivalents at the end of the year. Solid Waste Services presents its Statement of Cash Flows using the direct method of reporting operating cash flows.

Municipality of Anchorage, Alaska Solid Waste Services

Management’s Discussion and Analysis

Notes to the Basic Financial Statements - The notes provide the reader with additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information (RSI) - The RSI presents certain information concerning the progress of funding Solid Waste Services’ obligation to provide pension and other postemployment benefits.

Financial Analysis of Solid Waste Services

One of the most important questions asked about Solid Waste Services’ finances is whether Solid Waste Services is better off or worse off as a result of the year’s activities. The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about Solid Waste Services’ activities in a way that helps answer this question.

These two statements report on Solid Waste Services’ net position and changes in net position. One can think of Solid Waste Services’ net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as one way to measure financial health and whether financial health is improving or deteriorating. However, one will need to also consider other nonfinancial factors such as changes in economic conditions, population growth and new or changed legislation.

Changes in Solid Waste Services’ net position can be determined by reviewing the following condensed Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position as of December 31, 2024, 2023 and 2022. The analysis below focuses on Solid Waste Services’ net position at the end of the year (Table 1) and changes in net position (Table 2) during the year.

TABLE 1
Summary of Net Position

	2024	2023	2022
Assets and Deferred Outflows of Resources			
Current assets	\$ 42,826,741	\$ 51,492,243	\$ 52,668,937
Noncurrent assets	257,567,620	245,525,322	223,765,774
Deferred outflows of resources	434,977	494,273	483,686
Total Assets and Deferred Outflows of Resources	300,829,338	297,511,838	276,918,397
Liabilities and Deferred Inflows of Resources			
Current liabilities	6,911,251	7,604,730	9,376,057
Noncurrent liabilities	200,156,694	194,304,292	171,766,411
Deferred inflows of resources	56,012	97,418	143,233
Total Liabilities and Deferred Inflows of Resources	207,123,957	202,006,440	181,285,701
Net Position			
Net investment in capital assets	81,231,611	76,198,207	75,315,128
Restricted for capital construction	-	1,997,955	7,024
Unrestricted	12,473,770	17,309,236	20,310,544
Total Net Position	93,705,381	95,505,398	95,632,696
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 300,829,338	\$ 297,511,838	\$ 276,918,397

Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis

During 2024, Solid Waste Services' total assets and deferred outflows of resources increased by \$3,317,500. Noncurrent assets increased by \$12,042,298, primarily due to major projects at the landfill. Current assets decreased by \$8,665,502 primarily due to an decrease in equity in the bond and grant capital acquisition & construction pool, as well as a decrease in general cash pool equity.

During 2024, Solid Waste Services' current liabilities decreased by \$693,479 primarily due a decrease in accounts payable. Noncurrent liabilities increased by \$5,852,402 due to an increase in notes payable and a slight increase to the landfill closure liability.

Changes in Solid Waste Services' net position can be determined by reviewing the following Summary of Revenues, Expenses, and Changes in Net Position for the years ending December 31, 2024, 2023, and 2022 (Table 2).

During 2024, Solid Waste Services' operating revenues increased by \$2,662,365 or 6.2%, due chiefly to the rate increase implemented.

In 2024, Solid Waste Services' operating expenses increased by \$789,386 or 1.9%. This increase is partially due to increased depreciation with several large capital items coming online, as well as increased cost of goods in 2024.

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Municipality of Anchorage, Alaska Solid Waste Services

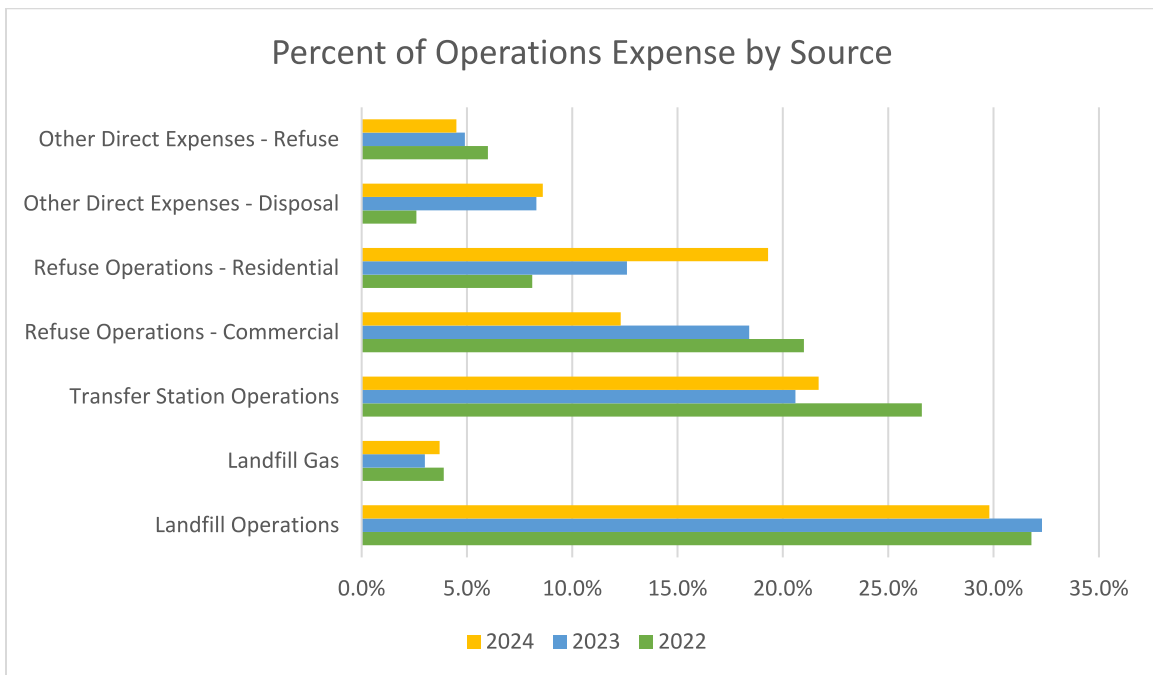
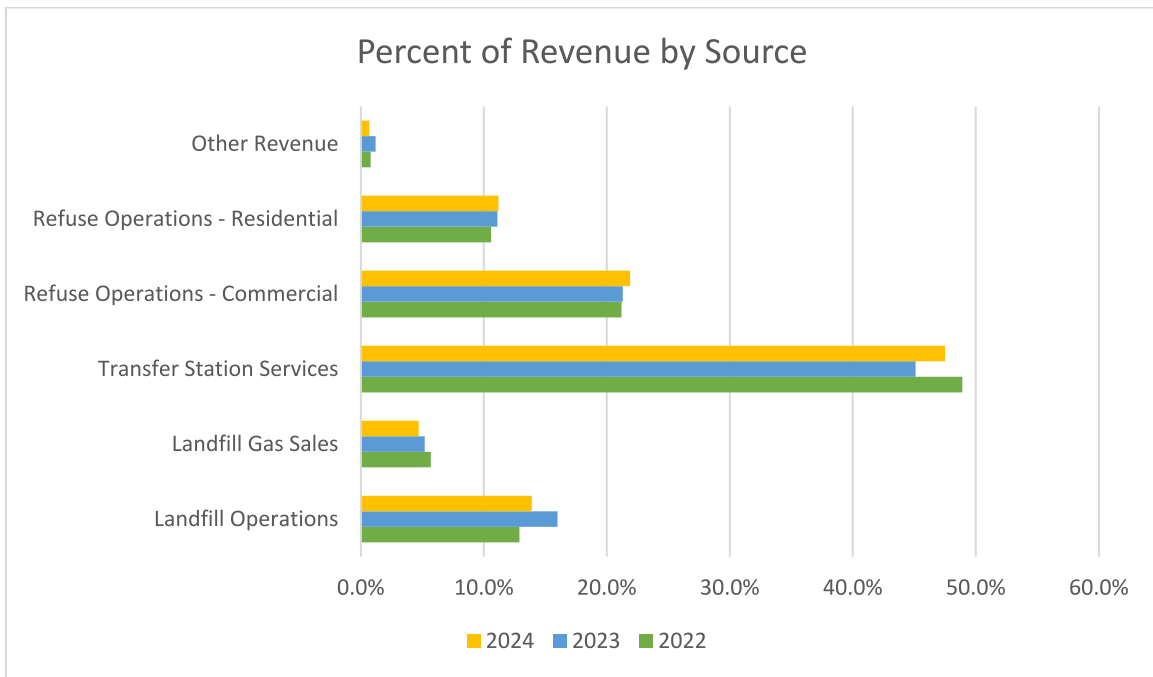
Management's Discussion and Analysis

Table 2
Summary of Revenues, Expenses, and Changes in Net Position
For the Years Ended December 31, 2024, 2023 and 2022

	2024	2023	2022
OPERATING REVENUES			
Charges for sales and services:			
Landfill operations	\$ 6,350,042	\$ 6,877,588	\$ 5,259,892
Landfill gas sales	2,179,563	2,215,297	2,310,919
Transfer station services	21,645,552	19,382,850	19,961,802
Refuse collection operations - commercial	9,996,850	9,179,675	8,674,876
Refuse collection operations - residential	5,105,848	4,752,846	4,343,313
Total charges for sales and services	45,277,855	42,408,256	40,550,802
Other revenues	313,725	520,959	323,863
Total Operating Revenues	45,591,580	42,929,215	40,874,665
OPERATING EXPENSES			
Operations:			
Landfill operations	8,972,484	9,260,670	8,634,033
Landfill gas collection system	1,115,655	855,683	1,057,228
Transfer station operations	6,518,855	5,894,768	7,224,396
Refuse collection operations - commercial	3,715,513	5,286,050	5,706,540
Refuse collection operations - residential	5,816,712	3,601,021	2,187,507
Other direct expenses - disposal utility	2,584,738	2,366,272	704,818
Other direct expenses - refuse utility	1,364,613	1,399,877	1,616,853
Total operations	30,088,570	28,664,341	27,131,375
Amortization of landfill closure costs	1,202,800	4,400,287	3,356,019
Depreciation	10,586,770	8,024,126	6,087,860
Total Operating Expenses	41,878,140	41,088,754	36,575,254
Operating Income	3,713,440	1,840,461	4,299,411
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss)	3,123,718	3,079,343	(752,355)
Investment income (loss) on landfill post closure cash reserve	1,959,303	2,377,833	(2,913,635)
Gain (loss) on disposal of capital assets	186,645	-	(13,130)
Intergovernmental revenue - pension & OPEB on-behalf	289,390	49,983	(79,081)
Intergovernmental revenue	-	-	10,236
Return of grant funds	(181,537)	-	-
Interest on leases	(20,838)	(17,659)	(26,657)
Interest on long-term obligations	(7,328,366)	(7,152,447)	(1,911,005)
Total nonoperating revenues (expenses)	(1,971,685)	(1,662,947)	(5,685,627)
Income (loss) before contributions and transfers	1,741,755	177,514	(1,386,216)
Capital contributions and transfers	(3,541,772)	(304,812)	3,652,810
Change in net position	(1,800,017)	(127,298)	2,266,594
Net position, January 1	95,505,398	95,632,696	93,366,102
Net position, December 31	\$ 93,705,381	\$ 95,505,398	\$ 95,632,696

Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis



Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

The following table summarizes Solid Waste Services' capital assets as of December 31, 2024, 2023 and 2022:

Table 3
Net Capital Assets

	2024	2023	2022
CAPITAL ASSETS			
Land	\$ 19,854,585	\$ 19,854,585	\$ 19,854,585
Land improvements	54,405,103	55,642,628	47,725,135
Buildings	97,981,093	99,578,801	1,984,129
Building improvements	9,214,019	7,168,318	1,757,190
Right to use building	882,996	938,183	975,942
Right to use SBITA	1,771	-	-
Vehicles	7,827,569	7,691,532	7,108,557
Machinery and equipment	8,717,621	7,772,249	7,036,032
Computer hardware	40,894	131,574	232,204
Computer software	7,259	34,201	65,928
Office equipment	94,135	120,472	10,933
Total capital assets	199,027,045	198,932,543	86,750,635
Construction work In progress	32,462,373	22,785,830	118,451,946
Total Net Capital Assets	\$ 231,489,418	\$ 221,718,373	\$ 205,202,581

Increase in net capital assets \$ 9,771,045 \$ 16,515,792

Major capital additions include:

- The new Central Transfer Station came online September 7, 2023. There are small capitalizations continuing in 2024 and into 2025.
- Capitalization of Energy Efficiency projects at various sites
- Regular replacement of vehicles and heavy equipment as items age out of use.

Additional information on Solid Waste Services' capital assets can be found in Note 4.

**Municipality of Anchorage, Alaska
Solid Waste Services**

Management's Discussion and Analysis

Debt

The following table summarizes Solid Waste Services' debt as of December 31, 2024, 2023 and 2022.

Table 4
Net Debt

	2024	2023	2022
LONG TERM DEBT			
Clean Water Loans	\$ 5,641,688	\$ 6,680,276	\$ 7,718,865
Notes Payable	36,318,672	29,589,886	9,703,565
Bonds Payable, net	106,758,868	107,672,966	107,595,210
TOTAL	\$ 148,719,228	\$ 143,943,128	\$ 127,177,430

In 2020, Solid Waste Services started a Short-Term Borrowing agreement with a commercial bank predominantly for the construction of the new Central Transfer Station. On November 11, 2022, \$107 million of this accumulated borrowing was rolled into a bond.

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Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis

Budgetary Highlights

Table 6
Budget to Actuals

<i>Year Ended December 31, 2024</i>	Budget	Actual	Variance
Operating Revenues			
Landfill Fees	\$ 26,000,010	\$ 26,372,629	\$ 372,619
Landfill Gas Sales	2,500,000	2,179,563	(320,437)
Hazardous Waste	641,050	819,982	178,932
Community Recycling Surcharge	550,113	802,983	252,870
Refuse Collection Charges	13,949,791	14,466,082	516,291
Container Rental Charges	531,948	636,616	104,668
<hr/>			
Total Charges for Sales and Services	44,172,912	45,277,855	1,104,943
Other Revenue - Collection Fees, Late Fees, Surcharges	362,676	313,725	(48,951)
Total Operating Revenues	44,535,588	45,591,580	1,055,992
<hr/>			
Operating Expenses			
Operations:			
Personnel Services	14,179,360	13,629,307	(550,053)
Supplies	2,523,350	1,993,718	(529,632)
Other Services and Charges	10,972,004	11,222,680	250,676
Charges from Other Departments	3,426,837	3,242,865	(183,972)
<hr/>			
Total Operations	31,101,551	30,088,570	(1,012,981)
Amortization of Landfill Closure Costs	1,510,686	1,202,800	(307,886)
Depreciation	6,807,000	10,586,770	3,779,770
<hr/>			
Total Operating Expenses	39,419,237	41,878,140	2,458,903
<hr/>			
Operating Income	5,116,351	3,713,440	(1,402,911)
<hr/>			
Nonoperating Revenues (Expenses)			
Investment Gain on Landfill Postclosure	552,144	1,959,303	1,407,159
Investment Income (Loss)	2,236,000	3,123,718	887,718
Intergovernmental Revenues -Pension and OPEB on behalf	-	289,390	289,390
Return of grant funds	-	(181,537)	(181,537)
Interest on Long Term Obligations	(7,375,503)	(7,328,366)	47,137
Interest on Leases	(46,797)	(20,838)	25,959
Gain on Disposal of Capital Assets	100,020	186,645	86,625
<hr/>			
Total Nonoperating Revenues (Expenses)	(4,534,136)	(1,971,685)	2,562,451
<hr/>			
Income before Capital Contributions and Transfers	582,215	1,741,755	1,159,540
<hr/>			
Capital Contributions and Transfers			
Capital Contributions	-	572,508	572,508
Transfers to Other Funds	-	(16,000)	(16,000)
Municipal Service Assessment	(2,988,507)	(2,987,770)	737
Dividend	(1,110,510)	(1,110,510)	-
<hr/>			
Change in Net Position	\$ (3,516,802)	(1,800,017)	\$ 1,716,785
Net Position, Beginning		95,505,398	
Net Position, Ending		\$ 93,705,381	

Municipality of Anchorage, Alaska Solid Waste Services

Management’s Discussion and Analysis

The 2024 budget projected SWS revenues of \$44.5 million. Actual 2024 revenues were \$45.6 million and were \$1,055,992 over budget projections, due to projected rate increases keeping revenues in line with budget projections.

The 2024 budget projected SWS expenses of \$39.4 million. Actual 2024 expenses were \$41.8 million, and \$2.4 million over budget projections, due primarily to increased depreciation that was not correctly budgeted while personnel and direct expenses from the department came in under budget.

Bond Disclosure

Pursuant to the Official statement for the 2022 Series A Solid Waste Services Revenue Refunding Bonds, the following ongoing disclosures are required:

Solid Waste Services Revenue Refunding Bonds, 2022 Series A
Continuing Disclosure Undertaking for the annual financial statements as of December 31, 2024.

TABLE 6
DISPOSAL RATES AND CHARGES

Year	Cars	Pickups(1)	Min. Rate	Commercial (Large Vehicle) Rates		
				Rate/Ton	Non-Compacted (per cu yard)	Compacted (per cu yard)
2025	\$8.00	\$19.00	\$8.00	\$99.29	\$12.52	\$25.04
2024	\$8.00	\$18.00	\$8.00	\$93.67	\$11.81	\$23.62
2023	\$8.00	\$18.00	\$6.00	\$89.21	\$11.25	\$22.50
2022	\$6.00	\$16.00	\$6.00	\$83.96	\$11.25	\$22.50
2021	\$6.00	\$16.00	\$6.00	\$79.02	\$10.60	\$21.20
2020	\$6.00	\$16.00	\$6.00	\$74.38	\$10.00	\$20.00
2019	\$6.00	\$16.00	\$6.00	\$70.00	\$9.50	\$19.00
2018	\$5.00	\$15.00	\$5.00	\$66.50	\$9.00	\$18.00
2017	\$5.00	\$15.00	\$5.00	\$66.50	\$9.00	\$18.00

Notes

(1) Includes pickups, vans and trailers with box dimensions which do not exceed 96 inches in length, 66 inches in width, and 36 inches in height. Rates for up to 1,000 lbs; pickup trucks with loads in excess of 1,000 lbs are weighed and pay the tonnage rate.

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Municipality of Anchorage, Alaska Solid Waste Services

Management’s Discussion and Analysis

Solid Waste Services Revenue Refunding Bonds, 2022 Series A
Continuing Disclosure Undertaking for the annual financial statements as of December 31, 2024.

TABLE 11
COMMERCIAL DISPOSAL RATES AND CHARGES(1)

Year	2 Cubic Yards	3 Cubic Yards	4 Cubic Yards	6 Cubic Yards	8 Cubic Yards
2025	\$138.89	\$182.15	\$218.58	\$311.93	\$406.42
2024	\$129.32	\$169.60	\$203.52	\$290.44	\$378.42
2023	\$122.00	\$160.00	\$192.00	\$274.00	\$357.00
2022	\$116.00	\$152.00	\$183.00	\$261.00	\$340.00
2021	\$110.00	\$145.00	\$174.00	\$249.00	\$324.00
2020	\$105.00	\$138.00	\$166.00	\$237.00	\$309.00
2019	\$100.00	\$131.00	\$158.00	\$226.00	\$294.00
2018	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A

Notes

(1) For dumpster containers serviced once per week by one operator.

Brief History

The Municipality of Anchorage maintains a co-located facility for its Central Transfer Station (CTS), Department of Solid Waste Services (SWS) Administration/Maintenance Building and the Household Hazardous Waste building, and the Vehicle Maintenance building. The new facility, at 1208 East 56th Avenue in Anchorage, South of East 56th Avenue, opened their gates September 7, 2023. The CTS, operated by the SWS Solid Waste Disposal Utility, currently provides commercial, residential waste, recycling drop-off services. This location also hosts collection of residential bulky/white goods, used oil, batteries, and household hazardous waste in its own dedicated building. The CTS also operates a reuse station, where Anchorage residents can bring up to 40 pounds of household items such as paints, cleaners, and solvents for free to drop off or pick up and reuse by other residents. The new campus is designed to separate different users into different traffic patterns. Residents only seeking to drop off or pick up items at the Household Hazardous Waste building or Reuse Station have a dedicated bypass lane that exists behind the facility with access to Dowling Road. Residents recycling or dropping off trash over the public wall have their own lane that proceeds through the covered area of the tipping building to dispose of garbage indoors. Residents wishing to visit the customer service team or visit the observation deck and learn more about reducing, reusing, recycling, composting, and vermicomposting have their own dedicated lane toward the administration building.

Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis

In addition to the CTS and the SWS Administration/ Maintenance Building, the site supports the SWS Refuse Collections Utility, a fueling island for SWS operations and collections vehicles, container repair and equipment storage areas, outdoor and warm storage for SWS operations and collections vehicles, and parking for employee vehicles. The Solid Waste Disposal Utility operates a fleet of transfer trailers that transport solid waste from the CTS to the Anchorage Regional Landfill for final disposal. In the new facility, transfer trailers park indoors, a welcome upgrade from having to start the trucks outdoors in freezing temperatures.

Beyond the Central Transfer Station, SWS also manages the Anchorage Regional Landfill (ARL). ARL includes a public wall where residents can dispose of their garbage and recycle. There is a commercial lane for commercial haulers as well as transfer trucks from the Central Transfer Station. There is also a Household Hazardous Waste facility that operates like the CTS facility, however, in addition they also accept household hazardous waste from Very Small Quantity Generators - one step up from residential disposal that is designed to help small businesses dispose of hazardous waste responsibly, but not large-scale hazardous waste disposal. SWS also operates a Girdwood Transfer Station located in the community of Girdwood, Alaska. The transfer station is open less often than the Central Transfer Station but offers a convenient place for Girdwood Residents to safely dispose of Municipal Solid Waste.

Current Challenges

The previous Central Transfer Station located at 1111 E. 56th Street closed the gates on September 7, 2023. During the planning phase of the new facility, the public was promised that the old facility would become a Materials Recovery Facility. The main purpose of the new Materials Recovery Facility is to divert more materials from being buried in the landfill. The old administration building was refurbished into an emergency cold weather shelter with capacity for 200 homeless residents to seek shelter from freezing temperatures. By leasing the building to the Anchorage Health Department (AHD), SWS was able to pay the overhead costs including utilities, repairs, and the MUSA tax payment. Over time, SWS has been able to work well with the facility contractor while ensuring safety and security of MOA property. The future of the administration building is unknown currently; however, AHD is exploring other decentralized housing options.

Plans for the Materials Recovery Facility (MRF) are ongoing beginning with creating efficiencies with SWS Collections and Disposal activities related to the organics program. The MRF operates May-October 31. In 2024, SWS opened the MRF collecting organics from their curbside organics program and bringing materials to the MRF to combine with other organics brought in from commercial landscapers, tree chipping businesses, and other organics waste generators. The organics are combined and transferred via the transfer trailers to the Matanuska Valley for disposal on a farm. By opening the MRF, private organics haulers will no longer have to drive out to the Anchorage Regional Landfill for daily disposal, a 24-mile round trip savings in time and half priced tipping fee. In 2024, the newly operated MRF collected thirty percent more organics despite being open only three days a week collecting over 600 tons of organics. A commercial hauler expanded their curbside organics program to more residents because of the accessibility, convenience, and affordability of the MRF. By offering a centrally located Materials Recovery Facility, more organics will be diverted from the landfill resulting in less greenhouse gas emissions, leachate production, and increasing municipal operations efficiencies. Additionally, due to low precipitation during the winter months of 2024/2025, woodlots at the MRF and Anchorage Regional Landfill were free of charge in 2025 to help reduce fire danger in the Municipality in coordination with the Anchorage Fire Department.

Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis

The Anchorage Regional Landfill (ARL) continues to manage their aging infrastructure. The maintenance/administrative building was rebuilt following extensive damage to the building due to the earthquake in 2018. The building project is concluding since their move into the new facility December 2023. Managing the landfill presents operational challenges related to the amount of leachate, landfill gas production and emissions, and preserving airspace. The public wall, part of the original infrastructure, is in queue for an upgrade to make improvements for the safety of Anchorage residents. Other upgrades include the blower and flare, gas collection and control system (GCCS), that captures and directs landfill gas to either the landfill gas to energy plant or the flare, the leachate ponds will be revised, increasing the capacity of the pond storage and reconstruction of the leachate loadout station to improve efficiency and increase the safety of our drivers of the leachate tanker trucks. On May 16, 2022, SWS entered a Compliance Order By Consent with the Alaska Department of Environmental Conservation. As part of the COBC, SWS pledged to assess a method of managing leachate by either a deep well injection or by installing an evaporator system. Due to geologic formations at ARL deep well injection has proven to not be a viable option, leaving SWS to actively pursue design and construction of a leachate evaporation system. On Thanksgiving evening 2020, there was a tremendous fire that broke out near Cell 9 in the landfill. It was determined the likely cause of the fire was from a medium size commercial lithium battery that ignited a nearby tire pile, creating a very hot, long-burning fire. Despite normal operating procedures not to operate large equipment near the liner of a working cell, SWS had to use heavy equipment to disperse material to extinguish the fire. In August 2023, leachate began seeping from an unknown source without warning in the near proximity of the fire within the lined landfill. SWS has a strong working relationship with the Alaska Department of Environmental Conservation, and it was collaboratively determined SWS should excavate 4 years of garbage to inspect the liner where it is presumed the leachate is seeping out to confirm the source and make necessary repairs to mitigate the leachate seep. This project occurred during the summer/fall of 2024 and no liner damage was discovered in the nearly 2 acre excavated area.

Other SWS aging infrastructure that is quickly becoming obsolete is the software system. The software that is the foundation and infrastructure of SWS is our Customer Relationship System, data collection system, and other integrated software is glitching, not going to be upgraded, and will be coming offline soon. The long-range plan includes utilizing Driver Assisted Terminals for commercial customers and SWS transfer trucks to utilize an RFID card minimizing the need for additional labor and transitioning from a flat rate fee to a weighed structure using the scales that would be integrated into the software system. Very few landfills and transfer stations charge flat fees, most use scales and charge by weight. Charging by weight is more of a user pay, user benefit, encouraging diversion, and provides detailed data for tracking the landfill closure estimates and planning purposes. Implementation of this software is on schedule for spring 2026.

A severe windstorm in January of 2025 caused power surges to the landfill gas collection and control system at Merrill Field Airport, contributing to the exceedances of lower explosive limits within three buildings on site. Two letters were sent from Alaska Department of Environmental Conservation (ADEC) compelling the Municipality to take immediate action to ensure health and safety within the buildings and surrounding area. Despite the letters, SWS planned to take action, which became more emergent after the ADEC letters. On March 11, 2025, ADEC sent an initial letter asking for a timeline and expressed urgency to remedy the situation. April 16, 2025, ADEC sent another email outlining applicable provisions of Alaska Statute and issuing another call to action. To respond as quickly as possible to mitigate health and safety concerns, Mayor LaFrance authorized waiving formal procurement procedures. Solid Waste Services requested the waiver of Title 7 to procure emergency design and construction services for a landfill gas collection control system at Merrill Field Airport, a historic closed landfill. Design and construction for upgrading and rebuilding the Gas Collection and Control System at Merrill Field Airport is ongoing, including a new blower

Municipality of Anchorage, Alaska Solid Waste Services

Management's Discussion and Analysis

and electrical panel upgrade, and updating the gas main "A-line" that parallels the buildings experiencing lower explosive limits indoors. SWS purchased gas monitors for each of the buildings as a precautionary measure and informed residents the importance of active ventilation. It was confirmed by the tenant's lease to Merrill Field Airport the passive ventilation system was the responsibility of the tenant. SWS will continue monitoring the situation indoors on-site.

Contacting Solid Waste Services' Financial Management

This financial report is designed to provide Solid Waste Services' customers, taxpayers, investors, and creditors with a general overview of Solid Waste Services' finances and to demonstrate Solid Waste Services' accountability for the money it receives. For questions about this report, or for additional financial information, contact the Municipality of Anchorage, Solid Waste Services Department, 1208 E 56th Ave, Anchorage, AK 99517.

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Financial Statements

Municipality of Anchorage, Alaska
Solid Waste Services

Statement of Net Position

December 31,

2024

Assets and Deferred Outflows of Resources

Current Assets

Cash and cash equivalents	\$	3,775
Equity in general cash pool		35,127,123
Equity in bond and grant capital acquisition & construction pool		3,917,831
Accounts receivable, net		3,357,587
Accrued interest receivable		346,317
Inventory		42,170
Prepaid items and deposits		31,938

Total Current Assets		42,826,741
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Noncurrent Assets

Unrestricted assets:		
Intergovernmental receivables		2,001,113
Capital assets, net		199,027,045
Construction work in process		32,462,373
Net other postemployment benefits		1,887,121

Total unrestricted noncurrent assets		235,377,652
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Restricted assets:

Debt service investments		475
Landfill postclosure cash reserve		22,189,493

Total restricted noncurrent assets		22,189,968
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Total Noncurrent Assets		257,567,620
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Total Assets		300,394,361
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Deferred Outflows of Resources

Related to pensions		300,255
Related to other postemployment benefits		134,722

Total Deferred Outflows of Resources		434,977
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Total Assets and Deferred Outflows of Resources		\$ 300,829,338
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Municipality of Anchorage, Alaska
Solid Waste Services

Statement of Net Position, continued

December 31,

2024

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities

Accrued payroll liabilities	\$	655,900
Accounts payable		1,422,408
Compensated absences payable		825,298
Accrued interest payable		1,114,456
Leases payable, current portion		37,691
SBITA payable, current portion		829
Capital acquisition and construction accounts and retainages payable		589,542
Due to other governments		181,537
Alaska Clean Water loans payable, current portion		1,038,590
Bonds payable, due within one year		1,045,000

Total Current Liabilities 6,911,251

Noncurrent Liabilities

Net pension liability		4,385,941
Leases payable, net of current portion		909,633
SBITA payable, net of current portion		884
Bonds payable		105,713,868
Alaska Clean Water loans payable, net of current portion		4,603,098
Notes payable		36,318,672
Landfill closure liability		48,224,598

Total Noncurrent Liabilities 200,156,694

Total Liabilities 207,067,945

Deferred Inflows of Resources

Related to other postemployment benefits		56,012
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Total Liabilities and Deferred Inflows of Resources 207,123,957

Net Position

Net investment in capital assets		81,231,611
Unrestricted		12,473,770

Total Net Position 93,705,381

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 300,829,338

See accompanying notes to financial statements.

Municipality of Anchorage, Alaska
Solid Waste Services

Statement of Revenues, Expenses, and Changes in Net Position

<i>Year Ended December 31,</i>	<i>2024</i>
Operating Revenues	
Charges for sales and services:	
Landfill services	\$ 6,350,042
Landfill gas sales	2,179,563
Transfer station services	21,645,552
Refuse collection operation-commercial	9,996,850
Refuse collection operation-residential	5,105,848
<hr/>	
Total charges for sales and services	45,277,855
Other operating revenues - collection fees, late fees, surcharges	313,725
<hr/>	
Total Operating Revenues	45,591,580
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Operating Expenses	
Operations:	
Landfill operations	8,972,484
Landfill gas collection system	1,115,655
Transfer station operations	6,518,855
Refuse commercial collections	3,715,513
Refuse residential collections	5,816,712
Other direct expenses - disposal	2,584,738
Other direct expenses - refuse	1,364,613
<hr/>	
Total operations	30,088,570
Landfill closure costs	1,202,800
Depreciation	10,586,770
<hr/>	
Total Operating Expenses	41,878,140
<hr/>	
Operating income	\$ 3,713,440
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Municipality of Anchorage, Alaska
Solid Waste Services

Statement of Revenues, Expenses, and Changes in Net Position, continued

<i>Year Ended December 31,</i>	<i>2024</i>
Nonoperating Revenues (Expenses)	
Investment income	\$ 3,123,718
Investment income on landfill postclosure cash reserve	1,959,303
Gain on disposal of capital assets	186,645
PERS on-behalf	289,390
Return of grant funds	(181,537)
Interest on leases	(20,838)
Interest on long-term obligations	(7,328,366)
Total Nonoperating Revenues (Expenses)	(1,971,685)
Income before capital contributions and transfers	1,741,755
Capital Contributions and Transfers	
Capital contributions	572,508
Transfers to other funds:	
Municipal utility service assessment	(2,987,770)
Dividend	(1,110,510)
Transfers to other funds	(16,000)
Change in Net Position	(1,800,017)
Net Position, beginning	95,505,398
Net Position, ending	\$ 93,705,381

See accompanying notes to financial statements.

Municipality of Anchorage, Alaska
Solid Waste Services

Statement of Cash Flows

<i>Year Ended December 31,</i>	<i>2024</i>
Cash Flows from Operating Activities	
Receipts from customers	\$ 46,162,076
Payments to employees	(12,969,364)
Payments to vendors	(14,336,751)
Internal activity - payments made to other funds	(3,242,865)
Net cash flows from operating activities	15,613,096
Cash Flows for Noncapital Financing Activities	
Transfers to other funds	(4,114,280)
Cash Flows for Capital and Related Financing Activities	
Acquisition and construction of capital assets	(20,359,684)
Principal payments on long-term obligations	(2,033,588)
Principal payments on leases	(35,645)
Principal payments on SBITAs	(942)
Interest payments on long-term obligations	(7,252,545)
Interest payments on leases	(20,865)
Proceeds from issuance of notes payable	6,728,785
Proceeds from disposal of capital assets	186,645
Change in due to other governments	181,537
Capital grant proceeds	387,813
Net cash flows for capital and related financing activities	(22,218,489)
Cash Flows from Investing Activities	
Investment income	5,131,669
Net Decrease in Cash, Cash Equivalents, and Investments	(5,588,004)
Cash, Cash Equivalents, and Investments, beginning	66,826,701
Cash, Cash equivalents, and Investments, ending	\$ 61,238,697
Components of Cash, Cash Equivalents, and Investments	
Cash and cash equivalents	\$ 3,775
Equity in general cash pool	35,127,123
Equity in bond and grant capital acquisition and construction pool	3,917,831
Debt service investments	475
Landfill postclosure cash reserve	22,189,493
Cash, Cash Equivalents, and Investments, ending	\$ 61,238,697

Municipality of Anchorage, Alaska
Solid Waste Services

Statement of Cash Flows, continued

Year Ended December 31,

2024

Reconciliation of Operating Income to Net Cash Flows
from Operating Activities:

Operating income	\$ 3,713,440
Adjustments to reconcile operating income to net cash flows from operating activities:	
Depreciation	10,586,770
PERS relief - noncash expenses	289,390
Change in landfill closure liability	1,202,800
(Increase) Decrease in:	
Accounts receivable, net	570,496
Inventory	3,266
Prepaid items and deposits	1,199
Net other postemployment benefits asset	185,793
Deferred outflows of resources related to pensions	52,498
Deferred outflows of resources related to other postemployment benefits	6,798
Increase (Decrease) in:	
Accounts payable	(1,124,818)
Compensated absences payable	110,048
Accrued payroll liabilities	96,512
Net pension liability	(39,690)
Deferred inflows of resources related to other postemployment benefits	(41,406)

Net Cash Flows from Operating Activities	\$ 15,613,096
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Noncash Capital and Related Financing Activities

Capital purchases on account	\$ 589,542
Capital contributions	\$ 572,508

See accompanying notes to financial statements.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements Year Ended December 31, 2024

1. Description of Business and Summary of Significant Accounting Policies

The financial statements of Solid Waste Services have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Solid Waste Services' significant accounting policies are described below.

Reporting Entity

Solid Waste Services (SWS), enterprise funds of the Municipality of Anchorage (MOA), is comprised of two separate utilities - the Refuse Utility (RCU) which collects solid waste for disposal, and the Disposal Utility which owns a transfer station in Girdwood, the Central Transfer Station (CTS) in mid-town and the Anchorage Regional Landfill (ARL) located near Eagle River. The Disposal Utility (SWSDU) receives solid waste at the two transfer stations and hauls it to the Anchorage Regional Landfill for final disposal. The financial statements present only the financial position of RCU and SWSDU (collectively SWS), and do not purport to, nor present fairly the financial position of the Municipality of Anchorage, Alaska as of December 31, 2024.

The CTS was built in 1977 when the Merrill Field and International Airport Road Landfills were closed. The transfer site was established to provide a centralized location for the citizens of Anchorage to dispose of their solid waste. Originally designed as a shredder plant, CTS was modified in 1982, to the present-day tipping floor with a new scale-house and cash-booth added. A warm storage building for the growing Refuse Collections fleet and the administrative building were added in 1987. The Household Hazardous Waste Disposal program was established at the same time.

The current facility receives approximately 80% of the solid waste generated in Anchorage and is capable of handling upwards of 1,500 tons of refuse per day.

In 2011, SWS and the MOA signed an agreement with Doyon Utilities for the sale and transfer of excess Landfill Gas generated at the landfill site. This contract brings in approximately \$2.5 million annually and the contract will remain active until 2033, when Doyon will have an option to extend to 2043. SWSDU is responsible for the transportation and storage of treated Landfill Gas from the Gas Processing System to the electrical generation plant that is owned by Doyon Utilities on Joint Base Elmendorf Richardson (JBER), which borders the Landfill facility.

Refuse Collection Utility (RCU)

The RCU provides both residential and commercial service to the former City of Anchorage service area. The RCU has converted 99% of its residential customers to automated collections operations. There are approximately 100 customers which still receive manual can and bag pickup.

Commercial refuse collection consists of six routes serviced Monday through Friday and three additional routes serviced on Saturdays. This equates to the servicing of over 5,000 dumpsters on a weekly basis. All commercial refuse collected is unloaded at the CTS. There is also a commercial glass collection route that services numerous businesses throughout the SWS service area.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Residential refuse collection consists of 11 routes serviced Monday through Friday for over 10,000 customers—all residential refuse is collected and unloaded at the CTS. Additionally, curbside recycling, mixed paper and cardboard recycling, as well as residential organics (food scraps and yard waste) are available for residential collection.

Solid Waste Disposal Utility (SWSDU)

The main function of the SWSDU is to dispose of household and commercial refuse generated within the MOA. The solid waste is dropped off by the public at three locations: Girdwood Transfer Station (GTS), CTS, and ARL. The SWSDU has an extensive fleet of specialized equipment for the disposal of refuse that is maintained, operated, and supported by highly skilled and trained staff.

GTS has a paved area where solid waste is discarded into an enclosure containing a 120-cubic yard trailer for transfer to CTS. GTS accepts used oil and batteries from customers and these items are picked up by SWS's household hazardous waste (HHW) contractors for proper disposal, recycling, or for reuse.

Solid waste disposed of at CTS is transferred by SWS tractors pulling 120 cubic yard (approximately 20-tons at a time) open top trailers to ARL. An average of 600 tons per day of solid waste is transferred from CTS to ARL. CTS also has a HHW disposal location and accepts residential used oil, batteries, and appliances that are picked up by contractors for proper disposal, recycling, or for reuse. Customers can drop off small quantities (less than 220 pounds per month) of unregulated hazardous waste which is not allowed to be disposed at ARL. A total of 25 SWS operators performs the various duties and operations associated with CTS.

It is a 275-acre, award-winning, subtitle D landfill that typically processes more than 1,000 tons of refuse daily. Currently, 11 cells are constructed, with a total of 12 cells to be developed at full build out of the facility. Every day solid waste is compacted and then covered with soil using bulldozers or alternative daily cover such as plastic tarps, grinded wood waste and recycled construction and demolition debris. The soil cover material comes from the excavation of future cells located on-site. Each landfill cell is lined and contains a leachate (water) collection system. Leachate is collected and transported in pipelines at the bottom of the landfill to collection lagoons for pre-treatment by aeration to increase the oxygen levels within it. On average, three specially designed leachate tankers transport and dispose of over 30 million gallons per year at the Anchorage Water & Wastewater Utility's Turpin Road dump station. ARL employees are responsible for the daily disposal of all of the MOA's refuse, the excavation and hauling of daily cover material, the installation and maintenance of landfill gas recovery wells and lines, the hauling of leachate, the building and maintaining of roads, snow removal, dust control and equipment repair. Located within a warm storage facility located at ARL, vehicle maintenance employees repair and maintain heavy equipment and SWSDU vehicles. A total of 26 SWS operators and mechanics perform the various duties and operations associated with ARL. The main HHW facility is located at ARL and is operated by a contractor that serves residential and small business customers.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The proprietary fund financial statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred regardless of the timing of the cash flows.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 result from providing services in connection with Solid Waste Services' principal ongoing operations. Operating expenses for Solid Waste Services include direct operational costs, administrative costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash Pool and Investments

The Municipality uses a central treasury to account for all cash and investments. Bond and grant proceeds are shown as equity in the bond and grant capital acquisition and construction pool and are used for capital projects; all other cash is shown as equity in the general cash pool. Equity in the general capital cash pools are treated as a cash equivalent for cash flow purposes. Investments are recorded at fair value. Interest on cash pool investments is allocated to Solid Waste Services each month based on its monthly closing cash pool equity balances.

For purposes of the Statement of Cash Flows, Solid Waste Services has defined cash as the demand deposits and all investments maintained in the general cash pool, regardless of maturity period, since Solid Waste Services uses the cash pool essentially as a demand deposit account.

Inventories

Inventories are valued at cost using the specific identification method and is expensed when used (consumption method). The value of Solid Waste Services' inventory totaled \$42,170 at December 31, 2024.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the Statement of Net Position. The cost of prepaid items are recorded as expenses in the period the expenses are recognized.

Interfund Receivables and Payables

In the event that Solid Waste Services borrows from the Municipal Central Treasury to fund capital projects, the Municipality assesses a monthly fee. The fee is based on the investment earnings rate plus a margin negotiated between the Municipality and Solid Waste Services. When Solid Waste Services sells commercial paper, the cash pool will be reimbursed from the debt proceeds. In the event that other funds borrow from Solid Waste Services, Solid Waste Services will receive the investment earnings. At December 31, 2024, Solid Waste Services had no interfund receivables or payables outstanding to the Municipality related to the monthly assessment fee.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Restricted Assets

It is Solid Waste Services' policy to first use restricted assets to make certain payments when both restricted and unrestricted assets are available for the same purpose. "Debt service investments" represent an investment that was restricted for the purpose of making debt service payments. "Landfill postclosure cash reserve" represents an investment that was restricted for the purpose of making payments related to future closure and postclosure costs of the Anchorage Regional Landfill. Solid Waste Services has restricted assets of \$22,189,968 at December 31, 2024.

Capital Assets

Capital assets are stated at cost. To be considered for capitalization, the cost of an asset must exceed \$5,000 and the service life must exceed more than one year. Land and construction in progress are not depreciated. Solid Waste Services depreciates all other assets using a straight-line method and whole life convention. Additions to plant in service are recorded at original cost of contracted services, direct labor and materials, interest and indirect overhead charges. 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.

Estimated lives of major capital asset categories follow:

Buildings	5-44 years
Right of use assets - buildings	5-44 years
Building improvements	10-20 years
Land improvements	5-40 years
Vehicles	5-7 years
Machinery and equipment	3-20 years
Computer hardware and software	3-10 years
Right of use assets - SBITAs	3-10 years
Office furniture and fixtures	5-20 years

Leases

Solid Waste Services is party to leases of nonfinancial assets as a lessee. Solid Waste Services recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Statement of Net Position.

At the commencement of a lease, Solid Waste Services 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 Solid Waste Services determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. Solid Waste Services uses the interest rate charged by the lessor as the discount rate.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

When the interest rate charged by the lessor is not provided, Solid Waste Services 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 Solid Waste Services is reasonably certain to exercise.

Solid Waste Services 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 capital assets, net, and lease liabilities are reported as lease payables on the Statement of Net Position.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section of deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. At December 31, 2024, Solid Waste Services had deferred outflows of resources from pension and other postemployment benefits (OPEB) related items of \$434,977.

Compensated Absences Payable

Solid Waste Services records compensated absences payable, which includes cashable sick leave, when earned.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable unamortized bond premiums and discounts. Debt issuance costs are expensed in the period in which they are incurred.

Pensions and Other Postemployment Benefits (OPEB)

For the purposes of measuring the net pension and net OPEB liabilities or asset, 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 State of Alaska 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 or employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position presents deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2024, Solid Waste Services had deferred inflows of resources for OPEB related items. These items are amortized as a reduction of expense over varying periods of time based on their nature.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Net Position

Solid Waste Services' net position is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, less the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets. When both restricted and unrestricted resources are available for use, generally it is Solid Waste Services' policy to use restricted resources first, then unrestricted resources when they are needed.

Intergovernmental Charges

Certain functions of the Municipality of a general and administrative nature are centralized and the related cost is allocated to the various funds of the Municipality, including Solid Waste Services. Charges from other departments to Solid Waste Services totaled \$3,242,865 for the year ended December 31, 2024. These amounts do not include Solid Waste Services' payments to the Municipality's risk management programs.

Municipal Utility Service Assessment (MUSA)

The Municipality requires the Utility to pay a municipal utility service assessment for governmental services provided by the Municipality, other than those services received on a contract or interfund basis between the Utility and the Municipality. MUSA is reflected in the transfers on the Statement of Revenues, Expenses, and Changes in Fund Net Position.

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 2024.

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 Municipality's 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. Solid Waste Services does not include any portion of the Municipality's claims payable among its liabilities on the Statement of Net Position.

**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

2. Cash and Investments

At December 31, 2024, the Municipality had the following investments held in the Municipal Central Treasury:

December 31, 2024

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Central treasury					
Money market funds	\$ 81,939,621	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	41,668,788	41,668,788	-	-	-
Commercial Paper	18,790,056	18,790,056	-	-	-
Certificates of Deposit	5,634,946	5,634,946	-	-	-
U.S. treasuries	294,419,802	122,948,847	148,956,860	22,499,589	14,506
U.S. agencies	106,741,627	82,012,207	11,153,664	4,451,637	9,124,119
Municipal bonds	142,650	-	127,269	-	15,381
Foreign governments and agencies	293,851	-	-	170,500	123,351
Asset-backed securities*	39,634,349	-	28,302,359	982,044	10,349,946
Corporate fixed income securities	170,051,786	69,827,206	79,910,502	19,204,809	1,109,269
Total	\$ 759,317,476	\$ 340,882,050	\$ 268,450,654	\$ 47,308,579	\$ 20,736,572

Anchorage Regional Landfill Closure and Postclosure Reserve Liability Fund

Money market funds	\$ 31	\$ -	\$ -	\$ -	\$ -
Fixed income funds	8,891,479	-	-	8,891,479	-
Domestic equities & equity funds	8,178,310	-	-	-	-
International equities & equity funds	5,119,673	-	-	-	-
Total	\$ 22,189,493	\$ -	\$ -	\$ 8,891,479	\$ -

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

The Municipality has total accrued interest in cash and investments for Central Treasury of \$4,545,956 as of December 31, 2024. Solid Waste Services has a total accrued interest in the Anchorage Regional Landfill Closure and Postclosure Reserve Liability Fund of \$32,136 as of December 31, 2024.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Solid Waste Services had the following investment balances held in the Municipal Central Treasury at December 31, 2024:

	2024
Equity in general cash pool	\$ 35,127,123
Equity in bond and grant capital acquisition & construction pool	3,917,831
Restricted cash - debt service investments	475
Restricted cash - Landfill postclosure cash reserve	22,189,493
Total cash, cash equivalents and investments held in central treasury	\$ 61,234,922

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.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

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

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

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

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**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

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 2024:

Investment Type	Concentration Limit	Working Capital Portfolio Holding % at December 31, 2024
U.S. government securities*	Maximum of 100% of investment portfolio	21%
Repurchase agreements	Maximum of 50% of investment portfolio	20%
Certificates of deposit	Maximum of 25% of investment portfolio; Maximum 5% per issuer	3%
Commercial paper	Maximum of 25% of investment portfolio; Maximum 5% per issuer	9%
Bankers acceptances	Maximum 5% per issuer	0%
Corporate fixed income, corporate floating rate and variable rate debt securities**	Maximum of 35% of investment portfolio; Maximum 5% per issuer	31%
Corporate floating rate and variable rate debt securities***	Maximum of 25% of Corporate Securities; Maximum 5% per issuer	<1%
Taxable and tax-exempt municipality debt securities	Maximum of 15% of investment portfolio; Maximum 5% per issuer	0%
Dollar denominated debt of foreign governments and the International Bank for Reconstruction and Development (IBRD)	Maximum of 10% of investment portfolio; Maximum 5% per issuer	0%
Money market mutual funds****	Maximum of 25% of investment portfolio	16%
		100%

* 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%.

***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
Solid Waste Services**

Notes to 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 2024:

Investment Type	Concentration Limit	Internally Managed Holding % at December 31, 2024
U.S. government securities*	50% to 100% of portfolio	84%
Money market mutual funds**	0% to 25% of portfolio	16%
		100%

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

** Includes Money Market Mutual Funds investing in U.S. Government Securities.

Anchorage Regional Landfill Closure and Postclosure Reserve Liability Fund

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

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

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

Investment Type	Lower Limit	Target Allocation	Upper Limit	Investment Holding % at December 31, 2024
Domestic equities	30%	36%	42%	37%
International equities	20%	24%	28%	23%
Domestic fixed income	35%	40%	45%	40%
				100%
				100%

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

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 utilize the duration method to measure exposure to interest rate risk.

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

AMC 6.50.030 requires the Working Capital Portfolio to have a duration of zero to 270 days. At December 31, 2024, the Working Capital Portfolio had a duration of 0.12 years, or approximately 43 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, 2024, the Contingency Reserve Portfolio had a duration of 1.81 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.84 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, 2024, the Strategic Reserve Portfolio had a duration of 3.34 years as compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.55 years.

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 does not have investment policies addressing interest rate risk.

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, 2024, the Municipal Central Treasury’s investment in marketable debt securities, excluding U.S. Treasuries, totaled \$316,864,263. The distribution of ratings on these securities was as follows:

	Moody’s		S&P
Aaa	36%	AAA	7%
Aa	1%	AA	30%
A	15%	A	13%
Baa	27%	BBB	30%
Ba or lower	11%	BB or lower	10%
Not rated	10%	Not rated	10%
	100%		100%

At December 31, 2024, the Anchorage Regional Landfill Closure and Postclosure Reserve Liability Fund had one investment totaling \$8,891,479 in fixed income funds that were rated AA-.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

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% 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, 2024, the Municipal Central Treasury had no investments in any single issuer exceeding 5% of total investments.

The Anchorage Regional Landfill Closure and Postclosure Reserve Liability Fund has no policy regarding concentration of holdings with a single issuer. The Anchorage Regional Landfill Closure and Postclosure Reserve Liability Fund had no investments in any single issuer exceeding 5% of 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, 2024, the Municipality of Anchorage holds deposits in the amount of \$44,761 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.

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, 2024, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

The Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund are 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 Solid Waste Services

Notes to Financial Statements

The Anchorage Regional Landfill Closure and Post-Closure Reserve Liability fund has the following foreign currency risk measurements as of December 31, 2024:

Investment	Currency	Maturity	Fair Value at December 31, 2024
Vanguard Total International Stock Index Fund	Various	-	\$ 5,119,673

Fair Value Measurements

At December 31, 2024, 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 and foreign governments and agencies, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Commingled funds are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.
- Domestic equity funds are valued at the closing price reported on the active market on which the individual funds traded.
- Emerging market debt funds are valued at the closing price reported on the active market on which the individual funds traded.
- Fixed income funds are valued at the closing price reported on the active market on which the individual funds traded.
- Fixed income funds (MOA Trust) are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability.
- International equity funds are valued at the closing price reported on the active market on which the individual funds traded.
- Municipal bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

- Real estate funds are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.
- Repurchase agreements are valued at the daily closing price as reported using the daily price quoted by the financial institution holding the investment for the Municipality.
- U.S. treasuries are valued at the closing price reported on the active market on which the individual securities traded.
- U.S. agencies are valued using pricing models maximizing the use of observable inputs for similar securities.

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

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

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Municipality has the following recurring fair value measurements as of December 31, 2024:

Investment type:	Total	Level 1	Level 2
Central treasury - investments measured at fair value:			
Commercial Paper	\$ 18,790,056	\$ -	\$ 18,790,056
U.S. treasuries	294,419,802	294,419,802	-
U.S. agencies	106,741,627	-	106,741,627
Municipal bonds	142,650	-	142,650
Foreign Governments and Agencies	293,851	-	293,851
Asset-backed securities	39,634,349	-	39,634,349
Corporate fixed income securities	170,051,786	-	170,051,786
	\$ 630,074,121	\$ 294,419,802	\$ 335,654,319
Investments measured at amortized cost:			
Money market funds	81,939,621		
Repurchase Agreements	41,668,788		
Certificates of Deposit	5,634,946		
Total central treasury	\$ 759,317,476		

**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

Investment type:	Total	Level 1	Level 2
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:			
Investments measured at fair value:			
U.S. Fixed Income	\$ 8,891,479	\$ -	\$ 8,891,479
Domestic Equities and Equity Funds	8,178,310	8,178,310	-
International Equities and Equity Funds	5,119,673	5,119,673	
	\$ 22,189,462	\$ 13,297,983	\$ 8,891,479
Investments measured at amortized cost:			
Money market funds	31		
Total Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund	\$ 22,189,493		

3. Accounts Receivable

Solid Waste Services reports accounts receivable on its Statement of Net Position net of allowances for uncollectable accounts and unearned revenue. At December 31, 2024, Solid Waste Services reported gross receivables of \$3,683,419, less an allowance for uncollectable accounts of \$133,567 and unearned revenue of \$192,265, leaving net accounts receivables of \$3,357,587.

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Municipality of Anchorage, Alaska
Solid Waste Services

Notes to Financial Statements

4. Capital Assets

The following is a summary of the changes in capital assets for the year ended December 31, 2024:

	Balance January 1, 2024	Additions	Deletions and Reclassification	Balance December 31, 2024
Capital assets not being depreciated:				
Land	\$ 19,854,585	\$ -	\$ -	\$ 19,854,585
Construction in progress	22,785,830	20,168,513	(10,491,970)	32,462,373
Total capital assets not being depreciated	42,640,415	20,168,513	(10,491,970)	52,316,958
Capital assets being depreciated or amortized:				
Buildings	114,058,565	1,831,705	-	115,890,270
Building improvements	8,429,548	2,307,913	-	10,737,461
Right-of-use assets -				
Buildings and improvements	1,048,557	-	-	1,048,557
SBITAs	-	2,656	-	2,656
Land improvements	95,598,998	968,199	-	96,567,197
Vehicles	23,707,888	2,552,651	(3,450,231)	22,810,308
Machinery and equipment	26,344,586	3,023,558	(1,107,390)	28,260,754
Computer hardware	987,417	7,944	(441,140)	554,221
Computer software	231,724	-	-	231,724
Office furniture and fixtures	213,865	-	(4,785)	209,080
Total capital assets being depreciated and amortized	270,621,148	10,694,626	(5,003,546)	276,312,228
Less accumulated depreciation and amortization for:				
Buildings	14,479,764	3,429,413	-	17,909,177
Building improvements	1,261,230	262,212	-	1,523,442
Right-of-use assets -				
Buildings and improvements	110,374	55,187	-	165,561
SBITAs	-	885	-	885
Land improvements	39,956,370	2,205,724	-	42,162,094
Vehicles	16,016,356	2,416,614	(3,450,231)	14,982,739
Machinery and equipment	18,572,337	2,065,124	(1,094,328)	19,543,133
Computer hardware	855,843	98,331	(440,847)	513,327
Computer software	197,523	31,727	(4,785)	224,465
Office furniture and fixtures	93,393	21,552	-	114,945
Total accumulated depreciation and amortization	91,543,190	10,586,769	(4,990,191)	97,139,768
Capital assets being depreciated or amortized, net	179,077,958	107,857	(13,355)	179,172,460
Total Capital Assets, net	\$ 221,718,373	\$ 20,276,370	\$ (10,505,325)	\$ 231,489,418

**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

5. Leases

As of December 31, 2024, Solid Waste Services had one lease agreement as lessee of a nonfinancial asset, with an outstanding balance of \$947,324. Solid Waste Services is required to make monthly principal and interest payments. The lease agreement did not contain a stated interest rate, therefore, Solid Waste Services has used the Municipality of Anchorage’s incremental borrowing rate of 2.63% as the discount rate for the lease. The nonfinancial asset has a useful life of 20 years. No material direct cost payments were made. The book value of the right-to-use asset as of December 31, 2024 was \$1,048,557 and had accumulated amortization of \$165,561.

The future principal and interest lease payments as of December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	37,691	20,514	58,205
2026	39,855	20,096	59,951
2027	42,144	19,606	61,750
2028	44,564	19,038	63,602
2029	47,122	18,388	65,510
2030-2034	279,441	78,795	358,236
2035-2039	369,423	45,871	415,294
2040-2044	87,084	3,597	90,681
Total	\$ 947,324	\$ 225,905	\$ 1,173,229

6. Noncurrent Liabilities

Revenue Bonds

In October 2022, Solid Waste Services issued 2022 Series A Refunding Revenue Bonds. The proceeds of the 2022 Series A bonds will be used to refinance capital improvements to the solid waste facilities of the Municipality 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 bonds were issued at a discount of \$2,159,790.

As of December 31, 2024, the combined outstanding principal balance for both Solid Waste Utilities was \$108,760,000, with the Refuse Utility reporting \$39,153,600 of the outstanding principal and the Disposal Utility reporting \$69,606,400 of the outstanding principal. The interest fees incurred for the year ended December 31, 2024, for both Solid Waste Utilities were \$5,345,883, with the Refuse Utility reporting \$1,924,518 and the Disposal Utility reporting \$3,421,365.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Long-Term Obligations Issued

Solid Waste Services obtains low interest loans from the State of Alaska Department of Environmental Conservation Clean Water Fund to fund capital improvement projects. These loans were issued on a per project basis until 2019 when the Programmatic Financial (ProFi), an annual loan, began being issued. The loans issued per project enter repayment status one year after initiation of operation of the facilities with loan terms included in the contract. The loans issued annually go into repayment the following year and have repayment terms of up to 20 years. The total amount of Clean Water loans payable at December 31, 2024 was \$5,641,688. In 2020, the Alaska Department of Environmental Conservation's State Revolving Fund Program offered borrowers the opportunity to defer loan repayments for a portion of the year without incurring any additional interest or late fees and Solid Waste Services took advantage of the option, deferring \$2,318,248 in principal and \$396,636 in interest payments. The State of Alaska deferred 2020 (unaudited) payments on select loans, with no change to amortization schedules other than shifting the remaining payment due dates by one year.

Notes Payable from Direct Borrowings

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. On August 1, 2023, Solid Waste Utilities and its commercial bank amended this loan agreement, increasing the amount to be borrowed to \$130 million until July 31, 2023, after which the not to exceed limit shall be \$64,645,000. 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 through July 31, 2023 and the 90-Day SOFR times 0.79 plus 1.264 percent thereafter on the outstanding principal balance. The commitment fee percentage per annum is 0.10 percent on the unutilized amount through July 31, 2023 and 0.15 percent thereafter.

As of December 31, 2024, the combined outstanding principal balance for both Solid Waste Utilities was \$36,318,672, with the Refuse Utility reporting \$9,319,775 of the outstanding principal and the Disposal Utility reporting \$26,998,897 of the outstanding principal. The interest fees incurred for the year ended December 31, 2024, for both Solid Waste Utilities were \$1,760,660, with the Refuse Utility reporting \$489,319 and the Disposal Utility reporting \$1,271,341. The commitment fees incurred for the year ended December 31, 2024, for both Solid Waste Utilities were \$126,895, with the Refuse Utility reporting \$41,770 and the Disposal Utility reporting \$85,125.

The amount of interest expense recognized for the year ended December 31, 2024 was \$7,328,366.

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**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

Changes in noncurrent liabilities for the year ended December 31, 2024 were as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Revenue bonds payable	\$ 109,755,000	-	\$ (995,000)	\$ 108,760,000	\$ 1,045,000
Unamortized discount	(2,082,034)	-	80,902	(2,001,132)	-
Total revenue bonds payable	107,672,966	-	(914,098)	106,758,868	1,045,000
Loans payable	6,680,276	-	(1,038,588)	5,641,688	1,038,590
Notes payable from direct borrowings	29,589,886	6,728,786	-	36,318,672	-
Landfill closure liability	47,021,798	1,202,800	-	48,224,598	-
Compensated absences payable	715,250	110,048	-	825,298	825,298
Leases payable	982,970	-	(35,646)	947,324	37,691
SBITA payable	-	1,713	-	1,713	829
Net pension liability	4,425,631	-	(39,690)	4,385,941	-
Total Noncurrent Liabilities	\$ 197,088,777	\$ 8,043,347	\$ (2,028,022)	\$ 203,104,102	\$ 2,947,408

Debt service requirements to maturity for revenue bonds follow:

<i>Year Ending December 31,</i>	Principal	Interest	Total
2025	\$ 1,045,000	\$ 5,304,425	\$ 6,349,425
2026	1,095,000	5,252,175	6,347,175
2027	1,150,000	5,197,425	6,347,425
2028	1,205,000	5,139,925	6,344,925
2029	1,270,000	5,079,675	6,349,675
2030-2034	7,360,000	24,380,875	31,740,875
2035-2039	9,420,000	22,318,650	31,738,650
2040-2044	12,180,000	19,555,775	31,735,775
2045-2049	15,055,000	16,676,050	31,731,050
2050-2054	18,370,000	13,366,488	31,736,488
2055-2059	23,405,000	8,328,075	31,733,075
2060-2064	17,205,000	1,837,237	19,042,237
	\$ 108,760,000	\$ 132,436,775	\$ 241,196,775

**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

Debt service requirements to maturity for loans and notes payable follow:

<i>Year Ending December 31,</i>	Principal	Interest	Total
2025	\$ 1,038,590	\$ 2,019,197	\$ 3,057,787
2026	1,038,589	2,003,619	3,042,208
2027	760,976	1,988,040	2,749,016
2028	499,651	1,976,625	2,476,276
2029	499,651	1,969,130	2,468,781
2030-2034	38,122,903	2,494,200	40,617,103
	\$ 41,960,360	\$ 12,450,811	\$ 54,411,171

Revenue Bond Coverage Requirements

Solid Waste Services' Schedule of Revenue Bond Coverage follows:

Fiscal Year	Revenue (1)	Operating Expenses (2)	Amount Available for Debt Service	Principal (3)	Interest (3)	Total	Coverage (4)
2024	\$ 48,901,943	\$ 32,933,185	\$ 15,968,758	\$ 995,000	\$ 5,354,175	\$ 6,349,175	2.52

1. Includes operating revenue and nonoperating revenue and excludes PERS relief from the State of Alaska and investment income legislatively restricted.
2. Includes operating and nonoperating expenses, includes Municipal Utility Service Assessment expenses, and excludes transfers, pension and other postemployment benefits expenses, depreciation, and amortization.
3. Includes debt service on Bonds. Excludes amounts funded out of bond proceeds.
4. Required minimum coverage is 1.35.

7. 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, 2024, there are environmental issues that meet both of these criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

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.

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

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.

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 Fund met with ADEC on a several occasions in an attempt to resolve the alleged violations; the Solid Waste Fund and ADEC engaged in an exchange of letters discussing potential compliance measures and settlement of civil penalties.

On May 12, 2022, ADEC and the Municipality agreed to a Final Compliance Order by Consent in this matter. The order contained several mandatory corrective actions to be undertaken by the Solid Waste Fund in response to the violations, including installation of additional gas control capacity, surface emissions monitoring and reporting requirements. In addition, the Municipality has agreed to pay administrative fees, costs, and expenses of ADEC, a penalty of \$200,000, and to perform a Supplemental Environmental Project (SEP). The total costs of the SEP and corrective actions are not determinable at this time, however ADEC is requiring a minimum cost of the SEP to be \$271,000. The liabilities were paid as of December 31, 2022.

Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and postclosure costs each year, the Solid Waste Fund records an operating expense based on landfill capacity. During 2023, the future closure and postclosure care costs were re-evaluated and adjusted to reflect current conditions. On December 31, 2024, the Solid Waste Fund had a recorded liability of \$48,224,598 associated with these future costs, based on the use of 40.125 percent of the landfill’s estimated capacity. Based upon the 2023 study (unaudited), it is estimated the Solid Waste Fund will recognize an additional \$71,962,765 in liability expense between 2025 and 2064, the current estimated date the landfill is expected to reach full capacity. These amounts are based upon what it would cost to perform all the closure and postclosure functions in 2024. Future inflation costs and additional costs that might arise from, changes in requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both. Activity in the long-term liability for landfill closure and postclosure care cost was as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024	Due in One Year
Future Landfill Closure Costs	\$ 47,021,798	\$ 1,202,800	-	\$ 48,224,598	\$ -

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

State laws and federal regulations require the Municipality to provide financial assurances for future closure and postclosure costs by one of several allowable mechanisms available. The Municipality elected to use the “Local Government Test” financial assurance mechanism to comply with the regulation. Pursuant to the Anchorage Municipal Code 26.80.060 a restricted cash and investment account has been established to fund the liability for landfill closure and postclosure purposes. On December 31, 2024, Solid Waste Services reported \$22,189,493 of restricted assets for payment of closure and postclosure care costs.

8. Pension and Other Postemployment Benefits Plans

(a) Defined Benefit (DB) Pension Plan

General Information About the Plan

The Municipality participates in the State of Alaska Public Employees’ Retirement System (PERS) and allocates a portion of the plan to the Solid Waste Services. PERS 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 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 <https://drb.alaska.gov/docs/reports/#pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

The Plan provides for retirement, death and disability, and postemployment healthcare 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. Peace/Fire employees accrue benefits at an accelerated rate. The tiers within the Plan establish differing criteria regarding normal retirement age, early retirement age, and the criteria for calculation of AMS, COLA adjustments, and other postemployment benefits (OPEB). A complete benefit comparison chart is available at the website noted above.

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

Historical Context and Special Funding Situation

In April 2008, the Alaska Legislature passed legislation converting the previously existing PERS plan from a DB agent-multiple-employer plan to a DB 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 these notes. The Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Alaska Statute 39.35.280 requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan's past service liability contribution rate as adopted by the Alaska Retirement Management Board (ARM Board). As such, the Plan is considered to be in a special funding situation as defined by GASB, and management has recorded all pension related liabilities, deferred inflows/outflows of resources, and disclosures on this basis.

The Municipality recorded the related on-behalf contributions as revenue and expense or expenditures as prescribed by GAAP, pursuant to the relevant basis of accounting based on fund type.

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary. Peace officers and firefighters are required to contribute 7.50% of their annual covered salary.

Employer and Other Contribution Rates

There are several contribution rates associated with the pension 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, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. 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. This change results in lower ARM Board Rates than previously adopted.

State Contribution Rate: This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures. In the proprietary funds and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition.

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

Contribution rates are actuarially determined. The Municipality's contribution rates for the 2024 calendar year were as follows:

<i>January 1, 2024 to June 30, 2024</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	18.47%	3.10%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.63%	-%
Total Contribution Rates	25.10%	3.10%

<i>July 1, 2024 to December 31, 2024</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	20.03%	4.76%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.73%	-%
Total Contribution Rates	26.76%	4.76%

Alaska Statue 39.35.255(a) capped the employer rate at 22% with the State of Alaska making a nonemployer contribution for the difference between actuarially required contribution and the cap. For the period from January 1, 2024 to June 30, 2024 as well as the period July 1, 2024 to December 31, 2024, the employer rate was 22.00% for pension and 0.00% for ARHCT. The contribution requirements and the Municipality are established and may be amended by the ARMB. Additionally, there is a Defined Benefit Unfunded Liability (DBUL) amount levied against the DCR Plan payroll. The DBUL amount is computed as the difference between (a) amount calculated for the statutory employer contribution rate of 22.00% on eligible salary less (b) total of the employer contribution for (1) defined contribution employer matching amount, (2) major medical, (3) occupational death and disability, and (4) health reimbursement arrangement. The difference is deposited based on an actuarial allocation into the defined benefit plan's pension and healthcare funds.

In 2024, Solid Waste Services was credited with the following contributions to the pension plan.

	Measurement Period July 1, 2023 to June 30, 2024	Solid Waste Services' Fiscal Year January 1, 2024 to December 31, 2024
Employer contributions (including DBUL)	\$ 487,702	\$ 504,882
Nonemployer contributions (on-behalf)	86,676	115,699
Total Contributions	\$ 574,378	\$ 620,581

In addition, employee contributions to the Plan totaled \$70,272 during Solid Waste Services' fiscal year.

**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

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

At December 31, 2024, Solid Waste Services reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to Solid Waste Services. The amount recognized by Solid Waste Services for its proportional share, the related State proportion, and the total portion of the net pension liability that was associated with Solid Waste Services were as follows:

	2024
Solid Waste Services' proportionate share of NPL	\$ 4,385,941
State's proportionate share of NPL associated with Solid Waste Services	1,639,979
Total Net Pension Liability	\$ 6,025,920

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net pension liability as of that date. Solid Waste Services' 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, 2024 measurement date, the Solid Waste Services' proportion was 0.079970 percent, which was a decrease of 0.005383 from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, Solid Waste Services recognized pension expense of \$702,044 and on-behalf revenue of \$263,615 for support provided by the State. At December 31, 2024, Solid Waste Services reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 42,221	\$ -
Solid Waste Services contributions subsequent to the measurement date	258,034	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 300,255	\$ -

The \$258,034 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Municipality of Anchorage, Alaska
Solid Waste Services**

Notes to Financial Statements

Year Ending December 31,

2025	\$ (117,551)
2026	218,841
2027	(32,304)
2028	(26,765)
Thereafter	-
Total	\$ 42,221

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio 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 2025 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality Peace officer/firefighter	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.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

All others

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.

The total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

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. Best estimates of arithmetic rates of return, excluding the inflation component of 2.39%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.48 %
Global equity (non-U.S.)	17%	+/- 4%	7.14 %
Global equity	-%	-%	5.79 %
Aggregate bonds	21%	+/- 10%	2.10 %
Multi-asset	8%	+/- 4%	- %
Real assets	14%	+/- 7%	4.63 %
Private equity	14%	+/- 7%	8.84 %
Cash equivalents	-%	-%	0.77 %

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

Discount Rate

The discount rate used to measure the total pension 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents Solid Waste Services' proportionate share of the net pension liability calculated using the discount rate of 7.25% in 2024, as well as what Solid Waste Services' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

<i>June 30, 2024</i>	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Solid Waste Services' proportionate share of the net pension liability	0.007997%	\$ 5,842,486	\$ 4,385,941	\$ 3,153,354

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

Employees hired after July 1, 2006 participate in PERS Tier IV, a DC plan. This Plan is administered by the State of Alaska, Department of Administration in conjunction with the DB plan noted above. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature. The Alaska Retirement Management Board may also amend contribution requirements. Included in the Plan are individual pension accounts, a retiree medical insurance plan and a separate Health Reimbursement Arrangement account that will help retired members pay medical premiums and other eligible medical expenses not covered by the medical plan. This Plan is included in the annual comprehensive financial report for PERS, and at the following website, as noted above. <https://drb.alaska.gov/docs/reports/#pers>.

Contributions to the DC plan consist solely of employer and employee contributions with no special funding or other nonemployer contributions. In addition, actual remittances to the PERS system require that the Municipality contribute at 22%. After deducting the DC plan contributions (and related OPEB contributions), the remaining remittance (the DBUL) is deposited into the DB plan as noted earlier.

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the year ended December 31, 2024 to cover a portion of the Municipality's employer match contributions. For the year ended December 31, 2024, Solid Waste Services' forfeitures reduced pension expense by \$5,178.

Employee Contribution Rate

Employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the year ended December 31, 2024, the Municipality was required to contribute 5% of covered salary into the Plan.

The Solid Waste Services and employee contributions to PERS for pensions for the year ended December 31, 2024 were \$101,831 and \$162,929, respectively. The Solid Waste Services contribution amount was recognized as pension expense.

(c) Defined Benefit OPEB Plans

As part of its participation in PERS, Solid Waste Services participates in the following cost-sharing multiple-employer defined benefit OPEB plans: Alaska Retiree Healthcare Trust (ARHCT), Retiree Medical Plan (RMP) and Occupational Death and Disability Plan (ODD).

The ARHCT, a healthcare trust fund, provides major medical coverage to retirees of the DB plan. The ARHCT is self-funded and self-insured. The ARHCT was closed to all new members effective July 1, 2006. Benefits vary by Tier level. The RMP provides major medical coverage to retirees of the PERS DC Plan (Tier IV). The RMP is self-insured. Members are not eligible to use the Plan until they have at least 10 years of service and are Medicare age 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. The OPEB plans are included in the annual comprehensive financial report for PERS, at the following website, <https://drb.alaska.gov/docs/reports/#pers>.

**Municipality of Anchorage, Alaska
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Notes to Financial Statements

Employer Contribution Rate

Employer contribution rates are actuarily determined and adopted by and may be amended by the Board. Employees do not contribute.

Employer contribution rates for the year ended December 31, 2024 were as follows:

<i>January 1, 2024 to June 30, 2024</i>	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.01%	1.01%
Occupational Death and Disability Benefits	0.30%	0.68%
Total Contribution Rates	1.31%	1.69%

<i>July 1, 2024 to December 31, 2024</i>	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	0.83%	0.83%
Occupational Death and Disability Benefits	0.24%	0.69%
Total Contribution Rates	1.07%	1.52%

In 2024, Solid Waste Services was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2023 to June 30, 2024	Solid Waste Services' Fiscal Year January 1, 2024 to December 31, 2024
Employer contributions - ARHCT	\$ -	\$ -
Employer contributions - RMP	19,355	18,686
Employer contributions - ODD	8,752	8,990
Total Contributions	\$ 28,107	\$ 27,676

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

At December 31, 2024, Solid Waste Services reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to Solid Waste Services. The amount recognized by Solid Waste Services for its proportional share, the related State proportion, and the total were as follows:

Municipality of Anchorage, Alaska
Solid Waste Services

Notes to Financial Statements

	2024
Solid Waste Services' proportionate share of NOA - ARHCT	\$ 1,764,674
Solid Waste Services' proportionate share of NOA - RMP	46,774
Solid Waste Services' proportionate share of NOA - ODD	75,673
Total Solid Waste Services' Proportionate Share of NOA	1,887,121
State's proportionate share of the ARHCT NOA associated with Solid Waste Services	655,469
Total Net OPEB Asset	\$ 2,542,590

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. Solid Waste Services' 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.

Solid Waste Services' proportionate share at the June 30, 2024, measurement date changed from the proportionate share as of the June 30, 2023, measurement date, as shown below.

	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
Solid Waste Services' proportionate share of the net OPEB assets:			
ARHCT	0.08517%	0.08013%	-0.00504 %
RMP	0.10137%	0.10034%	-0.00103 %
ODD	0.12704%	0.12676%	-0.00028 %

For the year ended December 31, 2024, Solid Waste Services recognized OPEB expense (benefit) of \$237,336. Of this amount, \$25,776 was recorded as on-behalf revenue and expense for support provided by the ARHCT plan. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

<i>Plan</i>	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ 202,709	\$ 25,776
RMP	10,512	-
ODD	(1,660)	-
Total	\$ 211,561	\$ 25,776

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

At December 31, 2024, the Municipality reported deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 956	\$ 1,177	\$ -	\$ 2,133
Changes in assumptions	47,379	15,828	-	63,207
Net Difference between projected and actual investment earnings	26,873	660	241	27,774
Changes in proportion and differences between Solid Waste Services' contributions and proportionate share of contributions	25,022	938	2,459	28,419
Solid Waste Services' contributions subsequent to the measurement date	-	8,712	4,477	13,189
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 100,230	\$ 27,315	\$ 7,177	\$ 134,722

<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ (5,198)	\$ (17,727)	\$ (22,925)
Changes in assumptions	-	(31,444)	(187)	(31,631)
Changes in proportion and differences between Solid Waste Services' contributions and proportionate share of contributions	-	(49)	(1,407)	(1,456)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ -	\$ (36,691)	\$ (19,321)	\$ (56,012)

Amounts reported as deferred outflows of resources related to OPEB plans resulting from Solid Waste Services' contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB assets in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<i>Year Ending December 31,</i>	ARHCT	RMP	ODD	Total
2025	\$ (25,842)	\$ (6,280)	\$ (5,398)	\$ (37,520)
2026	177,988	387	(2,813)	175,562
2027	(28,528)	(6,686)	(3,318)	(38,532)
2028	(23,388)	(4,672)	(2,541)	(30,601)
2029	-	(2,607)	(1,536)	(4,143)
Thereafter	-	1,770	(1,015)	755
Total Amortization	\$ 100,230	\$ (18,088)	\$ (16,621)	\$ 65,521

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

Actuarial Assumptions

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	For peace officer/firefighter, increases range from 8.50% to 3.85% based on service. For all others, increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2025 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 6.9% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5% Initial trend rates are from FY 2025 Ultimate trend rates reached in FY 2050
Mortality Peace officer/firefighter (ARHCT and RMP Plans)	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 occupation 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.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

- (ODD Plan) 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.
- All others
(ARHCT and RMP Plans) 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% of male and 110% 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% 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.
- (ODD Plan) 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 Solid Waste Services

Notes to Financial Statements

Participation (ARHCT)	100% system paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
Peace officer/firefighter	20% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.
All others	25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 rates of return, excluding the inflation component of 2.39%, for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	26%	+/- 6%	5.48 %
Global equity (non-U.S.)	17%	+/- 4%	7.14 %
Global equity	-%	-%	5.79 %
Aggregate bonds	21%	+/- 10%	2.10 %
Multi-asset	8%	+/- 4%	-
Real assets	14%	+/- 7%	4.63 %
Private equity	14%	+/- 7%	8.84 %
Cash equivalents	-%	-%	0.77 %

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2024 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 fiduciary net position of each plan 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.

Municipality of Anchorage, Alaska Solid Waste Services

Notes to Financial Statements

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents Solid Waste Services' proportionate share of net OPEB asset calculated using the discount rate of 7.25%, as well as what Solid Waste Services' proportionate share of the respective plan's net OPEB asset (liability) 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:

2024	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Solid Waste Services' proportionate share of the net OPEB asset (liability):				
ARHCT	0.08013%	\$ 1,117,365	\$ 1,764,674	\$ 2,309,399
RMP	0.10034%	\$ (8,103)	\$ 46,774	\$ 88,718
ODD	0.12676%	\$ 71,078	\$ 75,673	\$ 79,274

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

The following presents Solid Waste Services' proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2023 actuarial valuation reports as well as what Solid Waste Services' proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

2024	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Solid Waste Services' proportionate share of the net OPEB (liability):				
ARHCT	0.08013%	\$ 2,371,588	\$ 1,764,674	\$ 1,043,702
RMP	0.10034%	\$ 94,253	\$ 46,774	\$ (16,934)
ODD	0.12676%	\$ n/a	\$ 75,673	\$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

PERS DC Pension Plan participants (PERS Tier IV) also participate in the Health Reimbursement Arrangement Plan (HRA Plan). The HRA Plan allows for medical care expense to be reimbursed from individual savings accounts established for eligible persons. The HRA Plan became effective July 1, 2006 at which time contributions by employers began.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

Contribution Rate

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of *all employees of all employers* in the plan”. As of July 1, 2024, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,387 per year for each full-time employee, and \$1.53 per hour for part-time employees.

Annual Postemployment Healthcare Cost

In 2024, Solid Waste Services contributed \$46,995 in Defined Contribution OPEB costs. This amount has been recognized as expense.

9. Subsequent Events

Solid Waste Services has evaluated subsequent events through March 30, 2026, the date these financial statements were available to be issued.

10. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were considered and/or implemented by Solid Waste Services for 2024 reporting:

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement address requirements 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, which are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end December 31, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end December 31, 2024. Solid Waste Services evaluated the impacts of GASB 99 and determined there to be no impact to Solid Waste Services’ financial statements for the current fiscal year.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end 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 year-end 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.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Financial Statements

The GASB has issued new accounting standards with upcoming implementation dates. 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. 102 - Certain Risk Disclosures - Effective for year-end December 31, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 - Financial Reporting Model Improvements - Effective for year-end 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.

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.

GASB Statement No. 105 - Subsequent Events - Effective for year-end December 31, 2027. Earlier application is encouraged. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

Required Supplementary Information

Municipality of Anchorage, Alaska

Solid Waste Services

Public Employees' Retirement System - Pension Plan

Schedule of Solid Waste Services' Proportionate Share of the Net Pension Liability

Years Ended December 31,	2024	2023	2022	2021
Solid Waste Services' Proportion of the Net Pension Liability	0.07997%	0.85350%	0.08103%	0.08217%
Solid Waste Services' Proportionate Share of the Net Pension Liability	\$ 4,385,941	\$ 4,425,631	\$ 4,130,162	\$ 3,014,322
State of Alaska Proportionate Share of the Net Pension Liability	1,639,979	1,475,362	1,143,083	408,348
Total Net Pension Liability	\$ 6,025,920	\$ 5,900,993	\$ 5,273,245	\$ 3,422,670
Solid Waste Services' Covered Payroll	\$ 3,003,960	\$ 2,848,839	\$ 2,522,570	\$ 2,229,340
Solid Waste Services' Proportionate Share of the Net Pension Liability as a Percentage of Payroll	146.01%	155.35%	163.73%	135.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.81%	68.23%	67.97%	76.46%

Schedule of Solid Waste Services' Contributions

Years Ended December 31,	2024	2023	2022	2021
Contractually Required Contributions	\$ 504,882	\$ 469,188	\$ 384,518	\$ 312,002
Contributions Relative to the Contractually Required Contribution	504,882	469,188	384,518	312,002
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Solid Waste Services' Covered Payroll	\$ 3,117,802	\$ 2,875,588	\$ 2,511,195	\$ 2,241,195
Contributions as a Percentage of Covered Payroll	16.19%	16.32%	15.31%	13.92%

Note: Separately issued financial statements for Solid Waste Services were issued beginning with the fiscal year ended December 31, 2021. Therefore, prior periods are not presented.

See accompanying notes to Required Supplementary Information.

Municipality of Anchorage, Alaska

Solid Waste Services

Public Employees' Retirement System - OPEB ARHCT Plan

Schedule of Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset)

	ARHCT			
	2024	2023	2022	2021
<i>Years Ended December 31,</i>				
Solid Waste Services' Proportion of the Net OPEB Liability (Asset)	0.07893%	0.08517%	0.08048%	0.08251%
Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset)	\$ (1,764,674)	\$ (1,959,602)	\$ (1,583,466)	\$ (2,116,664)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	(655,469)	(659,550)	(452,677)	(277,228)
Total Net OPEB Liability (Asset)	\$ (2,420,143)	\$ (2,619,152)	\$ (2,036,143)	\$ (2,393,892)
Solid Waste Services' Covered Payroll	\$ 3,003,960	\$ 2,848,839	\$ 2,522,570	\$ 2,229,340
Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-58.74%	-68.79%	-62.77%	-94.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	130.59%	133.96%	128.51%	135.54%

Schedule of Solid Waste Services' Contributions

	ARHCT			
	2024	2023	2022	2021
<i>Years Ended December 31,</i>				
Contractually Required Contributions	\$ -	\$ 34,929	\$ 30,240	\$ 62,424
Contributions Relative to the Contractually Required Contribution	-	34,929	30,240	62,424
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Solid Waste Services' Covered Payroll	\$ 3,117,802	\$ 2,875,588	\$ 2,511,195	\$ 2,241,195
Contributions as a Percentage of Covered Payroll	0.00%	1.21%	1.20%	2.79%

Separately issued financial statements for Solid Waste Services were issued beginning with the fiscal year ended December 31, 2021. Therefore, prior periods are not presented.

See accompanying notes to Required Supplementary Information.

Municipality of Anchorage, Alaska

Solid Waste Services

Public Employees' Retirement System - OPEB RMP Plan

Schedule of Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset)

Years Ended December 31,	2024	2023	2022	2021
	RMP			
Solid Waste Services' Proportion of the Net OPEB Liability (Asset)	0.09884%	0.10137%	0.09328%	0.08401%
Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset)	\$ (46,774)	\$ (48,133)	\$ (32,395)	\$ (22,550)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (46,774)	\$ (48,133)	\$ (32,395)	\$ (22,550)
Solid Waste Services' Covered Payroll	\$ 3,003,960	\$ 2,848,839	\$ 2,522,570	\$ 2,229,340
Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-1.56%	-1.69%	-1.28%	-1.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	119.87%	124.29%	120.08%	115.10%

Schedule of Solid Waste Services' Contributions

Years Ended December 31,	2024	2023	2022	2021
	RMP			
Contractually Required Contributions	\$ 18,686	\$ 18,874	\$ 16,214	\$ 14,791
Contributions Relative to the Contractually Required Contribution	18,686	18,874	16,214	14,791
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Solid Waste Services' Covered Payroll	\$ 3,117,802	\$ 2,875,588	\$ 2,511,195	\$ 2,241,195
Contributions as a Percentage of Covered Payroll	0.60%	0.66%	0.65%	0.66%

Separately issued financial statements for Solid Waste Services were issued beginning with the fiscal year ended December 31, 2021. Therefore, prior periods are not presented.

See accompanying notes to Required Supplementary Information.

Municipality of Anchorage, Alaska

Solid Waste Services

Public Employees' Retirement System - OPEB ODD Plan

Schedule of Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset)

	ODD			
	2024	2023	2022	2021
Years Ended December 31,				
Solid Waste Services' Proportion of the Net OPEB Liability (Asset)	0.12485%	0.12704%	0.11481%	0.10416%
Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset)	\$ (75,673)	\$ (65,179)	\$ (50,331)	\$ (45,905)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	-	-	-	-
Total Net OPEB Liability (Asset)	\$ (75,673)	\$ (65,179)	\$ (50,331)	\$ (45,905)
Solid Waste Services' Covered Payroll	\$ 3,003,960	\$ 2,848,839	\$ 2,522,570	\$ 2,229,340
Solid Waste Services' Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.52%	-2.29%	-2.00%	-2.06%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	346.81%	349.24%	348.80%	374.22%

Schedule of Solid Waste Services' Contributions

	ODD			
	2024	2023	2022	2021
Years Ended December 31,				
Contractually Required Contributions	\$ 8,990	\$ 8,147	\$ 6,740	\$ 5,743
Contributions Relative to the Contractually Required Contribution	8,990	8,147	6,740	5,743
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Solid Waste Services' Covered Payroll	\$ 3,117,802	\$ 2,875,588	\$ 2,511,195	\$ 2,241,195
Contributions as a Percentage of Covered Payroll	0.29%	0.28%	0.27%	0.26%

Separately issued financial statements for Solid Waste Services were issued beginning with the fiscal year ended December 31, 2021. Therefore, prior periods are not presented.

See accompanying notes to Required Supplementary Information.

**Municipality of Anchorage, Alaska
Don Young Port of Alaska Fund**

**Notes to Required Supplementary Information
December 31, 2024**

1. Public Employees' Retirement System Pension Plan

Schedule of Solid Waste Services' Proportionate Share of the Net Pension Liability

This table is presented based on the Plan measurement date. For December 31, 2024, the Plan measurement date is June 30, 2024.

Changes in Assumptions:

The total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect expected future experience.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

Amounts reported reflect a change in assumptions between 2016 and 2017 in the method of allocating the net pension liability from actual contributions to present value of projected future contributions.

Schedule of Solid Waste Services' Contributions

This table is based on Solid Waste Services' contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Port will present only those years for which information is available.

Municipality of Anchorage, Alaska

Solid Waste Services

Notes to Required Supplementary Information, continued

2. Public Employees' Retirement System OPEB Plans

Schedule of Solid Waste Services' Proportionate Share of the Net OPEB Asset and Liability

These tables are presented based on the Plan measurement date. For December 31, 2024, the Plan measurement date is June 30, 2024.

Changes in Assumptions:

The total OPEB liability for each plan was determined by actuarial valuations as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021, resulting in changes in actuarial assumptions effective for the June 30, 2022 actuarial valuation, which were adopted by the Board to better reflect the expected future experience. For the ARHCT and RMP plans, the per capita claims costs were updated to reflect recent experience for the June 30, 2023 actuarial valuation.

In 2022, the discount rate was lowered from 7.38% to 7.25%.

In 2019, an Employer Group Waiver Plan (EGWP) was implemented effective January 1, 2019. This arrangement replaced the Retiree Drug Subsidy (RDS) under Medicare Part D and resulted in larger projected subsidies to offset the cost of prescription drug coverage.

GASB requires ten years of information be presented. However, until a full 10 years of information is available, Solid Waste Services will present only those years for which information is available.

Schedules of Solid Waste Services' Contributions

These tables are based on Solid Waste Services' contributions for each fiscal year presented. These contributions have been reported as a deferred outflow of resources on the Statement of Net Position.

GASB requires ten years of information be presented. However, until a full ten years of information is available, the Port will present only those years for which information is available.

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Supplementary Information

Municipality of Anchorage, Alaska
Solid Waste Services

Statements of Net Position

<i>December 31,</i>	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and cash equivalents	\$ 3,775	\$ 3,475
Equity in general cash pool	35,127,123	39,633,104
Equity in bond and grant capital acquisition & construction pool	3,917,831	7,454,042
Accounts receivable, net	3,357,587	3,928,083
Accrued interest receivable	346,317	394,966
Inventory	42,170	45,436
Prepaid items and deposits	31,938	33,137
Total Current Assets	42,826,741	51,492,243
Noncurrent Assets		
Unrestricted assets:		
Intergovernmental receivables	2,001,113	-
Capital assets, net	199,027,045	198,932,543
Construction work in process	32,462,373	22,785,830
Net other postemployment benefits	1,887,121	2,072,914
Total unrestricted noncurrent assets	235,377,652	223,791,287
Restricted assets:		
Debt service investments	475	5
Intergovernmental receivables	-	1,997,955
Landfill postclosure cash reserve	22,189,493	19,736,075
Total restricted noncurrent assets	22,189,968	21,734,035
Total Noncurrent Assets	257,567,620	245,525,322
Total Assets	300,394,361	297,017,565
Deferred Outflows of Resources		
Related to pensions	300,255	352,753
Related to other postemployment benefits	134,722	141,520
Total Deferred Outflows of Resources	434,977	494,273
Total Assets and Deferred Outflows of Resources	\$ 300,829,338	\$ 297,511,838

Municipality of Anchorage, Alaska
Solid Waste Services

Statements of Net Position, continued

<i>December 31,</i>	2024	2023
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accrued payroll liabilities	\$ 655,900	\$ 559,388
Accounts payable	1,422,408	2,547,226
Compensated absences payable	825,298	715,250
Accrued interest payable	1,114,456	1,119,563
Leases payable, current portion	37,691	35,645
SBITA payable, current portion	829	-
Capital acquisition and construction accounts and retainages payable	589,542	594,068
Due to other governments	181,537	-
Alaska Clean Water loans payable, current portion	1,038,590	1,038,590
Bonds payable, due within one year	1,045,000	995,000
Total Current Liabilities	6,911,251	7,604,730
Noncurrent Liabilities		
Net pension liability	4,385,941	4,425,631
Leases payable, net of current portion	909,633	947,325
SBITA payable, net of current portion	884	-
Bonds payable	105,713,868	106,677,966
Alaska Clean Water loans payable, net of current portion	4,603,098	5,641,686
Notes payable	36,318,672	29,589,886
Landfill closure liability	48,224,598	47,021,798
Total Noncurrent Liabilities	200,156,694	194,304,292
Total Liabilities	207,067,945	201,909,022
Deferred Inflows of Resources		
Related to net other postemployment benefits	56,012	97,418
Total Liabilities and Deferred Inflows of Resources	207,123,957	202,006,440
Net Position		
Net investment in capital assets	81,231,611	76,198,207
Restricted for capital construction	-	1,997,955
Unrestricted	12,473,770	17,309,236
Total Net Position	93,705,381	95,505,398
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 300,829,338	\$ 297,511,838

Municipality of Anchorage, Alaska
Solid Waste Services

Statements of Revenues, Expenses, and Changes in Net Position

<i>Years Ended December 31,</i>	2024	2023
Operating Revenues		
Charges for sales and services:		
Landfill services	\$ 6,350,042	\$ 6,877,588
Landfill gas sales	2,179,563	2,215,297
Transfer station services	21,645,552	19,382,850
Refuse collection operation-commercial	9,996,850	9,179,675
Refuse collection operation-residential	5,105,848	4,752,846
Total charges for sales and services	45,277,855	42,408,256
Other operating revenues - collection fees, late fees, surcharges	313,725	520,959
Total Operating Revenues	45,591,580	42,929,215
Operating Expenses		
Operations:		
Landfill operations	8,972,484	9,260,670
Landfill gas collection system	1,115,655	855,683
Transfer station operations	6,518,855	5,894,768
Refuse commercial collections	3,715,513	5,286,050
Refuse residential collections	5,816,712	3,601,021
Other direct expenses - disposal	2,584,738	2,366,272
Other direct expenses - refuse	1,364,613	1,399,877
Total operations	30,088,570	28,664,341
Landfill closure costs	1,202,800	4,400,287
Depreciation	10,586,770	8,024,126
Total Operating Expenses	41,878,140	41,088,754
Operating income	\$ 3,713,440	\$ 1,840,461

Municipality of Anchorage, Alaska
Solid Waste Services

Statements of Revenues, Expenses, and Changes in Net Position, continued

<i>Years Ended December 31,</i>	2024	2023
Nonoperating Revenues (Expenses)		
Investment income	\$ 3,123,718	\$ 3,079,343
Investment income on landfill postclosure cash reserve	1,959,303	2,377,833
Gain on disposal of capital assets	186,645	-
PERS on-behalf	289,390	49,983
Return of grant funds	(181,537)	-
Interest on leases	(20,838)	(17,659)
Interest on long-term obligations	(7,328,366)	(7,152,447)
Total Nonoperating Revenues (Expenses)	(1,971,685)	(1,662,947)
Income before capital contributions and transfers	1,741,755	177,514
Capital Contributions and Transfers		
Capital contributions	572,508	1,997,955
Transfers to other funds:		
Municipal utility service assessment	(2,987,770)	(1,252,767)
Dividend	(1,110,510)	(1,050,000)
Transfers to other funds	(16,000)	-
Change in Net Position	(1,800,017)	(127,298)
Net Position, beginning	95,505,398	95,632,696
Net Position, ending	\$ 93,705,381	\$ 95,505,398

Municipality of Anchorage, Alaska
Solid Waste Services

Statements of Cash Flows

<i>Years Ended December 31,</i>	2024	2023
Cash Flows from Operating Activities		
Receipts from customers	\$ 46,162,076	\$ 42,263,692
Payments to employees	(12,969,364)	(12,786,663)
Payments to vendors	(14,336,751)	(13,250,767)
Internal activity - payments made to other funds	(3,242,865)	(3,108,931)
Net cash flows from operating activities	15,613,096	13,117,331
Cash Flows for Noncapital Financing Activities		
Transfers to other funds	(4,114,280)	(2,302,767)
Change in due to other funds	-	-
Net cash flows for noncapital financing activities	(4,114,280)	(2,302,767)
Cash Flows for Capital and Related Financing Activities		
Acquisition and construction of capital assets	(20,359,684)	(27,814,339)
Principal payments on long-term obligations	(2,033,588)	(1,038,558)
Principal payments on leases	(35,645)	(18,388)
Principal payments on SBITAs	(942)	-
Interest payments on long-term obligations	(7,252,545)	(6,133,323)
Interest payments on leases	(20,865)	(18,079)
Proceeds from issuance of notes payable	6,728,785	19,886,322
Proceeds from disposal of capital assets	186,645	-
Change in due to other governments	181,537	-
Capital grant proceeds	387,813	7,024
Net cash flows for capital and related financing activities	(22,218,489)	(15,129,341)
Cash Flows from Investing Activities		
Investment income	5,131,669	5,440,053
Net Increase (Decrease) in Cash, Cash Equivalents, and Investments	(5,588,004)	1,125,276
Cash, Cash Equivalents, and Investments, beginning	66,826,701	65,701,425
Cash, Cash equivalents, and Investments, ending	\$ 61,238,697	\$ 66,826,701
Components of Cash, Cash Equivalents, and Investments		
Cash and cash equivalents	\$ 3,775	\$ 3,475
Equity in general cash pool	35,127,123	39,633,104
Equity in bond and grant capital acquisition and construction pool	3,917,831	7,454,042
Debt service investments	475	5
Landfill postclosure cash reserve	22,189,493	19,736,075
Cash, Cash Equivalents, and Investments, ending	\$ 61,238,697	\$ 66,826,701

Municipality of Anchorage, Alaska
Solid Waste Services

Statements of Cash Flows, continued

<i>Years Ended December 31,</i>	2024	2023
Reconciliation of Operating Income to Net Cash Flows		
from Operating Activities:		
Operating income	\$ 3,713,440	\$ 1,840,461
Adjustments to reconcile operating income to net cash flows		
from operating activities:		
Depreciation	10,586,770	8,024,126
PERS relief - noncash expenses	289,390	49,983
Change in landfill closure liability	1,202,800	4,400,287
(Increase) Decrease in:		
Accounts receivable, net	570,496	(665,523)
Inventory	3,266	2,258
Prepaid items and deposits	1,199	(20,174)
Net other postemployment benefits asset	185,793	(406,722)
Deferred outflows of resources related to pensions	52,498	(26,267)
Deferred outflows of resources related to other postemployment benefits	6,798	15,680
Increase (Decrease) in:		
Accounts payable	(1,124,818)	(412,977)
Compensated absences payable	110,048	(79,161)
Accrued payroll liabilities	96,512	145,706
Net pension liability	(39,690)	295,469
Deferred inflows of resources related to other postemployment benefits	(41,406)	(45,815)
Net Cash Flows from Operating Activities	\$ 15,613,096	\$ 13,117,331
Noncash Capital and Related Financing Activities		
Capital purchases on account	\$ 589,542	\$ 594,068
Capital contributions	\$ 572,508	\$ 1,997,955

Municipality of Anchorage, Alaska
Solid Waste Services

Combining Statements of Revenues, Expenses, and Changes in Net Position

<i>Year Ended December 31, 2024</i>	Refuse	Disposal	Total
Operating Revenues			
Charges for sales and services:			
Landfill services	\$ -	\$ 6,350,042	\$ 6,350,042
Landfill gas sales	-	2,179,563	2,179,563
Transfer station services	-	21,645,552	21,645,552
Refuse collection operation-commercial	9,996,850	-	9,996,850
Refuse collection operation-residential	5,105,848	-	5,105,848
Total charges for sales and services	15,102,698	30,175,157	45,277,855
Other operating revenues - collection fees, late fees, and surcharges	87,264	226,461	313,725
Total Operating Revenues	15,189,962	30,401,618	45,591,580
Operating Expenses			
Operations:			
Landfill operations	-	8,972,484	8,972,484
Landfill gas collection system	-	1,115,655	1,115,655
Transfer station operations	-	6,518,855	6,518,855
Refuse commercial collections	3,715,513	-	3,715,513
Refuse residential collections	5,816,712	-	5,816,712
Other direct expenses - disposal	-	2,584,738	2,584,738
Other direct expenses - refuse	1,364,613	-	1,364,613
Total operations	10,896,838	19,191,732	30,088,570
Amortization of landfill closure costs	-	1,202,800	1,202,800
Depreciation	3,032,325	7,554,445	10,586,770
Total Operating Expenses	13,929,163	27,948,977	41,878,140
Operating income	\$ 1,260,799	\$ 2,452,641	\$ 3,713,440

Municipality of Anchorage, Alaska
Solid Waste Services

Combining Statements of Revenues, Expenses, and Changes in Net Position, continued

<i>Year Ended December 31, 2024</i>	Refuse	Disposal	Total
Nonoperating Revenues (Expenses)			
Investment income	\$ 789,019	\$ 2,334,699	\$ 3,123,718
Investment income on landfill postclosure cash reserve	-	1,959,303	1,959,303
(Loss) Gain on disposal of capital assets	(13,355)	200,000	186,645
PERS on-behalf	244,917	44,473	289,390
Return of grant funds	-	(181,537)	(181,537)
Interest on leases	-	(20,838)	(20,838)
Interest on long-term obligations	(2,455,607)	(4,872,759)	(7,328,366)
Total Nonoperating Revenues (Expenses)	(1,435,026)	(536,659)	(1,971,685)
Income (Loss) before capital contributions and transfers	(174,227)	1,915,982	1,741,755
Capital Contributions and Transfers			
Capital contributions	572,508	-	572,508
Transfers to other funds:			
Municipal utility service assessment	(817,404)	(2,170,366)	(2,987,770)
Dividend	(360,510)	(750,000)	(1,110,510)
Transfers to other funds	(5,530)	(10,470)	(16,000)
Change in Net Position	(785,163)	(1,014,854)	(1,800,017)
Net Position, beginning	15,653,381	79,852,017	95,505,398
Net Position, ending	\$ 14,868,218	\$ 78,837,163	\$ 93,705,381

Municipality of Anchorage, Alaska
Solid Waste Services - Refuse Utility

Combining Statements of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2024 with Comparative Totals for 2023

	Refuse Commercial Collection	Refuse Residential Collection	Other Direct Services	Total 2024	Total 2023
Operating Revenues					
Charges for services:					
Refuse collection charges	\$ 9,360,234	\$ 5,105,848	\$ -	\$ 14,466,082	\$ 13,332,130
Container rental charges	636,616	-	-	636,616	600,391
Total charges for services	9,996,850	5,105,848	-	15,102,698	13,932,521
Other operating revenues - collection fees, late fees, surcharges	31,599	54,751	914	87,264	277,217
Total Operating Revenues	10,028,449	5,160,599	914	15,189,962	14,209,738
Operating Expenses					
Operations:					
Personnel services	1,792,337	2,068,132	924,532	4,785,001	4,336,045
Supplies	231,414	348,742	9,178	589,334	581,638
Other contracted services and expenses	1,249,647	2,750,482	169,559	4,169,688	4,070,747
Charges from other departments	442,115	649,356	261,344	1,352,815	1,298,518
Total operations	3,715,513	5,816,712	1,364,613	10,896,838	10,286,948
Depreciation	-	-	3,032,325	3,032,325	2,045,441
Total Operating Expenses	3,715,513	5,816,712	4,396,938	13,929,163	12,332,389
Operating income (loss)	6,312,936	(656,113)	(4,396,024)	1,260,799	1,877,349
Nonoperating Revenues (Expenses)					
Investment income	-	-	789,019	789,019	943,186
Loss on disposal of capital assets	-	-	(13,355)	(13,355)	-
PERS on-behalf revenue	91,740	105,855	47,322	244,917	43,785
Interest on long-term obligations	-	-	(2,455,607)	(2,455,607)	(2,504,151)
Total Nonoperating Revenues (Expenses)	91,740	105,855	(1,632,621)	(1,435,026)	(1,517,180)
Income (loss) before capital contributions and transfer:	6,404,676	(550,258)	(6,028,645)	(174,227)	360,169
Capital Contributions and Transfers					
Intergovernmental revenue	-	-	572,508	572,508	-
Transfers to other funds:					
Municipal utility service assessment	-	-	(817,404)	(817,404)	(198,426)
Dividend	-	-	(360,510)	(360,510)	(300,000)
Transfers to other funds	-	-	(5,530)	(5,530)	-
Change in Net Position	\$ 6,404,676	\$ (550,258)	\$ (6,639,581)	\$ (785,163)	\$ (138,257)

Municipality of Anchorage, Alaska
Solid Waste Services - Disposal Utility

Combining Statements of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2024 with Comparative Totals for 2023

	Landfill Services	Landfill Gas Services	Transfer Station Services	Other Direct Services	Total 2024	Total 2023
Operating Revenues						
Charges for services:						
Landfill fees	\$ 5,745,454	\$ -	\$ 20,627,175	\$ -	\$ 26,372,629	\$ 24,911,047
Hazardous waste	440,576	-	379,406	-	819,982	984,838
Community recycling surcharge	164,012	-	638,971	-	802,983	364,553
Landfill gas sales	-	2,179,563	-	-	2,179,563	2,215,297
Total charges for services	6,350,042	2,179,563	21,645,552	-	30,175,157	28,475,735
Other operating revenues -						
collection fees, late fees, surcharges	20,330	-	204,404	1,727	226,461	243,742
Total Operating Revenues	6,370,372	2,179,563	21,849,956	1,727	30,401,618	28,719,477
Operating Expenses						
Operations:						
Personnel services	3,158,629	403,666	3,530,574	1,751,437	8,844,306	8,399,491
Supplies	907,526	21,229	458,250	17,379	1,404,384	1,912,098
Other contracted services and expenses	4,281,619	611,778	1,838,532	321,063	7,052,992	6,255,392
Charges from other departments	624,710	78,982	691,499	494,859	1,890,050	1,810,412
Total operations	8,972,484	1,115,655	6,518,855	2,584,738	19,191,732	18,377,393
Amortization of landfill closure costs	-	-	-	1,202,800	1,202,800	4,400,287
Depreciation	-	-	-	7,554,445	7,554,445	5,978,685
Total Operating Expenses	8,972,484	1,115,655	6,518,855	11,341,983	27,948,977	28,756,365
Operating income (loss)	(2,602,112)	1,063,908	15,331,101	(11,340,256)	2,452,641	(36,888)
Nonoperating Revenues (Expenses)						
Investment income	-	-	-	2,334,699	2,334,699	2,136,157
Investment income on landfill postclosure cash reserve	-	-	-	1,959,303	1,959,303	2,377,833
Gain on disposal of capital assets	-	-	-	200,000	200,000	-
PERS on-behalf revenue	15,883	2,030	17,753	8,807	44,473	6,198
Return of grant funds	-	-	-	(181,537)	(181,537)	-
Interest on leases	-	-	-	(20,838)	(20,838)	(17,659)
Interest on long-term obligations	-	-	-	(4,872,759)	(4,872,759)	(4,648,296)
Total Nonoperating Revenues (Expenses)	15,883	2,030	17,753	(572,325)	(536,659)	(145,767)
Income (loss) before capital contributions and transfers	(2,586,229)	1,065,938	15,348,854	(11,912,581)	1,915,982	(182,655)
Capital Contributions and Transfers						
Capital contributions	-	-	-	-	-	1,997,955
Transfers to other funds:						
Municipal utility service assessment	-	-	-	(2,170,366)	(2,170,366)	(1,054,341)
Dividend	-	-	-	(750,000)	(750,000)	(750,000)
Transfers to other funds	-	-	-	(10,470)	(10,470)	-
Change in Net Position	\$ (2,586,229)	\$ 1,065,938	\$ 15,348,854	\$ (14,843,417)	\$ (1,014,854)	\$ 10,959

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Statistical Section (Unaudited)

Municipality of Anchorage, Alaska
Solid Waste Services

Comparative Detail Schedule of Actual Revenues by Source (Unaudited)

<i>Years Ended December 31,</i>	2024	2023
Charges for sales and services:		
Landfill Fees	\$ 5,745,454	\$ 6,126,626
Transfer Station Fees	20,627,175	18,784,421
Hazardous Waste Fees	819,982	984,838
Community Recycling Surcharge	802,983	364,553
Landfill Gas Sales	2,179,563	2,215,297
Refuse Collection Charges	14,466,082	13,332,130
Container Rental Charges	636,616	600,391
Refuse and Disposal Other Revenue	313,725	520,959
Total charges for sales and services	45,591,580	42,929,215
Capital contributions	572,508	1,997,955
Total	\$ 46,164,088	\$ 44,927,170

Municipality of Anchorage, Alaska
Solid Waste Services
Current Collection Rates (Unaudited)

Type of Service	Collection Rates
Flat Rate Pickup	\$ 18.00
Central Transfer Station (CTS)	93.67
Alaska Regional Landfill (ARL)	80.29
32 Gal Roll Cart	17.93
64 Gal Roll Cart	35.70
96 Gal Roll Cart	49.48
3 CU YD Dumpster	169.60
4 CU YD Dumpster	203.52

Issued by Assembly Ordinances 2022-092(S-1) and 2022-91(S-1) on 10/25/2022, effective 1/1/2023

Municipality of Anchorage, Alaska
Solid Waste Services

Four-Year Annual Tonnage Report by Customer/Type (Unaudited)

<i>Years ended December 31,</i>	2024	2023	2022	2021
City Refuse	35,240	34,389	34,478	28,856
Alaska Waste Anchorage	126,692	123,876	124,969	105,311
Alaska Waste Eagle River	-	71	9	6
Alaska Waste Valley/Whittier	789	-	-	-
Girdwood Transfer Station	552	593	532	505
FRF/FRMV/FRMC	488	493	604	644
JBER AFB	5,235	5,590	5,186	4,527
Permit	82,714	86,591	87,087	62,150
Weighted Cash	20,981	18,384	16,931	14,631
Automobiles	3,024	3,625	3,881	3,908
Pickup Trucks	23,146	20,490	21,340	18,955
MOA No Charge	3,065	3,883	6,520	25,253
Total Tons	301,926	297,985	301,537	264,746

Municipality of Anchorage, Alaska
Solid Waste Services
Financial Ratios (Unaudited)

<i>Description</i>	2024	2023	2022
Current ratio (current assets / current liabilities)	6.20	6.64	5.62
Quick ratio (quick assets / current liabilities)	6.19	6.64	5.61
Return on investment (change in net position / total assets)	-1%	0%	1%
Return on equity (change in net position / net position)	-2%	0%	2%
Capital structure	102%	100%	98%
Operating margin	8%	4%	11%

Notes to financial ratios:

Quick or Acid-test ratio computed by removing inventory and restricted current assets from current assets

Municipality of Anchorage, Alaska
Solid Waste Services
Historical Revenues for Top Ten Customers (Unaudited)

<i>Customer Name</i>	2024 Ranking	2024	2023 Ranking	2023
Waste Connections Inc.	1	\$ 12,038,025	1	\$ 11,194,098
Northern Waste, LLC	2	\$ 3,449,082	2	\$ 3,182,002
SWS Refuse Collection Trucks	3	\$ 3,369,147	3	\$ 3,127,711
SWS Flat Rate Disposal Customers	4	\$ 2,840,154	4	\$ 2,571,622
SWS Weighed Customers	5	\$ 2,280,827	5	\$ 1,943,513
Central Recycling Service Inc.	6	\$ 706,337	6	\$ 559,178
AK Alaska BTDT LLC	7	\$ 272,451	10	\$ 258,890
Red Box Refuse LLC	8	\$ 239,055	8	\$ 308,494
Penland Mobile Home Park	9	\$ 189,584	*	
1-800-Got-Junk	10	\$ 170,334	*	
Ramsey & Sons Trucking	*		7	\$ 324,396
F&W Construction	*		9	\$ 261,623

*Not included in Top Ten Customers for the respective year

Municipality of Anchorage, Alaska
Solid Waste Services

**Schedule of Revenues, Expenses, and Changes in Net Position -
Budget to Actual (Unaudited)**

<i>Year Ended December 31, 2024</i>	Budget	Actual	Variance
Operating Revenues			
Charges for sales and services:			
Landfill Fees	26,000,010	\$ 26,372,629	\$ 372,619
Landfill Gas Sales	2,500,000	2,179,563	(320,437)
Hazardous Waste	641,050	819,982	178,932
Community Recycling Surcharge	550,113	802,983	252,870
Refuse Collection Charges	13,949,791	14,466,082	516,291
Container Rental Charges	531,948	636,616	104,668
<hr/>			
Total charges for sales and services	44,172,912	45,277,855	1,104,943
Other revenues - collection fees, late fees, surcharges	362,676	313,725	(48,951)
Total Operating Revenues	44,535,588	45,591,580	1,055,992
<hr/>			
Operating Expenses			
Operations:			
Personnel services	14,179,360	13,629,307	550,053
Supplies	2,523,350	1,993,718	529,632
Other services and charges	10,972,004	11,222,680	(250,676)
Charges from other departments	3,426,837	3,242,865	183,972
<hr/>			
Total operations	31,101,551	30,088,570	1,012,981
Amortization of landfill closure costs	1,510,686	1,202,800	307,886
Depreciation	6,807,000	10,586,770	(3,779,770)
<hr/>			
Total Operating Expenses	39,419,237	41,878,140	(2,458,903)
<hr/>			
Operating income	5,116,351	3,713,440	(1,402,911)

Municipality of Anchorage, Alaska
Solid Waste Services

Schedule of Revenues, Expenses, and Changes in Net Position -
Budget to Actual, continued (Unaudited)

<i>Year Ended December 31, 2024</i>	Budget	Actual	Variance
Nonoperating Revenues (Expenses)			
Investment income(loss)	\$ 2,236,000	\$ 3,123,718	\$ 887,718
Investment income(loss) on landfill postclosure reserve	552,144	1,959,303	1,407,159
Intergovernmental revenues - pension and OPEB on-behalf credit	-	289,390	289,390
Return of grant funds	-	(181,537)	(181,537)
Gain on Disposal of Capital Assets	100,020	186,645	86,625
Interest on leases	(46,797)	(20,838)	25,959
Interest on long term obligations	(7,375,503)	(7,328,366)	47,137
Total Nonoperating Revenues (Expenses)	(4,534,136)	(1,971,685)	2,562,451
Income before capital contributions and transfers	582,215	1,741,755	1,159,540
Capital Contributions and Transfers			
Capital contributions	-	572,508	572,508
Transfer to Other Funds	-	(16,000)	(16,000)
Municipal utility service assessment	(2,988,507)	(2,987,770)	737
Dividend	(1,110,510)	(1,110,510)	-
Change in Net Position	\$ (3,516,802)	(1,800,017)	\$ 1,716,785
Net Position, beginning		95,505,398	
Net Position, ending		\$ 93,705,381	

Other Reporting Required by *Government Auditing Standards*



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Solid Waste Services, the enterprise funds Solid Waste Refuse Utility and Solid Waste Disposal Utility of the Municipality of Anchorage, Alaska (Solid Waste Services), which comprise Solid Waste Services’ statement of net position as of December 31, 2024, and the related statement of revenues, expenses, and changes in fund net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Solid Waste Services’ internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Solid Waste Services’ internal control. Accordingly, we do not express an opinion on the effectiveness of Solid Waste Services’ internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Solid Waste Services’ financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described below as items 2024-001, 2024-002 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described below as item 2024-003 to be a significant deficiency.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Solid Waste Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Solid Waste Services' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Solid Waste Services' response to the findings identified in our audit and described previously. Solid Waste Services' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

BDO USA, P.C.

Anchorage, Alaska
March 30, 2026

**Municipality of Anchorage, Alaska
Solid Waste Services**

**Schedule of Findings and Responses
For the Year Ended December 31, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no (none reported)
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> reported)

Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no
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Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

Finding 2024-001 Basis of Accounting for Underlying Books & Records - Material Weakness in Internal Control Over Financial Reporting

Criteria *Governmental Auditing Standards* states that management is responsible 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.

Government Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, states that proprietary fund financial statements, including financial data for enterprise funds, should be prepared using the economic resources measurement focus and the accrual basis of accounting.

Condition Trial balances received for audit included modified and full accrual basis accounts, which resulted in multiple duplications of account balances. Material modifications were required that resulted in adjustments to the trial balances for approximately \$114 million in assets, \$226 thousand in liabilities, \$28 million in revenue and expenses, and \$113.8 million in equity adjustments.

Cause The general ledger system parameters allow for multiple bases of accounting for all fund types.

Effect or potential effect Trial balance reconciliations resulted in delays in financial reporting.

Recommendation Management should consider changing the parameters of the general ledger system and train staff to ensure proper reporting of transactions according to the appropriate basis of accounting.

**Municipality of Anchorage, Alaska
Solid Waste Services**

Schedule of Findings and Responses, continued

Views of responsible officials Management agrees with the finding. SWS will continue to work with, and support recently hired staff within the MOA Controller Division to ensure accurate and timely posting of all financial information. All MOA accounting personnel can process postings with the SAP accounting system without enterprise fund manager approval. This necessitates diligence by SWS to ensure all postings in the SAP accounting system are accurate. Moving forward SWS will work closely with MOA accounting staff to improve the accuracy of these postings through timely reviews of SWS trial balances.

Finding 2024-002 **Completeness and Accuracy of Grants - Material Weakness in Internal Control Over Financial Reporting**

Criteria GASB IV.N50.118 stipulates that recipients should recognize receivables and revenues for voluntary nonexchange transactions when all applicable eligibility requirements are met. Governments should also evaluate the reasonable collectability of all receivables for inclusion in the financial statements.

Condition Grant reconciliations contained numerous inaccuracies and expense reimbursement requests were not timely submitted to the grantor agencies. The auditors identified a Federal Emergency Management Agency (FEMA) grant that was included revenue recognition when all requirements had not yet been met. FEMA grant revenue and related grant receivables were initially overstated by \$1.3 million.

Cause The Municipality does not have identified internal controls nor identified control owners to perform final close out reconciliations of grants to ensure that the grant schedules are complete and accurate and that all available grant funds have been expended, reported, and received.

Effect or potential effect Inaccurate and incomplete recording of grant revenue and under-reporting of net position could impact management financial decisions. Late reporting of grant reimbursements will impact cash flow for the fund.

Recommendation Management should develop control activities and assign control owners to perform grant tracking procedures over the life of the grant award to ensure expense reimbursement requests are filed at least quarterly and funds expended and received under the award are complete and accurate and to close out the grant accounting records at the completion of the grant.

Views of responsible officials Management agrees with the finding. The Municipality of Anchorage Controller Division will collaborate with Management to develop and implement appropriate control activities and designate control owners to ensure effective tracking and reconciliation throughout the lifecycle of the disaster recovery and grant funds. Management will also ensure ongoing compliance with the COSO Internal Control-Integrated Framework.

**Municipality of Anchorage, Alaska
Solid Waste Services**

Schedule of Findings and Responses, continued

<u>Finding 2024-003</u>	Accuracy of Capital Acquisitions and Disposals - Significant Deficiency in Internal Control Over Financial Reporting
<i>Criteria</i>	<i>Governmental Auditing Standards</i> states that management is responsible 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.
<i>Condition</i>	Capital asset acquisitions were placed in service at an amount lower than acquisition cost. Capital asset disposals that were traded in for the new assets were disposed of at an amount that did not recognize the gain on disposal of capital assets. Capital acquisitions were initially understated by \$200,000, accumulated and depreciation expense were initially understated by \$19,048, and gain on disposal of capital assets were initially understated by \$200,000.
<i>Cause</i>	Internal controls were insufficient to identify and review capital asset acquisitions and disposals recorded in the underlying books and records.
<i>Effect or potential effect</i>	Inaccurate and incomplete recording of capital acquisitions and disposals and under-reporting of net position could impact management financial decisions.
<i>Recommendation</i>	Management should increase communications between the Municipality's divisions to ensure that preparation, review, and approval of capital asset acquisitions and disposals includes proper recording of capital assets.
<i>Views of responsible officials</i>	Management agrees with the finding. Management will increase communications and collaboration with the Municipality of Anchorage Controller Division to ensure the accurate preparation, review, and approval of capital asset acquisitions and disposals to ensure proper recording in the financial accounting application.



MUNICIPALITY OF ANCHORAGE



Solid Waste Services
Mayor Suzanne LaFrance

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Corrective Action Plan Year Ended December 31, 2024

Finding 2024-001: Basis of Accounting for Underlying Books & Records – Material Weakness in Internal Control Over Financial Reporting

Views of Responsible Officials Management agrees with the finding.

Corrective Action Plan SWS will continue to work with, and support recently hired staff within the MOA Controller Division to ensure accurate and timely posting of all financial information. All MOA accounting personnel can process postings with the SAP accounting system without enterprise fund manager approval. This necessitates diligence by SWS to ensure all postings in the SAP accounting system are accurate. Moving forward SWS will work closely with MOA accounting staff to improve the accuracy of these postings through timely reviews of SWS trial balances.

Estimated Completion Date Fiscal year ending December 31, 2026

Finding 2024-002: Completeness and Accuracy of Grants – Material Weakness in Internal Control Over Financial Reporting

Views of Responsible Officials Management agrees with the finding. The Municipality of Anchorage Controller Division will collaborate with Management to develop and implement appropriate control activities and designate control owners to ensure effective tracking and reconciliation throughout the lifecycle of the disaster recovery and grant funds. Management will also ensure ongoing compliance with the COSO Internal Control–Integrated Framework.

Corrective Action Plan The Controller Division will collaborate with Management and all Municipal departments responsible for administering disaster recovery and grant funds to develop a clear and consistent communication plan. This initiative is intended to ensure the accurate and timely recording of all related expenditures and associated revenues. To promote long-term success, we will



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also enhance interdepartmental communication and provide targeted training to ensure staff receive adequate continuing education in accounting and grants management.

In addition, Management will implement a comprehensive review process for expense reimbursement requests, award modifications, grant receipts, and related revenue recognition activities. As part of this effort, we will reevaluate our revenue recognition policies and grant reimbursement procedures to improve the accuracy and consistency of recording disaster-related revenues and receivables.

Estimated Completion Date Fiscal year ending December 31, 2026

Finding 2024-003: Accuracy of Capital Acquisitions and Disposals – Significant Deficiency in Internal Control Over Financial Reporting

Views of Responsible Officials Management agrees with the finding.

Corrective Action Plan Management will increase communications and collaboration with Controller Division to ensure the accurate preparation, review, and approval of capital asset acquisitions and disposals are properly recorded in SAP.

Estimated Completion Date Fiscal year ending December 31, 2026

Contact: **Orin Carpenter**
Chief Financial Officer, Solid Waste Services
907-343-6287



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Summary Schedule of Prior Year Findings Year Ended December 31, 2023

Finding 2023-001: Basis of Accounting for Underlying Books & Records – Material Weakness in Internal Control Over Financial Reporting

Corrective Action Plan SWS will continue to work with, and support recently hired staff within the MOA Controller Division to ensure accurate and timely posting of all financial information. All MOA accounting personnel can process postings with the SAP accounting system without enterprise fund manager approval. This necessitates diligence by SWS to ensure all postings in the SAP accounting system are accurate. Moving forward SWS will work closely with MOA accounting staff to improve the accuracy of these postings through timely reviews of SWS trial balances.

Update Partially Resolved - SWS continues to support the established closure schedules and timely reporting by completing work needed on a timely basis.

Estimated Completion Date Fiscal year ending December 31, 2026

Finding 2023-002: Completeness of Grants – Material Weakness in Internal Control of Financial Reporting

Corrective Action Plan The Controller Division will collaborate with Management and all Municipal departments responsible for administering disaster recovery and grant funds to develop a clear and consistent communication plan. This initiative is intended to ensure the accurate and timely recording of all related expenditures and associated revenues. To promote long-term success, we will also enhance interdepartmental communication and provide targeted training to ensure staff receive adequate continuing education in accounting and grants management.

In addition, Management will implement a comprehensive review process for expense reimbursement requests, award modifications, grant receipts, and related revenue recognition activities. As part of this effort, we will reevaluate our revenue recognition policies and grant reimbursement



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procedures to improve the accuracy and consistency of recording disaster-related revenues and receivables.

Update

Partially Resolved - SWS continues work to establish and complete closure schedules with review by both the Accounting Supervisor and Chief Financial Officer to ensure reconciliations of net positions are completed timely and accurately.

*Estimated
Completion Date*

Fiscal year ending December 31, 2026

Contact:

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