

MUNICIPALITY OF ANCHORAGE, ALASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2024



MUNICIPALITY OF ANCHORAGE, ALASKA
Annual Comprehensive Financial Report
December 31, 2024
Table of Contents

	Exhibit	Page
Introductory Section		
Letter of Transmittal		i-iv
Organization Chart		v
Principal Officials		vi
Municipality of Anchorage Vicinity Map		vii
Financial Section		
Independent Auditor's Report		1-4
Basic Financial Statements:		
Government Wide Financial Statements:		
Statement of Net Position	A-1	5-8
Statement of Activities	A-2	9-10
Fund Financial Statements:		
Government Funds:		
Balance Sheet	B-1	11
Reconciliation of Governmental Fund Balance Sheet to Statement of Net Position	B-2	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance	B-4	14
Proprietary Funds:		
Statement of Net Position	C-1	15-18
Statement of Revenues, Expenses, and Changes in Net Position	C-2	19-20
Statement of Cashflows	C-3	21-24
Fiduciary Funds:		
Statement of Net Position	D-1	25
Statement of Changes in Net Position	D-2	26
Notes to Financial Statements - Index		27
Notes to Financial Statements		28-132
Required Supplementary Information		
Budgetary Comparison Schedule – with Expenditures by Function for the General Fund	E-1	134
Notes to Required Supplementary information – Budgetary Data		135-136
Condition Rating of Anchorage's Road Network	E-2	137
Pension Plans	E-3 - E-10	138-145
Notes to Required Supplementary Information – Pension Plans		146-147
OPEB Plans	E11-E18	148-155
Notes to Required Supplementary Information – OPEB Plan		156-157
Additional Required Information		
Budgetary Comparison Schedule – General Fund by Sub-Fund	E-19	161
Budgetary Comparison Schedule – General Fund by Department	E-20	162

MUNICIPALITY OF ANCHORAGE, ALASKA
Annual Comprehensive Financial Report
December 31, 2024
Table of Contents

	<u>Exhibit</u>	<u>Page</u>
Supplementary Information		
Non-Major Governmental Funds:	F-1	166-168
Combining Balance Sheet		
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)	F-2	169-171
Budgetary Comparison Schedules:		
MOA Trust Fund	G-1	172
Heritage Land Bank	G-2	173
Convention Center Operating Reserve	G-3	174
E911 Surcharge	G-4	175
Police and Fire Retiree Medical Liability	G-5	176
Alcoholic Beverages Retail Sales Tax	G-6	177
Nuisance Property Abatement	G-7	178
Other Restricted Resources	G-8	179
Marijuana Retail Sales tax	G-9	180
Alaska Center for the Performing Arts, Inc. Surcharge Revenue Bond	G-10	181
Police and Fire Retirement Certificate of Participation Bond	G-11	182
 Nonmajor Enterprise Funds		
Combining Statement of Net Position	H-1	185-186
Combining Statement of Revenues, Expenses, and Changes in Net Position	H-2	187
Combining Statement of Cash Flows	H-3	188-189
 Internal Service Funds		
Combining Statement of Net Position (Deficit)	I-1	193-194
Combining Statement of Revenues, Expenses, and Changes in Net Position	I-2	195-196
Combining Statement of Cash Flows	I-3	197-200
 Fiduciary Funds		
Combining Statement of Net Position (Deficit)	J-1	202
Combining Statement of Changes in Net Position	J-2	203

Introductory Section



Mayor Suzanne LaFrance
Municipality of Anchorage
Finance – CFO Lance R. Wilber

June 22, 2026

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

Transmittal of the Annual Comprehensive Financial Report.

The Annual Comprehensive Financial Report (ACFR) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2024, is hereby submitted. The Anchorage Home Rule Charter and Anchorage Municipal Code require an annual report on financial and administrative activities with an independent audit of all municipal accounts by a certified public accountant. BDO USA, LLP performed the independent audit in accordance with generally accepted auditing standards. Management is responsible for the accuracy, completeness and fairness of the presentation including all disclosures.

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

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

BDO USA, LLP was retained to perform both the financial and the compliance audits of Federal and State financial assistance programs for the year ended December 31, 2024. BDO USA, LLP audited all 2024 financial records. BDO USA, LLP reports are included in the financial section of the ACFR and in both financial assistance reports.

Profile of the Municipality of Anchorage

The City of Anchorage was originally incorporated in 1920 and unified with the Greater Anchorage Area Borough in 1975 to create the Municipality of Anchorage. The Municipality is located in the southcentral part of the State of Alaska. It encompasses a geographic area of approximately 1,960 square miles and in 2024 served a population of an estimated 290,761 people.

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

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

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

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

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

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

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

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

Local Economy and Outlook

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the Municipality operates. The Municipality had an approximate population of 290,761 in 2024 which represents an increase of less than 1 percent from the prior year. As the largest Alaskan city, the Municipality is home to approximately 40 percent of the State's residents. The Anchorage School District had 42,638 students enrolled for the 2023-2024 academic year, a decrease of roughly 2 percent from the prior year. The Municipality is also home to the University of Alaska Anchorage, a State operated university, and the Alaska Pacific University, a tribal university.

The average unemployment rate in 2024 was 3.9 percent, an increase from 3.3 percent in 2023. The 2024 rate was equivalent to the national average of 4 percent and was slightly lower than the 4.6 percent average for the State of Alaska in 2024. Comparatively, in May 2024, Anchorage saw an increase of roughly 1400 jobs over May 2023 in the top 10 occupations, taken from State of Alaska Department of Labor Workforce and Development with leisure and hospitality jobs seeing a 1.4% increase over 2023.

Anchorage's tourism sector remained a vital contributor to the local economy. Air Travel was up 3.6% year over year, according to Visit Anchorage. Traveler spending increased 13% totaling nearly a billion dollars reported by VisaVue, which only captures spending on Visa card purchases while in Anchorage. Cruise capacity into the Southcentral ports held strong.

The Don Young Port of Alaska (the Port) is ice free year-round and is served by two major maritime carriers, TOTE, Inc. and Matson, Inc., and petroleum and cement operators. The Port serves 90 percent of the State of Alaska's population and handles 75 percent of Alaska's inbound cargo, driving \$14 billion in statewide economic activity annually. It is one of 23 strategic Ports nationwide deploying equipment and supplies internationally to and from five military installations. The Port is currently undergoing a modernization project to replace aging terminals with new, state-of-the-art terminals. In 2024 the Petroleum & Cement Terminal (PCT) was completed and cost \$223.5 million dollars. A grant of 50 million was awarded from the federal Port Infrastructure Development Program (PIDP). Additional funding of the Port will come from the issuance of \$191,385,000 of revenue bonds.

Construction employment within the Municipality rose significantly in 2024 by approximately 19.2% percent or 1400 jobs over November. The Municipality experienced strong year-over-year growth in total new construction in 2024, increasing by approximately \$51 million, or 38%, from \$135.4 million in 2023 to \$186.4 million in 2024. Assessed values were comprised of \$120.1 million for residential properties and \$66.3 million in commercial during 2024. Total assessed value of all properties including new construction presented an increase of 7.2 percent.

Health care continues with an upward trajectory in employment. 2024 added 300 jobs; while this was below the number of jobs added in 2023 of 500, demand for health care has remained strong and will continue as the population continues to age and medical needs necessitate. Roughly 14% of the Municipality's population is 65 years of age or older, an increase of roughly 2 percent from 2022. Anchorage is the state hub for health care, providing specialties and services not available in smaller communities offering advanced medical facilities and technologies that allow residents to access care locally.

Relevant Financial Policies

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

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

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

Long-term Financial Planning

The Municipality has no legal debt limit mandated by Municipal Charter, Municipal Code or State Statute. The Municipality continues to maintain credit ratings on all outstanding debt. Current long-term Municipality general obligation bond ratings are AA- by Standard and Poor's and AA by Fitch Ratings.

In July 2024, Municipal voters were asked to approve the issuance of \$147,415,000 of which \$81,285,000 was for general obligation/general purpose bonds and \$66,130,00 as for general Obligation School bonds.

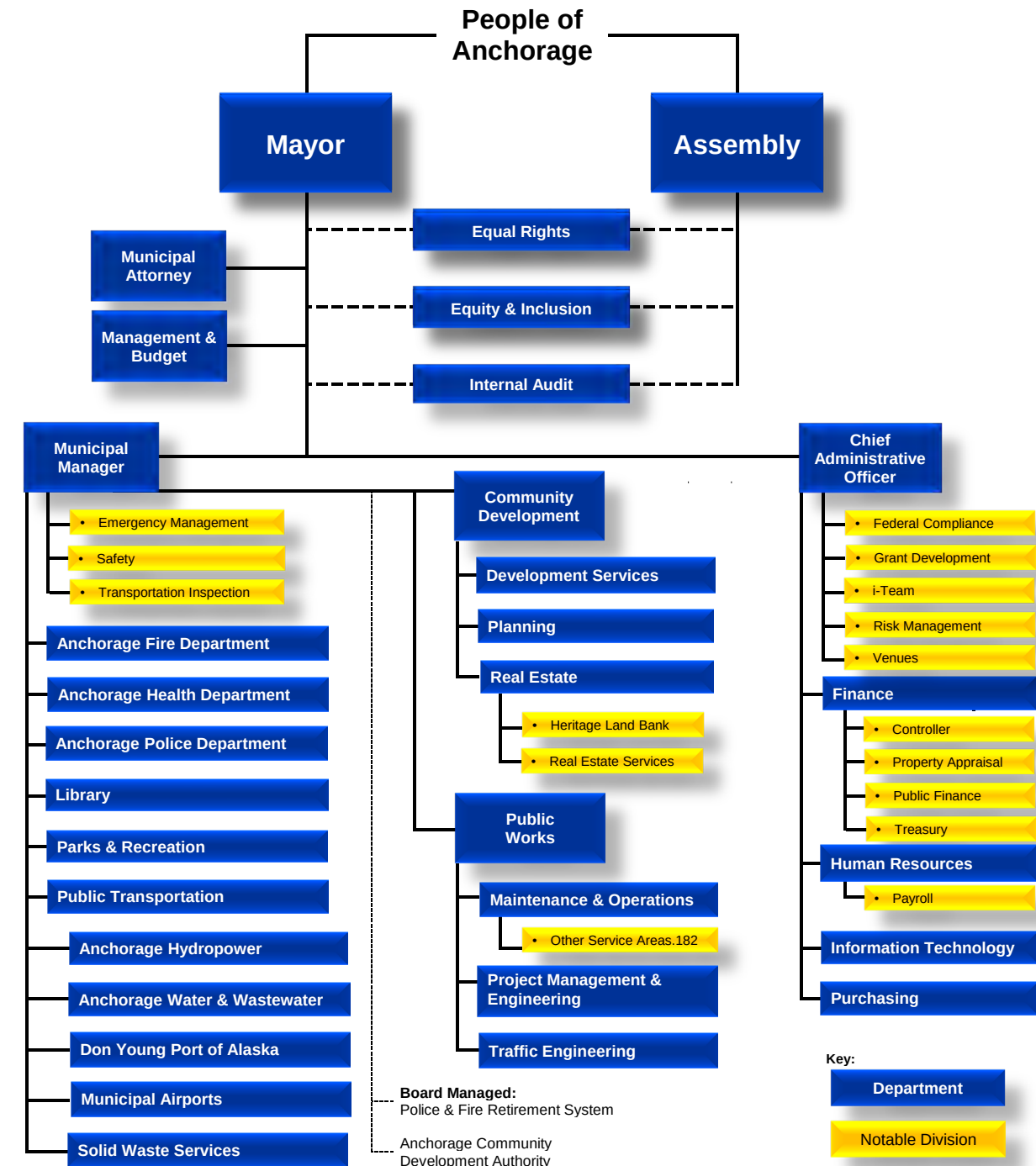
Acknowledgements

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

Lance R. Wilber

Lance R. Wilber
Chief Fiscal Officer

Municipality of Anchorage



MUNICIPALITY OF ANCHORAGE PRINCIPAL OFFICIALS

LEGISLATIVE BRANCH

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

The following citizens were elected to service on the Assembly:

Anna Brawley, Chair
Donald Handeland
Erin Baldwin Day
George Martinez
Janice Park
Jared Goecker

Daniel Volland, Vice Chair
Kameron Perez-Verdia
Keith McCormick
Sydney Scout
Yarrow Silvers
Zachary Johnson

Executives:

Jamie Heinz, Municipal Clerk
Darrel Hess, Ombudsman
Dean Gates, Assembly Counsel

EXECUTIVE BRANCH

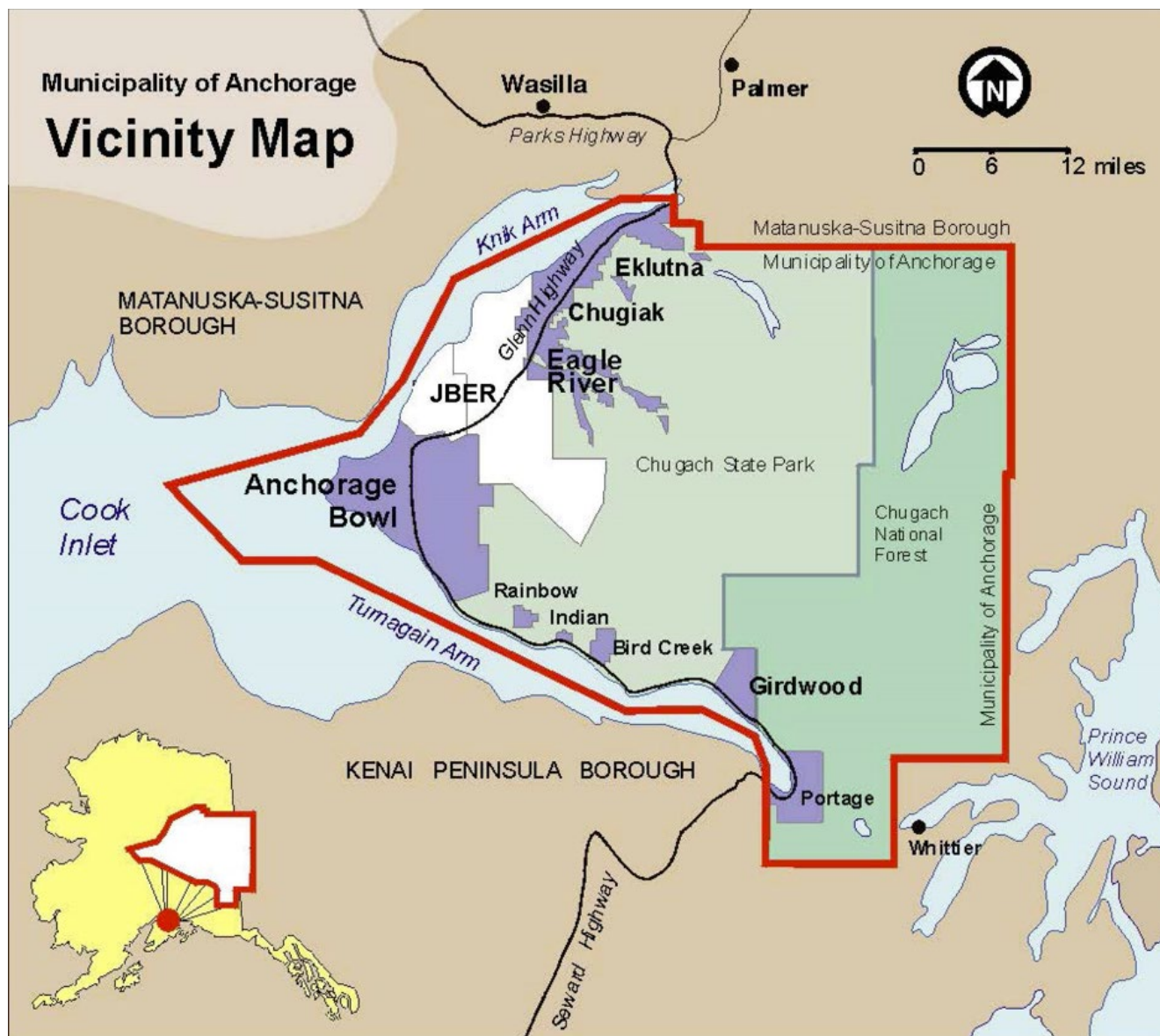
The executive and administrative power of Anchorage is vested in the mayor. The mayor, by charter, is required to appoint all heads of municipal departments and the chief medical officer of the municipality, and may participate in all assembly meetings to the same extent as an assembly member, but may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

The citizens of Anchorage elected:

Suzanne LaFrance, Mayor

Executives:

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



Financial Section



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

3601 C Street, Suite 600
Anchorage, AK 99503

Unmodified Opinions on Basic Financial Statements Accompanied by Required Supplementary Information, Supplementary Information, and Other Information With Reference to an Audit by Another Auditor - State or Local Governmental Entity

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Municipality of Anchorage's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Alaska Center for Performing Arts, Inc., which represent 0.07%, 0.79% and 1.37%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Alaska Center for Performing Arts, Inc., based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipality of Anchorage and to meet our other ethical responsibilities, in accordance

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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



with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Municipality of Anchorage adopted the provisions of Governmental Accounting Standards Board Statement Number 101, Compensated Absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality of Anchorage's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipality of Anchorage's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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



Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2026 on our consideration of the Municipality of Anchorage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality of Anchorage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality of Anchorage's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
June 22, 2026

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position
December 31, 2024

Exhibit A-1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash	\$ 82,470	\$ 6,675	\$ 89,145
Cash and investments in central treasury	409,990,126	103,261,442	513,251,568
Equity in bond and grant capital acquisition and construction pool	10,696,995	4,190,816	14,887,811
Investments	-	-	-
Accrued interest on investments	4,354,861	955,905	5,310,766
Interest receivable, other	-	223,818	223,818
Receivables (net of allowance for uncollectibles)	37,701,954	17,995,071	55,697,025
Due from component unit	11,538	-	11,538
Due from fiduciary funds	318,900	-	318,900
Internal balances	41,138,654	(41,138,654)	-
Intergovernmental receivables	41,535,036	-	41,535,036
Inventories	1,707,028	4,722,691	6,429,719
Prepaid items and deposits	15,301,246	960,865	16,262,111
Leases receivable	332,996	1,541,655	1,874,651
Assets held for resale	-	-	-
Restricted assets:			
Escrow for LED lighting project	-	-	-
Investments	482,330,711	-	482,330,711
Investments in Angel Fund programs	5,793,899	-	5,793,899
Interim rate escrow investment	-	4,545,570	4,545,570
Equity in general cash pool-bond and loan debt service	-	18,503,988	18,503,988
Equity in bond and grant capital acquisition and construction pool	-	50,207,874	50,207,874
Total current assets	1,051,296,414	165,977,716	1,217,274,130
Noncurrent assets:			
Receivable - installment sale of Electric Utility	-	94,250,561	94,250,561
Receivables (net of allowance for uncollectibles)	-	432,843	432,843
Leases receivable	3,260,365	75,008,928	78,269,293
Intergovernmental receivables	-	74,534,391	74,534,391
Unamortized debt expense	-	573,935	573,935
Unbilled special assessments	-	1,572,935	1,572,935
Regulatory and other assets	-	8,702,438	8,702,438
Assets held for resale	4,888,761	-	4,888,761
Internal balances	417,296	(417,296)	-
Loans receivable, net	3,387,219	-	3,387,219
Note receivable	-	-	-
Restricted assets:			
Equity in general cash pool - customer deposits	-	448,493	448,493
Cash legal settlement set aside	-	1,950,000	1,950,000
Landfill postclosure cash reserve	-	22,189,493	22,189,493
Endowment fund	-	-	-
Debt service investments	-	475	475
Investments for operations	-	3,000,000	3,000,000
Equity in bond and capital acquisition construction pool	-	141,043,012	141,043,012
Equity in general cash pool - held for debt service	-	15,307,984	15,307,984
Net OPEB assets	133,556,668	19,471,020	153,027,688
Capital assets, not being depreciated	2,835,590,365	328,840,681	3,164,431,046
Capital assets, being depreciated and amortized, net	627,513,472	1,477,416,166	2,104,929,638
Total noncurrent assets	3,608,614,146	2,264,326,059	5,872,940,205
Total assets	4,659,910,560	2,430,303,775	7,090,214,335
Deferred Outflows of Resources			
Deferred charge on refunding	9,535,432	2,120,860	11,656,292
Grant match advancement	158,997	-	158,997
Related to pension	23,223,195	3,097,986	26,321,181
Related to OPEB	9,534,669	1,390,044	10,924,713
Total deferred outflows of resources	42,452,293	6,608,890	49,061,183
Total Assets and Deferred Outflows of Resources	\$ 4,702,362,853	\$ 2,436,912,665	\$ 7,139,275,518

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position
December 31, 2024

Exhibit A-1 (Continued)

	Component Units			
		Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.	Total Reporting Entity
Assets	Anchorage School District			
Current assets:				
Cash	\$ -	\$ 7,517,371	\$ 3,752,646	\$ 11,359,162
Cash and investments in central treasury	-	-	-	513,251,568
Equity in bond and grant capital acquisition and construction pool	-	-	-	14,887,811
Investments	287,421,736	-	-	287,421,736
Accrued interest on investments	-	-	-	5,310,766
Interest receivable, other	-	-	-	223,818
Receivables (net of allowance for uncollectibles)	190,654,115	1,284,626	-	247,635,766
Due from component unit	-	-	-	11,538
Due from fiduciary funds	-	-	-	318,900
Internal balances	-	-	-	-
Intergovernmental receivables	-	-	-	41,535,036
Inventories	4,820,819	-	-	11,250,538
Prepaid items and deposits	1,429,477	50,939	260,412	18,002,939
Leases receivable	-	133,928	-	2,008,579
Assets held for resale	-	58,850	-	58,850
Restricted assets:				
Escrow for LED lighting project	-	526,331	-	526,331
Investments	-	-	-	482,330,711
Investments in Angel Fund programs	-	-	-	5,793,899
Interim rate escrow investment	-	-	-	4,545,570
Equity in general cash pool-bond and loan debt service	-	-	-	18,503,988
Equity in bond and grant capital acquisition and construction pool	-	-	-	50,207,874
Total current assets	484,326,147	9,572,045	4,013,058	1,715,185,380
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	-	94,250,561
Receivables (net of allowance for uncollectibles)	-	-	-	432,843
Leases receivable	-	11,757,803	-	90,027,096
Intergovernmental receivables	-	-	-	74,534,391
Unamortized debt expense	-	-	-	573,935
Unbilled special assessments	-	-	-	1,572,935
Regulatory and other assets	-	-	-	8,702,438
Assets held for resale	-	-	-	4,888,761
Internal balances	-	-	-	-
Loans receivable, net	-	-	-	3,387,219
Note receivable	-	2,340,820	-	2,340,820
Restricted assets:				
Equity in general cash pool - customer deposits	-	-	2,423,973	2,872,466
Cash legal settlement set aside	-	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-	22,189,493
Endowment fund	-	-	321,150	321,150
Debt service investments	-	-	-	475
Investments for operations	-	-	-	3,000,000
Equity in bond and capital acquisition construction pool	-	-	-	141,043,012
Equity in general cash pool - held for debt service	-	-	-	15,307,984
Net OPEB assets	228,965,171	1,038,112	-	383,030,971
Capital assets, not being depreciated	85,249,594	12,728,795	-	3,262,409,435
Capital assets, being depreciated and amortized, net	1,250,665,278	4,623,128	103,523	3,360,321,567
Total noncurrent assets	1,564,880,043	32,488,658	2,848,646	7,473,157,552
Total assets	2,049,206,190	42,060,703	6,861,704	9,188,342,932
Deferred Outflows of Resources				
Deferred charge on refunding	4,736,076	-	-	16,392,368
Grant match advancement	-	-	-	158,997
Related to pension	45,587,899	130,612	-	72,039,692
Related to OPEB	16,891,863	81,158	-	27,897,734
Total deferred outflows of resources	67,215,838	211,770	-	116,488,791
Total Assets and Deferred Outflows of Resources	\$ 2,116,422,028	\$ 42,272,473	\$ 6,861,704	\$ 9,304,831,723

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position
December 31, 2024

Exhibit A-1 (Continued)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 22,711,409	\$ 11,162,336	\$ 33,873,745
Accrued payroll liabilities	17,089,218	2,924,635	20,013,853
Capital acquisition and construction accounts and retainage payable	6,575,561	4,657,095	11,232,656
Accrued interest payable	8,830,843	3,960,895	12,791,738
Due to primary government	-	-	-
Due to component unit	87,987,852	-	87,987,852
Unearned revenue and deposits	8,017,747	349,684	8,367,431
Due to other governments	-	181,537	181,537
Liabilities payable from restricted assets	-	5,228,299	5,228,299
Noncurrent liabilities:			
Due within one year: Bonds, leases, compensated absenses, pollution Bonds, leases, compensated absenses, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	111,836,276	34,527,232	146,363,508
Due within more than one year:			
Bonds, leases, compensated absenses, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	649,527,033	802,199,056	1,451,726,089
Liabilities payable from restricted assets - customer deposits	-	448,493	448,493
Net pension liability	387,625,738	45,253,435	432,879,173
Net OPEB liability	134,294,021	-	134,294,021
Total liabilities	<u>1,434,495,698</u>	<u>910,892,697</u>	<u>2,345,388,395</u>
Deferred Inflows of Resources			
Contributions in aid of construction (net of amortization)	-	323,338,394	323,338,394
Related to leases	3,419,636	73,314,081	76,733,717
Related to note receivable interest	-	-	-
Time restricted health permit receipts	1,576,918	-	1,576,918
Related to land sales	1,181,893	-	1,181,893
Related to OPEB	4,287,752	577,922	4,865,674
Related to installment sale of Electric Utility	-	94,250,561	94,250,561
General property tax receipts	-	-	-
Debt service tax receipts	-	-	-
Total deferred inflows of resources	<u>10,466,199</u>	<u>491,480,958</u>	<u>501,947,157</u>
Total liabilities and deferred inflows of resources	<u>1,444,961,897</u>	<u>1,402,373,655</u>	<u>2,847,335,552</u>
Net Position			
Net investment in capital assets	2,832,931,062	887,761,914	3,720,692,976
Restricted for:			
Debt service	15,182,974	15,307,984	30,490,958
Interim rate escrow requirement	-	4,545,570	4,545,570
Maintenance and operations	-	-	-
Acquisition and construction	61,699,113	1,950,000	63,649,113
Operations	2,342,751	3,000,000	5,342,751
Marijuana retail sales taxes	6,277,384	-	6,277,384
Convention center operating reserve	46,216,302	-	46,216,302
E911 surcharge	5,291,422	-	5,291,422
Nuisance abatement	444,215	-	444,215
Legal settlement (opioid)	2,403,516	-	2,403,516
Police and fire retiree medical liability	34,409,662	-	34,409,662
Grant activity	9,116,664	-	9,116,664
Perpetual care - nonexpendable	150,000	-	150,000
Fines and forfeitures	845,174	-	845,174
MOA Trust	433,792,475	-	433,792,475
Broadway Alaska	-	-	-
Endowment	-	-	-
Individual contributions	-	-	-
Bond rating	-	-	-
Federal Impact Aid 8003(d)	-	-	-
Student allotment	-	-	-
OPEB	133,556,668	19,471,020	153,027,688
Unrestricted net position (deficit)	<u>(327,258,426)</u>	<u>102,502,522</u>	<u>(224,755,904)</u>
Total net position	<u>3,257,400,956</u>	<u>1,034,539,010</u>	<u>4,291,939,966</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$4,702,362,853</u>	<u>\$2,436,912,665</u>	<u>\$7,139,275,518</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-1 (Continued)

Statement of Net Position
December 31, 2024

	Component Units			
		Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.	Total Reporting Entity
Liabilities	Anchorage School District			
Current liabilities:				
Accounts payable and retainages	\$ 18,363,739	\$ 249,258	\$ 637,746	\$ 53,124,488
Accrued payroll liabilities	15,411,148	-	-	35,425,001
Capital acquisition and construction accounts and retainage payable	-	-	-	11,232,656
Accrued interest payable	4,520,193	-	-	17,311,931
Due to primary government	-	122,558	134,975	257,533
Due to component unit	-	-	-	87,987,852
Unearned revenue and deposits	1,438,462	520,421	2,097,384	12,423,698
Due to other governments	-	-	-	181,537
Liabilities payable from restricted assets	-	-	-	5,228,299
Noncurrent liabilities:				
Due within one year: Bonds, leases, compensated absenses, pollution Bonds, leases, compensated absenses, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	63,323,995	279,962	-	209,967,465
Due within more than one year: Bonds, leases, compensated absenses, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	443,527,253	1,452,867	107,131	1,896,813,340
Liabilities payable from restricted assets - customer deposits	-	-	-	448,493
Net pension liability	406,735,927	2,412,515	-	842,027,615
Net OPEB liability	-	-	-	134,294,021
Total liabilities	953,320,717	5,037,581	2,977,236	3,306,723,929
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	-	-	-	323,338,394
Related to leases	-	11,754,831	-	88,488,548
Related to note receivable interest	-	249,346	-	249,346
Time restricted health permit receipts	-	-	-	1,576,918
Related to land sales	-	-	-	1,181,893
Related to OPEB	9,998,785	45,375	-	14,909,834
Related to installment sale of Electric Utility	-	-	-	94,250,561
General property tax receipts	114,916,173	-	-	114,916,173
Debt service tax receipts	17,056,213	-	-	17,056,213
Total deferred inflows of resources	141,971,171	12,049,552	-	655,967,880
Total liabilities and deferred inflows of resources	1,095,291,888	17,087,133	2,977,236	3,962,691,809
Net Position				
Net investment in capital assets	854,146,189	15,691,998	-	4,590,531,163
Restricted for:				
Debt service	5,359,854	-	-	35,850,812
Interim rate escrow requirement	-	-	-	4,545,570
Maintenance and operations	-	-	2,423,973	2,423,973
Acquisition and construction	-	-	-	63,649,113
Operations	-	-	-	5,342,751
Marijuana retail sales taxes	-	-	-	6,277,384
Convention center operating reserve	-	-	-	46,216,302
E911 surcharge	-	-	-	5,291,422
Nuisance abatement	-	-	-	444,215
Legal settlement (opioid)	-	-	-	2,403,516
Police and fire retiree medical liability	-	-	-	34,409,662
Grant activity	-	-	-	9,116,664
Perpetual care - nonexpendable	-	-	-	150,000
Fines and forfeitures	-	-	-	845,174
MOA Trust	-	-	-	433,792,475
Broadway Alaska	-	-	330,608	330,608
Endowment	-	-	321,150	321,150
Individual contributions	-	-	102,254	102,254
Bond rating	26,394,477	-	-	26,394,477
Federal Impact Aid 8003(d)	1,838,141	-	-	1,838,141
Student allotment	2,075,529	-	-	2,075,529
OPEB	218,966,386	1,038,112	-	373,032,186
Unrestricted net position (deficit)	(87,650,436)	8,455,230	706,483	(303,244,627)
Total net position	1,021,130,140	25,185,340	3,884,468	5,342,139,914
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$2,116,422,028	\$42,272,473	\$6,861,704	\$9,304,831,723

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-2

Statement of Activities
Year ended December 31, 2024

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

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 33,123,063	\$ 8,335,083	\$ 7,519,361	\$ 316,361
Fire services	140,170,589	14,388,810	26,365,881	-
Police services	175,840,183	15,546,085	8,016,333	1,900,468
Health and human services	60,587,338	2,560,164	17,832,170	47,606
Economic and community development	104,834,285	14,896,441	2,738,578	1,287,224
Public transportation	45,457,009	3,951,405	8,503,573	15,168,763
Public works	47,765,449	546,492	3,497,939	7,956,671
Maintenance and operations of roads and facilities	47,092,752	834,706	1,429,660	28,199
Education	263,714,389	-	-	-
Interest and fiscal agent charges on long-term debt	19,571,605	-	-	-
Total governmental activities	938,156,662	61,059,186	75,903,495	26,705,292
Business-type Activities:				
Water	50,185,676	72,495,310	1,357,477	-
Wastewater	55,121,809	69,812,892	1,253,055	-
Port	36,120,316	19,833,112	64,467	68,934,976
Municipal Airport	10,060,578	2,083,351	50,901	6,791,866
Disposal	33,038,838	30,401,618	44,473	-
Refuse	16,529,218	15,189,962	244,917	572,508
Anchorage Hydropower	609,807	4,526,742	-	-
Total business-type activities	201,666,242	214,342,987	3,015,290	76,299,350
Total primary government	\$ 1,139,822,904	\$ 275,402,173	\$ 78,918,785	\$ 103,004,642
Component Units:				
Anchorage School District	\$ 835,706,043	\$ 7,149,732	\$ 171,952,523	\$ 32,084,797
Anchorage Community Development Authority	8,166,436	7,283,076	-	-
Alaska Center for the Performing Arts, Inc.	10,738,007	8,759,125	905,305	-
Total Component Units	\$ 854,610,486	\$ 23,191,933	\$ 172,857,828	\$ 32,084,797
General Revenues:				
Property taxes				
Motor vehicle taxes				
Hotel and motel taxes				
Alcoholic beverages taxes				
Tobacco taxes				
Marijuana taxes				
Fuel products taxes				
Assessments in lieu of taxes				
Grants and entitlements not restricted to specific programs				
Appropriation from Municipality of Anchorage				
Investment income (loss)				
Other				
Transfers:				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-2 (Continued)

Statement of Activities
Year ended December 31, 2024

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

Primary Government				Component Units									
Governmental Activities		Business-Type Activities		Total	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.	Total Reporting Entity					
\$	(16,952,258)	\$	-	\$	(16,952,258)	\$	-	\$	(16,952,258)				
	(99,415,898)		-		(99,415,898)		-		(99,415,898)				
	(150,377,297)		-		(150,377,297)		-		(150,377,297)				
	(40,147,398)		-		(40,147,398)		-		(40,147,398)				
	(85,912,042)		-		(85,912,042)		-		(85,912,042)				
	(17,833,268)		-		(17,833,268)		-		(17,833,268)				
	(35,764,347)		-		(35,764,347)		-		(35,764,347)				
	(44,800,187)		-		(44,800,187)		-		(44,800,187)				
	(263,714,389)		-		(263,714,389)		-		(263,714,389)				
	(19,571,605)		-		(19,571,605)		-		(19,571,605)				
	(774,488,689)		-		(774,488,689)		-		(774,488,689)				
	-	23,667,111			23,667,111		-		23,667,111				
	-	15,944,138			15,944,138		-		15,944,138				
	-	52,712,239			52,712,239		-		52,712,239				
	-	(1,134,460)			(1,134,460)		-		(1,134,460)				
	-	(2,592,747)			(2,592,747)		-		(2,592,747)				
	-	(521,831)			(521,831)		-		(521,831)				
	-	3,916,935			3,916,935		-		3,916,935				
	-	91,991,385			91,991,385		-		91,991,385				
	(774,488,689)	91,991,385			(682,497,304)		-		(682,497,304)				
					(624,518,991)		-		(624,518,991)				
					-	(883,360)		-	(883,360)				
					-	-	(1,073,577)		(1,073,577)				
					(624,518,991)	(883,360)	(1,073,577)		(626,475,928)				
	627,095,204		-		627,095,204		-		627,095,204				
	20,784,131		-		20,784,131		-		20,784,131				
	45,828,986		-		45,828,986		-		45,828,986				
	16,262,268		-		16,262,268		-		16,262,268				
	23,709,466		-		23,709,466		-		23,709,466				
	6,307,700		-		6,307,700		-		6,307,700				
	13,438,301		-		13,438,301		-		13,438,301				
	12,524,350		-		12,524,350		-		12,524,350				
	-		-		-	323,772,426		-	323,772,426				
	-		-		-	263,484,006		-	263,484,006				
	52,912,731	14,980,961			67,893,692	13,764,849	425,908	18,015	82,102,464				
	-		-		-	78,882,636		1,746,783	80,629,419				
	25,794,447	(25,794,447)			-	-		-	-				
	844,657,584	(10,813,486)			833,844,098	679,903,917	425,908	1,764,798	1,515,938,721				
	70,168,895	81,177,899			151,346,794	55,384,926	(457,452)	691,221	206,965,489				
	3,187,232,061	953,361,111			4,140,593,172	965,745,214	25,642,792	3,193,247	5,135,174,425				
\$	3,257,400,956	\$	1,034,539,010	\$	4,291,939,966	\$	1,021,130,140	\$	25,185,340	\$	3,884,468	\$	5,342,139,914

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit B-1

Governmental Funds
Balance Sheet
December 31, 2024

	General	MOA Trust	Roads and Drainage Capital Project	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 9,707	\$ -	\$ -	\$ 72,763	\$ 82,470
Cash and investments in central treasury	148,138,739	36,711	39,038,200	167,003,175	354,216,825
Investments	-	433,363,112	-	48,967,599	482,330,711
Accrued interest on investments	3,587,600	714,710	-	52,551	4,354,861
Receivables (net of allowance for uncollectibles)	27,806,278	-	-	7,261,288	35,067,566
Intergovernmental receivables	19,608,021	-	1,282,406	20,644,609	41,535,036
Special assessments receivable, net	1,429,386	-	73,119	175,022	1,677,527
Leases receivable	920,327	-	-	2,673,034	3,593,361
Due from component units	11,538	-	-	-	11,538
Due from other funds	44,359,339	-	-	166,426	44,525,765
Due from fiduciary funds	-	-	-	318,900	318,900
Inventories	856,487	-	-	-	856,487
Prepaid items and deposits	3,481,873	-	-	10,393,968	13,875,841
Assets held for resale	4,888,761	-	-	-	4,888,761
Advances to other funds	36,768,649	-	-	680,000	37,448,649
Investments in Angel Fund program	-	-	-	5,793,899	5,793,899
Loans receivable, net	-	-	-	3,387,219	3,387,219
Total assets	291,866,705	434,114,533	40,393,725	267,590,453	1,033,965,416
Deferred Outflows of Resources					
Deferred grant advancement	9,030	-	-	14,517	23,547
Deferred outflow of resources	9,030	-	-	14,517	23,547
Total assets and deferred outflows of resources	\$ 291,875,735	\$ 434,114,533	\$ 40,393,725	\$ 267,604,970	\$ 1,033,988,963
Liabilities					
Accounts payable and retainages	\$ 9,299,422	\$ 104,184	\$ 3,406,891	\$ 13,345,682	\$ 26,156,179
Accrued payroll liabilities	15,864,692	-	77,803	397,049	16,339,544
Due to other funds	-	217,874	-	3,084,237	3,302,111
Due to component unit	87,987,852	-	-	-	87,987,852
Unearned revenue and deposits	2,367,143	-	-	5,650,604	8,017,747
Advances from other funds	5,834,178	-	-	6,997,840	12,832,018
Total liabilities	121,353,287	322,058	3,484,694	29,475,412	154,635,451
Deferred Inflows of Resources					
Time restricted health permit receipts	1,576,918	-	-	-	1,576,918
Unavailable revenues:					
Intergovernmental revenues	-	-	18,116	2,472,493	2,490,609
Loans	-	-	-	2,114,562	2,114,562
Property taxes	9,815,147	-	-	-	9,815,147
Risk management claims	298,527	-	-	-	298,527
Special assessments	1,472,962	-	71,164	2,905	1,547,031
Leases	848,825	-	-	2,570,811	3,419,636
Library charges	64,460	-	-	-	64,460
Land sales	-	-	-	1,181,893	1,181,893
Total deferred inflows of resources	14,076,839	-	89,280	8,342,664	22,508,783
Fund Balances					
Nonspendable	45,995,770	-	-	10,634,732	56,630,502
Restricted	2,342,751	433,792,475	35,674,856	146,211,570	618,021,652
Committed	55,958,916	-	1,144,895	57,295,556	114,399,367
Assigned	-	-	-	18,148,620	18,148,620
Unassigned (deficit)	52,148,172	-	-	(2,503,584)	49,644,588
Total fund balances	156,445,609	433,792,475	36,819,751	229,786,894	856,844,729
Total liabilities, deferred inflows of resources, and fund balances	\$ 291,875,735	\$ 434,114,533	\$ 40,393,725	\$ 267,604,970	\$ 1,033,988,963

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2024

Exhibit B-2

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

Total fund balances - governmental funds	\$	856,844,729
--	----	-------------

The PERS ARHCT, RMP and ODD OPEB plans have been funded in excess of required contributions.

This asset is not a financial resource and therefore it is not reported in the funds.		133,556,668
---	--	-------------

Capital assets used in government are not financial resources and therefore, are not reported in the funds:		3,463,103,837
---	--	---------------

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Property taxes	\$ 9,815,147		
Intergovernmental revenues	2,490,609		
Risk management claims	298,527		
Library fees	64,460		
Special assessments	1,547,031		
Long-term loan receivable	2,114,562		
			16,330,336

Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in governmental funds:

Deferred charges on bond refunding	9,535,432		
Deferred outflows of resources related to pension	23,223,195		
Deferred outflows of resources related to OPEB	9,534,669		
			42,293,296

Internal service funds charge the costs of fleet management, insurance, and information technology to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position:

Total internal service funds equity related to governmental activities	37,469,582		
Net of amounts included in:			
Capital assets, net of depreciation and amortization	(49,567,289)		
Accrued interest payable	24,197		
Compensated absences	1,177,315		
Direct financing agreements	2,751,912		
SBITAs payable	4,033,738		
Deferred inflows of resources related to OPEB	180,372		
Deferred outflows of resources related to pension	(966,897)		
Deferred outflows of resources related to OPEB	(433,840)		
Net pension obligation	14,123,822		
Net OPEB asset	(6,077,002)		
			2,715,910

Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in governmental funds:

General obligation bonds, including premium and discount	(506,326,810)		
Certificates of participation bonds	(37,130,000)		
Alaska Center for the Performing Arts, Inc. bonds	(2,492,359)		
Direct financing agreements	(7,253,168)		
Pollution remediation	(4,396,945)		
CIVICVentures revenue bonds	(74,553,438)		
Loan payable	(17,947,673)		
Compensated absences	(33,737,028)		
Leases payable	(31,848,474)		
SBITAs payable	(6,719,571)		
Net pension liability	(387,625,738)		
Net OPEB liability	(134,294,021)		
Accrued interest payable	(8,830,843)		
			(1,253,156,068)

Deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in governmental funds:

Deferred inflows of resources related to OPEB	(4,287,752)		
			(4,287,752)

Net position of governmental activities		\$ 3,257,400,956
---	--	------------------

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit B-3

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended December 31, 2024

	General	MOA Trust	Roads and Drainage Capital Project	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 705,981,800	\$ -	\$ -	\$ 49,189,607	\$ 755,171,407
Assessments in lieu of taxes	12,524,350	-	-	-	12,524,350
Special assessments	155,815	-	15,116	907,508	1,078,439
Licenses and permits	12,851,698	-	-	-	12,851,698
Intergovernmental	34,892,332	-	1,864,743	56,126,845	92,883,920
Charges for services	23,972,814	-	-	543,456	24,516,270
Fines and forfeitures	6,662,311	-	-	545,593	7,207,904
E911 surcharges	-	-	-	8,220,154	8,220,154
Investment Income	2,526,391	38,362,806	-	8,983,992	49,873,189
Interest income on leases	21,753	-	-	73,182	94,935
Restricted contributions	139,292	-	-	1,349,934	1,489,226
Other	3,530,879	-	-	1,840,479	5,371,358
Total revenues	803,259,435	38,362,806	1,879,859	127,780,750	971,282,850
Expenditures					
Current:					
General government	21,830,237	959,448	-	3,682,298	26,471,983
Fire services	119,704,602	-	-	7,472,327	127,176,929
Police services	151,223,130	-	-	12,395,783	163,618,913
Health and human services	23,250,968	-	-	37,876,643	61,127,611
Economic and community development	69,474,417	-	-	16,569,086	86,043,503
Public transportation	32,834,424	-	-	7,912,322	40,746,746
Public works	8,313,819	-	-	1,659,879	9,973,698
Maintenance and operations of roads and facilities	42,892,457	-	-	466,919	43,359,376
Education	263,714,389	-	-	-	263,714,389
Debt service:					
Principal	39,782,062	-	-	7,435,704	47,217,766
Interest and fiscal agent charges	18,222,441	-	-	4,960,322	23,182,763
Bond issuance costs	-	-	448,342	103,003	551,345
Debt service - Leases:					
Principal	4,308,212	-	-	-	4,308,212
Interest	800,288	-	-	-	800,288
Debt service - SBITAs:					
Principal	671,308	-	-	54,390	725,698
Interest	11,234	-	-	-	11,234
Capital outlay	1,176,292	-	35,951,588	36,533,882	73,661,762
Capital outlay - Leases	1,540,633	-	-	-	1,540,633
Capital outlay - SBITAs	3,182,957	-	-	-	3,182,957
Total expenditures	802,933,870	959,448	36,399,930	137,122,558	977,415,806
Excess (deficiency) of revenues over expenditures	325,565	37,403,358	(34,520,071)	(9,341,808)	(6,132,956)
Other Financing Sources (Uses)					
Transfers from other funds	101,371,073	2,588,597	4,312,757	30,392,314	138,664,741
Transfers to other funds	(26,396,173)	(16,300,000)	(3,027)	(71,536,533)	(114,235,733)
General obligation bonds issued	-	-	66,099,436	15,185,564	81,285,000
Premium on bonds	-	-	6,346,934	1,458,134	7,805,068
Insurance recoveries	908,857	-	-	-	908,857
Other Financing source Leases	1,540,633	-	-	-	1,540,633
Other Financing source SBITAs	3,182,957	-	-	-	3,182,957
Proceeds from sale of capital assets	3,010,789	-	-	209,461	3,220,250
Total other financing sources (uses)	83,618,136	(13,711,403)	76,756,100	(24,291,060)	122,371,773
Net change in fund balances	83,943,701	23,691,955	42,236,029	(33,632,868)	116,238,817
Fund balances, beginning of year	72,501,908	410,100,520	(5,416,278)	263,419,762	740,605,912
Fund balances, end of year	\$ 156,445,609	\$ 433,792,475	\$ 36,819,751	\$ 229,786,894	\$ 856,844,729

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
Year ended December 31, 2024

Exhibit B-4

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

Net change in fund balance – total governmental funds		\$ 116,238,817
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense:		
Capital outlay and equipment purchases	\$ 36,722,399	
Contributed assets	5,995,395	
Depreciation and amortization expense	<u>(38,297,938)</u>	
		4,419,856
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases /(decreases) net position:		
Other gain/(loss) on capital assets	<u>1,069,177</u>	
		1,069,177
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. This is the increase (decrease) in:		
Intergovernmental revenues	2,076,930	
Property taxes	(1,745,351)	
Special assessments	(244,329)	
Library charges	13,029	
Loans receivable	(25,500)	
Risk management claims	<u>(152,300)</u>	
		(77,521)
The issuance of long-term debt provides current financial resources to governmental funds, while long-term debt principal repayments consume current financial government fund resources. Neither transaction, however, affects net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
New issuance of general obligation bonds	(81,285,000)	
Premium on bond sales	(7,805,068)	
Principal repayment on bonds and loans	47,217,766	
Principal repayments on leases	4,308,212	
Principal repayments on SBITAs	725,698	
Net change in premiums, discounts, and deferred charges - bonds	<u>5,623,398</u>	
		(31,214,994)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as government fund expenditures. These are the (increase) decrease in:		
Compensated absences	(5,802,499)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(190,974)	
Changes in OPEB assets and liabilities and related deferred outflows and inflows of resources	(10,521,425)	
Accrued interest payable	<u>(1,003,184)</u>	
		(17,518,082)
Internal service funds charge insurance, fleet management, and information technology costs to individual funds. The net revenue (expenses) of certain internal service fund activities is reported with governmental activities.		<u>(2,748,358)</u>
Change in net position of governmental activities		<u>\$ 70,168,895</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-1

Proprietary Funds
Statement of Net Position
December 31, 2024

Business-Type Activities - Enterprise Funds

Assets	Water Utility	Wastewater Utility	Port	Disposal Utility
Current assets:				
Cash	\$ -	\$ 2,200	\$ 500	\$ 2,732
Cash and investments in central treasury	31,703,791	25,183,788	-	28,332,199
Equity in bond and grant capital acquisition and construction pool	-	-	-	-
Accrued interest on investments	283,915	225,023	100,650	1
Receivables (net of allowance for uncollectibles)	5,891,734	6,645,710	1,350,011	2,328,498
Due from other funds	-	-	-	-
Inventories	3,642,279	709,217	329,025	42,170
Prepaid items and deposits	442,486	433,897	49,860	6,774
Special assessments receivable	75,527	70,141	-	-
Leases receivable, current portion	184,224	20,836	1,059,263	-
Interest receivable leases	3,509	331	177,278	-
Unbilled reimbursable projects	143,975	134,756	-	-
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	29,473,089	20,734,785	-	-
Equity in general cash pool-bond and loan debt service	8,729,792	9,774,196	-	-
Interim rate escrow investment	3,047,522	1,498,048	-	-
Total current assets	83,621,843	65,432,928	3,066,587	30,712,374
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	-	-
Leases receivable, net current portion	1,426,044	140,385	58,169,875	-
Advances to other funds	-	-	-	-
Receivables (net of allowance for uncollectibles)	432,843	-	-	-
Intergovernmental receivables	-	-	69,910,592	1,997,955
Unamortized debt expense	335,127	238,808	-	-
Unbilled special assessments	796,076	776,859	-	-
Regulatory and other assets	3,120,386	3,814,761	-	-
Restricted assets:				
Equity in general cash pool - customer deposits	337,778	110,715	-	-
Cash legal settlement set aside	-	-	1,950,000	-
Landfill postclosure cash reserve	-	-	-	22,189,493
Debt service investments	-	-	-	304
Investments for operations	-	-	-	-
Unspent bond proceeds	-	-	141,043,012	-
Net OPEB asset	8,852,126	8,171,193	420,394	290,013
Equity in general cash pool - held for debt service	-	-	15,307,984	-
Capital assets, not being depreciated	25,356,666	35,659,436	195,072,667	44,327,145
Capital assets, being depreciated and amortized, net	534,653,552	394,440,436	300,036,535	133,435,181
Total noncurrent assets	575,310,598	443,352,593	781,911,059	202,240,091
Total assets	658,932,441	508,785,521	784,977,646	232,952,465
Deferred Outflows of Resources				
Deferred charge on refunding	1,341,411	779,449	-	-
Related to Grant	-	-	-	-
Related to pension	1,408,439	1,300,099	66,888	46,143
Related to OPEB	631,957	583,345	30,012	20,704
Total deferred outflows of resources	3,381,807	2,662,893	96,900	66,847
Total assets and deferred outflows of resources	\$ 662,314,248	\$ 511,448,414	\$ 785,074,546	\$ 233,019,312

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-1 (Continued)

Proprietary Funds
Statement of Net Position
December 31, 2024

	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Assets				
Current assets:				
Cash	\$ 1,243	\$ 6,675	\$ -	\$ 6,675
Cash and investments in central treasury	18,041,664	103,261,442	55,773,301	159,034,743
Equity in bond and grant capital acquisition and construction pool	4,190,816	4,190,816	10,696,995	14,887,811
Accrued interest on investments	346,316	955,905	-	955,905
Receivables (net of allowance for uncollectibles)	1,354,719	17,570,672	956,861	18,527,533
Due from other funds	217,874	217,874		217,874
Inventories	-	4,722,691	850,541	5,573,232
Prepaid items and deposits	27,848	960,865	1,425,405	2,386,270
Special assessments receivable	-	145,668	-	145,668
Leases receivable, current portion	277,332	1,541,655	-	1,541,655
Interest receivable leases	42,700	223,818	-	223,818
Unbilled reimbursable projects	-	278,731	-	278,731
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	-	50,207,874	-	50,207,874
Equity in general cash pool-bond and loan debt service	-	18,503,988	-	18,503,988
Interim rate escrow investment	-	4,545,570	-	4,545,570
Total current assets	24,500,512	207,334,244	69,703,103	277,037,347
Noncurrent assets:				
Receivable - installment sale of Electric Utility	94,250,561	94,250,561	-	94,250,561
Leases receivable, net current portion	15,272,624	75,008,928	-	75,008,928
Advances to other funds	-	-	5,834,178	5,834,178
Receivables (net of allowance for uncollectibles)	-	432,843	-	432,843
Intergovernmental receivables	2,625,844	74,534,391	-	74,534,391
Unamortized debt expense	-	573,935	-	573,935
Unbilled special assessments	-	1,572,935	-	1,572,935
Regulatory and other assets	1,767,291	8,702,438	-	8,702,438
Restricted assets:				
Equity in general cash pool - customer deposits	-	448,493	-	448,493
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Landfill postclosure cash reserve	-	22,189,493	-	22,189,493
Debt service investments	171	475	-	475
Investments for operations	3,000,000	3,000,000	-	3,000,000
Unspent bond proceeds	-	141,043,012	-	141,043,012
Net OPEB asset	1,737,294	19,471,020	6,077,002	25,548,022
Equity in general cash pool - held for debt service	-	15,307,984	-	15,307,984
Capital assets, not being depreciated	28,424,767	328,840,681	3,801,696	332,642,377
Capital assets, being depreciated and amortized, net	114,850,462	1,477,416,166	45,765,593	1,523,181,759
Total noncurrent assets	261,929,014	2,264,743,355	61,478,469	2,326,221,824
Total assets	286,429,526	2,472,077,599	131,181,572	2,603,259,171
Deferred Outflows of Resources				
Deferred charge on refunding	-	2,120,860	-	2,120,860
Related to Grant	-	-	135,450	135,450
Related to pension	276,417	3,097,986	966,897	4,064,883
Related to OPEB	124,026	1,390,044	433,840	1,823,884
Total deferred outflows of resources	400,443	6,608,890	1,536,187	8,145,077
Total assets and deferred outflows of resources	\$ 286,829,969	\$ 2,478,686,489	\$ 132,717,759	\$ 2,611,404,248

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-1 (Continued)

Proprietary Funds
Statement of Net Position
December 31, 2024

Business-Type Activities - Enterprise Funds

Liabilities	Water Utility	Wastewater Utility	Port	Disposal Utility
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 1,634,621	\$ 957,850	\$ 6,997,396	\$ 1,285,711
Accrued payroll liabilities	1,438,549	632,903	135,441	466,752
Capital acquisition and construction accounts and retainage payable	-	-	3,717,383	112,576
Compensated absences	1,107,470	1,110,613	217,943	572,129
Claims payable and incurred but not reported	-	-	-	-
Due to other funds	-	-	41,356,528	-
Accrued interest payable	1,291,893	1,295,638	253,985	739,750
Accrued interest on leases	2,682	1,460	781	1,747
Pollution remediation obligation	92,000	-	-	-
Long-term obligations maturing within one year	14,519,829	14,027,919	370,000	1,707,390
Unearned revenue and deposits	-	-	-	-
Due to other governments	-	-	-	181,537
Leases payable, current portion	4,067	3,377	42,562	37,691
SBITAs payable, current portion	4,607	-	5,436	543
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	26	123	-	-
Unearned revenue	891,232	57,867	-	-
Capital acquisition and construction accounts and retainage payable	1,218,551	3,060,500	-	-
Total current liabilities	22,205,527	21,148,250	53,097,455	5,105,826
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Alaska Clean Water and Drinking Water loans payable	82,445,632	75,076,924	-	4,603,098
Direct Financing Agreements	-	-	-	-
Claims payable and incurred but not reported	-	-	-	-
Compensated absences	865,579	530,541	129,048	-
Revenue bonds payable, net current portion	101,415,749	78,192,208	263,298,848	67,656,876
Notes payable, net current portion	1,000	1,000	-	26,998,898
Net pension liability	20,573,606	18,991,020	977,055	674,033
Leases payable, net current portion	88,299	52,782	372,751	909,633
SBITAs payable, net current portion	-	-	884	579
Liabilities payable from restricted assets-Customer deposits	337,778	110,715	-	-
Other liabilities:				
Pollution remediation obligation	-	2,250,000	-	-
Future landfill closure costs	-	-	-	48,224,598
Other long-term obligations	-	-	1,707,058	-
Total noncurrent liabilities	205,727,643	175,205,190	266,485,644	149,067,715
Total liabilities	227,933,170	196,353,440	319,583,099	154,173,541
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	181,188,636	142,149,758	-	-
Related to OPEB	262,741	242,530	12,478	8,608
Related to leases	1,531,727	153,470	56,692,617	-
Related to installment sale of Electric Utility	-	-	-	-
Total deferred inflows of resources	182,983,104	142,545,758	56,705,095	8,608
Net Position				
Net investment in capital assets	209,938,348	139,049,638	368,344,350	75,735,042
Restricted for:				
Debt service	-	-	15,307,984	-
Interim rate escrow requirement	3,047,522	1,498,048	-	-
Acquisition and construction	-	-	1,950,000	-
OPEB	8,852,126	8,171,193	420,394	290,013
Operations	-	-	-	-
Unrestricted net position (deficit)	29,559,978	23,830,337	22,763,624	2,812,108
Total net position	251,397,974	172,549,216	408,786,352	78,837,163
Total liabilities, deferred inflows of resources, and net position	\$ 662,314,248	\$ 511,448,414	\$ 785,074,546	\$ 233,019,312

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-1 (Continued)

Proprietary Funds
Statement of Net Position
December 31, 2024

	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities – Internal Service Funds	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Total Proprietary Funds	
Liabilities				
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 286,758	\$ 11,162,336	\$ 3,067,647	\$ 14,229,983
Accrued payroll liabilities	250,990	2,924,635	749,674	3,674,309
Capital acquisition and construction accounts and retainage payable	827,136	4,657,095	63,144	4,720,239
Compensated absences	327,170	3,335,325	1,163,698	4,499,023
Claims payable and incurred but not reported	-	-	28,095,066	28,095,066
Due to other funds	-	41,356,528	85,000	41,441,528
Accrued interest payable	372,959	3,954,225	24,197	3,978,422
Accrued interest on leases	-	6,670	-	6,670
Pollution remediation obligation	-	92,000	-	92,000
Long-term obligations maturing within one year	376,200	31,001,338	1,659,097	32,660,435
Unearned revenue and deposits	349,684	349,684	-	349,684
Due to other governments	-	181,537	-	181,537
Leases payable, current portion	-	87,697	-	87,697
SBITAs payable, current portion	286	10,872	1,269,924	1,280,796
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	-	149	-	149
Unearned revenue	-	949,099	-	949,099
Capital acquisition and construction accounts and retainage payable	-	4,279,051	-	4,279,051
Total current liabilities	2,791,183	104,348,241	36,177,447	140,525,688
Noncurrent liabilities:				
Advances from other funds	-	-	30,450,809	30,450,809
Alaska Clean Water and Drinking Water loans payable	-	162,125,654	-	162,125,654
Direct Financing Agreements	-	-	1,092,815	1,092,815
Claims payable and incurred but not reported	-	-	10,862,777	10,862,777
Compensated absences	-	1,525,168	13,617	1,538,785
Revenue bonds payable, net current portion	38,056,992	548,620,673	-	548,620,673
Notes payable, net current portion	9,319,774	36,320,672	-	36,320,672
Net pension liability	4,037,721	45,253,435	14,123,822	59,377,257
Leases payable, net current portion	-	1,423,465	-	1,423,465
SBITAs payable, net current portion	305	1,768	2,763,814	2,765,582
Liabilities payable from restricted assets-Customer deposits	-	448,493	-	448,493
Other liabilities:				
Pollution remediation obligation	-	2,250,000	-	2,250,000
Future landfill closure costs	-	48,224,598	-	48,224,598
Other long-term obligations	-	1,707,058	-	1,707,058
Total noncurrent liabilities	51,414,792	847,900,984	59,307,654	907,208,638
Total liabilities	54,205,975	952,249,225	95,485,101	1,047,734,326
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	-	323,338,394	-	323,338,394
Related to OPEB	51,565	577,922	180,372	758,294
Related to leases	14,936,267	73,314,081	-	73,314,081
Related to installment sale of Electric Utility	94,250,561	94,250,561	-	94,250,561
Total deferred inflows of resources	109,238,393	491,480,958	180,372	491,661,330
Net Position				
Net investment in capital assets	94,694,536	887,761,914	42,718,495	930,480,409
Restricted for:				
Debt service	-	15,307,984	-	15,307,984
Interim rate escrow requirement	-	4,545,570	-	4,545,570
Acquisition and construction	-	1,950,000	-	1,950,000
OPEB	1,737,294	19,471,020	6,077,002	25,548,022
Operations	3,000,000	3,000,000	-	3,000,000
Unrestricted net position (deficit)	23,953,771	102,919,818	(11,743,211)	91,176,607
Total net position	123,385,601	1,034,956,306	37,052,286	1,072,008,592
Total liabilities, deferred inflows of resources, and net position	\$ 286,829,969		\$ 132,717,759	\$ 2,611,404,248

(417,296) Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
\$ 1,034,539,010 Net position of business-type activities

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-2

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2024

Business-Type Activities – Enterprise Funds

	Water Utility	Wastewater Utility	Port	Disposal Utility
Operating Revenues				
Charges for sales and services	\$ 69,912,890	\$ 67,636,408	\$ 11,707,431	\$ 30,175,157
Lease revenues	198,229	19,017	-	-
Other	1,439,397	1,110,663	4,140,834	226,461
Total operating revenues	71,550,516	68,766,088	15,848,265	30,401,618
Operating Expenses				
Operations	34,113,958	38,608,746	11,534,289	19,191,732
Change in landfill closure liability	-	-	-	1,202,800
Depreciation and amortization	10,674,267	11,130,296	13,228,979	7,554,445
Total operating expenses	44,788,225	49,739,042	24,763,268	27,948,977
Operating income (loss)	26,762,291	19,027,046	(8,915,003)	2,452,641
Nonoperating Revenues (Expenses)				
Investment Income	4,904,627	3,808,033	484,820	2,334,699
Investment Income on landfill postclosure cash reserve	-	-	-	1,959,303
Installment sale	-	-	-	-
Other revenues	19,792	19,639	1,833,862	-
Intergovernmental revenue	1,357,477	1,253,055	64,467	44,473
Lease interest income	35,165	3,555	2,150,985	-
Interest expense	(5,187,981)	(4,151,059)	(3,728,881)	(4,872,759)
Interest expense on leases	(2,764)	(1,460)	(11,317)	(20,838)
Interest expense on SBITAs	(722)	-	(477)	-
Return of unused grant revenue	-	-	-	(181,537)
Allowance for funds used during construction (AFUDC)	889,837	1,023,610	-	-
Gain (loss) on sale of capital assets	-	-	93,307	200,000
Gain on disposition of SBITAs	-	-	-	-
Long-term debt issuance expenses	-	-	(5,715,227)	-
Other expenses	83,930	(938,597)	(1,895,075)	-
Net nonoperating revenues (expenses)	2,099,361	1,016,776	(6,723,536)	(536,659)
Income (loss) before capital contributions and transfers	28,861,652	20,043,822	(15,638,539)	1,915,982
Capital contributions	-	-	68,934,976	-
Capital contributions from governmental funds	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(10,134,246)	(6,394,895)	(2,192,355)	(2,930,836)
Change in net position	18,727,406	13,648,927	51,104,082	(1,014,854)
Net position, beginning of year	232,670,568	158,900,289	357,682,270	79,852,017
Net position, end of year	\$ 251,397,974	\$ 172,549,216	\$ 408,786,352	\$ 78,837,163

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-2 (Continued)

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2024

	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Operating Revenues				
Charges for sales and services	\$ 17,775,493	\$ 197,207,379	\$ 103,764,539	\$ 300,971,918
Lease revenues	464,952	682,198	-	682,198
Other	419,797	7,337,152	76,482	7,413,634
Total operating revenues	18,660,242	205,226,729	103,841,021	309,067,750
Operating Expenses				
Operations	17,491,376	120,940,101	102,161,265	223,101,366
Change in landfill closure liability	-	1,202,800	-	1,202,800
Depreciation and amortization	7,070,557	49,658,544	13,225,514	62,884,058
Total operating expenses	24,561,933	171,801,445	115,386,779	287,188,224
Operating income (loss)	(5,901,691)	33,425,284	(11,545,758)	21,879,526
Nonoperating Revenues (Expenses)				
Investment Income	1,489,479	13,021,658	3,039,542	16,061,200
Investment Income on landfill postclosure cash reserve	-	1,959,303	-	1,959,303
Installment sale	2,590,754	2,590,754	-	2,590,754
Other revenues	583	1,873,876	261,259	2,135,135
Intergovernmental revenue	295,818	3,015,290	931,911	3,947,201
Lease interest income	548,476	2,738,181	-	2,738,181
Interest expense	(2,455,607)	(20,396,287)	(197,534)	(20,593,821)
Interest expense on leases	-	(36,379)	-	(36,379)
Interest expense on SBITAs	-	(1,199)	-	(1,199)
Return of unused grant revenue	-	(181,537)	-	(181,537)
Allowance for funds used during construction (AFUDC)	-	1,913,447	-	1,913,447
Gain (loss) on sale of capital assets	(13,355)	279,952	274,010	553,962
Gain on disposition of SBITAs	-	-	81,355	81,355
Long-term debt issuance expenses	-	(5,715,227)	-	(5,715,227)
Other expenses	-	(2,749,742)	-	(2,749,742)
Net nonoperating revenues (expenses)	2,456,148	(1,687,910)	4,390,543	2,702,633
Income (loss) before capital contributions and transfers	(3,445,543)	31,737,374	(7,155,215)	24,582,159
Capital contributions	7,364,374	76,299,350	-	76,299,350
Capital contributions from governmental funds	-	-	1,977,040	1,977,040
Transfers from other funds	-	-	1,365,439	1,365,439
Transfers to other funds	(4,142,115)	(25,794,447)	-	(25,794,447)
Change in net position	(223,284)	82,242,277	(3,812,736)	78,429,541
Net position, beginning of year	123,608,885		40,865,022	993,579,051
Net position, end of year	<u>\$ 123,385,601</u>		<u>\$ 37,052,286</u>	<u>\$ 1,072,008,592</u>
		(1,064,378)	Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	
			Change in net position of business-type activities	
		<u>\$ 81,177,899</u>		

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2024

	Business-Type Activities - Enterprise Funds			
	Water Utility	Wastewater Utility	Port	Disposal Utility
Cash Flows From Operating Activities				
Receipts from customers	\$ 72,420,846	\$ 69,570,377	\$ 15,086,230	\$ 31,024,432
Other operating cash receipts	-	-	-	-
Receipts for interfund services provided	-	-	-	-
Payments to employees	(18,899,008)	(18,943,284)	(2,700,874)	(8,588,672)
Payments to vendors	(12,017,839)	(15,912,088)	(1,168,480)	(9,603,306)
Payments for interfund services used	(573,102)	(2,290,330)	(1,234,337)	(1,890,050)
Net cash flows provided by operating activities	40,930,897	32,424,675	9,982,539	10,942,404
Cash Flows From Non-capital Financing Activities				
Transfers to other funds	(10,134,246)	(6,394,895)	(2,192,355)	(2,930,836)
Security contract	-	-	(1,895,075)	-
Right of way and security fees	-	-	1,833,862	-
Due to other funds	-	-	18,850,929	-
Due from other funds	-	-	-	-
Proceeds from installment sale	-	-	-	-
Advance from other funds	-	-	-	-
Advance to other funds	-	-	-	-
Net cash flows provided by (used for) non-capital financing activities	(10,134,246)	(6,394,895)	16,597,361	(2,930,836)
Cash Flows From Capital and Related Financing Activities				
Proceeds from issuance of long-term obligations	9,594,625	6,625,715	196,304,329	6,299,516
Principal payments on long-term obligations	(15,150,787)	(13,614,422)	(40,525,000)	(1,675,388)
Financing costs on long-term obligations	-	-	(5,715,227)	-
Interest payments on long-term obligations	(6,034,766)	(7,012,883)	(3,960,875)	(4,814,821)
Capital grant proceeds	-	-	-	(181,537)
Acquisition and construction of capital assets	(14,864,262)	(10,206,976)	(73,656,819)	(17,395,843)
Interest payments on leases & SBITAs	-	-	(11,854)	(20,865)
Principal payments on leases & SBITAs	(8,333)	(3,291)	(46,839)	(36,260)
Proceeds from leases	-	-	2,153,934	-
Proceeds from the sale or disposition of capital assets	-	-	335,400	186,645
Transfers from other funds	-	-	-	-
Change in due to other governments	-	-	-	181,537
Capital contributions from governmental funds	-	-	-	-
Capital contributions – customers	234,625	165,607	-	-
Capital contributions – intergovernmental	-	-	49,109,328	-
Net cash flows provided by (used for) capital and related financing activities	(26,228,898)	(24,046,250)	123,986,377	(17,457,016)
Cash Flows From Investing Activities				
Investment Income received	4,910,828	3,829,488	569,319	4,294,001
Net cash flows provided by investing activities	4,910,828	3,829,488	569,319	4,294,001
Net increase (decrease) in cash and investments	9,478,581	5,813,018	151,135,596	(5,151,447)
Cash and Investments, beginning of year	63,813,391	51,490,714	7,165,900	55,676,175
Cash and Investments, end of year	73,291,972	57,303,732	158,301,496	50,524,728
Cash	-	2,200	500	2,732
Cash and investments in central treasury	31,703,791	25,183,788	-	28,332,199
Equity in bond and grant capital acquisition and construction accounts, unrestricted	-	-	-	-
Restricted equity in bond and grant capital acquisition and construction accounts	29,473,089	20,734,785	-	-
Cash legal settlement set aside	-	-	1,950,000	-
Restricted equity in general cash pool - debt service	-	-	15,307,984	-
Restricted Unspent bond Proceeds	-	-	141,043,012	-
Restricted investments for operations	-	-	-	-
Restricted equity in general cash pool - customer deposits	337,778	110,715	-	-
Interim rate escrow investments	3,047,522	1,498,048	-	-
Reserved for equity in general cash pool - bond and loan debt service	8,729,792	9,774,196	-	-
Restricted for debt service	-	-	-	304
Restricted for Landfill postclosure cash reserve	-	-	-	22,189,493
Total Cash and Investments	\$ 73,291,972	\$ 57,303,732	\$ 158,301,496	\$ 50,524,728

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3 (Continued)

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2024

	<u>Business-Type Activities -</u>		<u>Governmental Activities -</u>	
	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total Proprietary Funds</u>
Cash Flows From Operating Activities				
Receipts from customers	\$ 18,117,837	\$ 206,219,722	\$ -	\$ 206,219,722
Other operating cash receipts	332,533	332,533	-	332,533
Receipts for interfund services provided	-	-	104,343,218	104,343,218
Payments to employees	(5,622,560)	(54,754,398)	(13,637,777)	(68,392,175)
Payments to vendors	(9,938,364)	(48,640,077)	(82,407,507)	(131,047,584)
Payments for interfund services used	(1,619,923)	(7,607,742)	(4,086,361)	(11,694,103)
Net cash flows provided by operating activities	<u>1,269,523</u>	<u>95,550,038</u>	<u>4,211,573</u>	<u>99,761,611</u>
Cash Flows From Non-capital Financing Activities				
Transfers to other funds	(4,142,115)	(25,794,447)	-	(25,794,447)
Security contract	-	(1,895,075)	-	(1,895,075)
Right of way and security fees	-	1,833,862	-	1,833,862
Due to other funds	(1,636,352)	17,214,577	-	17,214,577
Due from other funds	(217,874)	(217,874)	931,911	714,037
Proceeds from installment sale	2,590,754	2,590,754	-	2,590,754
Advance from other funds	-	-	(558,249)	(558,249)
Advance to other funds	-	-	4,133	4,133
Net cash flows provided by (used for) non-capital financing activities	<u>(3,405,587)</u>	<u>(6,268,203)</u>	<u>377,795</u>	<u>(5,890,408)</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from issuance of long-term obligations	429,269	219,253,454	-	219,253,454
Principal payments on long-term obligations	(358,200)	(71,323,797)	(5,137,633)	(76,461,430)
Financing costs on long-term obligations	-	(5,715,227)	-	(5,715,227)
Interest payments on long-term obligations	(2,437,724)	(24,261,069)	(228,769)	(24,489,838)
Capital grant proceeds	569,350	387,813	-	387,813
Acquisition and construction of capital assets	(4,211,719)	(120,335,619)	(6,022,970)	(126,358,589)
Interest payments on leases & SBITAs	-	(32,719)	-	(32,719)
Principal payments on leases & SBITAs	(327)	(95,050)	(591,766)	(686,816)
Proceeds from leases	549,535	2,703,469	-	2,703,469
Proceeds from the sale or disposition of capital assets	-	522,045	274,010	796,055
Transfers from other funds	-	-	1,365,439	1,365,439
Change in due to other governments	-	181,537	-	181,537
Capital contributions from governmental funds	-	-	1,977,040	1,977,040
Capital contributions – customers	-	400,232	-	400,232
Capital contributions – intergovernmental	11,472,139	60,581,467	-	60,581,467
Net cash flows provided by (used for) capital and related financing activities	<u>6,012,323</u>	<u>62,266,536</u>	<u>(8,364,649)</u>	<u>53,901,887</u>
Cash Flows From Investing Activities				
Investment Income received	<u>1,538,128</u>	<u>15,141,764</u>	<u>3,039,542</u>	<u>18,181,306</u>
Net cash flows provided by investing activities	<u>1,538,128</u>	<u>15,141,764</u>	<u>3,039,542</u>	<u>18,181,306</u>
Net increase (decrease) in cash and investments	5,414,387	166,690,135	(735,739)	165,954,396
Cash and Investments, beginning of year	19,819,507	197,965,687	67,206,035	265,171,722
Cash and Investments, end of year	<u>25,233,894</u>	<u>364,655,822</u>	<u>66,470,296</u>	<u>431,126,118</u>
Cash	1,243	6,675	-	6,675
Cash and investments in central treasury	18,041,664	103,261,442	55,773,301	159,034,743
Equity in bond and grant capital acquisition and construction accounts, unrestricted	4,190,816	4,190,816	10,696,995	14,887,811
Restricted equity in bond and grant capital acquisition and construction accounts	-	50,207,874	-	50,207,874
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Restricted equity in general cash pool - debt service	-	15,307,984	-	15,307,984
Restricted Unspent bond Proceeds	-	141,043,012	-	141,043,012
Restricted investments for operations	3,000,000	3,000,000	-	3,000,000
Restricted equity in general cash pool - customer deposits	-	448,493	-	448,493
Interim rate escrow investments	-	4,545,570	-	4,545,570
Reserved for equity in general cash pool - bond and loan debt service	-	18,503,988	-	18,503,988
Restricted for debt service	171	475	-	475
Restricted for Landfill postclosure cash reserve	-	22,189,493	-	22,189,493
Total Cash and Investments	<u>\$ 25,233,894</u>	<u>\$ 364,655,822</u>	<u>\$ 66,470,296</u>	<u>\$ 431,126,118</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3 (Continued)

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2024

Business-Type Activities - Enterprise Funds

	Water Utility	Wastewater Utility	Port	Disposal Utility
Reconciliation of Operating Income (Loss) to Net Cash				
Flows provided by (used for) Operating Activities				
Operating income (loss)	\$ 26,762,291	\$ 19,027,046	\$ (8,915,003)	\$ 2,452,641
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:				
Change in landfill closure liability	-	-	-	1,202,800
Depreciation and amortization	10,674,267	11,130,296	13,228,979	7,554,445
Allowance for uncollectible accounts	20,673	(30,710)	-	-
Pension and OPEB relief-noncash revenue	1,357,477	1,253,055	64,467	44,473
Other revenues / expenses	19,792	(13,253)	-	-
Non-cash gain on SBITA termination	-	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities that provided (used) cash:				
Accounts receivable, net	66,390	747,000	39,511	622,848
Leases receivable	181,037	(13,771)	1,022,334	-
Inventories	(381,181)	67,366	-	3,266
Net OPEB asset	-	-	167,422	(32,945)
Prepaid items and deposits	175,766	(20,774)	31,362	175
Unbilled reimbursable projects	16,552	(13,789)	-	-
Unbilled special assessments	172,903	97,857	-	-
Customer deposits and refunds payable	9,492	3,898	-	-
Deferred outflows of resources related to pension	158,434	146,246	33,142	(2,397)
Deferred outflows of resources related to OPEB	(3,346)	(3,090)	10,119	(3,154)
Deferred outflows of resources related to Grant	-	-	-	-
Accounts payable, other accrued liabilities, and retainages	120,088	(154,872)	6,371,076	(1,149,371)
Accrued payroll liabilities	465,346	(117,382)	3,423	55,537
Compensated absences	238,282	129,654	56,178	72,396
Claims payable	-	-	-	-
Net pension liability	915,677	845,240	(277,920)	125,197
Net OPEB Asset	355,424	328,083	-	-
Deferred inflows of resources related to OPEB	(169,977)	(156,901)	(15,147)	(3,473)
Deferred inflows of resources related to leases	(198,230)	11,778	(1,823,880)	-
Unearned revenues and deposits	419,835	15	-	(34)
Other long-term obligations	-	-	(13,524)	-
Regulatory debits	(446,095)	(838,317)	-	-
Net cash flows provided by operating activities	<u>40,930,897</u>	<u>32,424,675</u>	<u>9,982,539</u>	<u>10,942,404</u>
Noncash Investing, Capital, and Financing Activities:				
Capital purchases on account	(145,783)	2,249,792	3,717,383	112,576
Contributed capital for Private development/equipment	-	425,284	-	-
Portion of plant from AFUDC	889,837	1,023,610	-	-
Derecognition of subscription asset due to terminatoin	-	-	-	-
Derecognition of subscription liability due to termination	-	-	-	-
Non-cash gain recognized from terminatoin of SBITA	-	-	-	-
Total noncash investing, capital, and financing activities	<u>\$ 744,054</u>	<u>\$ 3,698,686</u>	<u>\$ 3,717,383</u>	<u>\$ 112,576</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3 (Continued)

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2024

	<u>Business-Type Activities -</u>		<u>Governmental Activities -</u>	
	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total Proprietary Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows provided by (used for) Operating Activities				
Operating income (loss)	\$ (5,901,691)	\$ 33,425,284	\$ (11,545,758)	\$ 21,879,526
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:				
Change in landfill closure liability	-	1,202,800	-	1,202,800
Depreciation and amortization	7,070,557	49,658,544	13,225,514	62,884,058
Allowance for uncollectible accounts	-	(10,037)	-	(10,037)
Pension and OPEB relief-noncash revenue	266,415	2,985,887	-	2,985,887
Other revenues / expenses	583	7,122	342,614	349,736
Non-cash gain on SBITA termination	-	-	(81,355)	(81,355)
Changes in assets, deferred outflows and inflows of resources, and liabilities that provided (used) cash:				
Accounts receivable, net	(23,550)	1,452,199	266,663	1,718,862
Leases receivable	268,678	1,458,278	-	1,458,278
Inventories	-	(310,549)	(317,201)	(627,750)
Net OPEB asset	438,163	572,640	434,335	1,006,975
Prepaid items and deposits	1,312	187,841	494,900	682,741
Unbilled reimbursable projects	-	2,763	-	2,763
Unbilled special assessments	-	270,760	-	270,760
Customer deposits and refunds payable	-	13,390	-	13,390
Deferred outflows of resources related to pension	93,786	429,211	141,155	570,366
Deferred outflows of resources related to OPEB	24,495	25,024	10,696	35,720
Deferred outflows of resources related to Grant	-	-	(135,450)	(135,450)
Accounts payable, other accrued liabilities, and retainages	52,944	5,239,865	498,311	5,738,176
Accrued payroll liabilities	40,421	447,345	185,147	632,492
Compensated absences	50,502	547,012	162,660	709,672
Claims payable	-	-	432,727	432,727
Net pension liability	(606,837)	1,001,357	222,248	1,223,605
Net OPEB Asset	-	683,507	-	683,507
Deferred inflows of resources related to OPEB	(50,672)	(396,170)	(125,633)	(521,803)
Deferred inflows of resources related to leases	(464,952)	(2,475,284)	-	(2,475,284)
Unearned revenues and deposits	9,369	429,185	-	429,185
Other long-term obligations	-	(13,524)	-	(13,524)
Regulatory debits	-	(1,284,412)	-	(1,284,412)
Net cash flows provided by operating activities	<u>1,269,523</u>	<u>95,550,038</u>	<u>4,211,573</u>	<u>99,761,611</u>
Noncash Investing, Capital, and Financing Activities:				
Capital purchases on account	827,136	6,761,104	63,144	6,824,248
Contributed capital for Private development/equipment	7,364,374	7,789,658	-	7,789,658
Portion of plant from AFUDC	-	1,913,447	-	1,913,447
Derecognition of subscription asset due to terminatoin	-	-	3,334,540	3,334,540
Derecognition of subscription liability due to termination	-	-	(3,415,895)	(3,415,895)
Non-cash gain recognized from terminatoin of SBITA	-	-	81,355	81,355
Total noncash investing, capital, and financing activities	<u>\$ 8,191,510</u>	<u>\$ 16,464,209</u>	<u>\$ 63,144</u>	<u>\$ 16,527,353</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2024

Exhibit D-1

	Pension and Other Postemployment Benefits Plans
Assets	
Cash and cash equivalents	\$ 65,842
Accrued interest	1,088,152
Investments:	
Money market funds	9,495,768
Certificate of deposit	7,160,341
U.S. treasuries	14,507,983
U.S. agencies	12,501,009
Corporate fixed income securities	68,896,721
Domestic fixed income funds	7,417,558
International fixed income funds	293,908
Domestic equity securities	119,345,449
International equity securities	74,698,272
Real estate funds	42,559,859
Total investments	<u>356,876,868</u>
Capital assets, being depreciated and amortized, net	<u>1,850</u>
Total assets	<u>358,032,712</u>
Liabilities	
Accounts payable and accrued expenses	100,400
Due to other fund	318,900
Total liabilities	<u>419,300</u>
Net Position	
Restricted for:	
Pensions	333,603,354
Postemployment benefits other than pensions	24,010,058
Total net position	<u>\$ 357,613,412</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year ended December 31, 2024

Exhibit D-2

	Pension and Other Postemployment Benefits Plans
Additions	
Contributions from the Municipality	\$ 3,773,097
Investment income (loss):	
Interest	3,685,609
Dividends	3,968,083
Net decrease in fair value of investments	24,249,140
Less: investment expense	<u>(1,749,546)</u>
Net investment loss	<u>30,153,286</u>
Total additions	<u>33,926,383</u>
Deductions	
Regular benefit payments	37,948,085
Administrative expenses	<u>847,936</u>
Total deductions	<u>38,796,021</u>
Change in fiduciary net position	(4,869,638)
Net position, beginning of year	<u>362,483,050</u>
Net position, end of year	<u><u>\$ 357,613,412</u></u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Year ended December 31, 2024

Notes to Financial Statements - Index:

	Page
Note 1 Summary of Significant Accounting Policies	28
Note 2 Stewardship, Compliance, Accountability, and Related Party Transactions.....	36
Note 3 Cash and Investments.....	40
Note 4 Receivables (Including Loans Receivable)	62
Note 5 Capital Assets	63
Note 6 Port of Alaska Modernization Program	66
Note 7 Interfund Receivables, Payables, and Transfers	68
Note 8 Lease Agreements	69
Note 9 Short-Term Obligations	71
Note 10 Long-Term Obligations.....	72
Note 11 Debt Issued Subsequent to Year End	87
Note 12 Pension Plans	88
Note 13 Postemployment Healthcare Benefits Plans	103
Note 14 Fund Balance - Governmental Funds	119
Note 15 Risk Management and Self-Insurance	121
Note 16 MOA Trust Fund	122
Note 17 Regulatory and Other Matters.....	124
Note 18 Contingencies	125
Note 19 Environmental Issues	126
Note 20 Subsequent Events	130
Note 21 New Accounting Pronouncements	131

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Blended Component Unit

CIVICVentures is a nonprofit corporation that owns and maintains two Anchorage-based properties: The Dena'ina Civic and Convention Center (the Civic Center), and the William A. Egan Civic and Convention Center (the Egan Center). The Mayor appoints all CIVICVentures board members. As of December 31, 2024, two of the five CIVICVentures Directors were executive employees of the Municipality, and management and accounting functions are performed by the Municipality. CIVICVentures is accounted for as a debt service fund.

Discretely Presented Component Units

The Anchorage School District (ASD) is a legally separate governmental entity, which is responsible for elementary and secondary education within the Municipality. School Board Members are elected by the voters; however, ASD is a component unit and integral part of the primary government, the Municipality. ASD is fiscally dependent upon the primary government because the Assembly approves the municipal tax appropriation and the total budget, and levies and collects taxes for the District. The Assembly also approves the borrowing of funds and issuance of bonds for the District. ASD has a June 30 fiscal year end; therefore, the financial information presented in these financial statements is as of and for the fiscal year ended June 30, 2024.

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

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

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

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

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

Anchorage Community Development Authority
245 West 5th Avenue, Suite 122
Anchorage, Alaska 99501

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

The Municipality reports the following major proprietary funds:

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

Additionally, the Municipality reports the following fund types:

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Cash and Cash Equivalents

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

Investments

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

Receivables and Payables

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

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

Property Taxes

Property taxes attach a lien on property on the first day of the tax year in which taxes are levied. For 2024, real and personal property taxes were levied on June 1. Real property taxes were payable in two installments on June 30 and August 31, and personal property taxes on November 30.

The Municipality is responsible for assessing and collecting property taxes and remitting the amount approved by the Assembly to ASD. The Municipality collected property taxes on behalf of ASD for its general fund and debt service fund in the amounts of \$263,714,389 and \$17,056,213, respectively. ASD had accrued taxes and deferred inflows of resources of \$114,916,173 for financing half of the 2024-2025 budget as of June 30, 2024. Accordingly, amounts reported by the Municipality as due to component units on the statement of net position may not agree with the amounts reported by ASD as due from primary government.

On December 31, 2024, property taxes receivable for the Municipality was \$13,947,953 including penalties and interest of \$578,551 and excluding allowance for uncollectible property tax receivable of \$70,001.

Inventories

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

Prepays

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Donated Works of Art

Donated Works of Art are recorded at their acquisition value at the date of donation. Acquisition value represents the price that would be paid to acquire the asset in an orderly transaction at the donation date.

Regulatory and Other Assets

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

Restricted Assets

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

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

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

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

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

Capital Assets

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

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

The Utilities capitalize AFUDC to capture the cost of using both debt and equity funds to finance Utility plant additions during the construction period in accordance with regulatory requirements. AFUDC was capitalized in 2024 in the amounts of \$889,837 and \$1,023,610 for the Water and Wastewater Utilities, respectively.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

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

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

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

Compensated Absences

The Municipality provides compensated absences to its employees in the form of vacation leave, sick leave, and other types of paid time off. In accordance with GASB Statement No. 101, Compensated Absences, the government recognizes a liability for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than no to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay rates in effect as of the financial statement date. The liability includes salary-related payments (such as Social Security and Medicare taxes) that are directly and incrementally associated with the payment of compensated absences. Governmental activities and business-type activities compensated absences increased by \$5,965,159 and \$533,530, respectively.

Long-Term Obligations

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Net Pension and Net OPEB Assets and Liabilities

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

Contributions in Aid of Construction

The Utilities receive CIAC, which they record as contributed plant in service and deferred inflows of resources. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective plant as a reduction of depreciation expense and a reduction of deferred inflows of resources. Consequently, CIAC is recorded as deferred inflows of resources in the accompanying financial statements. Utility rates also include an AFUDC, which is capitalized in the accompanying financial statements. On December 31, 2024, Water and Wastewater Utility deferred inflow of resources balances related to CIAC were \$181,188,636, and \$142,149,758, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Net Position and Flow Assumptions

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

Fund Balance

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

E. Leases & Subscription-Based Information Technology Arrangements

Lessee:

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

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

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

Lessor:

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

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

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

Subscription-Based Information Technology Arrangements (SBITAs):

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

F. Utility Revenues

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

G. Statement of Cash Flows

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

H. Use of Estimates

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

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

A. Excess of Expenditures Over Appropriations

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

For the year ended December 31, 2024, expenditures exceeded appropriations in the following departments of the general fund:

Chief Fiscal Officer expenditures exceeded appropriation by \$226,509 in the personnel services section. Equal Rights Commission expenditures slightly exceeded appropriation by \$1,034.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

B. Deficit Fund Balance and Deficit Net Position

As of December 31, 2024, an overall deficit fund balance and net deficit position were reported for the following funds:

Non-major Governmental Funds:

Other Restricted Resources	\$ (549,801)
Federal Grants	(1,156,207)

Internal Service Funds:

General Liability/Worker's Compensation	\$ (16,644,606)
Information Technology	(14,716,693)

The Other Restricted Resources fund reported an overall deficit fund balance due to more than one year of cumulative expenditures being more than the special assessment revenues. This fund has presented a fund deficit consistently since 2006. The deficit was increased by \$208,668 during 2024.

The Federal Grants fund reported an overall deficit fund balance in 2024 as a result of expenditures exceeding revenues.

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

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

C. Related Party Transaction and Revenue Sharing Agreements - ACDA

Leased Parking Spaces

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

Anchorage Police Department (APD) Parking Citations

Under a Memorandum of Understanding, ACDA processes parking citations written by the APD, which is part of the Municipality. All citation revenues collected are paid to the APD, and APD then pays ACDA based on the number of citations written and the revenue received. APD was charged \$29,892 for citation processing in 2024; ACDA has a receivable from APD in the amount of \$7,812 on December 31, 2024. ACDA paid APD \$48,710 of citation revenues in 2024. On December 31, 2024, ACDA has a payable to APD of \$50,483.

Municipal Enterprise Service Assessment

Under Anchorage Municipal Code (AMC, or Code) 9.60.125, enacted June 25, 2002, ACDA pays the Municipality a Municipal Enterprise Service Assessment (MESA). The first MESA payment under this ordinance was due in 2003. Payment is calculated by applying the mill rate for the service area (established by the Assembly) to the netbook value of the plant in service plus 1.25% of ACDA's gross operating revenue for the preceding year. Gross operating revenue is defined as total operating revenue for the parking services department plus operating revenues plus cash contributions, and less operating expenses excluding depreciation in the development department. ACDA paid the Municipality \$379,997 in MESA in 2024.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Revenue Sharing Agreement

Under an MOU, ACDA entered into a revenue sharing agreement in 2009 for the Authority Hall parking lot (Lot) with the Municipality. Beginning January 15, 2010, 58 of the 60 available spaces in the Lot became available to the public weekdays after 6 PM, on weekends and on Municipal Holidays, for a fee. Revenue collection is performed by ACDA. Of the gross parking revenues received, 50% is distributed to ACDA and 50% to the Municipality. Gross revenues paid by ACDA to the Municipality were \$14,354 in 2024. ACDA has a payable as of December 31, 2024, to the Municipality of \$5,478.

Permit Sales

The Municipality of Anchorage purchases parking permits from the Authority. Parking permits purchased by the Municipality were 8,058 in 2024.

D. Related Party Transactions - ASD

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

Property Taxes Collected	
General Fund	\$ 221,038,822
Debt Service Fund	37,403,080
Pupil Transportation Fund	5,042,104
Total Taxes Collected	<u>\$ 263,484,006</u>
Charges for Services:	
Operations of swimming pools	\$ (175,058)
Joint Property and Liability Insurance:	
Purchase of a single property and liability policy, which covers both the Municipality and ASD	\$ (3,507,663)

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

The Municipality has an agreement with the Anchorage Convention and Visitors Bureau (ACVB) to manage and operate the Egan Center and the Civic Center. The Municipality collects a 12% gross hotel, motel, bed, and breakfast tax, with 1/3 for the convention centers, 1/3 for tourism, and 1/3 for general purposes. The Municipality remits to ACVB 95% of the 1/3 tourism tax revenue collected, with the remaining 5% withheld as retainage payable. The retainage is paid to ACVB annually if ACVB successfully meets specific performance standards. The Municipality paid ACVB \$13,204,368 for 2024. ACVB met the specific performance standards for 2024 to receive the 5% retainage. The Municipality reported \$694,967 as retainage payable and \$1,222,742 as an additional pledged payable to ACVB at year ended December 31, 2024.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

F. Tax Abatement Agreement

The Municipality enters into property tax abatement agreements with local businesses under AMC 12.35- Economic Development Property. Under the code, the Municipality may grant property tax exemptions for up to ten years and/or tax deferrals up to five years on deteriorated property or for economic development purposes. The goal of this code is to encourage development or redevelopment projects considered beneficial to the community in locations where tax incentives are necessary to ensure project viability or long-term economic feasibility. As of December 31, 2024, the Municipality had five property tax abatement agreements, so there is no quantitative threshold for disclosure.

Span Alaska Transportation, LLC

The Municipality entered into a tax abatement agreement in November 2019 with Span Alaska Transportation, LLC (Span Alaska) under AMC 12.35 - Economic Development Property. Span Alaska is building a 54,000 square foot cross-dock facility. The Municipality agreed to a five-year exemption of real property taxes on 91% of the taxable value of the improvement for five years beginning on January 1, 2020. Real property taxes exempt for 2024 under this agreement was \$7,675,577.

601 Fifth Ave, LLC

The Municipality entered into a tax abatement schedule on deteriorated property agreement in July 2020 with 601 Fifth Ave, LLC under AMC 12.35 - Economic Development Property to begin in 2021. Real property taxes deferred in 2024 under this agreement were \$0.

Cook Inlet Housing Authority

The Municipality entered into a tax abatement on deteriorated property agreement with the Cook Inlet Housing Authority (CIHA) in March 2021 under AMC 12.35 - Economic Development Property. In 2020, the Assembly designated the Central Spenard Area as deteriorated property. CIHA applied for and was granted a ten-year exemption of real property taxes for five parcels within this area. Real property taxes exempt in 2024 under this agreement were \$0.

Grateful Bread, LLC

The Municipality entered into a tax abatement on deteriorated property agreement with Grateful Bread, LLC in July 2021 under AMC 12.35 - Economic Development Property. Grateful Bread LLC applied for and was granted a ten-year exemption on 100% of the assessed value of the property and improvements, commencing after substantial completion of construction or beneficial occupancy of the improvements. Real property taxes exempt in 2024 under this agreement were \$2,161,100.

The Alaska Hotel Group, 239 W. 4th Avenue, Limited Partnership

The Municipality entered into a tax abatement on deteriorated property agreement with the Alaska Hotel Group in May 2022 under AMC 12.35 - Economic Development Property. Real property taxes exempt in 2024 under this agreement were \$0.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS

December 31, 2024, the Municipality had the following cash and investments, with fixed income maturities as noted:

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Petty Cash	\$ 89,145	\$ -	\$ -	\$ -	\$ -
Interim Rate Increase Escrow	\$ 4,545,570	\$ -	\$ -	\$ -	\$ -
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
	<u>\$ 759,317,476</u>	<u>\$ 340,882,050</u>	<u>\$ 268,450,654</u>	<u>\$ 47,308,579</u>	<u>\$ 20,736,572</u>
MOA Trust Fund:					
Money Market Funds	\$ 9,083,601	\$ -	\$ -	\$ -	\$ -
Bank Loan Investments	24,074,952	-	-	24,074,952	-
Emerging Markets Debt	22,245,087	-	-	-	22,245,087
Fixed Income Funds	51,266,339	-	-	51,266,339	-
Corporate Fixed Income Securities	4,679,547	-	1,160,847	3,518,700	-
U.S. Treasuries	22,642,610	-	-	16,595,913	6,046,697
U.S. Agencies	21,798,857	-	-	-	21,798,857
Domestic Equities & Equity Funds	138,661,387	-	-	-	-
International Equities & Equity Funds	90,308,467	-	-	-	-
Real Estate Funds	48,602,265	-	-	-	-
	<u>\$ 433,363,112</u>	<u>\$ -</u>	<u>\$ 1,160,847</u>	<u>\$ 95,455,904</u>	<u>\$ 50,090,641</u>
Police & Fire Retiree Medical Trust Fund:					
Money Market Funds	\$ 2,816,650	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	7,160,341	1,468,247	5,692,094	-	-
U.S. Treasuries	5,521,789	487,305	5,034,484	-	-
U.S. Agencies	4,841,027	1,713,285	3,127,742	-	-
Fixed Income Funds	1,182,560	-	207,112	841,052	134,396
International Fixed Income	293,908	-	-	293,908	-
Domestic Equities & Equity Funds	1,453,318	-	-	-	-
International Equities & Equity Funds	973,261	-	-	-	-
	<u>\$ 24,242,854</u>	<u>\$ 3,668,837</u>	<u>\$ 14,061,432</u>	<u>\$ 1,134,960</u>	<u>\$ 134,396</u>

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Police & Fire Retiree Medical Liability Fund:					
Money Market Funds	\$ 37,791	\$ -	\$ -	\$ -	\$ -
Fixed Income Funds	8,740,840	-	-	8,740,840	-
Domestic Equities & Equity Funds	13,238,561	-	-	-	-
International Equities & Equity Funds	9,130,284	-	-	-	-
Real Estate Funds	2,976,421	-	-	-	-
	<u>\$ 34,123,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,740,840</u>	<u>\$ -</u>
Police & Fire Retirement Pension Trust Fund:					
Cash & Money Market Funds	\$ 6,679,118	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	8,986,194	2,428,773	2,245,646	1,374,137	2,937,638
U.S. Agencies	7,659,982	-	-	328,293	7,331,689
Domestic Equities & Equity Funds	117,892,131	-	-	-	-
International Equities & Equity Funds	73,725,011	-	-	-	-
Real Estate Funds	42,559,859	-	-	-	-
Corporate Fixed Income Securities	75,131,719	5,402,737	37,795,910	27,580,083	4,352,989
	<u>\$ 332,634,014</u>	<u>\$ 7,831,510</u>	<u>\$ 40,041,556</u>	<u>\$ 29,282,513</u>	<u>\$ 14,622,316</u>
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:					
Money Market Funds	\$ 31	\$ -	\$ -	\$ -	\$ -
U.S. Fixed Income Fund	8,891,479	-	-	8,891,479	-
Domestic Equities & Equity Funds	8,178,310	-	-	-	-
International Equities & Equity Funds	5,119,673	-	-	-	-
	<u>\$ 22,189,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,891,479</u>	<u>\$ -</u>
CIVICVentures Component Unit					
Money Market Funds	\$ 35,713	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	14,157,560	-	13,285,791	871,769	-
	<u>\$ 14,193,273</u>	<u>\$ -</u>	<u>\$ 13,285,791</u>	<u>\$ 871,769</u>	<u>\$ -</u>
Total Cash and Investments	<u>\$ 1,624,698,834</u>	<u>\$ 352,382,397</u>	<u>\$ 337,000,280</u>	<u>\$ 191,686,044</u>	<u>\$ 85,583,925</u>
Governmental Activities	\$ 903,100,302				
Business-Type Activities	364,655,822				
Fiduciary Funds	356,942,710				
	<u>\$ 1,624,698,834</u>				

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The following table details total investments by area for the Municipality as of December 31, 2024:

<u>Governmental Activities</u>	<u>Fair Value</u>
Cash	\$ 82,470
Cash and investments in central treasury	420,687,121
Current Restricted:	
Investments	482,330,711
Total Governmental Activities Cash and Investments	<u>\$ 903,100,302</u>
<u>Business-type Activities</u>	
Cash	\$ 6,675
Cash and investments in central treasury	107,452,258
Current Restricted:	
Interim rate escrow investment	4,545,570
Equity in bond and grant capital acquisition and construction pool	50,207,874
Equity in general cash pool - bond and loan debt service	18,503,988
Noncurrent Restricted:	
Restricted equity in general cash pool - customer deposits	448,493
Cash legal settlement set aside	1,950,000
Landfill post closure cash reserve	22,189,493
Investments for operations	3,000,000
Debt service investment	475
Unspent bond proceeds	141,043,012
Equity in general cash pool restricted for debt service	15,307,984
Total Business-type Activities Cash and Investments	<u>\$ 364,655,822</u>
<u>Fiduciary Funds</u>	
Cash and cash equivalents	\$ 65,842
Investments	356,876,868
Total Fiduciary Funds Cash and Investments	<u>\$ 356,942,710</u>
 Total Investments	 <u>\$ 1,624,698,834</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The following table details total accrued interest for the Municipality as of December 31, 2024:

Investment Pool	Accrued Interest
Central Treasury	\$ 4,545,956
MOA Trust Fund	714,710
Police & Fire Retiree Medical Trust Fund	71,568
Police & Fire Retirement Pension Trust Fund	1,016,584
CIVICVentures Component Unit	50,100
Total Accrued Interest	<u>\$ 6,398,918</u>
Governmental Activities	\$ 4,354,861
Business-type Activities	955,905
Fiduciary Funds	1,088,152
Total Accrued Interest	<u>\$ 6,398,918</u>

A. Municipal Central Treasury

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

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

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

- Obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
- Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
- Taxable and tax-exempt municipal securities having a long-term rating of at least A- by a nationally recognized rating agency or taxable or tax-exempt municipal securities having a short-term rating of at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated AAA by a nationally recognized rating agency.
- Commercial paper, excluding asset-backed commercial paper, rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

- Bank debt obligations, including unsecured certificates of deposit, notes, time deposits, and bankers' acceptances (with maturities of not more than 365 days), and deposits with any bank, the short-term obligations of which are rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch and which is either:
 - a) Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
 - b) Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Standard & Poor's sovereign rating of AAA, or a Moody's sovereign rating for bank deposits of Aaa, or a Fitch national rating of AAA, and subject to supervision and examination by federal or state banking authorities.
- Repurchase agreements secured by obligations of the U.S. government, U.S. agencies, or U.S. government-sponsored corporations and agencies.
- Dollar denominated corporate debt instruments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Dollar denominated corporate debt instruments rated lower than BBB- (non-investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency, including emerging markets.
- Dollar denominated debt instruments of foreign governments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Asset-Backed Securities (ABS), excluding commercial paper, collateralized by: credit cards, automobile loans, leases and other receivables which must have a credit rating of AA- or above by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Mortgage-Backed Securities, including generic mortgage-backed pass-through securities issued by Ginnie Mae, Freddie Mac, and Fannie Mae, as well as non-agency mortgage-backed securities, Collateralized Mortgage Obligations (CMOs), or Commercial Mortgage-Backed Securities (CMBS), which must have a credit rating of AA- or better by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Debt issued by the Tennessee Valley Authority.
- Money market mutual funds rated Am or better by Standard & Poor's, or the equivalent by another nationally recognized rating agency, as long as they consist of allowable securities as outlined above.
- The Alaska Municipal League Investment Pool (AMLIP), except that the Working Capital portfolio may not be invested in AMLIP.
- Mutual funds consisting of allowable securities as outlined above.
- Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic 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:

		Holding % at December 31, 2024
Working Capital Portfolio		
Investment Type	Concentration Limit	
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	3%
	Maximum 5% per issuer	
Commercial Paper	Maximum of 25% of investment portfolio	9%
	Maximum 5% per issuer	
Bankers Acceptances	Maximum of 25% of investment portfolio	0%
	Maximum 5% per issuer	
Corporate Fixed Income, including Floating Rate and Variable Rate Debt Securities**	Maximum of 35% of investment portfolio	31%
	Maximum 5% per issuer	
Corporate Floating Rate and Variable Rate Debt Securities***	Maximum of 25% of Corporate Securities	
	Maximum 5% per issuer	<1%
Taxable & tax-exempt municipal debt securities	Maximum of 15% of investment portfolio	0%
	Maximum 5% per issuer	
Dollar denominated debt of foreign governments and the International Bank for Reconstruction and Development (IBRD)	Maximum of 10% of investment portfolio	0%
	Maximum 5% per issuer	
Money Market Mutual Funds****	Maximum of 25% of investment portfolio	16%
		<u>100%</u>

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

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

***Corporate floating rate and variable rate debt securities must be 25% or less of the total of Corporate debt securities. Corporate Fixed Income Debt Securities must have a final maturity within one (1) year of purchase, and Corporate Floating Rate or Variable Rate Debt Securities must have a final maturity within two (2) years of purchase. Taxable and Tax-Exempt Municipal Debt Securities must have a final maturity within two (2) years of purchase.

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The P&P limits the concentration of investments for the internally managed portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2024:

Investment Type	Concentration Limit	Investment Holding % at December 31, 2024
U.S. Government Securities*	50% to 100% of investment portfolio	84%
Money Market Mutual Funds**	0% to 25% of investment portfolio	16%
		<u>100%</u>

*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

B. MOA Trust Fund

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Strategic Allocation	Upper Limit	Investment Holding % at December 31, 2024
Domestic Equities	26%	31%	36%	32%
International Equities	18%	22%	26%	21%
Fixed Income (excluding TIPS)	21%	24%	27%	23%
Emerging Markets Debt	0%	5%	8%	5%
Private Credit	0%	5%	8%	6%
Real Estate	10%	13%	16%	11%
Cash & Cash Equivalents	0%	0%	15%	2%
				<u>100%</u>

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

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

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

C. Police and Fire Retiree Medical Trust Fund

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

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

Investment Type	Target Allocation	Investment Holding % at December 31, 2024
General Funds:		
Equities	60%	
Domestic Equities	36%	37%
International Equities	24%	25%
Fixed Income	40%	
Domestic Fixed Income	31%	30%
International Fixed Income	9%	8%
		<u>100%</u>

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2024
Member Allocated Funds:			
U.S. Treasuries	23%	33%	27%
Government Agencies	20%	30%	24%
Certificate of Deposit	35%	45%	35%
Cash Equivalents	4%	10%	14%
			<u>100%</u>

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

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

Generally, only investments original maturities of three months or less qualify under that definition.

Original maturity means to the original maturity to the entity holding the investment.

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

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

D. Police and Fire Retiree Medical Liability Fund

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2024
Domestic Equities	34%	44%	39%
International Equities	22%	30%	27%
Fixed Income	22%	28%	25%
Real Estate	6%	14%	9%
Cash & Cash Equivalents	0%	5%	0%
			<u>100%</u>

E. Police and Fire Retirement Pension Trust Fund

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2024
Domestic Equities:			
Large Cap Core	4.875%	10.875%	8.381%
Large Cap Growth	4.875%	10.875%	8.098%
Large Cap Value	5.750%	11.750%	8.638%
Small Cap Growth	3.250%	7.250%	5.278%
Small/Mid Cap Value	3.250%	7.250%	5.311%
International Equities:			
Value	8.500%	14.500%	11.177%
Growth	8.500%	14.500%	10.987%
Domestic Fixed Income:			
Core Plus Bond	15.000%	28.000%	20.293%
Core Bond	4.000%	12.000%	7.743%
Real Estate Funds:			
Open Ended Property Fund	1.500%	8.500%	4.221%
Farmland	2.000%	8.000%	4.835%
UBS-TPI	0.500%	6.500%	3.739%
Cash & Cash Equivalents:			
Cash Equivalents	0.000%	4.000%	1.299%
			<u>100.000%</u>

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Target Allocation	Upper Limit	Investment Holding % at December 31, 2024
Domestic Equities	30%	36%	42%	37%
International Equities	20%	24%	28%	23%
Domestic Fixed Income	35%	40%	45%	40%
		<u>100%</u>		<u>100%</u>

G. CIVICVentures Component Unit

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

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

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

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

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

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

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

H. Interest Rate Risk

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

AMC 6.50.030 requires the Working Capital Portfolio have a duration of zero to 270 days. At December 31, 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.

The Police and Fire Retiree Medical Trust's investment policy requires that the weighted average duration of its fixed income portfolio be within 20 percent of the Barclays Capital Aggregate Index. At December 31, 2024, the duration of the index was 6.06 years and the duration of the Police and Fire Retiree Medical Trust's fixed income portfolio, exclusive of member-allocated funds invested in U.S. Treasuries, was 6.39 years, which is within the required duration per the policy.

The Police and Fire Retirement Pension Trust's investment policy states that the total fixed income portfolio's weighted average duration cannot exceed 120 percent of the market's duration utilizing the Barclays Capital Aggregate Bond Index. At December 31, 2024, the duration of the Barclays Capital Aggregate Index was 6.06 years, and the duration of the Police and Fire Retirement Trust's fixed income portfolio was 2.52 years, which is within the required duration per the policy.

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

I. Credit Risk

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

At December 31, 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%
	<u>100%</u>		<u>100%</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

At December 31, 2024, the MOA Trust's investment in marketable debt securities, excluding U.S. Treasuries, totaled \$124,064,783. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	0%	AAA	0%
Aa	62%	AA	61%
A	3%	A	3%
Baa	0%	BBB	1%
Ba or Lower	18%	BB or Lower	18%
Not Rated	17%	Not Rated	17%
	<u>100%</u>		<u>100%</u>

At December 31, 2024, the Police and Fire Retiree Medical Trust had an investment of \$1,182,560 in commingled domestic fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$293,908 in commingled international fixed income funds with a weighted average credit quality rating of Aa-.

At December 31, 2024, the Police and Fire Retiree Medical Liability Fund had investments of \$8,740,840 in commingled fixed income funds with a weighted average credit quality rating of AA-.

At December 31, 2024, the Police and Fire Retirement Pension Trust's total fixed income portfolio had a weighted average rating of A2/A3 by Moody's. The investment policy requires commercial paper to be rated P-1 by Moody's and requires the average credit rating for the total bond portfolio to be maintained at a minimum BBB+ rating. The Police and Fire Retirement Trust's investment in marketable debt securities, excluding U.S. Treasury and Agency Securities, and money market funds totaled \$84,991,508, with ratings distributed as follows:

Moody's	
Aaa	7%
Aa	13%
A	28%
Baa	43%
Ba or Lower	8%
Not Rated	1%
	<u>100%</u>

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

At December 31, 2024, CIVICVentures' government agency investments were rated "Aaa" by Moody's and "AA+" by Standard and Poor's. CIVICVentures' money market funds were rated "Aaa" by Moody's.

Concentration of Credit Risk

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

At December 31, 2024, the MOA Central Treasury, MOA Trust, the Police and Fire Retiree Medical Liability Fund, and the Police and Fire Retirement Pension Trust, had no investments in any single issuer exceeding 5 percent of total investments.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The Police and Fire Retiree Medical Trust had more than 5 percent of its investments held with the Federal Home Loan Bank. These investments were 14.03% of the Police and Fire Retiree Medical Trust's total investments.

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

At December 31, 2024, more than 5% of the CIVICVentures investments were held with Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, Tennessee Valley Authority, and Federal Home Loan Mortgage Corporation. These investments are 25.07%, 12.74%, 11.45%, 6.32%, and 44.16%, respectively, of the Corporation's total investments.

Custodial Credit Risk

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

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

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

As of December 31, 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.

J. Foreign Currency Risk

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

The Municipal Central Treasury is not exposed to foreign currency risk because AMC 6.50.030 explicitly prohibits the purchase of securities not denominated in U.S. Dollars. At December 31, 2024, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The Municipality has the following foreign currency risk measurements as of December 31, 2024:

Fund	Investment	Currency	Fair Value at December 31, 2024
MOA Trust Fund:			
	Europacific Growth Equity Fund	Various	\$ 45,715,384
	Vanguard International Value Fund	Various	44,593,083
			<u>\$ 90,308,467</u>
Police and Fire Retiree Medical Trust Fund:			
	Vanguard Total International Bond Index Fund	Various	\$ 293,908
	Vanguard Total International Stock Index Fund	Various	973,261
			<u>\$ 1,267,169</u>
Police and Fire Retiree Medical Liability Fund:			
	Europacific Growth Equity Fund	Various	\$ 4,568,547
	Vanguard International Value Fund	Various	4,561,737
			<u>\$ 9,130,284</u>
Police and Fire Retirement Pension Trust Fund:			
	Capital Guardian International Equity Fund	Various	\$ 36,545,985
	Lazard Asset International Equity	Various	37,179,026
			<u>\$ 73,725,011</u>
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:			
	Vanguard Total International Stock Index Fund	Various	\$ 5,119,673
			<u>\$ 5,119,673</u>
Total Foreign Currency Risk			<u><u>\$ 179,550,604</u></u>

K. 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.
-

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Investment Type:	December 31, 2024	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Petty Cash	\$ 89,145	\$ -	\$ -
Interim Rate Increase Escrow*	4,545,570	-	-
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
Fixed Income Funds	170,051,786	-	170,051,786
	<u>\$ 630,074,121</u>	<u>\$ 294,419,802</u>	<u>\$ 335,654,319</u>
Investments Measured at Amortized Cost:			
Money Market Funds	\$ 81,939,621		
Repurchase Agreements	41,668,788		
Certificates of Deposits	5,634,946		
Total Central Treasury	<u>\$ 759,317,476</u>		
MOA Trust Fund:			
Investments Measured at Fair Value:			
Corporate Fixed Income	\$ 4,679,547	\$ -	\$ 4,679,547
U.S. Treasuries	22,642,610	22,642,610	-
U.S. Agencies	21,798,857	-	21,798,857
Domestic Equities and Equity Funds	138,661,387	138,661,387	-
International Equities and Equity Funds	90,308,467	90,308,467	-
Emerging Markets Debt	22,245,087	22,245,087	-
	<u>\$ 300,335,955</u>	<u>\$ 273,857,551</u>	<u>\$ 26,478,404</u>
Investments Measured at Net Asset Value (NAV):			
Bank Loan Investments Funds	\$ 24,074,952		
Fixed Income Funds	51,266,339		
Real Estate Funds	48,602,265		
	<u>\$ 123,943,556</u>		
Investments Measured at Amortized Cost:			
Money Market Funds	\$ 9,083,601		
Total MOA Trust Fund	<u>\$ 433,363,112</u>		

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Investment Type:	December 31, 2024	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Police & Fire Retiree Medical Trust Fund:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 5,521,789	\$ 5,521,789	\$ -
U.S. Agencies	4,841,027	-	4,841,027
Fixed Income Funds	1,182,560	1,182,560	-
International Fixed Income Funds	293,908	293,908	-
Domestic Equities and Equity Funds	1,453,318	1,453,318	-
International Equities and Equity Funds	973,261	973,261	-
	<u>\$ 14,265,863</u>	<u>\$ 9,424,836</u>	<u>\$ 4,841,027</u>
Investments Measured at Amortized Cost:			
Money Market Funds	\$ 2,816,650		
Certificates of Deposits	7,160,341		
Total Police & Fire Retiree Medical Trust Fund	<u><u>\$ 24,242,854</u></u>		
Police & Fire Retiree Medical Liability Fund:			
Investments Measured at Fair Value:			
Fixed Income Funds	\$ 8,740,840	\$ 8,740,840	\$ -
Domestic Equities and Equity Funds	13,238,561	13,238,561	-
International Equities and Equity Funds	9,130,284	9,130,284	-
	<u>\$ 31,109,685</u>	<u>\$ 31,109,685</u>	<u>\$ -</u>
Investments Measured at Net Asset Value (NAV):			
Real Estate Funds	\$ 2,976,421		
Investments Measured at Amortized Cost:			
Money Market Funds	37,791		
Total Fund	<u><u>\$ 34,123,897</u></u>		
Police & Fire Retirement Pension Trust Fund:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 8,986,194	\$ 8,986,194	\$ -
U.S. Agencies	7,659,982	-	7,659,982
Domestic Equities and Equity Funds	63,076,762	63,076,762	-
Corporate Fixed Income Securities	68,896,721	-	68,896,721
	<u>\$ 148,619,659</u>	<u>\$ 72,062,956</u>	<u>\$ 76,556,703</u>
Investments Measured at Net Asset Value (NAV):			
Corporate Fixed Income Securities	\$ 6,234,998		
Domestic Equities and Equity Funds	54,815,369		
International Equities and Equity Funds	73,725,011		
Real Estate Funds	42,559,859		
	<u>\$ 177,335,237</u>		
Investments Measured at Amortized Cost:			
Cash & Money Market Funds	6,679,118		
Total Fund	<u><u>\$ 332,634,014</u></u>		

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Investment Type:	December 31, 2024	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Anchorage Regional Landfill Closure and Post-Closure Reserve Liability Fund:			
Investments Measured at Fair Value:			
U.S. Fixed Income	\$ 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	-
	<u>\$ 22,189,462</u>	<u>\$ 13,297,983</u>	<u>\$ 8,891,479</u>
Investments Measured at Amortized Cost:			
Money Market Funds	<u>\$ 31</u>		
Total Fund	<u><u>\$ 22,189,493</u></u>		
CIVICVentures Component Unit:			
Investments Measured at Fair Value:			
U.S. Agencies	\$ 14,157,560	\$ -	\$ 14,157,560
	<u>\$ 14,157,560</u>	<u>\$ -</u>	<u>\$ 14,157,560</u>
Investments Measured at Amortized Cost:			
Money Market Funds	<u>\$ 35,713</u>		
Total CIVICVentures Component Unit	<u><u>\$ 14,193,273</u></u>		
Total Cash and Investments	<u>\$ 1,624,698,834</u>		

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The unfunded commitments and redemption information for the investments reported as NAV for December 31, 2024 are as follows:

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period (Days)
MOA Trust Fund:				
Trumbull Property Fund (d)	\$ 7,971,175	\$ -	Quarterly	60
FIAM Core Plus LLC (a)	51,266,339	-	Daily	5
Harrison Street Core Property Fund C LP (f)	20,757,012	-	Quarterly	45
Invesco U.S. Income Fund L.P. (g)	19,874,078	-	Quarterly	45
Pimco Private Income Fund Onshore (h)	24,074,952	-	Annually	90
	<u>\$ 123,943,556</u>			
Police & Fire Retiree Medical Liability Fund:				
Trumbull Property Fund (d)	\$ 2,516,931	\$ -	Quarterly	60
	<u>\$ 2,516,931</u>			
Police & Fire Retirement Pension Trust Fund:				
Capital Group International All Countries Equity Trust (b)	\$ 36,545,985	\$ -	Trade Date	3
Lazard International Equity Trust (b)	37,179,026	-	Trade Date	5
EB DV Non-SL Large Cap Growth Stock Index Fund of the Bank of New York Mellon (c)	26,937,803	-	Trade Date	2
EB DV Non-SL Index Fund of the Bank of New York Mellon (c)	27,877,566	-	Trade Date	2
Trumbull Property Fund (d)	14,039,257	-	Quarterly	60
Agrivest Farmland Fund (d)	16,081,618	-	Quarterly	60
Trumbull Property Income Fund (d)	12,438,984	-	Quarterly	60
Barrow, Hanley, Mewhinney & Strauss High Yield Fixed Income Fund (e)	6,234,999	-	Trade Date	2
	<u>\$ 177,335,238</u>			

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

performance of large U.S. companies. The advisor attempts to replicate the target index by investing all or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. The fair values of the investment in these funds have been determined using the NAV per share (or its equivalent) of the investments.

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

L. 49th State Angel Fund Investments

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

The Municipality has invested directly in Anchorage area small businesses and in partner funds, who in turn, administer smaller distributions directly to the Anchorage area small businesses. The fair value of investments is calculated using Net Asset Value (NAV) or its equivalent derived from various financial documents provided to the Municipality on an annual basis. The fair value of 49SAF investments using NAV or its equivalent for the year ended December 31, 2024 is as follows:

49th State Angel Fund Investments Measured at Net Asset Value (NAV)		
Loans and Convertible Notes	\$	1,315,000
Investments in Partner Funds		2,895,891
Equity		779,008
Agreements for Future Equity		804,000
Total Investments Measured at NAV		<u>\$ 5,793,899</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

NOTE 4 - RECEIVABLES (Including Loans Receivable)

The Municipality's receivables including the applicable allowance for uncollectible accounts were reported as follows on December 31, 2024:

	Governmental Activities	Business-type Activities	Total
Current:			
Property taxes	14,017,954	\$ -	\$ 14,017,954
Motor vehicle taxes	798,165	-	798,165
Hotel and motel taxes	6,153,692	-	6,153,692
Alcohol taxes	1,766,645	-	1,766,645
Tobacco taxes	2,731,516	-	2,731,516
Marijuana taxes	638,552	-	638,552
Fuel product taxes	1,202,045	-	1,202,045
E911 surcharge taxes	918,049	-	918,049
Unbilled reimbursable projects	-	278,731	278,731
Special assessments receivable	1,677,527	145,668	1,823,195
Trade accounts, including internal service funds	16,191,350	17,885,746	34,077,096
Total accounts receivable	46,095,495	18,310,145	64,405,640
Allowance for uncollectible accounts	(8,393,541)	(315,074)	(8,708,615)
Total Accounts Receivable, net	<u>\$ 37,701,954</u>	<u>\$ 17,995,071</u>	<u>\$ 55,697,025</u>
Noncurrent:			
Trade accounts	\$ -	\$ 432,843	\$ 432,843
Electric Utility installment sale receivable	-	94,250,561	94,250,561
Land sale promissory note	1,272,657	-	1,272,657
HUD loans (including section 108)	2,114,562	-	2,114,562
Total Accounts Receivable, Leases and Loans, net	<u>\$ 3,387,219</u>	<u>\$ 94,683,404</u>	<u>\$ 98,070,623</u>

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

NOTE 5 - CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance January 1, 2024	Increase	Decrease	Ending Balance December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 1,268,563,115	\$ 602,160	\$ -	\$ 1,269,165,275
Artwork	24,019,531	149,294	-	24,168,825
Construction Work in Progress	10,819,606	40,678,312	(20,374,321)	31,123,597
Infrastructure	1,505,985,416	5,147,252	-	1,511,132,668
Total Capital Assets, Not Being Depreciated	2,809,387,668	46,577,018	(20,374,321)	2,835,590,365
Capital Assets, Being Depreciated or Amortized				
Buildings and Improvements	812,148,968	368,013	-	812,516,981
Equipment	263,927,352	15,943,187	(6,461,679)	273,408,860
Infrastructure	630,564,025	9,124,521	(1,182,319)	638,506,227
Intangible ERP	81,715,494	7,395	-	81,722,889
Right to use SBITA	5,399,799	7,808,461	(4,563,588)	8,644,672
Right to use Leased Land	2,489,765	431,944	-	2,921,709
Right to use Leased Buildings	34,819,418	1,122,377	(1,199,616)	34,742,179
Right to use Leased Equipments	6,161,248	-	(142,809)	6,018,439
Total Capital Assets, Being Depreciated or Amortized	1,837,226,069	34,805,898	(13,550,011)	1,858,481,956
Less Accumulated Depreciation and Amortization for:				
Buildings and Improvements	541,616,848	14,864,537	-	556,481,385
Equipment	222,728,262	11,762,143	(4,531,817)	229,958,588
Infrastructure	362,219,101	10,282,849	(988,000)	371,513,950
Intangible ERP	50,062,324	8,171,611	-	58,233,935
Right to use SBITA	1,396,364	1,303,558	(1,229,049)	1,470,873
Right to use Leased Land	609,348	687,599	-	1,296,947
Right to use Leased Buildings	7,290,573	3,651,247	(1,185,929)	9,755,891
Right to use Leased Equipments	1,599,816	799,908	(142,809)	2,256,915
Total Accumulated Depreciation and Amortization	1,187,522,636	51,523,452	(8,077,604)	1,230,968,484
Total Capital Assets, Being Depreciated or Amortized, Net	649,703,433	(16,717,554)	(5,472,407)	627,513,472
Total Governmental Activities, Net	\$ 3,459,091,101	\$ 29,859,464	\$ (25,846,728)	\$ 3,463,103,837

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

	Beginning Balance January 1, 2024	Increase	Decrease	Ending Balance December 31, 2024
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land and Property held for future use	\$ 91,988,052	\$ -	\$ -	\$ 91,988,052
Works of art	21,344	35,300	-	56,644
Construction Work in Progress	164,147,485	118,367,587	(45,719,087)	236,795,985
Total Capital Assets, Not Being Depreciated	256,156,881	118,402,887	(45,719,087)	328,840,681
Capital Assets, Being Depreciated or Amortized:				
Distribution and Collection Systems, Infrastructure	1,857,836,017	21,495,987	(8,339,594)	1,870,992,410
Buildings and Improvements	707,790,028	26,558,543	(989,094)	733,359,477
Leased Right to Use Assets	1,752,694	2,284	-	1,754,978
SBITA Right to Use Assets	28,796	5,312	-	34,108
Total Capital Assets, Being Depreciated or Amortized	2,567,407,535	48,062,126	(9,328,688)	2,606,140,973
Less Accumulated Depreciation and Amortization for:				
Distribution and Collection Systems, Infrastructure	822,212,004	40,354,963	(8,326,238)	854,240,729
Buildings and Improvements	255,187,995	19,839,323	(892,874)	274,134,444
Leased Right to Use Assets Amortization	218,971	109,694	-	328,665
SBITA Right to Use Assets Amortization	9,598	11,371	-	20,969
Total Accumulated Depreciation and Amortization	1,077,628,568	60,315,351	(9,219,112)	1,128,724,807
Total Capital Assets, Being Depreciated or Amortized, Net	1,489,778,967	(12,253,225)	(109,576)	1,477,416,166
Total Business-Type Activities, Net	\$ 1,745,935,848	\$ 106,149,662	\$ (45,828,663)	\$ 1,806,256,847

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

	Depreciation	Amortization	Total
Governmental Activities:			
General Government	\$14,062,112	\$3,987,510	\$18,049,622
Fire Services	4,827,189	771,568	5,598,757
Police Services	1,236,325	493,755	1,730,080
Health and Human Services	1,120,115	75,539	1,195,654
Economic and Community Development	11,297,994	394,734	11,692,728
Public Transportation	1,336,186	24,448	1,360,634
Public Works	10,118,188	2,360	10,120,548
Maintenance and Operations of Roads and Facilities	1,083,031	692,398	1,775,429
Total Governmental Activities	<u>\$ 45,081,140</u>	<u>\$6,442,312</u>	<u>\$51,523,452</u>
Business-Type Activities:			
Water	\$ 10,664,307	\$ 9,960	\$ 10,674,267
Wastewater	11,126,426	3,870	11,130,296
Refuse	3,032,019	306	3,032,325
Solid Waste	7,498,678	55,767	7,554,445
Port	13,177,817	51,162	13,228,979
Municipal Airport	3,735,835	-	3,735,835
Anchorage Hydropower	302,397	-	302,397
Total Business-Type Activities	<u>\$ 49,537,479</u>	<u>\$ 121,065</u>	<u>\$ 49,658,544</u>
Depreciation offset by amortization of regulatory liability- contributed plant and retirements of group depreciated plant assets			10,656,807
Gross increase in accumulated depreciation and amortization			<u>\$ 60,315,351</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Contractual Commitments

Governmental-type major fund Roads and Drainage Capital Project had contractual commitments for capital construction in the amount of \$30 million on December 31, 2024. Business-type major funds Water, Wastewater and Port had contractual commitments for capital construction in the amount of \$22.9 million, \$27.7 million, and \$49.7 million, respectively.

B. Discretely Presented Component Units - Anchorage School District

Capital asset activity for the fiscal year ended June 30, 2024, is as follows:

	Beginning Balance July 1, 2023	Increase	Decrease	Ending Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	\$ 42,357,063	\$ -	\$ -	\$ 42,357,063
Construction Work in Progress	666,741	47,103,241	(4,877,451)	42,892,531
Total Capital Assets not Being Depreciated	43,023,804	47,103,241	(4,877,451)	85,249,594
Capital Assets Being Depreciated or Amortized:				
Land Improvements	80,632,331	-	-	80,632,331
Buildings and Equipment	2,062,646,500	7,989,252	(14,274,559)	2,056,361,193
Pupil Transportation	22,137,057	2,663,038	(1,380,512)	23,419,583
Leased Right to Use Assets	38,115,814	46,223,649	(23,111,572)	61,227,891
Total Capital Assets Being Depreciated or Amortized	2,203,531,702	56,875,939	(38,766,643)	2,221,640,998
Less Accumulated Depreciation and Amortization For:				
Land Improvements	58,353,969	2,086,812	-	60,440,781
Buildings and Equipment	847,744,326	48,533,175	(10,678,855)	885,598,646
Pupil Transportation	12,477,909	1,217,099	(1,380,512)	12,314,496
Leased Right to Use Assets	20,718,534	7,033,562	(15,130,299)	12,621,797
Total Accumulated Depreciation and Amortization	939,294,738	58,870,648	(27,189,666)	970,975,720
Total Capital Assets, Being Depreciated or Amortized, Net	1,264,236,964	(1,994,709)	(11,576,977)	1,250,665,278
ASD Capital Assets, Net	\$ 1,307,260,768	\$ 45,108,532	\$ (16,454,428)	\$ 1,335,914,872

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

C. Discretely Presented Component Units - Anchorage Community Development Authority

Capital asset activity for the year ended December 31, 2024, is as follows:

	Beginning Balance January 1, 2024	Increase	Decrease	Ending Balance December 31, 2024
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 12,728,795	\$ -	\$ -	\$ 12,728,795
Total Capital Assets not Being Depreciated	12,728,795	-	-	12,728,795
Capital Assets Being Depreciated or Amortized:				
Parking Garages	48,539,218	572,010	-	49,111,228
Lot Improvements	591,965	-	(30,432)	561,533
Furniture and Fixtures	25,472	-	-	25,472
Equipment and Vehicles	2,317,641	60,897	(16,485)	2,362,053
Parking meters	1,148,035	150,224	-	1,298,259
Right to Use Leased Vehicles	23,552	-	-	23,552
Right to Use Leased Buildings	283,816	-	-	283,816
Total Capital Assets Being Depreciated or Amortized	52,929,699	783,131	(46,917)	53,665,913
Less Accumulated Depreciation and Amortization For:				
Parking Garages	44,554,632	1,224,066	-	45,778,698
Lot Improvements	591,966	-	(30,432)	561,534
Furniture and Fixtures	23,720	1,752	-	25,472
Equipment and Vehicles	2,085,065	159,822	(16,485)	2,228,402
Parking meters	111,715	86,360	-	198,075
Right to Use Leased Vehicles	14,721	8,831	-	23,552
Right to Use Leased Buildings	170,289	56,763	-	227,052
Total Accumulated Depreciation and Amortization	47,552,108	1,537,594	(46,917)	49,042,785
Total Capital Assets, Being Depreciated or Amortized, Net	5,377,591	(754,463)	-	4,623,128
ACDA Capital Assets, Net	\$ 18,106,386	\$ (754,463)	\$ -	\$ 17,351,923

NOTE 6 – DON YOUNG PORT OF ALASKA MODERNIZATION PROGRAM

The Don Young Port of Alaska (Port) is a Municipality of Anchorage owned and operated facility that handles half of Alaska's inbound marine freight. 5.5 million tons of fuel and cargo in 2024 were delivered across the docks in Anchorage and subsequently delivered to final destinations outside of Anchorage. It is critical transportation infrastructure that serves regional, statewide, and national commerce, economic development, homeland security and disaster recovery needs.

The Port is:

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The Port has more inbound cargo-handling capacity than all other Southcentral Alaska ports combined. It is located at the state's population center and routinely handles containers, dry bulk, break bulk, petroleum products and cruise ships. It is adjacent to hundreds of millions of dollars of public and private cargo-handling infrastructure, Alaska Railroad's main freight yard, two private barge terminals, Joint Base Elmendorf-Richardson (JBER) and Ted Stevens International Airport.

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

In 2014, The Don Young Port of Alaska Modernization Program (PAMP) began a series of construction projects that will:

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

PAMP and Municipal officials have been working with engineers to replace all the Port docks. Phase 1, the construction of the new Petroleum & Cement Terminal (PCT) at the Port has been completed and has opened for cement offloading operations in 2023. New Petroleum line testing will complete the remaining work needed to allow petroleum offloading in the spring of 2025.

A brief history of the project includes:

- 2016: Conduct a comprehensive test-pile program to demonstrate constructability and support design and permitting work for the PCT.
- 2017 – 2019: Complete the South Backlands Stabilization project providing shore improvements and transitional dredging to support the trestle and dock structures.
- 2020 - 2022: Completed PCT Construction. Construction of Port Administration office contract awarded. Groundbreaking and foundation work began in September 2022.
- 2023: PCT cement offloading equipment added and certified and in use. NES 1 contract awarded, work to begin in April 2023. Cargo dock designer-of-record chosen; work began in April 2023.
- 2024: PCT fuel line flushing conducted. Admin office construction completed in May and occupancy followed thereafter. NES1 work continued with in water stabilization. T1 Dock design work continued with an anticipated ITB for construction to be released by the end of the year.
- 2025: Petroleum line testing and commissioning completed, enabling full petroleum offloading operations at the PCT. NES1 work substantially completed. Terminal 1 procurement initiated following release of the ITB, with contractor selection and pre-construction activities underway. Ongoing program management, grant administration, and coordination efforts continue to advance phased dock replacement while maintaining uninterrupted Port operations.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

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

Interfund Payable to General Funds from:	
Nonmajor Governmental Funds	\$ 2,673,650
Don Young Port of Alaska	<u>41,685,689</u>
Total Interfund Payable to General Funds	<u>44,359,339</u>
Interfund Payable to Nonmajor Governmental Funds from:	
Nonmajor Governmental Funds	81,426
Internal Service Funds	<u>85,000</u>
Total Interfund Payable to Nonmajor Governmental Funds	<u>166,426</u>
Interfund Payable to Nonmajor Enterprise Funds from:	
MOA Trust	<u>217,874</u>
Interfund Payable to Don Young Port of Alaska from	
Nonmajor Governmental Funds	<u>329,161</u>
Total Interfund Payables	<u>\$ 45,072,800</u>

All balances are expected to be settled within the next fiscal year, except for interfund receivables and payables recorded as Advances to/from other funds. Advances receivable on December 31, 2024, were as follows:

Advances from General Funds to Nonmajor Governmental Funds for FEMA	\$ 5,957,799
Advances from General Funds to Nonmajor Governmental Funds for Capital	1,040,041
Advances from General Funds to IT for Capital and Operating	<u>29,770,809</u>
Subtotal, General fund advances	36,768,649
Advances from Nonmajor Governmental Funds to Equipment	
Maintenance fund for Capital	680,000
Advances from Internal Service Funds to General funds for Capital	
	<u>5,834,178</u>
Total Advances Receivable	<u>\$ 43,282,827</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Funds to:

Roads and Drainage Capital Projects Fund for Capital	\$ 4,312,757
Nonmajor Governmental Funds to Fund OPEB Liability	1,086,934
Nonmajor Governmental Funds for Debt Service	5,429,112
Nonmajor Governmental Funds for Operating	1,005,320
Nonmajor Governmental Funds for Grant Matching	608,755
Nonmajor Governmental Funds for Capital	12,587,856
Internal Service Funds for Capital	1,365,439
Total Transfers from General Fund	<u>26,396,173</u>

From MOA Trust Fund to:

General Fund for Annual Operating Subsidy	<u>16,300,000</u>
---	-------------------

From Roads and Drainage Capital Projects Fund to:

General Fund for Debt Service	<u>3,027</u>
-------------------------------	--------------

From Nonmajor Governmental Funds to:

General Fund for Debt Service	130,695
General Fund for Operating Subsidy	90,000
General Fund for FEMA	61,641,501
Nonmajor Governmental Funds for Capital	3,151,297
Nonmajor Governmental Funds for Debt Service	6,523,040
Total Transfers from Nonmajor Governmental Funds	<u>71,536,533</u>

From Water Utility Fund to General Fund (1) 10,134,246

From Wastewater Utility Fund to General Fund (2) 6,394,895

From Disposal Utility Fund to General Fund (1) 2,930,836

From Port Fund to General Fund (3) 2,192,355

From Nonmajor Enterprise Funds to:

General Fund (4)	1,553,518
MOA Trust Fund for Annual Contribution (5)	2,588,597
Total Transfers from Nonmajor Enterprise Funds	<u>4,142,115</u>
Total Transfers To at the Fund Level	<u>\$ 140,030,180</u>

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

NOTE 8 – LEASE AGREEMENTS AND SUBSCRIPTION-BASED IT ARRANGEMENTS

LEASES

A. Municipality as Lessee

The Municipality has entered into multiple lease agreements as lessee for various nonfinancial assets. As of December 31, 2024, the outstanding balance of leases payable was \$33,359,636. The Municipality is required to make monthly, quarterly, and annual principal payments plus interest. The lease agreements did not contain a stated interest rate; therefore, the Municipality used its incremental borrowing rates from 1.65% to 5.31% as the discount rate of leases depending on each contract's terms. The nonfinancial assets have various useful lives. No material direct costs payments were made. The total book value of the right-to-use assets as of

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

December 31, 2024, was \$45,437,305 and had accumulated amortization of \$13,638,418, which is presented in Note 5 Capital Assets.

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

Governmental Activities:

Years:	Leases Payable		
	Principal	Interest	Total
2025	\$ 4,776,754	\$ 800,356	\$ 5,577,110
2026	3,934,725	665,900	4,600,625
2027	2,003,247	593,729	2,596,976
2028	1,895,143	540,147	2,435,290
2029	1,893,599	486,644	2,380,243
2030-2034	4,446,507	1,974,434	6,420,941
2035-2039	4,579,668	1,380,900	5,960,568
2040-2044	3,782,016	845,032	4,627,048
2045-2049	4,306,461	320,586	4,627,047
2050	230,354	999	231,353
Totals	<u>\$ 31,848,474</u>	<u>\$ 7,608,727</u>	<u>\$ 39,457,201</u>

Business-Type Activities:

Years:	Leases Payable		
	Principal	Interest	Total
2025	\$ 87,697	\$ 34,872	\$ 122,569
2026	91,130	33,180	124,310
2027	94,720	31,383	126,103
2028	98,475	29,476	127,951
2029	86,853	27,450	114,303
2030-2034	494,578	107,524	602,102
2035-2039	447,828	52,343	500,171
2040-2044	93,386	7,036	100,422
2045-2049	7,520	2,176	9,696
2050-2054	8,975	669	9,644
Totals	<u>\$ 1,511,162</u>	<u>\$ 326,109</u>	<u>\$ 1,837,271</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

B. Municipality as Lessor

The Municipality, as lessor, entered into multiple-year lease agreements to third parties for various nonfinancial assets at discount rates ranging from 1.65% to 6.62% depending on contract terms. The lengths of the lease terms vary, and the Municipality has used its incremental borrowing rates as the discount rate when the stated interest rate was not included in the contract. The Municipality recognized \$2,873,095 in lease revenue and \$2,833,115 in interest revenue for the year ended December 31, 2024. As of December 31, 2024, the Municipality's receivable for future lease payments was \$80,143,944. The Municipality recognized a deferred inflow of resources associated with the lease of \$76,733,717 on December 31, 2024, that will be recognized as revenue over the remainder of the lease terms.

SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAs)

The Municipality has entered into multiple SBITAs. As of December 31, 2024, the outstanding balance of SBITAs payable was \$6,732,211. The Municipality is required to make monthly and annual principal payments plus interest. The SBITAs did not contain a stated interest rate; therefore, the Municipality used its incremental borrowing rates from 5.09% to 6.99% as the discount rate of SBITAs depending on each contract's terms. The arrangements have various subscription terms. No material direct costs payments were made. The total book value of the right-to-use assets as of December 31, 2024, was \$8,678,780 and had accumulated amortization of \$1,491,842, which is presented in Note 5 Capital Assets.

The future principal and interest SBITAs payments as of December 31, 2024, were as follows:

Governmental Activities:

Years:	SBITAs Payable		
	Principal	Interest	Total
2025	\$ 1,922,410	\$ 431,397	\$ 2,353,807
2026	2,022,898	307,251	2,330,149
2027	1,914,779	176,863	2,091,642
2028	460,385	53,691	514,076
2029	399,099	25,901	425,000
Totals	\$ 6,719,571	\$ 995,103	\$ 7,714,674

Business-Type Activities:

Years:	SBITAs Payable		
	Principal	Interest	Total
2025	\$ 10,872	\$ 716	\$ 11,588
2026	1,768	117	1,885
Totals	\$ 12,640	\$ 833	\$ 13,473

NOTE 9 - SHORT-TERM OBLIGATIONS

The Municipality did not issue tax anticipation notes for the year ended December 31, 2024.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

NOTE 10 - LONG TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Long-term obligation activity, net of related premium and discount amortizations, for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 462,256,663	\$ 89,090,068	\$ (45,019,921)	\$ 506,326,810	\$ 38,320,000
CIVICVentures Revenue Bonds	78,176,175	-	(3,622,737)	74,553,438	3,490,000
PAC Roof Revenue Bonds	2,702,378	-	(210,019)	2,492,359	180,000
Certificate of Participation Bonds	41,135,000	-	(4,005,000)	37,130,000	4,130,000
Direct financing Agreements	13,326,241	-	(6,073,073)	7,253,168	2,699,321
Loan Agreement	18,300,000	-	(352,327)	17,947,673	372,091
Total Debt Payable	<u>615,896,457</u>	<u>89,090,068</u>	<u>(59,283,077)</u>	<u>645,703,448</u>	<u>49,191,412</u>
Compensated Absences	27,771,869	27,076,466	(21,111,307)	33,737,028	26,840,476
Net Pension Liability	398,565,713		(10,939,975)	387,625,738	-
Leases Payable	34,811,378	1,554,321	(4,517,225)	31,848,474	4,776,754
SBITAs Payable	3,644,469	7,808,461	(4,733,359)	6,719,571	1,922,410
Net OPEB Liability	139,897,419	-	(5,603,398)	134,294,021	-
Pollution Remediation	4,396,945	-	-	4,396,945	1,010,158
Claims Payable and IBNR	38,525,116	63,361,979	(62,929,252)	38,957,843	28,095,066
Total Governmental Activities	<u>\$ 1,263,509,366</u>	<u>\$ 188,891,295</u>	<u>\$ (169,117,593)</u>	<u>\$ 1,283,283,068</u>	<u>\$ 111,836,276</u>
Business-type Activities:					
Revenue Bonds	\$ 381,651,729	\$ 196,304,330	\$ (15,562,336)	\$ 562,393,723	\$ 13,773,050
Long-Term Contracts (Direct Borrowings)	250,456,235	22,949,126	(57,730,747)	215,674,614	17,228,288
Total Debt Payable	<u>632,107,964</u>	<u>219,253,456</u>	<u>(73,293,083)</u>	<u>778,068,337</u>	<u>31,001,338</u>
Compensated Absences	4,326,963	3,967,424	(3,433,894)	4,860,493	3,335,325
Net Pension Liability	44,252,078	1,001,357	-	45,253,435	-
Leases Payable	1,593,292	2,284	(84,414)	1,511,162	87,697
SBITAs Payable	17,964	5,312	(10,636)	12,640	10,872
Customer Deposits	435,095	13,398		448,493	
Pollution Remediation	2,733,000	273,300	(664,300)	2,342,000	92,000
Port Road Obligation	1,720,582	-	(13,524)	1,707,058	-
Landfill Closure Liability	47,021,798	1,202,800	-	48,224,598	-
Total Business-type Activities	<u>\$ 734,208,736</u>	<u>\$ 225,719,331</u>	<u>\$ (77,499,851)</u>	<u>\$ 882,428,216</u>	<u>\$ 34,527,232</u>

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

The Municipality implemented GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Direct borrowing is when a government enters into a loan agreement with a lender, usually without an agent. Direct placement is when a government issues a debt security directly to an investor (such as a state agency issuing a debt security directly to an investor). As of December 31, 2024, the Municipality held direct debt as discussed below in footnote E.

B. General Obligation Bonds

The Municipality issues general obligation (GO) bonds to provide funds for capital acquisition and construction. GO bonds are direct obligations and pledge the full faith and credit of the government. They are generally issued as 20-year serial bonds with principal and interest payments due annually. The Municipality issued new GO bonds in 2024 to finance capital projects. As of December 31, 2024, the Municipality reported total outstanding GO bonds in the amount of \$464,470,000.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Description	Amount Outstanding
\$40,435,000 2014A General Obligation General Purpose Bonds due in annual installments of \$1,355,000 to \$1,935,000 through 2025, interest rate from 1.25% to 5%. The issue is for the purpose of general capital projects within the Municipality.	\$ 1,935,000
\$78,430,000 2014B General Obligation General Purpose Refunding Bonds due in annual installments of \$1,510,000 to \$10,390,000 through 2025, interest rate from 1.25% to 5%. The issue was for the purpose of refunding the remainder of 2004C and partially refunding	6,860,000
\$47,840,000 2015A General Obligation General Purpose Bonds due in annual installments of \$1,765,000 to \$3,635,000 through 2035, interest rate from 2% to 5%. The issue was for the purpose of general capital projects within the Municipality.	14,255,000
\$115,250,000 2015B General Obligation General Purpose Refunding Bonds due in annual installments of \$4,125,000 to \$20,140,000 through 2028, interest rate from 2% to 5%. The issue was for the purpose of refunding the remainder of 2005C and 2005D and partially	23,475,000
\$24,870,000 2016A General Obligation General Purpose Bonds due in annual installments of \$865,000 to \$1,875,000 through 2036, interest rate from 3.25% to 5%. The issue was for the purpose of general capital projects within the Municipality.	17,955,000
\$58,235,000 2018A General Obligation General Purpose Bonds due in annual installments of \$1,955,000 to \$4,540,000 through 2038, interest rate from 2.63% to 5%. The issue was for the purpose of general capital projects within the Municipality.	47,515,000
\$32,875,000 2019A General Obligation General Purpose Bonds due in annual installments of \$1,110,000 to \$2,350,000 through 2039, interest rate from 3% to 5%. The issue was for the purpose of general capital projects within the Municipality.	28,075,000
\$27,750,000 2019B General Obligation General Purpose Refunding Bonds due in annual installments of \$2,195,000 to \$3,440,000 through 2030, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2010A-2 after the 2020 payment.	18,275,000
\$44,720,000 2020A General Obligation General Purpose Bonds due in annual installments of \$1,230,000 to \$3,045,000 through 2040, interest rate from 1.75% to 5%. The issue was for the purpose of general capital projects within the Municipality.	38,775,000
\$1,765,000 2020B General Obligation General Purpose Refunding Bonds due in annual installments of \$125,000 to \$270,000 through 2028, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2010C after the 2020 payment.	900,000
installments of \$915,000 to \$4,505,000 through 2034, interest rate of .217% to 1.916%. The issue was for the purpose of refunding the remainder of 2012A after the 2022 payment and 2014A after the 2025 payment.	37,745,000
\$13,900,000 2020D General Obligation General Purpose Refunding Bonds due in annual installments of \$1,100,000 to \$1,725,000 through 2031, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2011A after the 2021 payment.	10,430,000
\$45,245,000 2021A General Obligation General Purpose Bonds due in annual installments of \$1,515,000 to \$3,385,000 through 2041, interest rate from 4% to 5%. The issue was for the purpose of general capital projects within the Municipality.	42,135,000

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Description	Amount Outstanding
\$25,595,000 2021B General Obligation General Purpose Refunding Bonds due in annual installments of \$420,000 to \$7,325,000 through 2033, interest rate of 0.819% to 2.485%. The issue was for the purpose of refunding the remainder of 2015A after the 2026 payment and 2015B after the 2027 payment.	24,190,000
\$76,350,000 2022A General Obligation General Purpose Bonds due in annual installments of \$2,405,000 to \$5,620,000 through 2042, interest rate from 4% to 5%. The issue was for the purpose of general capital improvements within the Municipality	70,665,000
\$81,285,000 2024A General Obligation General Purpose Bonds due in annual installments of \$2,105,000 to \$6,135,000 through 2044, interest rate from 4% to 5%. The issue was for the purpose of general capital improvements within the Municipality	81,285,000
Total General Obligation Debt	<u>\$ 464,470,000</u>

ASD GO bonds are reported as obligations of the component unit since they are expected to be repaid from ASD revenues; such amounts total \$381,815,000 on June 30, 2024. ASD GO bonds are discussed in detail in Section J. All other Municipality GO bonds are reported in the government-wide financial statements.

The GO General Purpose Bonds Series 2024A in the amount of \$81,285,000 were issued to fund Municipality-wide capital projects.

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

	Governmental Activities		
	Principal	Interest	Total
Years:			
2025	\$ 38,320,000	\$ 19,547,100	\$ 57,867,100
2026	33,275,000	17,373,698	50,648,698
2027	34,770,000	15,884,909	50,654,909
2028	31,815,000	14,318,791	46,133,791
2029	28,340,000	13,199,599	41,539,599
2030-2034	135,090,000	49,525,613	184,615,613
2035-2039	108,705,000	24,162,907	132,867,907
2040-2044	54,155,000	5,409,925	59,564,925
Subtotal	464,470,000	159,422,542	623,892,542
Add unamortized premiums	41,856,810	-	41,856,810
Total	<u>\$ 506,326,810</u>	<u>\$ 159,422,542</u>	<u>\$ 665,749,352</u>

C. Revenue Bonds

CIVICVentures Revenue Bonds

In August 2015, CIVICVentures, a blended component unit, issued \$93,790,000 in Tax-exempt, Non-recourse Revenue Refunding Bonds to finance the acquisition of land and construction of a new civic and convention center. Revenues pledged to pay the debt are those revenues identified in the Indenture of Trust between CIVICVentures and U.S. Bank National Association, consisting of Hotel, Motel, and Bed and Breakfast room taxes collected and remitted pursuant to agreement, by the Municipality. In the event room tax collections are not sufficient to pay the debt, the Municipality is not obligated in any way to pay the debt on behalf of CIVICVentures. Principal and interest paid for the current year, total Hotel, Motel, and Bed and Breakfast tax revenues, and related investment income were \$6,655,200, \$6,523,040, and \$507,967, respectively.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Bond payments are due in annual installments ranging annually from \$3,015,000 to \$6,715,000 through 2038, with interest rates ranging between 3.5% and 5%. As of December 31, 2024, the Municipality reported as blended total outstanding tax-exempt non-recourse Revenue Bonds in the amount of \$71,710,000.

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

Years:	CIVICVentures		
	Principal	Interest	Total
2025	\$ 3,490,000	\$ 3,247,950	\$ 6,737,950
2026	3,750,000	3,073,450	6,823,450
2027	4,100,000	2,885,950	6,985,950
2028	4,305,000	2,680,950	6,985,950
2029	4,520,000	2,465,700	6,985,700
2030-2034	26,190,000	8,731,350	34,921,350
2035-2038	25,355,000	2,585,200	27,940,200
Subtotal	71,710,000	25,670,550	97,380,550
Add unamortized bond premiums	2,843,438	-	2,843,438
Total	\$ 74,553,438	\$ 25,670,550	\$ 100,223,988

Utility and Enterprise Revenue Bonds

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

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

Water Utility

The Water Utility has pledged future customer revenues, net of specified operating expenses, to repay Water Utility revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from customer net revenues and are payable through 2047. The total principal and interest remaining to be paid on the bonds at December 31, 2024, was \$134,890,841. Principal and interest paid for the year ended December 31, 2024, was \$10,891,632. Total customer net revenues for the year ended December 31, 2024, was \$36,610,210.

Wastewater Utility

The Wastewater Utility has pledged future customer revenues, net of specified operating expenses, to repay Wastewater Utility revenue bonds. Proceeds from the bonds provided financing for construction and other capital improvements. The bonds are payable solely from customer net revenues and are payable through 2047. The total principal and interest remaining to be paid on the bonds at December 31, 2024, was \$104,959,600. Principal and interest paid for the year ended December 31, 2024, was \$9,550,594. Total customer net revenues for the year ended December 31, 2024, was \$30,171,914.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Port

The Port issued 2 separate series of revenues bonds in 2020: 2020 Series A and 2020 Series B. The proceeds of the 2020 Series A bonds will be used to pay or reimburse the costs of a portion of Phase 1 of the Don Young Port of Alaska Modernization Program, including the replacement of the Port's existing, Petroleum, Oil and Lubricants/Cement Terminal 1 with the Port Petroleum and Cement Terminal. The proceeds of the 2020 Series B Bonds were used to refund the balance of the notes payable from direct borrowings. The 2020 Series A bonds have a total authorized amount of \$18,885,000, are due in annual installments of \$1,275,000 to \$3,875,000 (principal payments beginning in 2045 through 2050), plus interest at 2.53%. The 2020 Series B bonds have a total authorized amount of \$46,210,000, are due in annual installments of \$370,000 to \$2,960,000 (principal payments beginning in 2023 through 2045), plus interest at 1.071% to 3.52%.

The Port issued \$191,385,000 in 2024 Port Revenue Bonds, Series A (AMT) on December 17, 2024. The proceeds of the bonds were utilized to pay off the notes payable from direct borrowings and to pay or reimburse costs of the Don Young Port of Alaska Modernization Program. The 2024 Series A revenue bonds have a total authorized amount of \$191,385,000 due in annual installments of \$1,445,000 to \$10,345,000 with principal payments beginning in 2026 through 2065. The 2024 Series A bonds have semiannual interest payments beginning August 1, 2025 with rates from 4.250% to 5.50%. The 2024 Series A Revenue Bonds were issued at a premium of \$4,919,329. As of December 31, 2024, the total principal outstanding was \$191,385,000 and restricted investments for unspent bond proceeds was \$141,043,012.

The Port has pledged future gross revenues, net of operating expenses, to repay the Port revenue bonds. The bonds are payable solely from gross revenues of the Port and are payable through 2065. The total principal remaining to be paid on the bonds at December 31, 2024 was \$255,240,000. Interest paid for the year ended December 31, 2024 was \$2,272,953. Total pledged revenues for the year ended December 31, 2024 were \$20,411,237.

Refuse and Disposal Utility

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

Notes to the Basic Financial Statements

As of December 31, 2024, the Municipality reported total outstanding Utility and Enterprise Revenue Bonds in the amount of \$540,175,364. The details of those bonds are as follows:

Description	Amount Outstanding
<u>Water Utility</u>	
\$10,000,000 2017 Water Series A Revenue Bonds, due in annual installments of \$1,000,000 through 2027, interest rate of 1.96%.	\$ 3,000,000
\$88,660,000 2017 Water Series B Revenue and Refunding Bonds, due in annual installments of \$545,000 to \$7,590,000 through 2047, interest rate from 3% to 5%.	80,205,000
\$20,402,386 2022 Water Series Revenue Bonds due in annual installments of \$949,874 to \$2,047,634 through 2032, with an interest rate of 3.56%.	15,357,244
Total Water Utility Outstanding	<u>\$ 98,562,244</u>
<u>Wastewater Utility</u>	
\$20,000,000 2017 Wastewater Series A Revenue Bonds, due in annual installments of \$2,000,000 through 2027, interest rate of 1.96%.	\$ 6,000,000
\$64,895,000 2017 Wastewater Series B Revenue and Refunding Bonds, due in annual installments of \$565,000 to \$5,255,000 through 2047, interest rate from 3% to 5%.	56,835,000
\$19,633,000 2022 Wastewater Series A Revenue Bonds, due in annual installments of \$914,055 to \$1,970,416 through 2032, with an interest rate of 3.56%.	14,778,120
Total Wastewater Utility Outstanding	<u>\$ 77,613,120</u>
<u>Port Utility</u>	
\$18,885,000 2020 Port Series A Revenue Bonds, due in annual installments of \$1,275,000 through 2050, interest rate of 2.53%.	\$ 18,885,000
\$46,210,000 2020 Port Series B Revenue Bond, due in annual installments of \$370,000 to \$2,960,000 through 2045, interest rate from 1.071% to 3.52%.	44,970,000
\$191,385,000 2024 Port Series A Revenue Bond, due in annual installments of \$1,445,000 to \$10,345,000 through 2065, interest rate from 4.25% to 5.50%.	191,385,000
Total Port Utility Outstanding	<u>\$ 255,240,000</u>
<u>Solid Waste Services Utility</u>	
\$109,755,000 2022 SWS Series A Revenue Bonds, due in annual installments of \$995,000 to \$6,030,000 through 2062, interest rate from 5% to 5.5%.	\$ 108,760,000
Total Solid Waste Services Utility Outstanding	<u>\$ 108,760,000</u>
Total Utility Revenue Bonds Outstanding	<u><u>\$ 540,175,364</u></u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 13,773,050	\$ 21,183,133	\$ 34,956,183
2026	17,088,050	24,060,806	41,148,856
2027	18,138,048	23,380,092	41,518,140
2028	16,893,048	22,654,661	39,547,709
2029	17,498,048	21,901,195	39,399,243
2030-2034	87,850,120	97,349,922	185,200,042
2035-2039	73,595,000	77,029,375	150,624,375
2040-2044	50,895,000	63,793,425	114,688,425
2045-2049	60,155,000	50,612,477	110,767,477
2050-2054	51,505,000	37,163,138	88,668,138
2055-2059	59,780,000	24,816,627	84,596,627
2060-2064	62,660,000	9,251,378	71,911,378
2065	10,345,000	226,297	10,571,297
Subtotal	540,175,364	473,422,526	1,013,597,890
Add unamortized premiums/(discounts), net	22,218,359	-	22,218,359
Total	\$ 562,393,723	\$ 473,422,526	\$ 1,035,816,249

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

In 2004, the Municipality entered into a loan agreement with the Alaska Municipal Bond Bank Authority to provide funding for ACPA roof repairs. This loan will be repaid with revenues from an ACPA ticket surcharge. In 2014, the ACPA Roof Bond was refinanced in the amount of \$3,735,000 with annual debt service payments ranging from \$160,000 to \$285,000, with 5% interest. 2024 Principal and interest paid, total ACPA ticket surcharge revenues, and related investment income were \$298,750, \$387,495, and \$53,952, respectively. As of December 31, 2024, the Municipality reported an outstanding balance on this bond of \$2,300,000.

Annual debt service requirements to maturity are as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2025	\$ 180,000	\$ 115,000	\$ 295,000
2026	190,000	106,000	296,000
2027	205,000	96,500	301,500
2028	210,000	86,250	296,250
2029	225,000	75,750	300,750
2030-2034	1,290,000	200,250	1,490,250
Subtotal	2,300,000	679,750	2,979,750
Add unamortized premiums, net	192,359	-	192,359
Total	\$ 2,492,359	\$ 679,750	\$ 3,172,109

D. Certificate of Participation Bonds

On December 7, 2017, the Municipality issued \$58,675,000 of Certificates of Participation (COP), 2017 Series A (Taxable) Bonds, for the Police and Fire Retirement Pension Trust Fund. Sale proceeds were used to pay for certain unfunded pension liabilities for the Police and Fire Retirement Pension Trust. The four properties attached to the COP are ZJ Loussac Library, Fire Station No. 1, Fire Station No. 3, and APD Training Center/Diamond Data Center. The bonds will be repaid from contributions of property taxes. Principal and interest paid for the current year, total contributions of property taxes to the debt service fund, and related investment income were \$5,427,861, \$5,429,112, and \$24,051, respectively. On December 31, 2024, the balance remaining for the Police and Fire COP was \$37,130,000.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Years:	Governmental Activities		
	Principal	Interest	Total
2025	\$ 4,130,000	\$ 1,300,389	\$ 5,430,389
2026	4,255,000	1,170,707	5,425,707
2027	4,395,000	1,032,845	5,427,845
2028	4,540,000	885,173	5,425,173
2029	4,695,000	728,089	5,423,089
2030-2033	15,115,000	1,140,290	16,255,290
Total	\$ 37,130,000	\$ 6,257,493	\$ 43,387,493

E. Notes and Contracts from Direct Borrowings

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

Water Utility Commercial Bank Loan Agreement

In 2023, the Water Utility decreased the 2019A Short Term Borrowing Program (STBP) loan agreement with a commercial bank to \$5,000,000. At December 31, 2024, the Water Utility has a loan balance of \$1,000. Effective March 1, 2023, the Water Utility amended the 2019A STBP. Key changes in the amendment extended the mandatory prepayment to March 31, 2026 from March 1, 2023; changed the interest rate from being based on London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate(SOFR); the loan commitment amount may now exceed \$5,000,000 if requested by the Water Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the loan agreement, the Water Utility pays fees quarterly of 0.1% per annum based upon the balance authorized, but not drawn, calculated on a weekly basis. Throughout 2024, the interest rate on the loan varied.

Wastewater Utility Commercial Bank Loan Agreement

In 2023, the Wastewater Utility decreased the 2019A Short Term Borrowing Program (STBP) loan agreement with a commercial bank to \$5,000,000. At December 31, 2024, the Water Utility has a loan balance of \$1,000. Effective March 1, 2023, the Wastewater Utility amended the 2019A STBP. Key changes in the amendment extended the mandatory prepayment to March 31, 2026 from March 1, 2023; changed the interest rate from being based on London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate(SOFR); the loan commitment amount may now exceed \$5,000,000 if requested by the Water Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the loan agreement, the Wastewater Utility pays fees quarterly of 0.1% per annum based upon the balance authorized, but not drawn, calculated on a weekly basis. Throughout 2024, the interest rate on the loan varied.

Port Revolving Credit Agreement

The Port's notes payable from direct borrowings consists of Subordinate Lien Port Revenue Notes with U.S. Bank National Association. The proceeds from the notes are used to fund capital improvements to Port facilities on a short-term basis. The notes have a total authorized amount of \$40,000,000 and an expiration date of December 29, 2023. The notes payable was amended on June 1, 2023 with an expiration date of December 1, 2025. The interest rate charged to the Port is variable; as of December 31, 2023, the interest rate was 4.62%. In 2020, amounts drawn were repaid with proceeds from the issuance of 2020 Series B Revenue Bonds. On December 27, 2021, \$40,000,000 was drawn and was outstanding principal was paid in full at December 31, 2024 by the issuance of the 2024 Series A Revenue Bonds. The amount of interest expense recognized on the notes for the year ended December 31, 2024 was \$1,603,422.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

In June 2013, the Assembly authorized the establishment of a long-term borrowing program in the amount of \$40 million as an interim financing program for the Port expansion project. On June 20, 2019, the Port and its commercial bank amended the Revolving Credit Agreement under the same terms and conditions but with a revised expiration date of July 21, 2021. Any amount may be repaid prior to that date at the option of the Port. In December 2020, the outstanding principal balance of \$40 million was paid off with proceeds from the issuance of the Port Revenue Bond Series B, with the option to draw up to \$40 million for financing for capital projects related to the Port Modernization Project. This long-term borrowing program was amended and restated as of July 1, 2021, with a new expiration date of December 29, 2023. The note payable was amended on June 1, 2023 with an expiration date of December 1, 2025. The interest rate per annum is the applicable spread of 0.75 percent plus the Securities Industry and Financial Markets Association (SIFMAX) rate.

Refuse and Disposal Utility Revenue Note Agreement

In February 2019, the Refuse and Disposal Utilities entered into a joint loan agreement for up to \$55 million with a commercial bank. Revenues from customers of the Refuse and Disposal Utilities are pledged to pay the debt service for this loan. On June 24, 2021, the Solid Waste Utilities and its commercial bank amended this loan agreement, increasing the amount to be borrowed up to \$100 million with the maturity date of February 1, 2025. 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.

State of Alaska Clean Water and Drinking Water Loans

The Municipality has various Clean Water and Drinking Water Fund loans in its Solid Waste, Water, and Wastewater Utilities from the State of Alaska. The Municipality reported a total outstanding balance on all these loans of \$179,353,942 on December 31, 2024.

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2025	17,228,288	4,580,838	21,809,126
2026	17,329,458	4,373,363	21,702,821
2027	16,683,584	4,111,423	20,795,007
2028	16,278,958	3,859,936	20,138,894
2029	14,725,623	3,616,576	18,342,199
2030-2034	85,597,131	8,105,686	93,702,817
2035-2039	35,055,429	2,408,422	37,463,851
2040-2044	12,716,228	359,925	13,076,153
2045	59,915	996	60,911
Total	\$ 215,674,614	\$ 31,417,165	\$ 247,091,779

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

F. Bonds Authorized but Unissued

On December 31, 2024, the Municipality had the following authorized but unissued GO bonds (in thousands):

Purpose	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
Anchorage Parks & Recreation	April 2022	None	3,875	2,575	1,300
	April 2023	None	3,950	-	3,950
	April 2024	None	4,350	-	4,350
Anchorage Roads & Drainage	April 2023	None	34,500	19,500	15,000
	April 2024	None	47,110	-	47,110
Public Transportation - Areawide	April 2021	None	1,230	-	1,230
	April 2022	None	1,200	-	1,200
	April 2023	None	1,110	-	1,110
	April 2024	None	1,860	-	1,860
Public Facilities- Areawide	April 2021	None	1,150	820	330
Public Safety- Areawide	April 2023	None	3,010	1,300	1,710
	April 2024	None	2,700	-	2,700
Anchorage Police	April 2024	None	1,500	1,500	-
Anchorage Fire	April 2023	None	2,625	625	2,000
Chugach State Park Access	April 2024	None	4,000	-	4,000
Chugiak Fire Service	April 2023	None	450	-	450
					\$ 88,300

In April 2024, the Municipality voters approved the issuance of \$61,520,000 in area wide, road and drainage, public-safety, public-Transportation, police, Chugach State Park, and parks and recreation bonds.

G. Refunded Bond Issues

ASD Refunding Bonds

During ASD's fiscal year ended June 30, 2024, the Municipality did not issue a refunding bond.

H. Defeasance of Debt

Municipality Defeasance of Debt

The Municipality defeased certain GO and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the Municipality's financial statements. On December 31, 2024, the defeased balance of GO and revenue bonds remaining to be paid by the escrow agent was \$22,010,000 for the general government.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Electric Utility Defeasance of Debt

The Electric Utility defeased certain revenue bonds by placing the proceeds from the sale of the Electric Utility in an irrevocable trust to provide for all future debt service payments on the 2014 Revenue Bond Series A. Accordingly, trust account assets and liabilities for defeased bonds are not reported in the Municipality's financial statements. On December 31, 2024, there was no defeased balance of the revenue bonds to be paid by the escrow agent for the Electric Utility.

ASD Defeasance of Debt

ASD has defeased certain GO bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in ASD's financial statements. On June 30, 2024, the amount of GO bonds considered defeased was \$154,230,000.

I. Direct Financing Agreements

The Municipality entered into revolving direct financing agreements to finance information technology equipment and software, all of which were in service or being installed as of December 31, 2024. As of December 31, 2024, the outstanding balance of \$2,751,912 was recorded in the Information Technology Internal Service Funds.

The Municipality entered into a revolving direct financing agreement to purchase a handling system for a municipal library, which system was in service as of December 31, 2024. The outstanding balance of \$136,853 was recorded in the Governmental Activities.

The Municipality entered into a revolving direct financing agreement to purchase a Computer Aided Mass Appraisal (CAMA) system, which was an ongoing capital project as of December 31, 2024. The outstanding balance on December 31, 2024, of \$4,179,861 was recorded in the Governmental Activities.

The Municipality entered into a revolving direct financing agreement to upgrade lighting at various locations within the Municipality, which lighting was in service as of December 31, 2024. The outstanding balance of \$184,542 was recorded in the Governmental Activities.

As of December 31, 2024, debt obligations from direct financing agreements included in current liabilities were \$2,699,321, and debt obligations from direct financing agreements in non-current liabilities were \$4,553,847 for total debt obligations from direct financing agreements of \$7,253,168.

Annual debt service requirements under the Municipality's direct financing agreements were as follows as of December 31, 2024:

	Governmental Activities		
	Principal	Interest	Total
Years:			
2025	\$ 2,699,321	\$ 230,764	\$ 2,930,085
2026	1,495,780	170,558	1,666,338
2027	1,091,694	122,706	1,214,400
2028	866,510	82,451	948,961
2029	578,562	46,902	625,464
2030-2031	521,301	20,357	541,658
	<u>\$ 7,253,168</u>	<u>\$ 673,738</u>	<u>\$ 7,926,906</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

On August 1, 2023, the Municipality entered into a \$18,300,000 loan agreement with Key Government Finance, Inc. to purchase the building located at 716 West 4th Avenue in Anchorage from the ACDA. This loan agreement matures August 1, 2048, bears an interest rate of 5.533% for the first seven years. Effective August 1, 2030, the rate will adjust by 0.01% for each 0.01% variance in the 10-Year Treasury Rate between August 1, 2023, and the date that is seven business days before the first reset date of August 1, 2030. As of December 31, 2024, debt obligations from loan agreement included in current liabilities was \$372,091, and debt obligations from loan agreement in non-current liabilities was \$17,575,582 for total debt obligations from loan agreement of \$17,947,673.

Annual debt service requirements under the Municipality's loan agreement were as follows as of December 31, 2024:

	Governmental Activities		
	Principal	Interest	Total
Years:			
2025	\$ 372,091	\$ 987,968	\$ 1,360,059
2026	392,963	967,096	1,360,059
2027	415,007	945,052	1,360,059
2028	438,287	921,772	1,360,059
2029	462,872	897,186	1,360,058
2030-2034	2,734,221	4,066,073	6,800,294
2035-2039	3,592,106	3,208,187	6,800,293
2040-2044	4,719,161	2,081,132	6,800,293
2045-2048	4,820,965	619,268	5,440,233
	<u>\$ 17,947,673</u>	<u>\$ 14,693,734</u>	<u>\$ 32,641,407</u>

J. Anchorage School District Debt

ASD's long-term obligation activity for fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due within one year
General Obligation Bonds	\$ 428,510,000	\$ -	\$ (46,695,000)	\$ 381,815,000	\$ 38,705,000
Direct Financing Agreements	1,861,032	1,463,670	(290,549)	3,034,153	405,457
Compensated Absences	11,913,538	17,558,945	(17,619,465)	11,853,018	7,241,853
Leases Payable	18,903,528	46,223,648	(15,447,164)	49,680,012	5,744,031
Workers Compensation	15,824,173	5,968,433	(6,861,954)	14,930,652	6,266,854
Medical Claims	4,899,500	34,840,160	(34,778,860)	4,960,800	4,960,800
Pension	416,490,714		(9,754,787)	406,735,927	-
Total	<u>\$ 898,402,485</u>	<u>\$ 106,054,856</u>	<u>\$(131,447,779)</u>	<u>873,009,562</u>	<u>\$ 63,323,995</u>

Unamortized premium on GO Bonds	40,577,613
Total	<u>\$ 913,587,175</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

ASD bonds payable as of June 30, 2024, are comprised of the following individual issues:

General Obligation Bonds	Outstanding Amounts
\$59,075,000 2014 Series C School Construction Serial Bonds due in annual installments of \$1,795,000 to \$4,555,000 through September 2034; interest in 1.25% to 5%.	\$ 5,670,000
\$37,150,000 2014 Series D School Construction Refunding Bonds due in annual installments of \$2,120,000 to \$7,200,000 through September 2026; interest at 1.25% to 5%.	6,155,000
\$69,170,000 2015 Series C School Construction Serial Bonds due in annual installments of \$2,095,000 to \$5,265,000 through September 2035; interest at 2% to 5%.	23,625,000
\$81,040,000 2015 Series D School Construction Serial Bonds due in annual installments of \$1,260,000 to \$15,090,000 through September 2026; interest at 2% to 5%.	24,660,000
\$20,270,000 2016 Series B General Obligation School Bonds due in annual installments of \$665,000 to \$1,500,000 through September, 2036, interest at 2% to 5%.	15,050,000
\$35,660,000 2018 Series C General Obligation School Bonds due in annual installments of \$1,105,000 to \$2,640,000 through September, 2038, interest at 2.25% to 5%.	29,585,000
\$57,020,000 2018 Series D General Obligation Refunding School Bonds due in annual installments of \$9,825,000 to \$28,455,000 through September, 2024, interest at 5%.	9,825,000
\$35,610,000 2019 Series C School Construction Serial Bonds due in annual installments of \$1,105,000 and \$2,545,000 through April 2039; interest at 3% to 5%.	29,495,000
\$10,295,000 2019 Series D School Construction Refunding Serial Bonds due in annual installments of \$885,000 and \$1,215,000 through April 2030; interest at 3% to 4%.	6,625,000
\$60,090,000 2020 series E School Construction Serial Bonds due in annual installments of \$1,935,000 to \$4,425,000 through April 2040; interest at 2% to 5%.	52,435,000
\$77,830,000 2020 Series F School Construction Refunding Bonds due in annual installments of \$1,570,000 and \$7,870,000 through April 2034; interest at 3% to 5%.	72,415,000
\$55,300,000 2021 Series C School Construction serial Bonds due in annual installments of \$1,215,000 and \$4,065,000 through September 2041; interest at 4% to 5%.	52,285,000
\$35,740,000 2021 Series D School Construction Refunding Bonds due in annual installments of \$645,000 and \$4,710,000 through September 2033; interest at 3% to 5%.	34,445,000
\$20,425,000 2022 Series B School Construction serial Bonds due in annual installments of \$645,000 and \$1,500,000 through September 2042; interest at 4% to 5%.	19,545,000
	\$ 381,815,000

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Years:	Anchorage School District		
	Principal	Interest	Total
2025	38,705,000	13,096,000	51,801,000
2026	30,135,000	11,651,000	41,786,000
2027	31,330,000	10,455,000	41,785,000
2028	29,050,000	9,336,000	38,386,000
2029	24,975,000	8,399,000	33,374,000
2030-2034	121,030,000	30,416,000	151,446,000
2035-2039	84,955,000	11,318,000	96,273,000
2040-2043	21,635,000	1,271,000	22,906,000
Total	\$ 381,815,000	\$ 95,942,000	\$ 477,757,000

The ASD does not have authority to issue debt independently. Therefore, all long-term debt is issued with the full faith and credit of the Municipality of Anchorage using general obligation bonds. There are a number of restrictions contained in the various bond indentures and the ASD is in compliance with all significant restrictions. The Debt Service Fund is used to liquidate the liability of General Obligation Bonds.

Anchorage School District Direct Financing Agreements

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

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

During fiscal year 2024, ASD entered into a Direct Financing Agreement to finance the acquisition of nine school buses, payable in quarterly installments of \$48,841, ending April 1, 2034, with interest at 5.85%.

As of June 30, 2024, Direct Financing Agreement debt included in current liabilities was \$405,457, and Direct Financing Agreement debt in non-current liabilities was \$2,628,696, for total Direct Financing Agreement debt obligations of \$3,034,153. ASD's Debt Service Fund will be used to liquidate the Direct Financing Agreements.

The following is a summary of ASD's Direct Financing Agreement debt for the fiscal year ended June 30, 2024:

Direct financing Agreements	Outstanding Balance	Due within one year
16 School Buses	\$ 1,033,443	\$ 214,469
8 School Buses	537,040	86,768
9 School Buses	1,463,670	104,220
	<u>\$ 3,034,153</u>	<u>\$ 405,457</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Annual debt service requirements under ASD's Direct Financing Agreements are as follows as of June 30, 2024:

Years:	Anchorage School District		
	Principal	Interest	Total
2025	\$ 405,457	\$ 143,399	\$ 548,856
2026	430,724	118,132	548,856
2027	449,300	99,556	548,856
2028	468,728	80,128	548,856
2029	362,802	60,414	423,216
2030-2034	917,142	136,337	1,053,479
Total	\$ 3,034,153	\$ 637,966	\$ 3,672,119

The following is a summary of all assets acquired with the Direct Financing Agreement program as of June 30, 2024:

Direct Financing Agreements	Original Amount	Accumulated Depreciation	Carrying Value
16 School Buses	\$ 2,076,448	\$ 817,602	\$ 1,258,846
8 School Buses	876,560	286,100	590,460
9 School Buses	1,463,670	56,920	1,406,750
	<u>\$ 4,416,678</u>	<u>\$ 1,160,622</u>	<u>\$ 3,256,056</u>

During fiscal year ending June 30, 2024, ASD entered into two new lease agreements, increasing lease assets by \$880,711. Two building lease amendments were recorded for a net increase of \$25,248,739. One building lease and the copier lease expired reducing lease assets \$3,017,374. Total lease costs for buildings were \$7,165,902 and for copiers were \$777,261 for the fiscal year ending June 30, 2024

ASD reported future minimum lease payments at June 30, 2024 as follows:

Years:	Principal	Interest	Total
2025	\$ 5,744,031	\$ 1,089,938	\$ 6,833,969
2026	3,742,175	951,526	4,693,701
2027	3,730,976	867,900	4,598,876
2028	3,897,129	781,741	4,678,870
2029	3,917,884	695,021	4,612,905
2030-2034	22,269,657	2,099,259	24,368,916
2035-2039	6,378,160	203,487	6,581,647
Total	<u>\$ 49,680,012</u>	<u>\$ 6,688,872</u>	<u>\$ 56,368,884</u>

K. Anchorage Community Development Authority Debt

In April 2021, ACDA entered into a \$573,300 loan through the Municipality's Direct Financing Agreement program to fund the LED Garage Retrofit project. The loan is repaid quarterly over 10 years through April 2031 at 2.28% interest and is secured by the assets of the Municipality. The balance at December 31, 2024 was \$360,087.

In November 2024, ACDA entered into a \$1,240,573 loan through the Municipality of Anchorage's Master Equipment Lease Agreement with Bank of America Public Capital Corp to fund the parking meter financing. The loan is repaid monthly over 11 years through January 2035 at an interest rate of 4.5863% and it is secured by the assets of Municipality. The balance at December 31, 2024 was \$1,240,573.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

Years:	Principal	Interest	Total
2025	\$ 147,793	\$ 55,621	\$ 203,414
2026	159,419	58,818	218,237
2027	165,552	52,685	218,237
2028	171,941	46,296	218,237
2029	178,599	39,639	218,238
2030-2034	777,356	96,354	873,710
Total	\$ 1,600,660	\$ 349,413	\$ 1,950,073

ACDA's long-term obligation activity for the year-ended December 31, 2024, was as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Amount Due within one year
Direct Borrowing - Loans	\$ 413,013	\$ 1,240,573	\$ (52,926)	\$ 1,600,660	\$ 147,793
Compensated Absences	68,942	3,962	-	72,904	72,904
Leases Payable	126,138	-	(66,873)	59,265	59,265
Pension	2,192,544	219,971	-	2,412,515	-
Total	\$ 2,800,637	\$ 1,464,506	\$ (119,799)	\$ 4,145,344	\$ 279,962

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

In 2022, ACPA entered into a five-year lease agreement as a lessee of a copier machine. The lease went into effect on November 17, 2022. An initial lease liability was recorded in the amount of \$21,724. As of December 31, 2024, the outstanding balance on the lease was \$11,830. ACPA is required to make monthly principal and lease payments of \$398. The lease has an interest rate of 4.19%.

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

NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

A. Municipality of Anchorage

Tax Anticipation Notes

On April 29, 2026, the Municipality issued \$100 million of General Obligation Tax Anticipation Notes. The yield on the notes is 3.5 percent with a maturity date of December 15, 2026.

CIVICVentures Revenue Refunding Bonds

On September 2, 2025, CIVICVentures, a blended component unit, issued tax-exempt Revenue Refunding Bonds, Series 2025 of \$62,830,000 at coupon rate of 5%, maturing through September 1, 2038, on behalf of the Municipality of Anchorage. The bonds will be used for the purpose of refunding all of the outstanding Revenue Refunding bonds, Series 2015.

Certificate of Participation (City Hall)

On December 10, 2025, the Municipality issued \$30,180,000 of Certificates of Participation (COP), 2025. Sale proceeds were used to (i) make a payment to Fidelity Title Agency of Alaska LLC for purchase of City Hall and related parking facilities in the amount of \$27,503,167 to including escrow and real estate costs, (ii) be deposited into a Project account held by the Trustee in the amount of \$2,300,000 to pay the cost of improvements to City Hall and (iii) pay costs of issuance of the Certificate in the amount of \$376,833.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Direct Financing Agreements

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

On December 10, 2025, the Municipality entered into a direct lease agreement for financing Switcher, Routers, Network Modules, Controllers, Data Storage, Servers and Components, Server Licenses, Firewalls, Memory, Laptops, Docking Stations, and Monitors in the amount of \$1,350,442. IT started the upgrade to the SAP ECC/HCM/SRM Enterprise Resource software systems, to migrate to S/4 HANA on-premises acquired with the proceeds.

B. Anchorage School District

General Obligation School Bonds

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

Direct Financing Agreements

On May 1, 2025, the district entered into a master lease agreement for financing the acquisition of eight special education school buses in the amount of \$1,199,368.

NOTE 12 - PENSIONS

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

A. Defined Benefit Pension Plans

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

	Governmental Activities	Business-type Activities	Total
<u>Net Pension Liability</u>			
Public Employees Retirement System	\$ 310,404,802	\$ 45,253,435	\$ 355,658,237
Police and Fire Pension System	77,220,936	-	77,220,936
Total	\$ 387,625,738	\$ 45,253,435	\$ 432,879,173

Total net pension liability for all plans for 2024 was \$432,879,173 and total pension expense was \$62,909,652, which includes on-behalf expenses from the State of \$21,376,681. Total deferred outflows of resources and deferred inflows of resources for all plans were \$26,321,181 and \$0, respectively. There were no net pension assets reported for 2024.

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

General Information About the Plan

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

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

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

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

Historical Context and Special Funding Situation

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

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

Employee Contribution Rates

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

Employer and Other Contribution Rates

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

Employer Effective Rate

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

Alaska Retirement Management Board Adopted Rate

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

State On-behalf Contribution Rate

This is the rate paid by the State as an on-behalf payment under current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures on a calendar year basis ending December 31, 2024. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period July 1, 2023, to June 30, 2024, in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition. Total on-behalf amounts recognized as of the measurement period are actuarially calculated.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Contribution rates for the years ended June 30, 2024, and June 30, 2025, were determined in the June 30, 2022, and June 30, 2023 actuarial valuations, respectively. Municipality contribution rates for the 2024 calendar year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
January 1, 2024 to June 30, 2024			
Pension	22.00%	25.10%	3.10%
Postemployment Healthcare- ARHCT (see Note 13)	0.00%	0.00%	0.00%
Total Contribution Rates	22.00%	25.10%	3.10%
July 1, 2024 to December 31, 2024			
Pension	22.00%	26.76%	4.76%
Postemployment Healthcare- ARHCT (see Note 13)	0.00%	0.00%	0.00%
Total Contribution Rates	22.00%	26.76%	4.76%

In 2024, the Municipality was credited with the following contributions into the pension plan.

	Measurement Period	Municipality's Fiscal Year
	July 1, 2023 to June 30, 2024	January 1, 2024 to December 31, 2024
Employer contributions (including DBUL)	\$ 39,548,026	\$ 40,941,182
Nonemployer contributions (on-behalf)	6,459,993	8,813,446
Total Contributions	\$ 46,008,019	\$ 49,754,628

In addition, employee contributions to the Plan totaled \$5,698,368 during the Municipality's calendar year.

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

On December 31, 2024, the Municipality reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Municipality. The amount recognized by the Municipality for its proportional share, the related State proportion, and the total were as follows:

Municipality proportionate share of NPL	\$ 355,658,237
State's proportionate share of NPL associated with the Municipality	132,986,758
Total Net Pension Liability	<u>\$ 488,644,995</u>

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, to calculate the net pension liability as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2024, measurement date, the Municipality's proportion was 6.48 %, which was a decrease of 0.54% from its proportion measured as of June 30, 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

For the year ended December 31, 2024, the Municipality recognized pension expense of \$56,929,075. Of this amount, \$21,376,681 was recorded as on-behalf revenue and expense for additional contributions paid by the State. On December 31, 2024, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Measurement Period June 30, 2024</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	3,423,741	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	-	-
Municipality contributions subsequent to the measurement date	20,924,110	-
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	<u>\$ 24,347,851</u>	<u>\$ -</u>

The \$24,347,851 reported as deferred outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
2025	\$ (9,532,294)
2026	17,745,968
2027	(2,619,522)
2028	(2,170,411)
Total Amortization	<u>\$ 3,423,741</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023, which was 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. The assumptions used in the June 30, 2023 actuarial valuation are the same as those used in the June 20, 2022 valuation.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Inflation	2.50%
Allocation Methodology	The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratios of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2025 to 2039.
Salary Increases	For peace officers/firefighters, increases range from 8.5% to 3.85%, based on service. For all others, increases range from 6.75% to 2.85%, based on service.
Investment Return / Discount Rate	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and real rate of return of 4.75%.
Mortality	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Long-term Expected Rate of Return

The long-term expected rate of return on 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 adding expected inflation. Best estimates of arithmetic real rates of return 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 (note that the rates shown below exclude an inflation component of 2.39%):

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	5.48%	26.00%	+/- 6%
Global equity (ex-U.S.)	7.14%	17.00%	+/- 4%
Global equity	5.79%	3.60%	+/- 4%
Aggregate bonds	2.10%	24.25%	+/- 10%
Real assets	4.63%	14.00%	+/- 7%
Private equity	8.84%	14.00%	+/- 7%
Cash equivalents	0.77%	1.15%	-

Discount Rate

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

Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net pension liability as of the June 30, 2024, measurement date calculated using the discount rate of 7.25%, and what the Municipality's proportionate share of the net pension liability would be if calculated using a discount rate one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipality's proportionate share of the net pension liability	6.48480%	\$ 473,770,255	\$ 355,658,237	\$ 255,707,164

Pension Plan Fiduciary Net Position

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

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

A-2. Police and Fire Pension System Plans

General Information About the Plans

Police and Fire (P&F) Plans I, II and III are defined benefit single-employer plans established by Chapter 3.85 of the Municipal Code. The P&F Plans are administered by the Police and Fire Retirement Board (Retirement Board). The cost of administering the P&F Plans is financed by the Retirement System assets held in a trust account. The Board consists of nine members: three appointed by the Mayor, three elected by the Fire members, and three elected by the Police members. Separate audited financial statements can be obtained by writing to the Police and Fire Retirement System, P.O. Box 196650, Anchorage, AK 99519-6650, or by phoning (907) 343-8400.

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

Benefits - Plans I and II

- Voluntary Retirement - Eligibility of the earlier of the completion of 20 years of total credited service or the attainment of age 55 with a minimum of five of credited service, receives a benefit of 2.5% of average monthly compensation times the number of years of credited service.
- Termination – A member who terminates employment before completing five years of credited service will receive all of the member's contributions to the Plan plus interest at the nominal annual rate of 4% compounded bi-weekly. Payment is made upon application or age 62. A vested member who terminates employment prior to being eligible for the voluntary retirement benefit may elect on of the following two benefits: (a) withdrawal of all the member's contribution to the plan plus interest at the nominal annual rate of 4% compounded bi-weekly or (b) A lifetime benefit beginning at age 55 equaling 2.5% of average monthly compensation times the number of years of total credited service.
- Occupational Disability - Benefits are a monthly pension of 66-2/3% of the member's gross monthly compensation at the time of disability, payable for the life or until the member is capable of resuming similar duty with any police or fire department.
- Nonoccupational Disability - Eligibility after five years of credited service prior to the date of disability. Benefits are a monthly pension of 50% of the gross monthly compensation at the time of disability payable for life or until the member is capable of resuming similar duties with any police or fire department.
- Occupational Death Benefit - Benefits are a monthly pension of 66-2/3% of the member's monthly compensation, payable as designated by the member to the surviving spouse or the surviving children until the children reach the age of 18. The member may designate the portion of the benefit paid to the surviving spouse and the portion paid to surviving children. The surviving spouse is entitled to receive at least 50% of the retirement benefits the member was entitled to receive at death. In the event a participant makes no designation, then the surviving beneficiaries will receive the benefit in the following priority: surviving spouse, surviving children under the age of 18, disabled children, regardless of age, dependent parents, and dependent siblings under the age of 18.
- Nonoccupational Death Benefits - Benefits of a monthly pension of 50% of the member's monthly compensation payable in the same manner as the occupational death benefit described above.

Benefits - Plan III

- Normal Service Retirement - Eligibility after 20 years of credited service, receives a benefit of 2.5% of the final average compensation times the number of the years of credited service.
- Early Service Retirement - Eligibility after 15 years of credited service, receives a benefit of 2.5% of the final average compensation times the number of the years of credited service, payable for life. A COLA is not available until 20 years total service would have been obtained.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

- **Termination** – A member who terminates employment before completing five years of credited service will receive all of the member's contributions to the plan plus interest at the nominal annual rate of 4% compounded bi-weekly upon request or at age 62. A vested member who terminates employment prior to being eligible for service retirement may elect one of the following: (a) withdrawal of all the member's contributions to the plan plus interest at the nominal annual rate of 4% compounded bi-weekly, or (b) the accrued service retirement benefit beginning at the earlier of age 55 or when the member would have completed 20 years of service.
- **Occupational Disability** - Benefits are a monthly pension of 50% of the member's final average compensation at the time of disability. The benefit is payable for the life or until the member is capable of resuming assigned duties similar to pre-disability assigned duties, with any police or fire department, and is offset by any other wage continuation benefit attributable to the Municipality.
- **Nonoccupational Disability** - Eligibility after five years of credited service prior to the date of the disability. The benefit is a monthly pension of 25% of final average compensation if the member retires after more than five years but less than 10 years of credited service. For every additional credited year of service more than 10 years up to 20 years, the benefit is increased by 2.5% of final average compensation. The benefit is payable for the life or until the member is capable of resuming duties with any police or fire department.
- **Death Benefits** - Benefit is 100% of the Disability Benefit the member receiving or would have received at death or 75% of the service retirement benefit to which the member would have been entitled to had the member survived, whichever is greater. The death benefits are payable as designated by the member to the surviving spouse or the surviving children until the surviving children reach the age of 18. The member may designate the portion of the benefit paid to the surviving spouse and the portion paid to surviving children. The surviving spouse is entitled to receive at least 50% of the retirement benefits the member was entitled to receive at death. In the event a participant makes no designation, then the surviving beneficiaries will receive the benefit in the following priority: surviving spouse, surviving children under the age of 18, disabled children, regardless of age, dependent parents, and dependent siblings under the age of 18.
- **Children's Benefits** - 5% of the final average compensation for each dependent child, up to 10%, is payable monthly with disability benefits and to surviving spouses with dependent children until age 18.
- **Cost-of-Living Adjustment** – All service retirees after 20 years from date of hire, and disability, and survivor's and children's benefits are subject to an annual cost-of-living adjustment equal to the lesser of 3% or 25% of the CPI. Starting 25 years from date of hire, annual COLA is limited to 6% or 50% of the CPI. The CPI shall be the Anchorage CPI Urban Consumers Index, or such other inflation index selected by the Board if the Anchorage CPI Urban Consumers Index ceases to exist. This adjustment is generally effective each July 1. The Anchorage CPI has been discontinued by the Bureau of Labor Statistics. In March 2023 the Board approved a change to use the Western Region CPI for all Urban Consumers for this purpose.

This is a closed plan, which means that there are no new participants. As of December 31, 2024, the following employees were covered by the benefit terms:

	Plan I	Plan II	Plan III	Total
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	166	121	442	729
Active Plan Members	-	-	-	-
Totals	166	121	442	729

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Employee Contribution Rates

Members of P&F Plans I, II, and III are required to contribute an amount not to exceed 6% of compensation if the plan is determined to be in a significant actuarial surplus position, no member contributions will be required. There were no employee contributions to Plans I, II, and III in 2024.

Employer Contribution Rates

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

Benefit and contribution provisions are established by Code and may be amended only by the Assembly. The January 1, 2024, actuarial valuation recommended employee contribution rates for P&F Plans I, II and III not to exceed 6% of employee compensation for the year ending December 31, 2024. In 2017, the Municipality issued \$58.7 million in Certificates of Participation (COP) Series A (Taxable) to provide for a lump-sum contribution to the P&F Plans. Proceeds from the issuance, in the amount of \$58.2 million were contributed, along with \$10.4 million of employer contributions in 2017. The results of the issuance of the COP was to fund 90% of the net pension liability and eliminate the employer contribution requirements until 2024. All past contributions were made in accordance with actuarial recommendations.

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

On December 31, 2024, the Municipality reported an NPL for P&F Plans I, II, and III in the amount of \$77,220,936 in the Governmental Activities Statement of Net Position. The NPL for each of the P&F Plans were calculated as follows:

	Plan I	Plan II	Plan III	Total
Total Pension Liability	\$ 70,833,439	\$ 61,350,230	\$ 278,687,866	\$ 410,871,535
Plan Net Assets	(59,349,400)	(49,190,470)	(225,110,729)	(333,650,599)
Municipality Net Pension Liability	\$ 11,484,039	\$ 12,159,760	\$ 53,577,137	\$ 77,220,936

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<u>Police & Fire Retirement Plan I</u>			
Balances as of December 31, 2023	\$ 73,716,742	\$ 61,524,598	\$ 12,192,144
Changes for the year:			
Interest on total pension liability	4,380,949	-	4,380,949
Effect of economic/demographic (gains) or losses	(21,123)	-	(21,123)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(7,243,129)	(7,243,129)	-
Administrative expenses	-	(132,854)	132,854
Net investment income	-	5,200,785	(5,200,785)
Balances as of December 31, 2024	<u>\$ 70,833,439</u>	<u>\$ 59,349,400</u>	<u>\$ 11,484,039</u>
<u>Police & Fire Retirement Plan II</u>			
Balances as of December 31, 2023	\$ 62,819,678	\$ 50,644,688	\$ 12,174,990
Changes for the year:			
Interest on total pension liability	3,750,075	-	3,750,075
Effect of economic/demographic (gains) or losses	417,422	-	417,422
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(5,636,945)	(5,636,945)	-
Administrative expenses	-	(109,871)	109,871
Net investment income	-	4,292,598	(4,292,598)
Balances as of December 31, 2024	<u>\$ 61,350,230</u>	<u>\$ 49,190,470</u>	<u>\$ 12,159,760</u>
<u>Police & Fire Retirement Plan III</u>			
Balances as of December 31, 2023	\$ 281,491,228	\$ 227,387,569	\$ 54,103,659
Changes for the year:			
Service cost	-	-	-
Interest on total pension liability	16,930,653	-	16,930,653
Effect of economic/demographic (gains) or losses	1,467,532	-	1,467,532
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(21,201,547)	(21,201,547)	-
Administrative expenses	-	(499,875)	499,875
Member contributions	-	-	-
Net investment income	-	19,424,582	(19,424,582)
Balances as of December 31, 2024	<u>\$ 278,687,866</u>	<u>\$ 225,110,729</u>	<u>\$ 53,577,137</u>

For the year ended December 31, 2024, the Municipality recognized pension expense of \$607,359, \$1,065,634, and \$4,307,584 for the P&F Plans I, II, and III, respectively. On December 31, 2024, the Municipality reported deferred inflows of resources related to pensions from the following sources by Plan:

	Measurement Period December 31, 2024 Deferred Outflows of Resources
Net difference between projected and actual investments- Plan I	\$ 466,422
Net difference between projected and actual Investments- Plan II	345,502
Net difference between projected and actual investments- Plan III	1,161,406
	<u>\$ 1,973,330</u>

The combined amounts for all three plans of \$1,973,330 reported as deferred outflows of resources related to pensions resulting from the difference in projected and actual earnings will be recognized as an addition in the

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

net pension liability in the year ended December 31, 2025. Deferred outflows of resources related to pensions will be recognized in pension expense for each Plan as follows:

Plan I

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2025	\$ 361,561
2026	1,541,633
2027	(1,119,571)
2028	(317,201)
Total Amortization	<u>\$ 466,422</u>

Plan II

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2025	\$ 289,704
2026	1,236,952
2027	(919,777)
2028	(261,377)
Total Amortization	<u>\$ 345,502</u>

Plan III

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2025	\$ 1,200,801
2026	5,253,347
2027	(4,114,538)
2028	(1,178,204)
Total Amortization	<u>\$ 1,161,406</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2024, which was rolled forward to December 31, 2024, using the following actuarial assumptions, applied to all periods in the measurement. This section of the report describes the actuarial methods and assumptions used in this report. The actuarial methods and assumptions have been chosen by the Board based on recent experience of the Plans and on current expectations as to future economic conditions. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Valuation Date	January 1, 2025
Measurement Date	December 31, 2024
Inflation	N/A
Salary Increases	N/A
Investment Return	The future investment earnings of the assets of the plan are assumed to accrue at an annual rate of 6.25 percent as of December 31, 2023 and December 31, 2024, compounded annually, net of investment expenses.
Actuarial Cost Method	Entry Age Normal cost method with normal cost expressed as a level percentage of payroll
Mortality	Retirees: Pub-2010 Public Safety Healthy/Disabled Retiree, sex distinct, generational projection with Unisex Social Security Data Scale. Beneficiaries: Pri-2012 Healthy Retiree, no collar, sex distinct, generational projection with Unisex Social Security Data Scale.

Long-term Expected Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Large/Mid Cap US equities	5.32%	25%	+/- 6%
Small Cap US equities	5.35%	11%	+/- 4%
International equities	7.56%	22%	+/- 6%
Fixed income	4.66%	28%	+/-13%
Real estate funds	5.52%	13%	+/- 7%
Cash equivalents	0.00%	1%	+/- 4%

Discount Rate

All three Plans are projected to remain solvent indefinitely in the future assuming that the actuarially determined contributions continue to be made under the Board's funding policy. Therefore, the discount rate as of each measurement date is equal to the expected rate of return on plan assets, 6.25% as of December 31, 2024, which is the same from the prior year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability:			
Plan I	\$ 16,959,384	\$ 11,484,039	\$ 6,684,190
Plan II	17,415,583	12,159,760	7,598,586
Plan III	82,340,108	53,577,137	29,257,471

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Pension Plan Fiduciary Net Position

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

A-3. IBEW Pension Plan

Plan Information

The Municipality's IBEW members in the Electric Utility, Development Services, Traffic Engineering and Maintenance & Operations participate in a cost-sharing defined benefit plan, the Alaska Electrical Pension Plan of the Alaska Electrical Pension Fund (IBEW Plan). The Alaska Electrical Trust Funds (AETF) Board of Trustees administers the IBEW Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. Each year, AETF issues annual financial reports that can be obtained by writing the plan administrator, Alaska Electrical Trust Funds, 701 E. Tudor Suite 200, Anchorage, Alaska, 99503.

Plan Participation and Benefit Terms

The Municipality had 63 employees covered by the Plan as of December 31, 2024. The IBEW Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the IBEW Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the IBEW Local 1547. On June 25, 2024, a new Agreement was approved, effective June 25, 2024, through June 30, 2027.

Plan Contributions Requirements

Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The Municipality's required contribution to the IBEW Plan for each hour for which compensation is paid to the employee for 2024 was \$8.50 per hour. The Municipality's total employer contributions to the IBEW Plan for 2024 was \$1,079,674. The Municipality had \$79,529 in required contributions to the IBEW Plan payable to AETF on December 31, 2024. These amounts are paid during the normal course of business in the month following each year end. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the IBEW Plan required other than the contribution per hour compensated as required by the Agreement.

Defined Contribution Money Purchase Plan

The Agreement requires employer contributions to be made in an amount of 1.9% of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Money Purchase Plan). The Municipality's employer and employee contributions to the Money Purchase Plan during 2024 were \$205,363 and \$14,133, respectively.

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

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

Plan Information

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Plan Participation and Benefit Terms

The Municipality has 148 employees covered by the Local 302 Plan as of December 31, 2024. The Local 302 Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the Local 302 Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the Local 302. The current Agreement is effective from July 26, 2022, to June 30, 2026, and automatically renews for a period of one year from its expiration date and for successive periods of one year each thereafter for so long as there is no proper notification of an intent to negotiate a successor Agreement.

Plan Contributions Requirements

Employer contributions are determined from compensable work hours and the contractual employer contribution rate in effect. The current agreement provides for contributions of \$6.45 per hour worked by a covered employee in 2024. Further, seasonal employees are provided for contributions at \$1.00 per hour worked in 2024. Total employer retirement contributions (covered and seasonal employees) for 2024 was \$2,027,463. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the Local 302 Plan required other than the contribution per hour compensated as required by the Agreement.

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

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

Plan Information

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

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

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

Plan Participation and Benefit Terms

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Plan Contribution Requirements

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

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

For the year ended December 31, 2024, the Municipality contributed \$8,257,517 to PERS IV for retirement. Employee contributions to the plan totaled \$13,212,012. Total Defined Contribution forfeitures for the Municipality in 2024 were \$482,269.

NOTE 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS PLANS

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

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

The Plans are included in the Annual Comprehensive Financial Report of the Municipality and are not available as separate reports. Because of this, the Municipality is required to report GASB Statement No. 74- *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* for the Trust reporting. As of December 31, 2024, the Municipality is accounting for and reporting Other Postemployment Benefits under the guidance of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This note will provide information from the perspective of the Trust Plan and from the perspective of the Plan participants in accordance with the aforementioned guidance.

Net OPEB Liability

The components of the net OPEB liability for each Plan on December 31, 2024, are as follows:

	Police & Fire		Total
	Gentile Group	Medical Group	
Total OPEB liability	\$ 55,017,615	\$ 103,387,125	\$ 158,404,740
Plan fiduciary net position	-	(24,110,719)	(24,110,719)
Municipality's net OPEB liability	\$ 55,017,615	\$ 79,276,406	\$ 134,294,021
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	23.32%	15.22%

Board of Trustees

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Investment of Plan Assets

Plan assets are invested as part of the Municipal Cash Pool and are invested in a manner consistent with the investment policies disclosed in Note 3. One hundred percent of the plan assets belong to the Police and Fire Medical Group, which had a 18.6 percent annual money-weighted rate of return, net of investment expenses for the year ended December 31, 2024.

Combining Financial Statements for the Police and Fire Medical Trust Fund

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

MUNICIPALITY OF ANCHORAGE Combining Statement of Net Position December 31, 2024

	Police and Fire Medical Group	Gentile Group	Total
Assets			
Cash and cash equivalents	\$ 17,859	\$ -	\$ 17,859
Accrued Interest	71,569	-	71,569
Investments:			
Money market funds	2,816,650	-	2,816,650
Certificate of deposit	7,160,341	-	7,160,341
U.S. treasuries	5,521,789	-	5,521,789
U.S. agencies	4,841,027	-	4,841,027
Fixed income funds	1,182,560	-	1,182,560
International fixed income funds	293,908	-	293,908
Domestic equity securities	1,453,318	-	1,453,318
International equity securities	973,261	-	973,261
Total investments	24,242,854	-	24,242,854
Total assets	24,332,282	-	24,332,282
Liabilities			
Accounts payable and accrued expenses	3,324	-	3,324
Due to other funds	318,900	-	318,900
Total liabilities	322,224	-	322,224
Net Position			
Restricted for:			
Postemployment benefits other than pensions	24,010,058	-	24,010,058
Total net position	\$ 24,010,058	\$ -	\$ 24,010,058

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

MUNICIPALITY OF ANCHORAGE Combining Statement of Changes in Net Position December 31, 2024

	Police and Fire Medical Group	Gentile Group	Total
Additions			
Contributions from the Municipality	\$ 3,773,097	\$ -	\$ 3,773,097
Investment Income:			
Interest	10,130	-	10,130
Dividends	622,464	-	622,464
Net increase (decrease) in fair value of investments	618,592	-	618,592
Less: investment expense	(13,402)	-	(13,402)
Net Investment Income	1,237,784	-	1,237,784
Total additions	5,010,881	-	5,010,881
Deductions			
Regular benefit payments	3,866,464	-	3,866,464
Administrative expenses	71,585	-	71,585
Total deductions	3,938,049	-	3,938,049
Change in fiduciary net position	1,072,832	-	1,072,832
Net position, beginning of year	22,937,226	-	22,937,226
Net position, end of year	\$ 24,010,058	\$ -	\$ 24,010,058

A-1. Gentile Group - Defined Benefit Plan

General Information about the Plan

The Gentile Group is a defined benefit, single employer plan, administered by the Municipality. Members of the Police and Fire Retirement Plan who retired prior to January 1, 1995, and command personnel who were employed prior to that date, but not retired at that date, participate in the Gentile Group Plan. This Plan is closed to new members and as of December 31, 2024, all members are now retired. Membership in the Plan consists of the following on December 31, 2024:

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

The Municipality pays 100% of a defined benefit insurance premium including health for all eligible retirees as well as dental, audio, and vision coverage for police retirees. Optional dental, audio and vision coverage is paid by the fire and command retirees. The Plan is accounted for on a "pay as you go" method with costs recognized as expenditures as premiums are paid. For 2024, the monthly contribution for each member ranged between \$3,847 and \$4,522 per member depending on age and years of service. Benefit costs totaling \$10,184,225 were paid in 2024. There are no plans in place to terminate or discontinue this benefit for eligible members.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Actuarial Assumptions

The total OPEB liability for this plan was determined by actuarial valuations as of December 31, 2024, using the following actuarial assumptions:

Measurement Date	December 31, 2024; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the interim
Discount Rate	3.26 percent per annum (BOY), 4.08 percent per annum (EOY). Source: Bond Buyer 20-Bond GO Index
Actuarial Cost Method	Entry Age Normal. All participants are currently retired.
Mortality	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 6.5 percent, decreasing to 4.5 percent by 2028 Dental, Vision, and Audio; 3 percent, staying constant to 2028

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

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2024, calculated using the discount rate of 4.08% (an increase of 0.82% over the prior year's discount rate of 3.26%), and what the Gentile Group plan's net OPEB liability would be if calculated using a discount rate one-percentage-point lower (3.08%) or one-percentage-point higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Gentile Group	\$ 62,747,216	\$ 55,017,615	\$ 51,000,111

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

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2024, calculated using the healthcare cost trend rates as summarized in the 2024 actuarial valuation report, and what the plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group	\$ 50,757,793	\$ 55,017,615	\$ 62,915,726

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

General Information about the Plan

The Police and Fire Medical Group is a single-employer, defined benefit plan, administered by the Municipality. Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, and non-represented command personnel appointed after January 1, 1995, participate in the Police and Fire Medical Group Plan. The Plan is closed to new members. Plan membership consisted of the following on December 31, 2024:

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Established with both defined benefit and defined contribution characteristics, the Municipality contributes monthly fixed dollar contributions to each member. Contributions are deposited into individual member accounts and can be used to pay qualifying medical costs or health insurance premiums. Additionally, members have access to the Municipality's health insurance program if they elect to pay the associated premium. For 2024, monthly member contributions ranged between \$629 and \$1,028 depending on age and years of service. The Municipality contributed \$3,775,000 to the Police and Fire Medical Group plan in 2024.

Actuarial Assumptions

The total OPEB liability for this plan was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions:

Measurement Date	December 31, 2024; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the interim.
Inflation Rate	The Medical CPI-W Inflation rate is assumed to be 4% going forward.
Discount Rate	HRA Plan - 4.27% from 5.49% (BOY), this rate is based on an expected 10-year geometric return for an asset mix of 10% equities/90% fixed income. It reflects a real rate of return of 1.77% and an inflation rate of 2.5%. MH Plan - 4.08% from 3.26% (BOY), this rate is based on the Bond Buyers 20 Bond Index as of 12.31.2024, which tracks the average yields of 20 general obligation municipal bonds that mature in 20 years.
Actuarial Cost Method	Entry Age Normal; all participants are currently retired.
Amortization Method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality Rates	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 6.5 percent, decreasing to 4.5 percent by 2028

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investments (HRA plan) is currently 10% Equities and 90% Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 1.77%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.27% (HRA Plan) and 4.08% (MH Plan), which was 5.49% and 3.26% last year. The projection of cash flows used to determine the discount rate assumed the contributions will continue to follow the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2024, calculated using the discount rate of 4.27%(HRA Plan) and 4.08%(MH Plan), and what the plan's net OPEB liability would be if calculated using a discount rate one-percentage-point lower (3.27% HRA/3.08% MH) or one-percentage-point higher (5.27% HRA/5.08% MH) than the current rate:

	1% Decrease HRA (3.27%) MH (3.08%)	Current Discount HRA (4.27%) MH (4.08%)	1% Increase HRA (5.27%) MH (5.08%)
Police and Fire Medical Group	\$ 87,976,509	\$ 79,276,406	\$ 72,179,203

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

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2024, calculated using the healthcare cost trend rates as summarized in the 2024 actuarial valuation report, and what the plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police and Fire Medical Group	\$ 71,045,275	\$ 79,276,406	\$ 89,432,897

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

B-1. Defined Benefit OPEB Plans

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

	Governmental Activities	Business-type Activities	Total
<u>Net OPEB Liability</u>			
Gentile Group Plan	\$ 55,017,615	\$ -	\$ 55,017,615
Police and Fire Medical Group Plan	79,276,406	-	79,276,406
Total Net OPEB Liability- PFRMT	<u>\$ 134,294,021</u>	<u>\$ -</u>	<u>\$ 134,294,021</u>

	Governmental Activities	Business-type Activities	Total
<u>Net OPEB Asset</u>			
Alaska Retiree Healthcare Trust Plan	\$ 124,890,739	\$ 18,207,628	\$ 143,098,367
Retiree Medical Plan	3,310,324	482,607	3,792,931
Occupational Death and Disability Plan	5,355,605	780,785	6,136,390
Total Net OPEB Asset- PERS	<u>\$ 133,556,668</u>	<u>\$ 19,471,020</u>	<u>\$ 153,027,688</u>

Total net OPEB assets and liability for all plans for 2024 was \$153,027,688 and \$134,294,021, respectively, and total OPEB expense was \$16,095,200 which includes on-behalf expenses from the State of \$2,090,163. Total deferred outflows of resources and deferred inflows of resources for all plans were \$13,027,973 and \$6,968,934, respectively.

B-1a. PERS Defined Benefit OPEB Plans

General Information About the Plans

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

Employer Contribution Rates

The Municipality is required to contribute the following percentages of covered payroll into the OPEB plans; for January 1 through June 30, 2024, ARHCT 0%, ODD 0.30%, and RMP 1.10%, for July 1 through December 31, 2024, ARHCT 0%, ODD 0.24%, and RMP 0.83%. Employees do not contribute. In 2024, the Municipality was credited with the following contributions to the OPEB plan:

	Measurement Period	Municipality's Fiscal Year
	July 1, 2023 to June 30, 2024	January 1, 2024 to December 31, 2024
Employer contributions- ARHCT	\$ -	\$ -
Employer contributions- RMP	1,569,501	1,515,226
Employer contributions- ODD	709,712	728,996
Total Contributions	<u>\$ 2,279,213</u>	<u>\$ 2,244,222</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

On December 31, 2024, the Municipality reported assets for its proportionate share of the net OPEB assets that reflected a reduction for State OPEB support provided to the Municipality. The amount the Municipality recognized for its proportional share, the related State portion, and the total were as follows:

Municipality proportionate share of NOA- ARHCT	\$ 143,098,367
Municipality proportionate share of NOA- RMP	3,792,931
Municipality proportionate share of NOA- ODD	6,136,390
Subtotal Net OPEB Assets	<u>153,027,688</u>
State's proportionate share of ARHCT NOA associated with the Municipality	<u>53,152,290</u>
Total Net OPEB Assets	<u>\$ 206,179,978</u>

Total OPEB assets for the June 30, 2024, measurement date was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, to calculate the net OPEB assets as of that date. The Municipality's proportion of the net OPEB assets were based on a projection of the Municipality's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined. The Municipality's proportionate share at the June 30, 2024, measurement date changed from the proportionate share as of the June 30, 2023, measurement date, as shown below.

	Measurement Date June 30, 2023	Measurement Date June 30, 2024	Change
Municipality's proportionate share of the net OPEB asset:			
ARHCT	7.01140%	6.49813%	-0.51327%
RMP	8.34514%	8.13672%	-0.20842%
ODD	10.45914%	10.27871%	-0.18043%

As a result of its requirement to contribute to the Plan and changes in the actuarially calculated net OPEB assets, the Municipality recognized net OPEB expense of \$19,245,722. Of this amount, \$2,090,163 was recorded for on-behalf revenue and expense for actuarially calculated support provided by the State for the ARHCT plan, which can result in a negative balance in Operating Grants and Contributions in the statement of activities in accordance with GASB Statements No. 75. On December 31, 2024, the Municipality reported deferred outflows of resources and deferred inflows of resources related to all PERS OPEB plans from the following sources:

	Measurement Period June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>All Plans</u>		
Difference between expected and actual experience	\$ 172,987	\$ (1,859,031)
Changes in assumptions	5,125,460	(2,564,976)
Net difference between projected and actual earnings on OPEB plan investments	2,252,237	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	2,304,506	(118,031)
Municipality contributions subsequent to the measurement date	1,069,523	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB	<u>\$ 10,924,713</u>	<u>\$ (4,542,038)</u>

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

	Measurement Period June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>ARHCT</u>		
Difference between expected and actual experience	\$ 77,523	\$ -
Changes in assumptions	3,841,977	-
Net difference between projected and actual earnings on OPEB plan investments	2,179,123	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	-	-
	2,029,016	-
Municipality contributions subsequent to the measurement date	-	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ARHCT	<u>\$ 8,127,639</u>	<u>\$ -</u>
<u>RMP</u>		
Difference between expected and actual experience	\$ 95,464	\$ (421,523)
Changes in assumptions	1,283,483	(2,549,783)
Net difference between projected and actual earnings on OPEB plan investments	53,523	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	76,013	(3,953)
Municipality contributions subsequent to the measurement date	706,463	-
Total Deferred Outflows and Deferred Inflows of Resources Related to RMP	<u>\$ 2,214,946</u>	<u>\$ (2,975,259)</u>
<u>ODD</u>		
Difference between expected and actual experience	\$ -	\$ (1,437,508)
Changes in assumptions	-	(15,193)
Net difference between projected and actual earnings on OPEB plan investments	19,591	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	199,477	(114,078)
Municipality contributions subsequent to the measurement date	363,060	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ODD	<u>\$ 582,128</u>	<u>\$ (1,566,779)</u>

The \$1,069,523 reported as deferred outflows of resources related to all PERS OPEB plans resulting from contributions made after the measurement date will be recognized as a reduction in the net OPEB assets in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>All Plans</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2025	\$ (3,042,516)
2026	14,236,425
2027	(3,124,599)
2028	(2,481,472)
2029	(335,920)
Thereafter	61,234
Total Amortization	<u>\$ 5,313,152</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

<u>ARHCT</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2025	\$ (2,095,509)
2026	14,433,145
2027	(2,313,322)
2028	(1,896,675)
Total Amortization	<u>\$ 8,127,639</u>

<u>RMP</u>	
Year Ending December 31,	
2025	\$ (509,307)
2026	31,387
2027	(542,132)
2028	(378,820)
2029	(211,415)
Thereafter	143,511
Total Amortization	<u>\$ (1,466,776)</u>

<u>ODD</u>	
Year Ending December 31,	
2025	\$ (437,700)
2026	(228,107)
2027	(269,145)
2028	(205,977)
2029	(124,505)
Thereafter	(82,277)
Total Amortization	<u>\$ (1,347,711)</u>

Actuarial Assumptions

The collective total OPEB liability for each plan for the June 30, 2024 measurement date was determined by actuarial valuations as of June 30, 2023, which was 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. The assumptions used in the June 30, 2023 actuarial valuation are the same as those used in the June 30, 2022 valuation with the following exceptions:

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Inflation	2.5% per year
Salary Increases	Graded by service from 8.50% to 3.85%, for peace officers/firefighters. Graded by service from 6.75% to 2.85%, for all others.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the projected present value of contributions for FY2025-FY2039.
Investment Return / Discount Rate	7.25%, net of investment expenses. This is based on an average inflation rate of 2.50% and real rate of return of 4.75%.
Healthcare cost trend rates	Pre-65 medical; 6.4% grading down to 4.5% Post-65 medical; 5.4% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5% Initial trend rates are for FY 2025 Ultimate trend rates reached in FY 2050
Mortality - Peace Officer/Firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
Mortality - Others	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% (98%) of male and 110%(106%) of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% (102%) of male and 108% of female rates of the Pub-2010 contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.39%, for each major asset class included in the postretirement healthcare plan's target asset allocation as of June 30, 2024, are summarized in the following table:

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	5.48%	26.00%	+/- 6%
Global equity (ex-U.S.)	7.14%	17.00%	+/- 4%
Global equity	5.79%	3.60%	+/- 4%
Aggregate bonds	2.10%	24.25%	+/- 10%
Real assets	4.63%	14.00%	+/- 7%
Private equity	8.84%	14.00%	+/- 7%
Cash equivalents	0.77%	1.15%	-

Discount Rate

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

Discount Rate Sensitivity

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

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipality's proportionate share of the NOA- ARHCT	6.49813%	\$ 90,607,687	\$ 143,098,367	\$ 187,270,398
Municipality's proportionate share of the NOA- RMP	8.13672%	(657,040)	3,792,931	7,194,161
Municipality's proportionate share of the NOA- ODD	10.27871%	5,763,787	6,136,390	6,428,408

Healthcare Cost Trend Rate Sensitivity

The following presents the Municipality's proportionate share of net OPEB assets as of June 30, 2024, calculated using the healthcare cost trend rates as summarized in the 2024 actuarial valuation report, and what the respective plan's net OPEB assets (liabilities) would be if it were calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current Healthcare Cost Trend Rates:

	Proportional Share	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Municipality's proportionate share of the NOA- ARHCT	6.49813%	\$ 192,313,339	\$ 143,098,367	\$ 84,634,343
Municipality's proportionate share of the NOA- RMP	8.13672%	7,643,064	3,792,931	(1,373,153)
Municipality's proportionate share of the NOA- ODD	10.27871%	N/A	6,136,390	N/A

OPEB Plans Fiduciary Net Position

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

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

General Information About the Plans

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Employer Contributions

The Municipality pays 100% of the insurance premiums for participants in the Gentile Group Plan and a fixed dollar amount per month for participants in the Police and Fire Medical Group Plan. In 2024, the Municipality was credited with the following contributions to the OPEB plans:

	Measurement Period January 1 to December 31, 2024	
	Gentile Group Plan	Police & Fire Medical Group Plan
Employer contributions	\$ 10,184,225	\$ 3,775,000

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

On December 31, 2024, the Municipality reported net OPEB liabilities (NOL) for both the Gentile Group Plan and the Police and Fire Medical Group Plan. The amount recognized by the Municipality for both plans was as follows:

Gentile Group Plan NOL	\$ 55,017,615
Police & Fire Medical Group NOL	79,276,406
Total Net OPEB Liability	<u>\$ 134,294,021</u>

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<u>Gentile Group</u>			
Balances as of December 31, 2023	\$ 61,506,369	\$ -	\$ 61,506,369
Changes for the year:			
Interest cost	1,947,092	-	1,947,092
Differences between expected and actual experience	(134,013)	-	(134,013)
Changes in assumptions or inputs	(4,876,590)	-	(4,876,590)
Benefit payments	(3,425,243)	-	(3,425,243)
Balances as of December 31, 2024	<u>\$ 55,017,615</u>	<u>\$ -</u>	<u>\$ 55,017,615</u>
<u>Police & Fire Medical Group</u>			
Balances as of December 31, 2023	\$ 98,944,028	\$ 20,552,978	\$ 78,391,050
Changes for the year:			
Interest cost	4,617,456	-	4,617,456
Differences between expected and actual experience	3,458,485	-	3,458,485
Changes in assumptions or inputs	3,106,644	-	3,106,644
Benefit payments	(6,739,488)	(4,010,000)	(2,729,488)
Net investment income	-	3,792,741	(3,792,741)
Employer contributions	-	3,775,000	(3,775,000)
Balances as of December 31, 2024	<u>\$ 103,387,125</u>	<u>\$ 24,110,719</u>	<u>\$ 79,276,406</u>

The total OPEB liabilities for the December 31, 2024 measurement date was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024 to calculate the net OPEB liabilities as of that date.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

For the year ended December 31, 2024, the Municipality recognized OPEB expense of (\$6,488,754) and \$3,338,232 for the Gentile Group Plan and the Police and Fire Medical Group Plan, respectively. On December 31, 2024, the reported deferred inflows of resources related to OPEB from the following sources by Plan:

	Measurement Period December 31, 2024
	Deferred Inflow of Resources
Police & Fire Medical Group	
Net difference between projected and actual investments	\$ 323,636

There were no deferred inflows and deferred outflows of resources for the Gentile Group Plan. The Police and Fire Medical Group Plan reported \$323,636 of deferred inflows of resources related to OPEB resulting from the difference in projected and actual earnings. Deferred inflows of resources related to OPEB will be recognized in OPEB expense for the Police and Fire Medical Group Plan as follows:

Police & Fire Medical Group Plan	Amortization of Deferred Inflows of Resources
Year Ending December 31,	
2025	\$ 93,024
2026	(134,052)
2027	(168,211)
2028	532,875
Total Amortization	\$ 323,636

Actuarial Assumptions

The total OPEB liability for the measurement period ended December 31, 2024, was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2024. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Gentile Group Plan

Measurement Date	December 31, 2024; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the interim
Discount rate	4.08%
Actuarial cost method	Entry Age Normal. All participants are currently retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare cost trend rates	Medical and Prescription; 6.5 percent, decreasing to 4.5 percent by 2028 Dental, Vision, and Audio; 3 percent, staying constant to 2028

Police & Fire Medical Group Plan

Measurement Date	December 31, 2024; results were rolled forward from the valuation date to the measurement date assuming no gains or losses in the Interim.
Discount rate	4.27% (HRA Plan) & 4.08%(MH Plan)
Inflation	The Medical CPI-W Inflation Rate is assumed to be 4% going forward
Actuarial cost method	Entry Age Normal: all participants are currently retired
Healthcare cost trend rates	Medical and Prescription; 6.5 percent, decreasing to 4.5 percent by 2028
Amortization method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investment is currently 10% Equities and 90% Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 1.77%.

Discount Rate

The discount rates used to measure the total OPEB liability were 4.08% for the Gentile Group Plan and 4.27%(HRA Plan) & 4.08%(MH Plan) for the Police and Fire Medical Group Plan. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for the Gentile Group increased 0.82% from the prior year. The discount rate for the Police and Fire Medical Group decreased 1.22%(HRA Plan) and increased 0.82%(MH Plan) from the prior year. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the net OPEB liability calculated using the discount rate of 4.08% for the Gentile Group Plan and 4.27%(HRA Plan) & 4.08%(MH Plan) for the Police and Fire Medical Group Plan, and what the two Plan's net OPEB liability would be if it were calculated using a discount rate one-percentage-point lower or one-percentage-point higher than the current rate for each of the two Plans:

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Gentile Group Plan	\$ 62,747,216	\$ 55,017,615	\$ 51,000,111

	1% Decrease HRA(3.27%)/MH(3.08%)	Current Discount Rate HRA(4.27%)/MH(4.08%)	1% Increase HRA(5.27%)/MH(5.08%)
Police & Fire Medical Group Plan	\$ 87,976,509	\$ 79,276,406	\$ 72,179,203

Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability for each Plan as of December 31, 2024, calculated using the healthcare cost trend rates as summarized in the 2024 actuarial valuation report, and what the two Plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group Plan	\$ 50,757,793	\$ 55,017,615	\$ 62,915,726

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police & Fire Medical Group Plan	\$ 71,045,275	\$ 79,276,406	\$ 89,432,897

OPEB Plans Fiduciary Net Position

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

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

General Information About the Plans

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

Employer Contribution Rates

Employees do not contribute to the Defined Contribution OPEB plans. Employer contribution rates for the year ended December 31, 2024, were as follows:

	Tier IV Police/Fire		Tier IV Others	
	1/1 - 6/30	7/1 - 12/31	1/1 - 6/30	7/1 - 12/31
Employer Contribution				
Health Reimbursement Arrangement	3.00%	3.00%	3.00%	3.00%
Retiree Medical Plan	1.01%	0.83%	1.01%	0.83%
Death & Disability Benefit	0.68%	0.69%	0.30%	0.24%
Total Employer Contribution	4.69%	4.52%	4.31%	4.07%

Healthcare Reimbursement Arrangement

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees in the plan". Prior to July 1, 2024, a flat rate of approximately \$2,303 per year for full time employees and \$1.48 per part time hour worked were paid. For pay periods ending after July 1, 2024, a flat rate of approximately \$2,387 per year for full time employees and \$1.53 per part time hour worked were paid.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Annual Postemployment Healthcare Cost

In 2024, the Municipality contributed \$3,810,825 in Defined Contribution OPEB costs. These amounts have been recognized as expenditures/expenses.

NOTE 14 - FUND BALANCE - GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

In 2011, the Assembly approved AR 2011-345(S) which set the fund balance policy in accordance with GASB 54. In 2014, the Assembly approved AR 2014-221 which revised the method of calculating certain components of the fund balance categories, to better aid in assessing the needs of the Municipality. Management's spending policy is to use restricted fund balance first when expenditures are incurred to which any resource is available, then to use unrestricted fund balances in the following order: committed, assigned, and unassigned. In 2015, the Assembly approved AR 2015-84 which amended the definition of expenditures used in the calculation of certain components of fund balance. As of December 31, 2024, there are no other amendments to the Fund Balance Policy.

Beginning in March 2020, the Assembly approved several Emergency Orders (EOs) that provided temporary exemptions from the fund balance set-asides due to the COVID-19 pandemic. The Municipality anticipates Federal Emergency Management Agency (FEMA) reimbursements to assist with revenue loss during the shutdowns and additional expenditures incurred during the health emergency, which caused the fund balance to dip below the set-asides set in AR 2015-84. The Municipality is also incurring continued costs associated with the November 30, 2018, earthquake. FEMA reimbursement and insurance recoveries were received in 2024 related to the earthquake and anticipates this will continue into 2025.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

	General	MOA Trust	Road & Drainage Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable					
Inventory	\$ 856,487	\$ -	\$ -	\$ -	\$ 856,487
Prepaid Items	3,481,873	-	-	10,393,968	13,875,841
Long-term Loans Receivable	-	-	-	90,764	90,764
Advances to Other Funds	36,768,649	-	-	-	36,768,649
Assets Held for Resale	4,888,761	-	-	-	4,888,761
Cemetery Perpetual Fund	-	-	-	150,000	150,000
Total Nonspendable	45,995,770	-	-	10,634,732	56,630,502
Restricted					
Unspent MLP Sale Proceeds	616,855	-	-	-	616,855
Unspent Special Levies	1,725,896	-	-	-	1,725,896
Nuisance Property Abatement	-	-	-	444,215	444,215
Capital Improvements	-	-	35,674,856	26,024,257	61,699,113
MOA Trust Fund	-	433,792,475	-	-	433,792,475
Police & Fire Retiree Medical Liability	-	-	-	34,409,662	34,409,662
E911 Surcharge	-	-	-	5,291,422	5,291,422
Marijuana Retail Sales Tax	-	-	-	6,277,384	6,277,384
Federal/State Fines & Forfeitures	-	-	-	845,174	845,174
Convention Center Operating Fund	-	-	-	46,216,302	46,216,302
49th State Angel Fund	-	-	-	8,708,941	8,708,941
Opioid Settlement	-	-	-	2,403,516	2,403,516
Miscellaneous Operational Grants	-	-	-	407,723	407,723
Debt Service	-	-	-	15,182,974	15,182,974
Total Restricted	2,342,751	433,792,475	35,674,856	146,211,570	618,021,652
Committed					
Bond Rating	51,918,121	-	-	-	51,918,121
Capital Improvements	-	-	1,144,895	47,490,416	48,635,311
Heritage Land Bank	-	-	-	9,151,610	9,151,610
Miscellaneous Operational Grants	-	-	-	653,530	653,530
Operating Projects Committed	4,040,795	-	-	-	4,040,795
Total Committed	55,958,916	-	1,144,895	57,295,556	114,399,367
Assigned					
Nuisance Property Abatement	-	-	-	53,199	53,199
Capital Improvements	-	-	-	558,865	558,865
Cemetery Perpetual Fund	-	-	-	597,787	597,787
E911 Surcharge	-	-	-	518,020	518,020
State Grants	-	-	-	12,695,492	12,695,492
Alcoholic Beverage Sales Tax	-	-	-	497,883	497,883
Marijuana Retail Sales Tax	-	-	-	175,650	175,650
Federal/State Fines & Forfeitures	-	-	-	453,494	453,494
Miscellaneous Operational Grants	-	-	-	4,723	4,723
Opioid Settlement	-	-	-	192,272	192,272
Property Assessed Clean Energy Program	-	-	-	129,926	129,926
Convention Center Operating Fund	-	-	-	2,271,309	2,271,309
Total Assigned	-	-	-	18,148,620	18,148,620
Unassigned					
Working Capital Reserve	11,560,732	-	-	-	11,560,732
Other Unassigned	40,587,440	-	-	(2,503,584)	38,083,856
Total Unassigned	52,148,172	-	-	(2,503,584)	49,644,588
Total Fund Balance (Deficit)	\$ 156,445,609	\$ 433,792,475	\$ 36,819,751	\$ 229,786,894	\$ 856,844,729

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Alaska State Statute 29.35.470 states that taxes levied within a differential tax zone exceeding the amount that would otherwise have been levied may only be used for services provided within that zone. The Municipality reported \$1 in restricted fund balance in the General Fund equal to excess taxes collected for the EMS Special Lease Levy and \$1.73 million in restricted fund balance in the General Fund equal to excess taxes collected for the APD IT System Special Levy. The Municipality reported \$616,855 in restricted fund balance in the General Fund equal to the unspent portion of Electric Utility sale proceeds to be used for ongoing administration related to the sale.

The Municipality, by resolution, established a bond rating included in committed fund balance and a working capital reserve included in unassigned fund balance.

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

Bond Rating:

Committed	<u>\$ 51,918,121</u>
-----------	----------------------

Working Capital Reserve:

Unassigned	<u>\$ 11,560,732</u>
------------	----------------------

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

Major Funds:

Road and Drainage Capital Project Fund	<u>\$ 30,007,897</u>
--	----------------------

Nonmajor Capital Project Funds:

Public Safety	2,036,607
Parks & Recreation	2,289,656
Areawide	8,464,160
Public Transportation	6,922,660
Heritage Land Bank	<u>65,193</u>
Total Nonmajor Capital Project Funds	<u>\$ 19,778,276</u>

NOTE 15 - RISK MANAGEMENT AND SELF-INSURANCE

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

The Municipality provides coverage up to the maximum of \$3,000,000 per occurrence for automobile and general liability claims and for each workers' compensation claim. No settled claim exceeded this commercial coverage in 2024, 2023 or 2022.

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

All Municipal departments participate in the risk management program and make payments to the risk management funds based on actuarial estimates of the amounts needed to pay prior and current year claims. Claims payable represent estimates of claims to be paid based upon past experience modified for current trends and information. The ultimate amount of losses incurred through December 31, 2024, is dependent upon future developments. On December 31, 2024, claims incurred but not reported included in the liability accounts are \$22,074,741 in the General Liability/Workers' Compensation Fund and Medical/Dental Self Insurance Fund.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Changes in the funds' claim liability amounts in 2024 and 2023 are as follows:

	Balance January 1, 2024	Current Year Claims and Changes in Estimates	Claims Paid	Balance December 31, 2024
General Liability/Workers' Compensation	\$ 33,112,519	\$ 10,226,129	\$ (11,031,948)	\$ 32,306,700
Medical/Dental	5,365,000	52,994,137	(51,747,861)	6,611,276
Unemployment	47,597	141,713	(149,443)	39,867
	<u>\$ 38,525,116</u>	<u>\$ 63,361,979</u>	<u>\$ (62,929,252)</u>	<u>\$ 38,957,843</u>

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

On December 31, 2024, the Medical and Dental Self Insurance Fund had unrestricted net position of \$34,408,153, a decrease of \$832,621 from 2023.

On December 31, 2024, the General Liability and Worker's Compensation Fund had a deficit of \$16,644,606, an increase in the deficit of \$1,640,431 from 2023. The increase in the deficit is due to an increase in reserves for worker's comp claims based on actuarial estimates.

NOTE 16 - MOA TRUST FUND

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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

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

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

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

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

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

In June of 2023, the Anchorage Assembly passed AO No. 2023-66, an omnibus ordinance which amended certain sections of the Municipal Code establishing a new Board of Trustees to provide fiduciary oversight and direction to the MOA Trust Fund. The Board was seated on October 17, 2023, formerly taking over management of the

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Fund from the Treasurer who had served as sole fiduciary. The IAC ceased to exist and function at that date as well.

On May 20, 2025, the Assembly passed AO 2025-30 As Amended, which changed the current definition of the Trust Manager by eliminating the specific designation of the Deputy Municipal Treasurer as the Trust Manager within AMC 6.50.060A. This change created a new Director of Investment Operations (DIO) position within the Department of Finance to serve as Trust Manager. The Director of Investment Operations position would add additional benefit to the Municipality by providing valuable institutional investment knowledge and experience which can be utilized by other Municipal investment funds in addition to the MOA Trust Fund. Under the direction of the CFO, the Trust Manager may also provide advice, management, or reporting regarding the investment of other municipal funds independent of the MOA Trust Fund. Recruiting for the DIO position is currently ongoing.

NOTE 17 - REGULATORY AND OTHER MATTERS

A. Water Utility

Recurring Rates: Revenue Requirement (2022 Test Year / 2024 Rates)

On December 29, 2023, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase of 6.30%, to be effective February 12, 2024. This request was granted by the Regulatory Commission of Alaska (RCA) on February 12, 2024, under Order 1 in Docket U-24-005. On January 10, 2025, the RCA issued Order 6 in the same docket, accepting the Stipulation of Settlement submitted by AWWU and Regulatory Affairs and Public Advocacy (RAPA). The rate increase of 6.30% for AWU is now permanent, and no refunds are to be issued.

Recurring Rates: Plant Replacement and Improvement Surcharge Mechanism (2022 Test Year)

On December 29, 2023, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase and requested its Plant Replacement Improvement Surcharge Mechanism rate by reset to 0% effective February 12, 2024. In accordance with 3 AAC 52.840(c) and AWU Tariff Rule 16.5.C, AWU is required to request resetting its PRISM rate to 0% when filing a revenue requirement study. On February 12, 2024, the RCA issued Order 1 in Docket U-24-005 accepting AWU resetting its PRISM rate to 0% effective February 12, 2024.

B. Wastewater Utility

Recurring Rates: Revenue Requirement (2022 Test Year / 2024 Rates)

On December 29, 2023, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 3.00%, to be effective February 12, 2024. This request was granted by the Regulatory Commission of Alaska (RCA) on February 12, 2024, under Order 1 in Docket U-24-006. On January 10, 2025, the RCA issued Order 6 in the same docket, accepting the Stipulation of Settlement submitted by AWWU and Regulatory Affairs and Public Advocacy (RAPA). The rate increase of 3.00% for ASU is now permanent, and no refunds are to be issued.

Recurring Rates: Plant Replacement and Improvement Surcharge Mechanism (2022 Test Year)

On December 29, 2023, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase and requested its Plant Replacement Improvement Surcharge Mechanism rate by reset to 0% effective February 12, 2024. In accordance with 3 AAC 52.840(c) and ASU Tariff Rule 16.5.C, ASU is required to request resetting its PRISM rate to 0% when filing a revenue requirement study. On February 12, 2024, the RCA issued Order 1 in Docket U-24-006 accepting ASU resetting its PRISM rate to 0% effective February 12, 2024.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

C. Electric Utility

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

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

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

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

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

Fish and Wildlife Agreement

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

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

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

NOTE 18 – CONTINGENCIES

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

A. Litigation

Don Young Port of Alaska Expansion

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

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

A separate action in the United States Court of Federal Claims against the U.S. Maritime Administration (MARAD) was filed in March 2014. Trial occurred in February 2021 and judgement was entered on February 24, 2021, awarding the Municipality the sum of \$367,446,809. In an opinion issued December 16, 2024, a panel of judges with the U.S. Court of Appeals for the Federal Circuit upheld \$11.3 million of that award and sent the case back down to the Court of Federal Claims for further consideration of damages. The Municipality is continuing to pursue full damages before the Court of Federal Claims. With accruing interest, the Municipality is now seeking \$370 million, and potentially more if the record is reopened for the submission of additional evidence. The Municipality filed a remand brief with the Court of Federal Claims on February 12, 2026, and a hearing scheduled for June 2026.

B. Grants

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

NOTE 19 - ENVIRONMENTAL ISSUES

The Municipality has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present, and future activity that may result in environmental impact. It is accounting policy to record a liability when the likelihood of responsibility for an environmental impact is probable and the cost of mitigating the impact is estimable within reasonable limits. On December 31, 2024, there are environmental issues that meet both criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

A. Solid Waste Landfill Sites

The Municipality's landfill at Merrill Field was closed during 1987 following approximately 50 years of usage. An active gas migration control system was constructed in 1992 and has since operated without fail. Operation of the gas control system has been effective in maintaining compliance with regulations pertaining to landfill gas and protecting public safety.

In 1996, a project was undertaken to improve existing groundwater controls and to construct a new system to control and collect groundwater from beneath the site for treatment in the municipal wastewater system. This collection system has operated without fail and has been effective in mitigating potential offsite migration of contaminants. The Municipality continues to maintain landfill gas and groundwater control systems and to perform monitoring of this site in compliance with state and federal regulations governing closure of solid waste facilities.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

B. Air Quality Violations at Anchorage Regional Landfill

On or about March 28, 2018, the Alaska Department of Environmental Conservation (ADEC) issued a Notice of Violation (NOV) to the Municipality of Anchorage, Solid Waste Fund, alleging multiple violations of the Municipality's Air Quality Operating Permits for the Anchorage Regional Landfill, all relating to the emission of landfill gas. On or about June 10, 2019, the ADEC issued a second NOV to the Solid Waste Fund alleging 1) failure to conduct surface emission monitoring (SEM), and 2) failure to meet certification requirements. The Solid Waste 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.

C. Landfill Closure and Post-closure Care Cost

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and 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	Addition	Deletion	Balance December 31, 2024	Due in One Year
Future Landfill Closure Costs	\$ 47,021,798	\$ 1,202,800		\$ 48,224,598	\$ -

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.

D. Electric Utility

Effective October 30, 2020, CEA acquired most of the assets and assumed some of the liabilities of the Electric Utility. Pursuant to the PPA Section 2.03 (d), CEA assumed environmental claims and liabilities under environmental laws, that in each case, are directly related to the purchased assets (including violations of environmental laws and the presence or release of hazardous materials at, in, on or under, or migrating from or to, the purchased assets).

Pursuant to Section 8.02 (d) of the PPS, the Municipality agreed to indemnify CEA and pay and reimburse CEA for losses incurred in relation to the assumed environmental liabilities that exceed \$25 million in the aggregate prior to the tenth anniversary of the closing date of the acquisition.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

The Municipality does not anticipate such losses and therefore is not recognizing a liability for any such losses in its statement of net position.

E. Pollution Remediation Obligation

Water Utility

AWWU Denali contaminated Site (ADEC File# 2100.38.493)

A known contamination site was disturbed while performing a mainline rehabilitation project. This action re-opened a case between ADEC and another party which has resulted in litigation alleging that AWWU failed to properly maintain the wastewater system which led to damages to the building's systems.

The Utility has estimated a pollution remediation obligation in the amount of \$92,000 for the above site as of December 31, 2024. The potential for material changes in the estimate is possible depending upon the response received from the ADEC and the results of the ongoing litigation.

Wastewater Utility

AWWU Pump Station No. 12-UST (ADEC File No. 2100.26.044)

In 2017, the Utility was in the process of submitting documentation to ADEC to obtain cleanup complete status when another spill occurred from an above ground fuel tank in the general area of the original fuel spill that occurred in 1990. Expected future outlays include soil removal/disposal, advancing soil borings, installing monitoring wells, and preparing work plans and reporting as well as three years of quarterly groundwater monitoring and 10 years of annual groundwater monitoring. Pollution remediation obligation is estimated at \$1.5 million as of December 31, 2024.

MOA AWWU Maintenance Facility at 500 East 92nd Avenue (ADEC File No. 2100.38.588)

Petroleum impacted soil was documented at the site during geotechnical activities conducted in April 2020. During October 2020, soil borings were advanced and monitoring wells were installed to further characterize the site. Petroleum impacted groundwater was documented in a sample collected from the well. Additional site characterization and/or cleanup has been requested by the ADEC. Excavate approximately 100 tons of contaminated soil and great offsite. Re-install monitoring wells and conduct two years of quarterly groundwater monitoring. Pollution remediation obligation is estimated at \$200,000 as of December 31, 2024.

AWWU Operations Facility 1999 Used Oil Tank Removal 503 E. 94th Ct. (ADEC File No. 2100.26.331)

A contaminated site was revealed to the Utility in 2013 for which there were no records of cleanup data. The Utility installed a monitoring and sampling site in 2016. An ADEC chronology report states that site sampling had not occurred since 2001. In 2016, samples from the monitoring well had a DRO result in exceedance of ADEC cleanup levels. ADEC had been sent a request for extension on the cleanup plan submittal date, in 2018 the work plan was approved. To fully address contamination at the site would require excavation and thermal treatment of up to 600 tons of soil from the site, re-installing monitoring wells and conducting two years of quarterly groundwater monitoring. Pollution remediation obligation is estimated at \$400,000 as of December 31, 2024.

MOA AWWU Maintenance and Operation Facility Diesel AST Overfill (ADEC File# 2100.38.574) & MOA-AWWU-Maintenance Facility (1997 Tank Removal) 325 E. 94th Court (ADEC File #2100.38.588)

In 2016, the Utility experienced a fuel spill on the Utility Operations and Maintenance Facility located at 325 East 94th Court for which preliminary actions removed surface and some subsurface contamination. A third party agreed through mediation to pay a portion of the preliminary cleanup costs. The existing fueling station is currently being relocated. Following construction of facility, groundwater monitoring wells will be reinstalled. Sampling will be done quarterly for two years. Pollution remediation obligation is estimated at \$150,000 as of December 31, 2024.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Port

In February 2012, the Port entered into an agreement with the Department of Defense to acquire 48 acres of undeveloped land (Tract J) for fair market value of \$10,305,000. In exchange, the Port has committed to provide a permanent access road connecting Joint Base Elmendorf-Richardson to the Port and to accept responsibility for the environmental condition of the transferred land. This obligation is reflected on the Port's Statement of Net Position as a non-current liability totaling \$1,707,058 as of December 31, 2024.. Both Tract H and Tract J at the Port are ADEC designated contaminated sites. In 2024, no required monitoring expenses were incurred for either Tract H or Tract J.

Other Environmental Issues

The Municipality is aware of certain potential environmental issues as follows:

Public Works Transit Facility Sites

Soil contamination from a subsurface hydraulic oil leak was discovered in 1990 at the Public Works Transit Facility (PWTF). Bus hydraulic lifts 4, 6, 9 and 10 were the source of the leak. During soil testing at the PWTF in 2016, as part of preparation for removal and replacement of existing fuel storage tanks, diesel contamination due to leakage from on-site fuel storage tanks was detected. This constituted a second site separate from the hydraulic oil leak discovered in 1990. Remediation work for this contamination is planned to be performed at the time of the scheduled removal and replacement of the tanks. The Municipality estimates a pollution remediation obligation of \$1,386,300 as of December 31, 2024.

Gambell Street Right-of-Way Site

The presence of GROs, DROs, and multiple VOCs exceeding applicable cleanup standards was discovered because of road right-of-way work along Gambell Road south of the intersection with Benson Boulevard in 2006. Approximately 400 tons of contaminated soil were excavated and sent for remediation. The most recent testing at the site continued to show levels of GROs and DROs in ground water and VOCs in soil gases above applicable cleanup standards. A work plan for future testing and remediation activities has not yet been developed; therefore, the cost associated with any future actions cannot be determined at this time.

Northwood Maintenance Facility Site

The presence of numerous contaminants exceeding applicable cleanup levels was discovered at two sites at the Municipality's Northwood Drive Maintenance Facility. In 1992, three areas of stained soil were discovered on the grounds of the facility. Testing found levels of DROs and RROs over applicable cleanup standards. The Municipality estimates a pollution remediation obligation for this site of \$294,459 as of December 31, 2024.

Third Addition Block 39, Lot 15 Site

The presence of DROs in soil and ground water exceeding applicable cleanup levels due to a leaking underground heating oil storage tank was discovered on a parcel of land during a road improvement project in July of 2008. The tank was removed, and approximately 15 cubic yards of affected soil was excavated from the site and sent for remediation. In January 2020, ADEC requested a work plan to complete site characterization and conceptual site model. The Municipality estimates a pollution remediation obligation of \$18,700 as of December 31, 2024. Currently, the costs associated with any future actions, above the estimate as of December 31, 2024, cannot be determined at this time.

Second Avenue Easement Site

Soil and groundwater contamination from diesel range and residual range organic chemicals (DROs and RROs) and lead was discovered in the 1990's at the former Second Avenue easement storage site at 1021 East Third Avenue. In 2023, the project to remove contaminated soil from the site amounting \$260,000 is cancelled due to costs increase that went beyond budget. \$15,408 for cleanup efforts spent in 2024 due to the presence of lead contaminants at this site and continue to incur future costs but not a reduction to the estimated remediation costs. The Municipality estimates a pollution remediation obligation of \$78,534 as of December 31, 2024.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

Fire Station 4 Site

The presence of contamination from DROs, GROs, benzene, toluene, ethylbenzene, and xylenes were detected at the Fire Station 4 site located at 4350 MacInnes Street. The site is currently required by ADEC to have annual groundwater testing to monitor contamination levels. The Municipality reported a pollution remediation liability of \$14,118 for these activities as of December 31, 2024.

Fleet Maintenance Facility Site

The presence of contamination from DROs, GROs, RROs, benzene, and toluene, resulting from multiple underground storage tanks and the Facility's Paint shop, were detected at the Fleet Maintenance Facility at 4333 Bering Street in the 1990s. Test results indicated levels of multiple contaminants above ADEC cleanup levels, but generally stable or decreasing from the last monitoring event except for RRO levels in one sample. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$201,150 as of December 31, 2024.

Peacock Cleaners Site

The presence of DROs, tetrachloroethylene, and trichloroethylene chemicals exceeding applicable clean up levels were discovered on a parcel of Municipal-owned land at 4501 Lake Otis Parkway. From 1996 through 2008, this property was operated as a dry-cleaning facility. The Municipality estimated a reasonable range of potential outlays and accrued a liability for estimated pollution remediation obligation of \$2,403,684. There has been no change to this amount as of December 31, 2024.

Spenard Road Project

In September 2017, an underground storage tank was discovered during construction along West 27th Avenue. In October 2017, the tank was removed and approximately 8 cubic yards of soil were generated from the excavation. After sampling, the excavation was backfilled with imported clean soil. ADEC can request further action on the site, and as such, future costs for remediation at these sites will depend on responses from ADEC and the results of future monitoring and are not estimable at this time.

NOTE 20 - SUBSEQUENT EVENTS

A. Anchorage Water and Wastewater Utility

Subsequent to December 31, 2024, the Water Utility requested disbursement of \$6.3 million of the Programmatic Financing (ProFi) from the State of Alaska Drinking Water Fund (ADWF) to be used for capital construction projects.

Subsequent to December 31, 2024, the Wastewater Utility requested disbursement of \$10 million of the Programmatic Financing (ProFi) from the State of Alaska Clean Water Fund (ACWF) to be used for capital construction projects.

B. Don Young Port of Alaska

On April 16, 2025, the Municipality of Anchorage assembly approved the authorization for issuance of revenue bonds for the Don Young Port of Alaska for one or more series in the aggregate principal amount outstanding at any time not to exceed \$1,102,735,000 via Assembly Ordinance 2025-047.

On April 16, 2025, the Municipality of anchorage Assembly awarded contract through the RFP process to a single vendor for construction services related to the Don Young Port of Alaska Modernization Program for \$807,456,515 via Assembly Memorandum AM 327-2025.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

On May 9, 2025, the Don Young Port of Alaska received proceeds of \$40,000,000 under the existing Revolving Credit Agreement for the purposes of financing grant related expenditures for PAMP projects until grant reimbursements are received.

C. Municipality Subsequent Events

The Municipality has evaluated subsequent events through June 22, 2026, the date these financial statements were available to be issued.

NOTE 21 - NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued several new accounting standards with upcoming implementation dates. The following new accounting standards were considered and/or implemented by the Municipality for 2024 reporting:

GASB Statement No. 99 - *Omnibus 2022* – Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for the year ending December 31, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for the year ending December 31, 2024. The Municipality evaluated GASB 99 impacts and determined it did not have a significant impact for the current fiscal year.

GASB Statement No. 100 - *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 – Effective for the year ending December 31, 2024; earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Municipality evaluated GASB 100 impacts and determined it did not have a significant impact for the current fiscal year.

GASB Statement No. 101 - *Compensated Absences* – Effective for the year ending December 31, 2024; earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Municipality implemented this standard for the current fiscal year. The Municipality evaluated GASB 101 impacts and determined it did not have a significant impact for the current fiscal year. Compensated Absences are discussed in Note 1.

The Governmental Accounting Standards Board issued several 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 the year ending December 31, 2025; earlier application is encouraged. The objective of this Statement is to provide users of government financial statements with essential information about risks related to governments' vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103 – *Financial Reporting Model Improvements* – Effective for the year ending December 31, 2026; earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. If this Statement is early-implemented, all component units should also implement this Statement in the same year, subject to the provisions of GASB Statement No. 14, paragraph 59.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to the Basic Financial Statements

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.

Required Supplementary Information

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information - Budgetary Comparison Schedule
with Expenditures by Function for the General Fund
Year ended December 31, 2024

	Budget		Actual		Budget to	Actual	Variance With
	Original	Final	Budgetary Basis		GAAP	GAAP Basis	Final Budget
					Difference		
Revenues:							
Taxes	\$ 699,828,420	\$ 699,828,420	\$ 705,981,800		\$ -	\$ 705,981,800	\$ 6,153,380
Assessments in lieu of taxes	13,030,010	13,030,010	12,524,350		-	12,524,350	(505,660)
Special assessments	227,830	227,830	155,815		-	155,815	(72,015)
Licenses and permits	10,076,496	10,076,496	12,851,698		-	12,851,698	2,775,202
Intergovernmental	21,110,876	21,110,876	27,553,192	(1)	7,339,140	34,892,332	6,442,316
Charges for services	24,099,985	24,117,985	23,972,814		-	23,972,814	(145,171)
Fines and forfeitures	6,956,806	6,956,806	6,662,311		-	6,662,311	(294,495)
Investment income (loss)	4,176,020	4,176,020	2,526,391		-	2,526,391	(1,649,629)
Interest income on leases	9,750	9,750	21,753		-	21,753	12,003
Restricted contributions	139,331	139,331	139,292		-	139,292	(39)
Other revenues	2,970,021	3,042,021	3,530,879		-	3,530,879	488,858
Total revenues	782,625,545	782,715,545	795,920,295		7,339,140	803,259,435	13,204,750
Expenditures:							
Current:							
General government	24,078,668	27,277,525	21,234,856	(1)	595,381	21,830,237	(6,042,669)
Fire services	120,878,764	121,075,216	117,078,088	(1)	2,626,514	119,704,602	(3,997,128)
Police services	152,115,746	152,113,439	148,715,699	(1)	2,507,431	151,223,130	(3,397,740)
Health and human services	22,191,037	24,756,688	23,097,632	(1)	153,336	23,250,968	(1,659,056)
Economic and community development	72,838,744	73,661,623	68,802,086	(1)	672,331	69,474,417	(4,859,537)
Public transportation	34,014,012	34,023,299	32,595,505	(1)	238,919	32,834,424	(1,427,794)
Public works	7,995,105	8,190,470	7,975,480	(1)	338,339	8,313,819	(214,990)
Education	263,714,389	263,714,389	263,714,389	(1)	-	263,714,389	-
Maintenance and operations	46,567,575	47,444,557	42,685,568	(1)	206,889	42,892,457	(4,758,989)
Debt service:							
Principal	39,692,842	39,786,693	39,782,062		-	39,782,062	(4,631)
Interest	18,182,808	18,220,308	18,222,441		-	18,222,441	2,133
Debt issuance costs	627,100	627,100	-		-	-	(627,100)
Debt service - Leases							
Principal	5,842,842	4,424,834	4,308,212		-	4,308,212	(116,622)
Interest	296,789	807,163	800,288		-	800,288	(6,875)
Debt service - SBITA							
Principal	-	636,478	671,308		-	671,308	34,830
Interest	-	114	11,234		-	11,234	11,120
Capital Outlay	801,147	1,474,855	1,176,292		-	1,176,292	(298,563)
Capital Outlay - Leases	-	-	-	(2)	1,540,633	1,540,633	-
Capital Outlay - SBITA	-	-	-	(3)	3,182,957	3,182,957	-
Total expenditures	809,837,568	818,234,751	790,871,140		12,062,730	802,933,870	(27,363,611)
Excess (deficiency) of revenues over expenditures	(27,212,023)	(35,519,206)	5,049,155		(4,723,590)	325,565	40,568,361
Other financing sources (uses):							
Transfers from other funds	39,931,189	40,723,311	101,371,073		-	101,371,073	60,647,762
Transfers to other funds	(18,103,072)	(26,835,623)	(26,396,173)		-	(26,396,173)	439,450
Transfers from blended component units	-	-	-		-	-	-
Transfers to blended component units	-	-	-		-	-	-
Participation bonds issued	-	-	-		-	-	-
Premium on bonds and notes sale	616,350	616,350	-		-	-	(616,350)
Refunding bonds issued	-	-	-		-	-	-
Proceeds from sale of capital assets	104,000	2,564,878	3,010,789		-	3,010,789	445,911
Insurance recoveries	73,145	801,969	908,857		-	908,857	106,888
Other financing source - Leases	-	-	-	(2)	1,540,633	1,540,633	-
Other financing source - SBITA	-	-	-	(3)	3,182,957	3,182,957	-
Draws on Direct Financing Agreements	-	1,815,000	-		-	-	(1,815,000)
Total other financing source (uses)	22,621,612	19,685,885	78,894,546		4,723,590	83,618,136	59,208,661
Net change in fund balance (deficit)	(4,590,411)	(15,833,321)	83,943,701		-	83,943,701	99,777,022
Fund balance (deficit), beginning of year	72,501,908	72,501,908	72,501,908		-	72,501,908	-
Fund balance (deficit), end of year	\$ 67,911,497	\$ 56,668,587	\$ 156,445,609		\$ -	\$ 156,445,609	\$ 99,777,022

Explanation of differences:

(1) Effective July 1, 2008, the Municipality changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. On-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(2) Effective January 1, 2022, the Municipality adopted GASB 87. The other financing source - Leases are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - Leases amounts would fluctuate based on new leases and lease terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2022, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(3) Effective January 1, 2023, the Municipality adopted GASB 96. The other financing source - SBITA are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - SBITA amounts would fluctuate based on new SBITA and SBITA terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2023, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

Note:

This schedule is for informational purposes only. The budget presented by function for the General Fund in this schedule is not the legal level of budget authority. This schedule provides a variance analysis of revenue, expenditures, and other financing sources (uses) to budget in a format similar to the basic financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Budgetary Data
December 31, 2024

In 2003, the Municipality implemented GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*. This Statement, an amendment to GASB Statement No. 34, clarifies the budgetary presentation requirements for governments with significant budgetary perspective differences that result in not being able to present budgetary comparison information for their general fund and major special revenue funds. Estimated appropriations in the Municipality's General Fund Budget do not correspond to the expenditures reported for the general fund on a GAAP basis. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison.

In accordance with the Anchorage Home Rule Charter, the Mayor is required to submit a proposed budget for the next fiscal year to the Assembly at least 90 days before the end of the current fiscal year. The Assembly holds two public hearings on the proposed budget. The Assembly may increase or decrease any item and may add or delete items; but must approve a budget and appropriate the necessary resources by ordinance at least 21 days prior to year-end. Otherwise, the Mayor's proposal becomes the budget and appropriation.

The Assembly approved 2024 operating budgets and appropriations of direct costs at the department level, and indirect costs at the fund or sub-fund level. Some departmental appropriations span more than one fund. The Assembly approved 2024 capital budgets with anticipated appropriation of resources for the general government and appropriations for each utility. Upon certification by the Chief Fiscal Officer that actual resources have become available for specific general government capital projects, e.g., when a grant is accepted, a bond sale or interfund transfer is approved, or a special assessment district is created, a supplemental appropriation is submitted to the Assembly for final approval. Supplemental appropriations are also submitted for approval upon certification by the Chief Fiscal Officer that operating grant funds have become available. The legal level of a budgetary control is the fund or sub-fund level for revenues and the department level for expenditures and other financing uses.

During the year, no obligation involving the expenditure of money may be made unless the Chief Fiscal Officer has certified the money required for the expenditure has been appropriated for that purpose. When each obligation is incurred, the committed amount becomes encumbered, i.e., it is treated as a reduction of available budget so that the committed amount will be available to pay for the goods or services when they are received. When the commitment is fulfilled, the encumbrance is released, and an expenditure is recorded. An encumbrance is also released when a commitment is canceled.

The Assembly may approve supplemental appropriations to increase or decrease the budget and appropriations, or transfer all or part of any unencumbered balance from one appropriation to another by resolution. The Assembly, by ordinance, may authorize a contract, lease, or other obligation requiring financing from future appropriations, except that a lease purchase agreement committing funds above \$1 million is not valid until approved by the voters. The Mayor may transfer all or part of any unencumbered balance between categories within an appropriation.

At the end of the year, an unencumbered operating appropriation lapses into the fund from which it was appropriated; except that supplemental appropriations of grant and capital project resources do not lapse until their purpose has been accomplished or abandoned.

Annual budgets are adopted for the General Fund, MOA Trust (a Permanent Fund), Heritage Land Bank (a Special Revenue Fund), the Convention Center Operating Reserve (a Special Revenue Fund), E911 Surcharge (a Special Revenue Fund), Police and Fire Retiree Medical Liability (a Special Revenue Fund), Other Restricted Resources (a Special Revenue Fund), Alcoholic Beverages Retail Sales Tax (a Special Revenue Fund), Nuisance Property Abatement (a Special Revenue Fund), Marijuana Retail Sales Tax (a Special Revenue Fund), ACPA Surcharge Revenue Bond (a Debt Service Fund), and Police and Fire Retirement Certificates of Participation (a Debt Service Fund), and the administrative operating costs of the Pension Trust Fund. Appropriations for these funds lapse at year end to the extent they have not been expended or encumbered. The General Fund is the only major fund required to be included as required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to Required Supplementary Information

Budgetary Data

December 31, 2024

Annual budgets are also adopted for proprietary fund types. However, since the measurement focus for proprietary fund types is upon determination of net income, financial position and cash flows, GAAP does not require the adoption of budgets, and budgetary comparisons are not included for these funds.

The Assembly is required to approve the School District budget (in total only) and appropriate by ordinance the necessary resources at least sixty days prior to the current School District year end. Any budget revisions during the year increasing the total appropriation require approval by the Assembly. Expenditures may not exceed the aggregate total amount of the budget.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information - Condition Rating of Anchorage's Road Network
December 31, 2024

Exhibit E-2

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

	2023	2020	2017
Anchorage Road District	75.60%	75.00%	75.00%
Chugiak/Eagle River Road District	94.20%	94.50%	97.95%
Girdwood Road District *	93.40%	100.00%	100.00%
Other Road Districts	75.00%	76.80%	79.80%
New Road District	0.00%	0.00%	0.00%
Overall System	79.60%	79.40%	88.19%

Note: *Girdwood were excluded from 2020 survey results. All roads are new and make up less than 1% of the total network.

**Percentage of Lane - Miles in
Fair Condition**

	2023	2020	2017
Anchorage Road District	24.40%	25.00%	25.00%
Chugiak/Eagle River Road District	5.80%	5.50%	2.05%
Girdwood Road District*	6.60%	0.00%	0.00%
Other Road Districts	25.00%	23.20%	20.20%
New Road District	0.00%	0.00%	0.00%
Overall System	20.40%	20.60%	11.81%

Note: *Girdwood were excluded from 2020 survey results. All roads are new and make up less than 1% of the total network.

Comparison of Estimated-to-Actual Maintenance/Preservation (in Thousands)

		2024	2023	2022	2021	2020
Anchorage Road District:						
	Needed	\$ 29,643	\$ 27,846	\$ 37,160	\$ 34,748	\$ 30,035
	Actual	27,106	25,406	35,737	33,246	28,769
Chugiak/Eagle River Road District:						
	Needed	3,281	3,212	4,114	3,932	2,635
	Actual	2,820	2,826	3,739	3,743	3,179
Girdwood Road District:						
	Needed	443	521	260	1,128	389
	Actual	447	704	288	1,379	576
Other Road Districts:						
	Needed	2,073	3,424	1,725	2,672	3,004
	Actual	2,110	2,390	1,127	2,754	3,292
Overall System:						
	Needed	35,440	35,003	43,259	42,481	36,065
	Actual	32,483	31,326	40,891	41,123	35,818
	Difference	2,957	3,677	2,368	1,358	247

Note: In 2023, Applied Research Associates, Inc (ARA) performed pavement profile measurements on the Municipality of Anchorage's (MOA) paved roadway network using a high-speed Road Surface Profilometer (RSP). Field testing took place in August and September of 2023. The pavement profile measurements were analyzed to determine the International Roughness Index (IRI) and rutting values for each pavement sections within the network. MOA provided GIS data and a list of roads, encompassing approximately 933 lane miles, which includes both arterial and residential roads across the greater Anchorage, Eagle River, Chugiak and Girdwood areas. Among these, roughly 870 lane miles were paved and accessible, while the remaining 63 lane miles were either gravel, under construction, inaccessible, non-existent, or too short to survey. IRI and rutting data were averaged for each pavement section and subsequently converted into an overall condition 'Grade score', ranging from "A - Excellent" to "F - Serious" pavement conditions. This grading takes into account varying levels of IRI and rutting and is dependent on the functional classification of the roadway. It is the Municipality's policy to maintain 60% or more of the total paved road miles in good (C,D) or better (A,B) condition. Condition assessments are required to be updated every three years.

MUNICIPALITY OF ANCHORAGE, ALASKA
Public Employees' Retirement System - Defined Benefit Pension Plan
Schedule of Municipality's Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

Exhibit E-3

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net Pension Liability	Municipality's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Municipality's Covered Payroll	Municipality's Proportionate Share of Net Pension Liability as Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2024	2024	6.48480%	\$ 355,658,237	\$ 132,986,758	\$ 488,644,995	\$ 243,592,721	146.01%	67.81%
2023	2023	7.02664%	364,346,998	121,461,455	485,808,453	234,535,163	155.35%	68.23%
2022	2022	7.53455%	384,024,572	106,284,436	490,309,008	234,549,792	163.73%	67.97%
2021	2021	8.63707%	316,850,984	42,923,535	359,774,519	234,337,418	135.21%	76.46%
2020	2020	7.10609%	419,343,172	173,522,412	592,865,584	236,393,735	177.39%	61.61%
2019	2019	6.46468%	353,891,460	140,522,422	494,413,882	222,683,365	158.92%	63.42%
2018	2018	7.27074%	361,285,220	104,636,568	465,921,788	219,633,972	164.49%	65.19%
2017	2017	6.72870%	347,836,470	129,589,885	477,426,355	209,843,388	165.76%	63.37%
2016	2016	7.76436%	433,996,281	54,685,280	488,681,561	203,264,624	213.51%	59.55%
2015	2015	6.16382%	298,946,265	80,071,590	379,017,855	194,627,317	153.60%	63.96%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA
Public Employees' Retirement System - Defined Benefit Pension Plan
Schedule of Municipality Contributions
Last Ten Calendar Years

Exhibit E-4

Year Ended December 31,	Measurement Period Ended June 30,	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	2024	\$ 40,941,182	\$ 40,941,182	\$ -	\$ 252,824,162	16.194%
2023	2023	38,626,607	38,626,607	-	236,737,334	16.316%
2022	2022	35,752,681	35,752,681	-	233,492,167	15.312%
2021	2021	32,796,090	32,796,090	-	235,583,497	13.921%
2020	2020	30,804,418	30,804,418	-	231,875,142	13.285%
2019	2019	28,217,952	28,217,952	-	224,487,144	12.570%
2018	2018	29,774,107	29,774,107	-	221,619,627	13.435%
2017	2017	28,704,730	28,704,730	-	215,244,809	13.336%
2016	2016	24,562,145	24,562,145	-	207,168,838	11.856%
2015	2015	21,876,448	21,876,448	-	199,173,691	10.984%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-5

Police and Fire Retirement System - Defined Benefit Pension Plan
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan I
Last Ten Calendar Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,380,949	4,564,967	4,710,523	4,895,191	5,236,330	5,262,793	5,543,250	6,133,683	6,317,389	6,480,803
Differences between expected and actual experience	(21,123)	(202,609)	(1,208,963)	(214,547)	(149,501)	(363,349)	(1,044,715)	(554,310)	(263,269)	334,288
Changes of assumptions	-	-	(1,474,884)	-	2,648,091	4,006,938	657,071	7,094,507	-	657,285
Benefits payments, including refunds of member contributions	(7,243,129)	(7,370,191)	(7,621,648)	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)
Net changes in total pension liability	(2,883,303)	(3,007,833)	(5,594,972)	(3,214,585)	(301,982)	833,756	(3,128,148)	4,270,689	(2,422,500)	(1,082,189)
Total pension liability - beginning	73,716,742	76,724,575	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506
Total pension liability - ending (a)	70,833,439	73,716,742	76,724,575	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317
Plan fiduciary net position:										
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	-	14,552,500	1,546,175	1,338,525
Contributions - Plan members	-	-	-	-	-	-	-	-	-	-
Total net investment income (loss)	5,200,785	7,615,700	(8,857,818)	10,209,738	7,778,969	13,545,709	(3,869,127)	10,533,712	5,189,299	400,284
Benefits payments, including refunds of member contributions	(7,243,129)	(7,370,191)	(7,621,648)	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)
Administrative expenses	(132,854)	(134,859)	(108,471)	(165,768)	(143,423)	(110,762)	(162,303)	(129,583)	(134,202)	(125,927)
Net change in plan fiduciary net position	(2,175,198)	110,650	(16,587,937)	2,148,741	(401,356)	5,362,321	(12,315,184)	16,553,438	(1,875,348)	(6,941,683)
Plan fiduciary net position - beginning	61,524,598	61,413,948	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,956
Plan fiduciary net position - ending (b)	59,349,400	61,524,598	61,413,948	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273
Plan's net pension liability (a) - (b)	\$ 11,484,039	\$ 12,192,144	\$ 15,310,627	\$ 4,317,662	\$ 9,680,988	\$ 9,581,614	\$ 14,110,179	\$ 4,923,143	\$ 17,205,892	\$ 17,753,044
Plan fiduciary net position as a percentage of total pension liability:	83.79%	83.46%	80.04%	94.75%	88.68%	88.84%	83.40%	94.41%	79.48%	79.42%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA
Police and Fire Retirement System - Defined Benefit Pension Plan
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan II
Last Ten Calendar Years

Exhibit E-6

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,750,075	3,846,291	3,850,300	3,961,040	4,205,177	4,189,753	4,279,605	4,670,017	4,783,176	4,879,585
Differences between expected and actual experience	417,422	239,768	508,334	(178,265)	(615,273)	(259,479)	540,098	(648,422)	(369,686)	53,268
Changes of assumptions	-	-	(1,372,116)	-	2,375,314	3,039,405	575,930	5,986,612	-	542,944
Benefits payments, including refunds of member contributions	(5,636,945)	(5,614,084)	(5,620,967)	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)
Net changes in total pension liability	(1,469,448)	(1,528,025)	(2,634,449)	(1,853,138)	293,590	1,198,230	(393,698)	4,166,985	(1,511,469)	(430,063)
Total pension liability - beginning	62,819,678	64,347,703	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715
Total pension liability - ending (a)	61,350,230	62,819,678	64,347,703	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652
Plan fiduciary net position:										
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	-	10,642,589	1,108,376	964,863
Contributions - Plan members	-	-	-	-	-	-	-	-	-	2,587
Total net investment income (loss)	4,292,598	6,245,794	(7,174,510)	8,197,839	6,241,327	10,625,627	(3,027,387)	8,168,950	3,990,641	298,556
Benefits payments, including refunds of member contributions	(5,636,945)	(5,614,084)	(5,620,967)	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)
Administrative expenses	(109,871)	(109,987)	(88,146)	(133,297)	(113,701)	(86,907)	(126,157)	(100,190)	(103,090)	(95,720)
Net change in plan fiduciary net position	(1,454,218)	521,723	(12,883,623)	2,428,629	455,998	4,767,271	(8,942,875)	12,870,127	(929,032)	(4,735,574)
Plan fiduciary net position - beginning	50,644,688	50,122,965	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044
Plan fiduciary net position - ending (b)	49,190,470	50,644,688	50,122,965	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470
Plan's net pension liability (a) - (b)	\$ 12,159,760	\$ 12,174,990	\$ 14,224,738	\$ 3,975,564	\$ 8,257,331	\$ 8,419,739	\$ 11,988,780	\$ 3,439,603	\$ 12,142,745	\$ 12,725,182
Plan fiduciary net position as a percentage of total pension liability	80.18%	80.62%	77.89%	94.06%	88.00%	87.72%	82.20%	94.92%	80.90%	80.45%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,000
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9567.81%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-7

Police and Fire Retirement System - Defined Benefit Pension Plan
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan III
Last Ten Calendar Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ -	\$ 109,022	\$ 136,440	\$ 280,530	\$ 451,859	\$ 575,265	\$ 634,210	\$ 512,332	\$ 513,183	\$ 783,360
Interest	16,930,653	17,109,887	16,495,110	16,888,430	17,492,654	16,960,207	17,329,124	18,276,072	18,494,293	18,458,939
Differences between expected and actual experience	-	-	2,855,324	(3,876,244)	(1,849,533)	1,998,834	(3,551,709)	(2,956,525)	(3,485,409)	33,760
Changes of assumptions	1,467,532	991,852	(341,985)	-	11,703,635	12,180,462	2,688,614	27,608,785	-	2,559,038
Benefits payments, including refunds of member contributions	(21,201,547)	(20,737,406)	(19,818,154)	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)
Net changes in total pension liability	(2,803,362)	(2,526,645)	(673,265)	(6,297,042)	8,436,015	12,687,571	(1,227,610)	25,065,249	(2,813,043)	4,105,486
Total pension liability - beginning	281,491,228	284,017,873	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512
Total pension liability - ending (a)	278,687,866	281,491,228	284,017,873	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998
Plan fiduciary net position:										
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	-	43,403,087	4,439,969	3,587,533
Contributions - Plan members	-	8,504	39,299	52,169	72,577	126,516	126,875	129,027	126,336	179,057
Total net investment income (loss)	19,424,582	27,817,862	(31,119,774)	35,085,659	26,668,984	43,760,749	(12,391,936)	32,167,264	15,376,844	1,068,849
Benefits payments, including refunds of member contributions	(21,201,547)	(20,737,406)	(19,818,154)	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)
Administrative expenses	(499,875)	(490,298)	(392,241)	(571,731)	(477,285)	(358,256)	(509,647)	(392,022)	(396,242)	(358,981)
Net change in plan fiduciary net position	(2,276,840)	6,598,662	(51,290,870)	14,976,339	6,901,676	24,501,812	(31,102,557)	56,931,941	1,211,797	(13,253,153)
Plan fiduciary net position - beginning	227,387,569	220,788,907	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922
Plan fiduciary net position - ending (b)	225,110,729	227,387,569	220,788,907	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769
Plan's net pension liability (a) - (b)	\$53,577,137	\$54,103,659	\$63,228,966	\$12,611,361	\$33,884,742	\$32,350,403	\$44,164,644	\$14,289,697	\$46,156,389	\$50,181,229
Plan fiduciary net position as percentage of total pension liability	80.78%	80.78%	77.74%	95.57%	88.36%	88.55%	83.63%	94.73%	81.24%	79.83%
Covered payroll	\$ -	\$ -	\$ 448,953	\$ 691,479	\$ 1,215,533	\$ 1,374,425	\$ 1,912,942	\$ 2,108,182	\$ 2,168,836	\$ 2,199,063
Net pension liability as percentage of covered payroll	N/A	N/A	14083.65%	1823.82%	2787.64%	2353.74%	2308.73%	677.82%	2128.16%	2281.94%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA
Police and Fire Retirement System - Defined Benefit Pension Plan
Schedule of Municipality Contributions - Plans I, II, and III
Last Ten Calendar Years

Exhibit E-8

Plan I

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	\$ 2,270,000	\$ -	\$ 2,270,000	\$ -	0.00%
2023	1,091,000	-	1,091,000	-	0.00%
2022	1,571,000	-	1,571,000	-	0.00%
2021	1,876,000	-	1,876,000	-	0.00%
2020	2,321,000	-	2,321,000	-	0.00%
2019	1,633,000	-	1,633,000	-	0.00%
2018	2,319,000	-	2,319,000	-	0.00%
2017	2,262,000	14,552,000	(12,290,000)	-	0.00%
2016	1,546,000	1,546,000	-	-	0.00%
2015	1,339,000	1,339,000	-	-	0.00%

Plan II

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	\$ 1,614,000	\$ -	\$ 1,614,000	\$ -	0.00%
2023	522,000	-	522,000	-	0.00%
2022	905,000	-	905,000	-	0.00%
2021	1,204,000	-	1,204,000	-	0.00%
2020	1,556,000	-	1,556,000	-	0.00%
2019	881,000	-	881,000	-	0.00%
2018	1,461,000	-	1,461,000	-	0.00%
2017	1,634,000	10,643,000	(9,009,000)	-	0.00%
2016	1,108,000	1,108,000	-	-	0.00%
2015	965,000	965,000	-	133,000	725.56%

Plan III

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	\$ 6,856,000	\$ -	\$ 6,856,000	\$ -	0.00%
2023	1,427,000	-	1,427,000	449,000	0.00%
2022	3,323,000	-	3,323,000	691,000	0.00%
2021	4,501,000	-	4,501,000	1,215,000	0.00%
2020	5,768,000	-	5,768,000	1,374,000	0.00%
2019	3,584,000	-	3,584,000	1,913,000	0.00%
2018	5,883,000	-	5,883,000	2,108,000	0.00%
2017	6,497,000	43,403,000	(36,906,000)	2,169,000	2001.06%
2016	4,440,000	4,440,000	-	2,199,000	201.91%
2015	3,588,000	3,588,000	-	3,538,000	101.41%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA
International Brotherhood of Electrical Workers (IBEW) - Defined Benefit Pension Plan
Schedule of Municipality Contributions
Last Ten Calendar Years

Exhibit E-9

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	\$ 1,079,674	\$ 1,079,674	-	\$ 6,615,792	16.32%
2023	1,038,841	1,038,841	-	6,415,774	16.19%
2022	992,012	992,012	-	6,030,438	16.45%
2021	981,685	981,685	-	6,088,018	16.12%
2020	3,785,172	3,785,172	-	23,508,823	16.10%
2019	3,249,636	3,249,636	-	20,988,410	15.48%
2018	3,382,920	3,382,920	-	21,707,594	15.58%
2017	3,272,545	3,272,545	-	21,544,626	15.19%
2016	3,396,484	3,396,484	-	21,965,741	15.46%
2015	3,059,562	3,059,562	-	20,773,482	14.73%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA
International Union of Operating Engineers (Local 302) - Defined Benefit Pension Plan
Schedule of Municipality Contributions
Last Ten Calendar Years

Exhibit E-10

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	\$ 2,027,463	\$ 2,027,463	-	\$ 12,601,287	16.09%
2023	1,953,455	1,953,455	-	12,098,012	16.15%
2022	1,971,177	1,971,177	-	17,650,369	11.17%
2021	1,974,183	1,974,183	-	16,558,076	11.92%
2020	1,936,421	1,936,421	-	14,773,511	13.11%
2019	1,771,218	1,771,218	-	8,071,114	21.95%
2018	1,730,721	1,730,721	-	8,246,406	20.99%
2017	1,855,325	1,855,325	-	11,171,478	16.61%
2016	1,619,742	1,619,742	-	8,304,334	19.50%
2015	1,673,864	1,673,864	-	8,615,835	19.43%

See required supplementary information - OPEB Plans.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Pension Plans
For the year ended December 31, 2024

Public Employees' Retirement System - Defined Benefit Pension Plan

In accordance with GASB Statement No. 82, Covered Payroll is defined as payroll on which contributions to the pension plan are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Schedule of Municipality's Proportionate Share of the Net Pension Liability

- This table is presented based on the Plan measurement date. For December 31, 2024, the Plan measurement date is June 30, 2024.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes to the Discount Rate of 7.25% between 2024 and 2023.
- There were no changes in the valuation method from the prior measurement period. There were no changes in the allocation methodology from the prior measurement period.

The total pension liability for the June 30, 2024, measurement date was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions used in the June 30, 2023, actuarial valuation (latest available) was based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2023, actuarial valuation are the same as those used in the June 30, 2022, valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions is included in the plan measurement results, while a portion of the contributions is reported as a deferred outflow of resources on the statement of net position.

Police and Fire Retirement System - Defined Benefit Pension Plans

In accordance with GASB Statement No. 82, Covered Payroll is defined as payroll on which contributions to the pension plan are based. These tables are for the Police and Fire Retirement System are presented for Plans I, II, and III separately.

Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios

- These tables are presented based on the Plan's measurement date of December 31, 2024.
- There were no changes in the discount rate of 6.25% between 2023 and 2024.
- The mortality tables were not changed for 2024.
- There were no changes to the valuation method or benefit terms from the prior measurement period.

Schedule of Municipality Contributions

- These tables are based on the Municipality's contributions for each year presented.

International Brotherhood of Electrical Workers - Defined Benefit Pension Plan

Schedule of Municipality Contributions

- This table presents the Municipality's contributions for each of the last ten years based on calendar year contributions.
- In accordance with GASB Statement No. 78, Covered Payroll is defined as payroll on which contributions to the pension plan are based.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Pension Plans
For the year ended December 31, 2024

International Union of Operating Engineers (Local 302) - Defined Benefit Pension Plan

This pension table is intended to present 10 years of information.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented.
- In accordance with GASB Statement No. 78, Covered Payroll is defined as payroll on which contributions to the pension plan are based.

MUNICIPALITY OF ANCHORAGE, ALASKA
Police and Fire Medical Trust - Gentile Group OPEB Plan
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios
Last Eight Calendar Years

Exhibit E-11

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,947,092	2,102,655	1,460,000	1,750,308	2,136,721	2,900,050	2,681,663	2,577,654
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(134,013)	(1,336,892)	-	(8,511,999)	-	(7,357,231)	-	-
Changes of assumptions or other inputs	(4,876,590)	5,986,396	(12,330,638)	(1,918,326)	18,451,635	3,379,239	(5,742,889)	4,726,088
Benefit payments	(3,425,243)	(3,537,542)	(3,422,765)	(3,357,746)	(4,055,590)	(3,580,877)	(4,290,275)	(4,270,000)
Net changes in total OPEB liability	(6,488,754)	3,214,617	(14,293,403)	(12,037,763)	16,532,766	(4,658,819)	(7,351,501)	3,033,742
Total OPEB liability - beginning	61,506,369	58,291,752	72,585,155	84,622,918	68,090,152	72,748,971	80,100,472	77,066,730
Total OPEB liability - ending (a)	55,017,615	61,506,369	58,291,752	72,585,155	84,622,918	68,090,152	72,748,971	80,100,472
Plan fiduciary net position:								
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-	-	-
Contributions - Plan members	-	-	-	-	-	-	-	-
Total net investment income	-	-	-	-	-	-	-	-
Benefits payments, including refunds of member contributions	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-	-	-	-	-
Plan's net OPEB liability (a) - (b)	\$ 55,017,615	\$ 61,506,369	\$ 58,291,752	\$ 72,585,155	\$ 84,622,918	\$ 68,090,152	\$ 72,748,971	\$ 80,100,472
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

See required supplementary information - OPEB Plans.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-12

Police and Fire Medical Trust - Police and Fire Medical Group OPEB Plan
Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios
Last Eight Calendar Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	\$ -	\$ 68,824	\$ 66,114	\$ 186,734	\$ 179,725	\$ 118,469	\$ 113,693	\$ 109,111
Interest	4,617,456	4,416,399	3,508,774	2,172,762	2,222,388	2,587,708	2,627,528	2,674,785
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	3,458,485	(18,427,370)	22,878,927	825,799	(376,724)	(3,294,961)	-	-
Changes of assumptions or other inputs	3,106,644	7,876,510	-	32,709,391	1,182,123	(1,864,560)	-	-
Benefit payments	(6,739,488)	(5,277,272)	(5,237,302)	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Net changes in total OPEB liability	4,443,097	(11,342,909)	21,216,513	30,755,688	(75,763)	(5,904,196)	(1,208,891)	(1,123,698)
Total OPEB liability - beginning	98,944,028	109,348,901	88,132,388	57,376,700	57,452,463	63,356,659	64,565,550	65,689,248
Total OPEB liability - beginning difference	-	938,036	-	-	-	-	-	-
Total OPEB liability - ending (a)	103,387,125	98,944,028	109,348,901	88,132,388	57,376,700	57,452,463	63,356,659	64,565,550
Plan fiduciary net position:								
Contributions - Employer - Municipality of Anchorage	3,775,000	3,841,538	3,666,621	3,672,522	3,579,657	4,785,966	4,261,037	4,287,648
Contributions - Plan members	-	-	-	-	-	-	-	-
Total net investment income (loss)	3,792,741	(2,562,546)	1,096,088	1,996,872	1,421,311	388,241	(126,515)	966,715
Benefits payments, including refunds of member contributions	(4,010,000)	(3,604,941)	(5,237,302)	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Administrative expenses	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	3,557,741	(2,325,949)	(474,593)	530,396	1,717,693	1,723,355	184,410	1,346,769
Plan fiduciary net position - beginning	20,552,978	22,878,927	23,353,520	22,823,124	21,105,431	19,382,076	19,197,667	17,850,898
Plan fiduciary net position - ending (b)	24,110,719	20,552,978	22,878,927	23,353,520	22,823,124	21,105,431	19,382,076	19,197,667
Plan's net OPEB liability (a) - (b)	\$ 79,276,406	\$ 78,391,050	\$ 86,469,974	\$ 64,778,868	\$ 34,553,576	\$ 36,347,032	\$ 43,974,583	\$ 45,367,883
Plan fiduciary net position as percentage of total OPEB liability	23.32%	20.77%	20.92%	26.50%	39.78%	36.74%	30.59%	29.73%
Covered payroll	N/A	N/A	\$ 6,026,901	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Net OPEB liability as percentage of covered payroll	N/A	N/A	1434.73%	1112.45%	614.16%	668.65%	852.21%	909.98%

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Police and Fire Medical Trust OPEB Plans
Schedule of Municipality's Contributions
Last Eight Calendar Years

Exhibit E-13

Gentile Group Plan

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 3,425,243	\$ 3,537,542	\$ 3,422,765	\$ 3,357,746	\$ 4,055,590	\$ 3,580,877	\$ 4,290,275	\$ 4,270,000
Contributions in relation to the actuarially determined contribution	10,184,225	10,450,090	10,741,628	11,538,792	11,807,381	11,935,465	11,790,796	10,096,430
Contribution excess	<u>\$ (6,758,982)</u>	<u>\$ (6,912,548)</u>	<u>\$ (7,318,863)</u>	<u>\$ (8,181,046)</u>	<u>\$ (7,751,791)</u>	<u>\$ (8,354,588)</u>	<u>\$ (7,500,521)</u>	<u>\$ (5,826,430)</u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Police and Fire Medical Group Plan

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 4,255,782	\$ 4,175,836	\$ 7,011,262	\$ 3,854,445	\$ 4,037,152	\$ 4,108,452	\$ 3,846,815	\$ 3,846,815
Contributions in relation to the actuarially determined contribution	3,775,000	3,841,538	3,666,621	3,672,522	3,579,657	3,516,241	3,477,037	4,919,538
Contribution deficiency (excess)	<u>\$ 480,782</u>	<u>\$ 334,298</u>	<u>\$ 3,344,641</u>	<u>\$ 181,923</u>	<u>\$ 457,495</u>	<u>\$ 592,211</u>	<u>\$ 369,778</u>	<u>\$ (1,072,723)</u>
Covered payroll	N/A	N/A	\$ 6,026,901	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Contributions as percentage of covered payroll	N/A	N/A	60.84%	63.07%	63.63%	64.69%	67.38%	98.68%

Note: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Gentile Group Plan and Police and Fire Medical Group Plan
Schedule of Investment Returns
Last Eight Calendar Years

Exhibit E-14

Gentile Group Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A

Note A: The Gentile Group Plan is a "pay as you go plan," with the Municipality of Anchorage funding each year's expenditures with annual appropriations.

Police and Fire Medical Group Plan

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	18.60%	-11.10%	4.90%	9.00%	6.70%	2.00%	-0.70%	5.40%

Note: These schedules are intended to present information for 10 years. Additional years for the Police and Fire Medical Group Plan will be displayed as they become available

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
PERS - Defined Benefit OPEB Plans
Schedule of Municipality's Proportional Share of Net OPEB Asset / Liability
Last Eight Fiscal Years

Exhibit E-15

ARHCT

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2024	2024	6.49813%	\$ (143,098,367)	\$ (53,152,290)	\$ (196,250,657)	\$ 243,592,721	58.74%	130.59%
2023	2023	7.01140%	(161,327,391)	(54,298,466)	(215,625,857)	234,535,163	68.79%	133.96%
2022	2022	7.48292%	(147,231,374)	(42,085,443)	(189,316,817)	234,549,792	62.77%	128.51%
2021	2021	8.67301%	(222,493,393)	(29,140,872)	(251,634,265)	234,337,418	94.95%	135.54%
2020	2020	7.10320%	(32,167,325)	(13,345,353)	(45,512,678)	236,393,735	13.61%	106.15%
2019	2019	6.46430%	9,591,733	3,813,875	13,405,608	222,683,365	4.31%	98.13%
2018	2018	7.26927%	74,603,636	21,656,677	96,260,313	219,633,972	33.97%	88.12%
2017	2017	6.72970%	56,849,394	21,194,336	78,043,730	209,843,388	27.09%	89.68%

RMP

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)		Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2024	2024	8.13672%	\$ (3,792,931)	\$ -	\$ (3,792,931)	\$ 243,592,721	1.56%	119.87%
2023	2023	8.34514%	(3,962,606)	-	(3,962,606)	234,535,163	1.69%	124.29%
2022	2022	8.67294%	(3,012,111)	-	(3,012,111)	234,549,792	1.28%	120.08%
2021	2021	8.83072%	(2,370,341)	-	(2,370,341)	234,337,418	1.01%	115.10%
2020	2020	8.63482%	612,468	-	612,468	236,393,735	0.26%	95.23%
2019	2019	8.50957%	2,035,830	-	2,035,830	222,683,365	0.91%	83.17%
2018	2018	8.45717%	1,076,174	-	1,076,174	219,633,972	0.49%	88.71%
2017	2017	7.92735%	413,411	-	413,411	209,843,388	0.20%	93.98%

ODD

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2024	2024	10.27871%	\$ (6,136,390)	\$ -	\$ (6,136,390)	\$ 243,592,721	2.52%	346.81%
2023	2023	10.45914%	(5,365,958)	-	(5,365,958)	234,535,163	2.29%	349.24%
2022	2022	10.67530%	(4,679,836)	-	(4,679,836)	234,549,792	2.00%	348.80%
2021	2021	10.94848%	(4,825,323)	-	(4,825,323)	234,337,418	2.06%	374.22%
2020	2020	11.47188%	(3,127,235)	-	(3,127,235)	236,393,735	1.32%	283.80%
2019	2019	11.42255%	(2,769,397)	-	(2,769,397)	222,683,365	1.24%	297.43%
2018	2018	8.45717%	(1,642,551)	-	(1,642,551)	219,633,972	0.75%	270.62%
2017	2017	7.92735%	(1,124,811)	-	(1,124,811)	209,843,388	0.54%	212.97%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-16

Required Supplementary Information
PERS - Defined Benefit OPEB Plans
Schedule of Municipality Contributions
Last Eight Calendar Years

ARHCT

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	2024	\$ -	\$ -	\$ -	\$ 252,824,162	0.00%
2023	2023	-	-	-	236,737,334	0.00%
2022	2022	2,811,727	2,811,727	-	233,492,167	1.20%
2021	2021	6,561,715	6,561,715	-	235,583,497	2.79%
2020	2020	9,324,769	9,324,769	-	231,875,142	4.02%
2019	2019	10,714,150	10,714,150	-	224,487,144	4.77%
2018	2018	9,665,350	9,665,350	-	221,619,627	4.36%
2017	2017	10,416,994	10,416,994	-	215,244,809	4.84%

RMP

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	2024	\$ 1,515,226	\$ 1,515,226	\$ -	\$ 252,824,162	0.60%
2023	2023	1,553,815	1,553,815	-	236,737,334	0.66%
2022	2022	1,507,549	1,507,549	-	233,492,167	0.65%
2021	2021	1,554,735	1,554,735	-	235,583,497	0.66%
2020	2020	1,617,474	1,617,474	-	231,875,142	0.70%
2019	2019	1,268,460	1,268,460	-	224,487,144	0.57%
2018	2018	997,360	997,360	-	221,619,627	0.45%
2017	2017	978,781	978,781	-	215,244,809	0.45%

ODD

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	2024	\$ 728,996	\$ 728,996	\$ -	\$ 252,824,162	0.29%
2023	2023	670,748	670,748	-	236,737,334	0.28%
2022	2022	626,660	626,660	-	233,492,167	0.27%
2021	2021	603,644	603,644	-	235,583,497	0.26%
2020	2020	548,520	548,520	-	231,875,142	0.24%
2019	2019	483,278	483,278	-	224,487,144	0.22%
2018	2018	363,282	363,282	-	221,619,627	0.16%
2017	2017	235,195	235,195	-	215,244,809	0.11%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

See notes to OPEB-required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Police and Fire Medical Trust - Defined Benefit OPEB Plans
Schedule of Municipality's Net OPEB Liability
Last Eight Fiscal Years

Exhibit E-17

Gentile Group Plan

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability
2024	2024	100.00%	\$ 55,017,615	\$ -	0.00%	0.00%
2023	2023	100.00%	61,506,369	-	0.00%	0.00%
2022	2022	100.00%	58,291,752	-	0.00%	0.00%
2021	2021	100.00%	72,585,155	-	0.00%	0.00%
2020	2020	100.00%	84,622,918	-	0.00%	0.00%
2019	2019	100.00%	68,090,152	-	0.00%	0.00%
2018	2018	100.00%	72,748,971	-	0.00%	0.00%
2017	2017	100.00%	80,100,471	-	0.00%	0.00%

Police and Fire Medical Group Plan

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability
2024	2024	100.00%	\$ 79,276,406	\$ -	0.00%	23.32%
2023	2023	100.00%	78,391,050	-	0.00%	20.77%
2022	2022	100.00%	86,469,974	6,026,901	1434.73%	20.92%
2021	2021	100.00%	64,778,868	5,823,093	1112.45%	26.50%
2020	2020	100.00%	34,553,576	5,626,177	614.16%	39.78%
2019	2019	100.00%	36,347,032	5,435,920	668.65%	36.74%
2018	2018	100.00%	43,974,583	5,160,091	852.21%	30.59%
2017	2017	100.00%	45,367,883	4,985,595	909.98%	29.73%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
Police and Fire Medical Trust - Defined Benefit OPEB Plans
Schedule of Municipality Contributions
Last Eight Fiscal Years

Exhibit E-18

Gentile Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	2024	\$ 3,425,243	\$ 10,184,225	\$ (6,758,982)	\$ -	0.00%
2023	2023	3,537,542	10,450,090	(6,912,548)	-	0.00%
2022	2022	3,422,765	10,741,628	(7,318,863)	-	0.00%
2021	2021	3,357,746	11,538,792	(8,181,046)	-	0.00%
2020	2020	4,055,590	11,807,381	(7,751,791)	-	0.00%
2019	2019	3,580,877	11,935,465	(8,354,588)	-	0.00%
2018	2018	4,290,275	11,790,796	(7,500,521)	-	0.00%
2017	2017	4,270,000	10,096,430	(5,826,430)	-	0.00%

Police and Fire Medical Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2024	2024	\$ 4,255,782	\$ 3,775,000	\$ 480,782	\$ -	0.00%
2023	2023	4,175,836	3,841,538	334,298	-	0.00%
2022	2022	7,011,262	3,666,621	3,344,641	6,026,901	60.84%
2021	2021	3,854,445	3,672,522	181,923	5,823,093	63.07%
2020	2020	4,037,152	3,579,657	457,495	5,626,177	63.63%
2019	2019	4,108,452	3,516,241	592,211	5,435,920	64.69%
2018	2018	4,290,275	3,477,037	813,238	5,160,091	67.38%
2017	2017	4,270,000	4,919,538	(649,538)	4,985,595	98.68%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Police and Fire Medical Trust – OPEB Plans
For the year ended December 31, 2024

Gentile Group - Defined Benefit OPEB Plan

“Covered-employee Payroll” is defined in GASB Statement No. 74 as “the payroll of employees that are provided with OPEB through the OPEB plan.” The Gentile Group is a defined group of retirees resulting from a lawsuit, Municipality of Anchorage v. Gentile (8/16/96), 922 P 2d 248. The Municipality pays for 100% of the retirees’ medical premiums, with optional dental, vision, and audio available. This is a “pay as you go” plan with no plan assets and no covered-employee payroll.

Schedule of Changes in Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2024.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of the Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- The Gentile Group defined benefit plan is a “pay as you go” plan with no plan assets, therefore there is no investment returns for this plan.

Police and Fire Medical Group- Defined Benefit OPEB Plan

“Covered Payroll” is defined in GASB Statement No. 85 as the payroll of employees on which contributions to the OPEB Plan are based as a measure of pay.

Schedule of Changes in the Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2024.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- Plan assets are invested in the Municipal Cash Pool and governed by the investment policies disclosed in Note 3 of the financial statements. Investment returns are consistent with the rate of return on the investment pool.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Police and Fire Medical Trust – OPEB Plans
For the year ended December 31, 2024

Public Employees' Retirement System - Defined Benefit OPEB Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plans are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Both OPEB tables below are presented for each of the three PERS OPEB plans: ARHCT, RMP, and ODD.

Schedule of the Municipality's Proportionate Share of the Net OPEB Asset and Liability

- The tables presented are based on the Plan measurement date. For December 31, 2024, the Plan measurement date is June 30, 2024.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes to the Discount Rate of 7.25% between 2024 and 2023.
- The actuarial assumptions used in the June 30, 2023, actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2023, actuarial valuation are the same as those used in the June 30, 2022 valuation, except:
 - The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.
 - Per capita claims costs were updated to reflect recent experience.
- There were no changes in the valuation method from the prior measurement period.
- There were no changes in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2024, allocated the net OPEB asset and liability based on the present value of contributions for fiscal year 2025 through 2039.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions is included in the plan measurement results, while a portion of the contributions is reported as a deferred outflow of resources on the December 31, 2024, statement of net position.

Police and Fire Retiree Medical Trust - Defined Benefit OPEB Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plan are based. "Covered Employee Payroll" is presented when contributions to the OPEB plan are not based on a measure of pay.

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

Schedule of the Municipality's Net OPEB Liability

- This table is presented based on the Plan measurement date of December 31, 2024.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in assumptions from the prior measurement period, except for changes in the Discount Rate for Gentile Group Plan to 4.08% from 3.26% and changes in the Discount rate for Police and Fire Medical Group to 4.27% from 5.49% (HRA Plan) and 4.08% from 3.26% (MH Plan).
- There were no changes in the valuation method from the prior measurement period.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the Statement of Net Position.



This page intentionally left blank.

Additional Required Information

Additional Budgetary Comparison Schedules

The **General Fund Sub-funds** budgetary comparison schedule and reconciliation to GAAP is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the fund and sub-fund level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

The **Department** budgetary comparison schedule and reconciliation to GAAP for the General Fund is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the department level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

MUNICIPALITY OF ANCHORAGE, ALASKA
Supplementary Information - Additional Budgetary Comparison Schedule
by General Fund Sub-Funds
Year ended December 31, 2024

Exhibit E-19

	Budget		Actual	Budget to	Actual	Variance With
	Original	Final	Budgetary Basis	GAAP Difference	GAAP Basis	Final Budget
Revenues and Other Financing Sources:						
Areawide Service Area	\$ 440,380,131	\$ 443,753,172	\$ 512,953,155	\$ -	\$ 512,953,155	\$69,199,983
Areawide EMS Lease Special Levy	829,029	829,029	829,029	-	829,029	-
Chugiak Fire Service Area	1,602,957	1,602,957	1,851,987	-	1,851,987	249,030
Glen Alps Service Area	447,046	447,046	454,437	-	454,437	7,391
Girdwood Valley Service Area	4,724,720	4,724,720	4,701,241	-	4,701,241	(23,479)
Areawide APD IT Systems Special Levy	1,840,000	1,840,000	1,840,000	-	1,840,000	-
Former Borough Roads and Drainage Service Area	-	-	8,991	-	8,991	8,991
Fire Service Area	85,604,895	87,420,027	85,860,845	-	85,860,845	(1,559,182)
Roads and Drainage Service Area	81,793,905	81,796,932	82,257,607	-	82,257,607	460,675
Limited Service Areas	13,270,473	13,270,473	13,671,243	-	13,671,243	400,770
Anchorage Metropolitan Police Service Area	151,449,372	151,449,435	152,040,012	-	152,040,012	590,577
Turnagain Arm Police Service Area	21,782	21,782	25,119	-	25,119	3,337
Anchorage Bowl Parks and Recreation Service Area	25,758,885	25,759,046	26,211,135	-	26,211,135	452,089
Eagle River Chugiak Parks and Recreational Service Area	5,492,397	5,492,397	5,223,634	-	5,223,634	(268,763)
Building Safety Service Area	6,988,474	6,988,474	9,289,202	-	9,289,202	2,300,728
Public Finance and Investment	2,933,157	3,023,157	2,569,854	-	2,569,854	(453,303)
Police and Fire Retiree Medical Defined Contribution Support	213,006	213,006	5,803	-	5,803	(207,203)
Operating Projects Committed General	-	605,400	90,000	-	90,000	(515,400)
MLP Sale Proceeds	-	-	1,327,720	-	1,327,720	1,327,720
Other Financing source Leases	-	-	-	(2)	1,540,633	-
Other Financing source SBITA	-	-	-	(3)	3,182,957	-
SOA PERs On-Behalf Payments	-	-	-	(1)	7,339,140	-
Total revenues and other finance sources	823,350,229	829,237,053	901,211,014	12,062,730	913,273,744	71,973,961
Expenditures and Other Financing Uses:						
Areawide Service Area	444,009,980	452,064,034	440,183,520	-	440,183,520	(11,880,514)
Areawide EMS Lease Special Levy	829,029	829,029	829,029	-	829,029	-
Chugiak Fire Service Area	1,602,957	1,602,957	1,511,874	-	1,511,874	(91,083)
Glen Alps Service Area	447,046	597,046	577,564	-	577,564	(19,482)
Girdwood Valley Service Area	4,724,720	4,724,720	4,409,230	-	4,409,230	(315,490)
Areawide APD IT Systems Special Levy	1,840,000	3,255,610	1,258,079	-	1,258,079	(1,997,531)
Fire Service Area	85,604,895	87,419,895	86,891,758	-	86,891,758	(528,137)
Roads and Drainage Service Area	81,793,905	81,793,905	79,249,430	-	79,249,430	(2,544,475)
Limited Service Areas	13,338,274	14,017,274	12,221,066	-	12,221,066	(1,796,208)
Anchorage Metropolitan Police Service Area	151,449,372	151,449,372	149,467,629	-	149,467,629	(1,981,743)
Turnagain Arm Police Service Area	21,782	21,782	-	-	-	(21,782)
Anchorage Bowl Parks and Recreation Service Area	25,758,885	25,764,485	24,978,668	-	24,978,668	(785,817)
Eagle River Chugiak Parks and Recreational Service Area	5,492,397	5,492,397	4,474,315	-	4,474,315	(1,018,082)
Building Safety Service Area	8,299,261	8,299,261	7,551,882	-	7,551,882	(747,379)
Public Finance and Investment	2,487,284	2,577,284	2,536,901	-	2,536,901	(40,383)
Police and Fire Retiree Medical Defined Contribution Support	240,853	240,853	183,693	-	183,693	(57,160)
Operating Projects Committed General	-	4,920,470	942,675	-	942,675	(3,977,795)
MLP Sale Proceeds	-	-	-	-	-	-
Capital Outlay - Leases	-	-	-	(2)	1,540,633	-
Capital Outlay - SBITA	-	-	-	(3)	3,182,957	-
SOA PERs On-Behalf Payments	-	-	-	(1)	7,339,140	-
Total expenditures and other financing uses	827,940,640	845,070,374	817,267,313	12,062,730	829,330,043	(27,803,061)
Net change in fund balance (deficit)	(4,590,411)	(15,833,321)	83,943,701	-	83,943,701	99,777,022
Fund balance (deficit), beginning of year	72,501,908	72,501,908	72,501,908	-	72,501,908	-
Fund balance (deficit), end of year	\$ 67,911,497	\$ 56,668,587	\$ 156,445,609	\$ -	\$ 156,445,609	\$ 99,777,022

Explanation of differences:

(1) Effective July 1, 2008, Anchorage changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. On-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the on-behalf payment amounts have fluctuated significantly. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, Anchorage has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(2) Effective January 1, 2022, the Municipality adopted GASB 87. The other financing source - Leases are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - Leases amounts would fluctuate based on new leases and lease terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2022, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(3) Effective January 1, 2023, the Municipality adopted GASB 96. The other financing source - SBITA are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - SBITA amounts would fluctuate based on new SBITA and SBITA terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2023, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

Note:

This schedule is for informational purposes only. This schedule provides revenues and other financing sources and expenditures and other financing uses for the General Fund by sub-fund. The legal level of budgetary control is adopted for revenues and other financing sources at the fund and sub-fund level. Expenditures and other financing uses are legally budgeted at the department level and are presented at the sub-fund level for informational purposes only.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-20

Supplementary Information - Additional Budgetary Comparison Schedule
by Department for the General Fund
Year ended December 31, 2024

	Budget		Actual Budgetary Basis		Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final					
Expenditures and Other Financing Uses:							
Assembly	\$ 9,405,741	\$ 9,835,605	\$ 8,142,606	(1)(3)	\$ 222,818	\$ 8,365,424	\$ (1,692,999)
Chief Fiscal Officer	602,788	565,613	792,122	(1)	15,724	807,846	226,509
Economic and Community Development	64,761,985	68,260,484	64,431,382	(1)(3)	2,930,178	67,361,560	(3,829,102)
Education	263,714,389	263,714,389	263,714,389		-	263,714,389	-
Equal Rights Commission	827,012	827,012	828,046		-	828,046	1,034
Equity and Justice	479,394	591,094	387,591		-	387,591	(203,503)
Finance	14,399,932	14,411,697	14,212,706	(1)	229,629	14,442,335	(198,991)
Fire	114,172,448	116,192,265	112,179,191	(1)(3)	2,669,905	114,849,096	(4,013,074)
Health and Human Services	19,064,523	22,147,786	20,121,877	(1)(3)	158,647	20,280,524	(2,025,909)
Human Resources	6,971,140	6,971,140	6,770,696	(1)(3)	59,471	6,830,167	(200,444)
Information Technology	1,290,967	1,290,967	1,218,341	(1)(3)	16,532	1,234,873	(72,626)
Internal Audit	858,568	858,568	691,269	(1)	15,665	706,934	(167,299)
Maintenance and Operations	63,888,660	67,175,112	64,064,147	(1)(2)	638,833	64,702,980	(3,110,965)
Management and Budget	1,260,398	1,660,398	925,519	(3)	228,068	1,153,587	(734,879)
Mayor	2,586,644	2,586,644	2,574,426	(1)(3)	23,159	2,597,585	(12,218)
Municipal Attorney	9,070,286	9,070,286	6,214,971	(1)(3)	348,299	6,563,270	(2,855,315)
Municipal Manager	2,826,788	3,042,115	2,643,217	(1)(3)	67,032	2,710,249	(398,898)
Police and Fire Retiree Medical	223,092	223,092	165,499	(1)	11,394	176,893	(57,593)
Police	138,823,743	140,615,143	137,533,466	(1)(2)(3)	2,703,272	140,236,738	(3,081,677)
Public Transportation	32,190,654	32,527,002	30,986,545	(1)(3)	252,196	31,238,741	(1,540,457)
Public Works	57,440,781	58,119,055	56,594,898	(1)(3)	345,420	56,940,318	(1,524,157)
Purchasing	1,924,427	1,928,627	1,869,029	(1)	49,283	1,918,312	(59,598)
Real Estate Services	10,133,303	11,433,303	9,741,500	(2)	1,077,205	10,818,705	(1,691,803)
Total expenditures and other financing uses	816,917,663	834,047,397	806,803,433		12,062,730	818,866,163	(27,243,964)
Add: net intragovernmental costs and billings	11,022,977	11,022,977	10,463,880		-	10,463,880	(559,097)
Total expenditures and other financing uses	<u>\$ 827,940,640</u>	<u>\$ 845,070,374</u>	<u>\$ 817,267,313</u>		<u>\$ 12,062,730</u>	<u>\$ 829,330,043</u>	<u>\$ (27,803,061)</u>

Explanation of differences:

(1) Effective July 1, 2008, the Municipality changed its policy regarding the recording of on-behalf payments for PERS Pension and OPEB. On-behalf payments are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, on-behalf payment amounts have fluctuated significantly. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective July 1, 2008, Anchorage has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(2) Effective January 1, 2022, the Municipality adopted GASB 87. The other financing source - Leases are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - Leases amounts would fluctuate based on new leases and lease terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2022, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

(3) Effective January 1, 2023, the Municipality adopted GASB 96. The other financing source - SBITA are not cash transactions and there is no impact or cost to the taxpayers associated with these transactions. Also, the other financing source - SBITA amounts would fluctuate based on new SBITA and SBITA terms. This has made the amounts difficult to estimate for budgetary purposes. Therefore, effective January 1, 2023, the Municipality has elected to exclude this item from its budget, and it is shown here as a reconciling item to GAAP basis.

Note:

This schedule does not provide detail by departments for revenues and other financing sources. This is because the legal level of budgetary control is adopted only for expenditures and other financing uses at the department level. Intragovernmental Costs and Billings are not budgeted by the Assembly. They are presented for comparison purposes for total expenditures

Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for specific revenues that are legally restricted to expenditure for particular purposes.

The **Heritage Land Bank Fund** accounts for Municipal-owned real estate.

The **Opioid Settlement Fund** accounts for proceeds received from settlements that have been reached with manufacturers, distributors, and other entities involved in the opioid epidemic.

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

The **Convention Center Operating Reserve Fund** accounts for dedicated bed tax collections and transfers associated with the construction of the new convention and civic center and related tourism activities.

The **E911 Surcharge Fund** accounts for financial resources for acquisition, implementation, and maintenance of the enhanced 911 emergency system.

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

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

The **49th State Angel Fund** accounts for financial resources that may be used only in accordance with all provisions and requirements of the Small Business Jobs Act and the policy guidelines from the U.S. Department of Treasury's State Small Business Credit Initiative.

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

The **Alcoholic Beverages Retail Sales Tax Fund** accounts for monies collected from the sales tax on alcoholic beverages to be used for funding police and first responders, address child abuse, sexual assault and domestic violence, and substance abuse treatment, mental and behavioral health, and homelessness.

The **Nuisance Property Abatement Fund** accounts for monies dedicated to addressing, mitigating, and abating nuisances on private property within the Municipality.

The **Miscellaneous Operational Grants Fund** accounts for the use of miscellaneous restricted contributions and donations.

The **Other Restricted Resources Fund** accounts for the use of other specific revenues that are legally restricted for specified purposes.

The **Property Assessed Clean Energy Program Fund** accounts for financing through assessments the construction, installation, or modification of a qualified improvement project.

The **Marijuana Retail Sales Tax** accounts for dedicating retail marijuana sales tax net proceeds for Child Care and Early Education.

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The **ACPA Surcharge Revenue Bond Fund** accounts for the performing arts center surcharge revenue and debt service on the roof repair loan.

The **CIVICVentures Revenue Bond Fund** accounts for the accumulation of lodging revenue, transfers, investment earnings, and debt service on the Civic Center revenue bonds.

The **Police and Fire Certificate of Participation Bond Fund** accounts for the certificate of participation bond issued to fund the Police and Fire Pension Trust Fund.

Capital Projects Funds

Capital projects funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Areawide Fund** accounts for general government construction projects not accounted for in other funds.

The **Public Safety Fund** accounts for capital improvement projects in support of police, fire, and rescue operations.

The **Public Transportation Fund** accounts for capital improvement projects for transit facilities and equipment.

The **Miscellaneous Fund** accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

The **Parks and Recreation Fund** accounts for parks and recreation capital improvement projects in the taxing districts which receive parks and recreation services.

The **Historic Preservation Fund** accounts for the preservation of historic structures.

The **Heritage Land Bank Fund** accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

Permanent Fund

Permanent funds report resources legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2024

Exhibit F-1

	Special Revenue									
	Heritage Land Bank	Opioid Settlement Fund	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund	Police and Fire Retiree Medical Liability	Alcoholic Beverages Retail Sales Tax
Assets										
Cash	\$ -	\$ -	\$ 72,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	8,300,028	2,595,788	1,226,121	48,704,010	5,369,048	13,958,688	-	2,920,287	-	2,851,647
Investments	-	-	-	-	-	-	-	-	34,123,897	-
Accrued interest on investments	-	-	-	-	-	-	-	-	-	-
Due from other funds	85,000	-	-	-	-	-	-	-	-	-
Due from Fiduciary funds	-	-	-	-	-	-	-	-	318,900	-
Receivables (net of allowance for uncollectibles)	-	-	-	3,423,357	918,049	30	-	-	-	1,766,645
Intergovernmental receivables	-	-	-	-	-	8,507,414	6,890,096	-	-	-
Special assessments receivable, net	-	-	-	-	-	-	-	-	-	-
Leases receivable	2,673,034	-	-	-	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	939	50,220	-	-	-
Loans receivable	1,272,657	-	-	-	-	-	2,114,562	-	-	-
Advances to other funds	680,000	-	-	-	-	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	-	-	5,793,899	-	-
Total assets	13,010,719	2,595,788	1,298,884	52,127,367	6,287,097	22,467,071	9,054,878	8,714,186	34,442,797	4,618,292
Deferred Outflows of Resources										
Deferred grant advancement	-	-	-	-	-	14,517	-	-	-	-
Deferred outflow of resources	-	-	-	-	-	14,517	-	-	-	-
Total assets and deferred outflow of resources	\$ 13,010,719	\$ 2,595,788	\$ 1,298,884	\$ 52,127,367	\$ 6,287,097	\$ 22,481,588	\$ 9,054,878	\$ 8,714,186	\$ 34,442,797	\$ 4,618,292
Liabilities										
Accounts payable and retainages	\$ 5,297	\$ -	\$ 216	\$ 3,639,756	\$ 477,655	\$ 1,768,342	\$ 378,339	\$ -	\$ -	\$ 3,953,607
Accrued payroll liabilities	10,344	-	-	-	-	151,089	72,681	5,245	-	150,902
Due to other funds	-	-	-	-	-	329,161	1,238,320	-	33,135	-
Unearned revenue and deposits	-	-	-	-	-	472,563	5,138,841	-	-	15,900
Advances from other funds	-	-	-	-	-	5,957,799	-	-	-	-
Total liabilities	15,641	-	216	3,639,756	477,655	8,678,954	6,828,181	5,245	33,135	4,120,409
Deferred Inflows of Resources										
Unavailable revenues:										
Intergovernmental revenues	-	-	-	-	-	1,106,203	1,268,342	-	-	-
Loans	-	-	-	-	-	-	2,114,562	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Leases	2,570,811	-	-	-	-	-	-	-	-	-
Land sales	1,181,893	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	3,752,704	-	-	-	-	1,106,203	3,382,904	-	-	-
Fund Balances (Deficits)										
Nonspendable	90,764	-	-	-	-	939	50,220	-	-	-
Restricted	-	2,403,516	845,174	46,216,302	5,291,422	-	-	8,708,941	34,409,662	-
Committed	9,151,610	-	-	-	-	-	-	-	-	-
Assigned	-	192,272	453,494	2,271,309	518,020	12,695,492	-	-	-	497,883
Unassigned (Deficit)	-	-	-	-	-	-	(1,206,427)	-	-	-
Total fund balances (deficits)	9,242,374	2,595,788	1,298,668	48,487,611	5,809,442	12,696,431	(1,156,207)	8,708,941	34,409,662	497,883
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 13,010,719	\$ 2,595,788	\$ 1,298,884	\$ 52,127,367	\$ 6,287,097	\$ 22,481,588	\$ 9,054,878	\$ 8,714,186	\$ 34,442,797	\$ 4,618,292

MUNICIPALITY OF ANCHORAGE, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2024

Exhibit F-1 (Continued)

	Special Revenue (Continued)						Debt Service			
	Nuisance Property Abatement	Miscellaneous Operational Grants	Property Assessed Clean Energy Program	Marijuana Retail Sales Tax	Other Restricted Resources	Total Special Revenue	ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
Assets										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,763	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	466,458	1,071,781	129,926	5,814,482	-	93,408,264	785,807	-	-	785,807
Investments	-	-	-	-	-	34,123,897	-	14,193,273	650,429	14,843,702
Accrued interest on investments	-	-	-	-	-	-	-	50,100	2,451	52,551
Due from other funds	-	-	-	-	-	85,000	-	-	-	-
Due from Fiduciary funds	-	-	-	-	-	318,900	-	-	-	-
Receivables (net of allowance for uncollectibles)	30,994	20,000	-	638,552	-	6,797,627	99,477	-	-	99,477
Intergovernmental receivables	-	-	-	-	-	15,397,510	-	-	-	-
Special assessments receivable, net	-	-	-	-	175,022	175,022	-	-	-	-
Leases receivable	-	-	-	-	-	2,673,034	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	51,159	-	-	-	-
Loans receivable	-	-	-	-	-	3,387,219	-	-	-	-
Advances to other funds	-	-	-	-	-	680,000	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	5,793,899	-	-	-	-
Total assets	497,452	1,091,781	129,926	6,453,034	175,022	162,964,294	885,284	14,243,373	652,880	15,781,537
Deferred Outflows of Resources										
Deferred grant advancement	-	-	-	-	-	14,517	-	-	-	-
Deferred outflow of resources	-	-	-	-	-	14,517	-	-	-	-
Total assets and deferred outflow of resources	\$ 497,452	\$ 1,091,781	\$ 129,926	\$ 6,453,034	\$ 175,022	\$ 162,978,811	\$ 885,284	\$ 14,243,373	\$ 652,880	\$ 15,781,537
Liabilities										
Accounts payable and retainages	\$ 38	\$ 5,805	\$ -	\$ -	\$ 11,101	\$ 10,240,156	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-	390,261	-	-	-	-
Due to other funds	-	-	-	-	713,722	2,314,338	-	-	598,563	598,563
Unearned revenue and deposits	-	20,000	-	-	-	5,647,304	-	-	-	-
Advances from other funds	-	-	-	-	-	5,957,799	-	-	-	-
Total liabilities	38	25,805	-	-	724,823	24,549,858	-	-	598,563	598,563
Deferred Inflows of Resources										
Unavailable revenues:										
Intergovernmental revenues	-	-	-	-	-	2,374,545	-	-	-	-
Loans	-	-	-	-	-	2,114,562	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	2,570,811	-	-	-	-
Land sales	-	-	-	-	-	1,181,893	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	8,241,811	-	-	-	-
Fund Balances (Deficits)										
Nonspendable	-	-	-	-	-	141,923	-	-	-	-
Restricted	444,215	407,723	-	6,277,384	-	105,004,339	885,284	14,243,373	54,317	15,182,974
Committed	-	653,530	-	-	-	9,805,140	-	-	-	-
Assigned	53,199	4,723	129,926	175,650	-	16,991,968	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(549,801)	(1,756,228)	-	-	-	-
Total fund balances (deficits)	497,414	1,065,976	129,926	6,453,034	(549,801)	130,187,142	885,284	14,243,373	54,317	15,182,974
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 497,452	\$ 1,091,781	\$ 129,926	\$ 6,453,034	\$ 175,022	\$ 162,978,811	\$ 885,284	\$ 14,243,373	\$ 652,880	\$ 15,781,537

MUNICIPALITY OF ANCHORAGE, ALASKA

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2024

Exhibit F-1 (Continued)

	Capital Projects								Permanent Fund	Total Nonmajor Governmental Funds
	Areawide	Public Safety	Public Transportation	Miscellaneous	Parks and Recreation	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
Assets										
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,763
Cash and investments in central treasury	42,695,231	7,106,722	1,142,714	309,569	18,629,407	85,572	2,092,102	72,061,317	747,787	167,003,175
Investments	-	-	-	-	-	-	-	-	-	48,967,599
Accrued interest on investments	-	-	-	-	-	-	-	-	-	52,551
Due from other funds	81,426	-	-	-	-	-	-	81,426	-	166,426
Due from Fiduciary funds	-	-	-	-	-	-	-	-	-	318,900
Receivables (net of allowance for uncollectibles)	314,125	-	-	-	50,059	-	-	364,184	-	7,261,288
Intergovernmental receivables	226,108	-	5,019,220	-	1,771	-	-	5,247,099	-	20,644,609
Special assessments receivable, net	-	-	-	-	-	-	-	-	-	175,022
Leases receivable	-	-	-	-	-	-	-	-	-	2,673,034
Prepaid items and deposits	-	10,342,809	-	-	-	-	-	10,342,809	-	10,393,968
Loans receivable	-	-	-	-	-	-	-	-	-	3,387,219
Advances to other funds	-	-	-	-	-	-	-	-	-	680,000
Investments in Angel Fund program	-	-	-	-	-	-	-	-	-	5,793,899
Total assets	43,316,890	17,449,531	6,161,934	309,569	18,681,237	85,572	2,092,102	88,096,835	747,787	267,590,453
Deferred Outflows of Resources										
Deferred grant advancement	-	-	-	-	-	-	-	-	-	14,517
Deferred outflow of resources	-	-	-	-	-	-	-	-	-	14,517
Total assets and deferred outflow of resources	\$ 43,316,890	\$ 17,449,531	\$ 6,161,934	\$ 309,569	\$ 18,681,237	\$ 85,572	\$ 2,092,102	\$ 88,096,835	\$ 747,787	\$ 267,604,970
Liabilities										
Accounts payable and retainages	\$ 814,453	\$ 296,872	\$ 1,444,513	\$ -	\$ 549,688	\$ -	\$ -	\$ 3,105,526	\$ -	\$ 13,345,682
Accrued payroll liabilities	3,298	1,487	22	-	1,981	-	-	6,788	-	397,049
Due to other funds	89,910	-	-	-	81,426	-	-	171,336	-	3,084,237
Unearned revenue and deposits	-	-	-	-	3,300	-	-	3,300	-	5,650,604
Advances from other funds	116,696	923,345	-	-	-	-	-	1,040,041	-	6,997,840
Total liabilities	1,024,357	1,221,704	1,444,535	-	636,395	-	-	4,326,991	-	29,475,412
Deferred Inflows of Resources										
Unavailable revenues:										
Intergovernmental revenues	-	-	97,948	-	-	-	-	97,948	-	2,472,493
Loans	-	-	-	-	-	-	-	-	-	2,114,562
Special assessments	-	-	-	2,905	-	-	-	2,905	-	2,905
Leases	-	-	-	-	-	-	-	-	-	2,570,811
Land sales	-	-	-	-	-	-	-	-	-	1,181,893
Total deferred inflows of resources	-	-	97,948	2,905	-	-	-	100,853	-	8,342,664
Fund Balances (Deficits)										
Nonspendable	-	10,342,809	-	-	-	-	-	10,342,809	150,000	10,634,732
Restricted	13,188,599	4,766,108	1,207,360	-	6,862,190	-	-	26,024,257	-	146,211,570
Committed	29,851,290	1,118,910	3,412,091	306,664	10,709,238	121	2,092,102	47,490,416	-	57,295,556
Assigned	-	-	-	-	473,414	85,451	-	558,865	597,787	18,148,620
Unassigned (Deficit)	(747,356)	-	-	-	-	-	-	(747,356)	-	(2,503,584)
Total fund balances (deficits)	42,292,533	16,227,827	4,619,451	306,664	18,044,842	85,572	2,092,102	83,668,991	747,787	229,786,894
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 43,316,890	\$ 17,449,531	\$ 6,161,934	\$ 309,569	\$ 18,681,237	\$ 85,572	\$ 2,092,102	\$ 88,096,835	\$ 747,787	\$ 267,604,970

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)

Year Ended December 31, 2024

	Special Revenue									
	Heritage Land Bank	Opioid Settlement Fund	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund	Police and Fire Retiree Medical Liability	Alcoholic Beverages Retail Sales Tax
Revenues										
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ 26,619,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-	-	-	-	-	16,262,268
Marijuana Sales Taxes	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	20,668,091	17,594,306	-	-	2,898
Charges for services	\$389,749	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	462,996	-	-	-	-	-	-	-
E911 surcharges	-	-	-	-	8,220,154	-	-	-	-	-
Investment income (loss)	727,068	133,205	26,278	2,845,195	303,884	43,014	-	(354,359)	2,902,979	255,488
Interest income on leases	73,182	-	-	-	-	-	-	-	-	-
Restricted contributions	-	-	-	-	-	-	-	-	-	-
Other	346	1,344,616	-	-	-	286	-	125	-	4,283
Total revenues	1,190,345	1,477,821	489,274	29,464,835	8,524,038	20,711,391	17,594,306	(354,234)	2,902,979	16,524,937
Expenditures										
Current:										
General government	542,391	-	-	-	-	656,478	309,257	284,071	42,834	748,670
Fire services	-	-	-	-	1,325,519	53,287	4,294,917	-	1,798,604	-
Police services	-	-	120,554	-	6,164,551	1,940,758	986,748	-	1,974,493	1,208,634
Health and human services	-	-	-	-	-	12,573,774	5,664,022	-	-	19,584,071
Economic and community development	-	-	-	12,637,499	-	2,319,086	188,882	-	-	1,055,626
Public transportation	-	-	-	-	-	2,478,064	5,434,258	-	-	-
Public works	-	-	-	-	-	1,659,879	-	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	-	35,923	405,996	-	-	-
Debt service:										
Principal	-	-	-	-	-	10,704	-	-	-	-
Interest and fiscal agent charges	-	-	-	1,000	-	1,260	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Debt service - SBITAs:										
Principal	-	-	-	-	-	-	54,390	-	-	-
Capital projects	3,500	-	-	-	-	22,036	1,829,892	1,681	-	1,400
Total expenditures	545,891	-	120,554	12,638,499	7,490,070	21,751,249	19,168,362	285,752	3,815,931	22,598,401
Excess (deficiency) of revenues over expenditures	644,454	1,477,821	368,720	16,826,336	1,033,968	(1,039,858)	(1,574,056)	(639,986)	(912,952)	(6,073,464)
Other Financing Sources (Uses)										
Transfers from other funds	-	-	-	1,005,320	-	499,809	108,946	-	1,086,934	-
Transfers to other funds	-	-	-	(9,674,337)	-	(61,641,501)	-	-	-	(90,000)
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds and notes	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	209,461	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	209,461	-	-	(8,669,017)	-	(61,141,692)	108,946	-	1,086,934	(90,000)
Net change in fund balances	853,915	1,477,821	368,720	8,157,319	1,033,968	(62,181,550)	(1,465,110)	(639,986)	173,982	(6,163,464)
Fund balances (deficits), beginning of year	8,388,459	1,117,967	929,948	40,330,292	4,775,474	74,877,981	308,903	9,348,927	34,235,680	6,661,347
Fund balances (deficits), end of year	\$ 9,242,374	\$ 2,595,788	\$ 1,298,668	\$ 48,487,611	\$ 5,809,442	\$ 12,696,431	\$ (1,156,207)	\$ 8,708,941	\$ 34,409,662	\$ 497,883

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2 (Continued)

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Year Ended December 31, 2024

	Special Revenue (Continued)						Debt Service			
	Nuisance Property Abatement	Miscellaneous Operational Grants	Property Assessed Clean Energy Program	Marijuana Retail Sales Tax	Other Restricted Resources	Total Special Revenue	ACPA Surcharge	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
Revenues										
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,619,640	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-	16,262,268	-	-	-	-
Marijuana Sales Taxes	-	-	-	6,307,699	-	6,307,699	-	-	-	-
Special assessments	-	-	-	-	907,508	907,508	-	-	-	-
Intergovernmental	-	-	-	-	-	38,265,295	-	-	-	-
Charges for services	144,167	-	-	-	-	533,916	-	-	-	-
Fines and forfeitures	82,597	-	-	-	-	545,593	-	-	-	-
E911 surcharges	-	-	-	-	-	8,220,154	-	-	-	-
Investment income (loss)	26,557	911	8,270	175,650	(28,629)	7,065,511	53,952	507,967	24,051	585,970
Interest income on leases	-	-	-	-	-	73,182	-	-	-	-
Restricted contributions	-	671,211	-	-	-	671,211	-	-	-	-
Other	-	-	103,328	-	-	1,452,984	387,495	-	-	387,495
Total revenues	253,321	672,122	111,598	6,483,349	878,879	106,924,961	441,447	507,967	24,051	973,465
Expenditures										
Current:										
General government	-	11,050	-	-	1,087,547	3,682,298	-	-	-	-
Fire services	-	-	-	-	-	7,472,327	-	-	-	-
Police services	-	45	-	-	-	12,395,783	-	-	-	-
Health and human services	-	24,461	-	30,315	-	37,876,643	-	-	-	-
Economic and community development	147,521	220,472	-	-	-	16,569,086	-	-	-	-
Public transportation	-	-	-	-	-	7,912,322	-	-	-	-
Public works	-	-	-	-	-	1,659,879	-	-	-	-
Maintenance and operations of roads and facilities	-	25,000	-	-	-	466,919	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	10,704	175,000	3,245,000	4,005,000	7,425,000
Interest and fiscal agent charges	-	-	-	-	-	2,260	123,750	3,410,200	1,424,112	4,958,062
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Debt service - SBITAs:										
Principal	-	-	-	-	-	54,390	-	-	-	-
Capital projects	-	-	-	-	-	1,858,509	-	-	-	-
Total expenditures	147,521	281,028	-	30,315	1,087,547	89,961,120	298,750	6,655,200	5,429,112	12,383,062
Excess (deficiency) of revenues over expenditures	105,800	391,094	111,598	6,453,034	(208,668)	16,963,841	142,697	(6,147,233)	(5,405,061)	(11,409,597)
Other Financing Sources (Uses)										
Transfers from other funds	-	-	-	-	-	2,701,009	-	6,523,040	5,429,111	11,952,151
Transfers to other funds	-	-	-	-	-	(71,405,838)	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds and notes	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	209,461	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(68,495,368)	-	6,523,040	5,429,111	11,952,151
Net change in fund balances	105,800	391,094	111,598	6,453,034	(208,668)	(51,531,527)	142,697	375,807	24,050	542,554
Fund balances (deficits), beginning of year	391,614	674,882	18,328	-	(341,133)	181,718,669	742,587	13,867,566	30,267	14,640,420
Fund balances (deficits), end of year	\$ 497,414	\$ 1,065,976	\$ 129,926	\$ 6,453,034	\$ (549,801)	\$ 130,187,142	\$ 885,284	\$ 14,243,373	\$ 54,317	\$ 15,182,974

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2 (Continued)

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)

Year Ended December 31, 2024

	Capital Projects							Permanent Fund		
	Areawide	Public Safety	Public Transportation	Miscellaneous	Parks and Recreation	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	Total Nonmajor Governmental Funds
Revenues										
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,619,640
Alcoholic beverages retail sales taxes	-	-	-	-	-	-	-	-	-	16,262,268
Marijuana Sales Taxes	-	-	-	-	-	-	-	-	-	6,307,699
Special assessments	-	-	-	-	-	-	-	-	-	907,508
Intergovernmental	790,472	1,507,341	15,070,815	139,543	353,379	-	-	17,861,550	-	56,126,845
Charges for services	-	-	-	-	-	-	-	-	9,540	543,456
Fines and forfeitures	-	-	-	-	-	-	-	-	-	545,593
E911 surcharges	-	-	-	-	-	-	-	-	-	8,220,154
Investment income (loss)	1,155,542	-	-	-	123,095	5,566	-	1,284,203	48,308	8,983,992
Interest income on leases	-	-	-	-	-	-	-	-	-	73,182
Restricted contributions	500,169	-	-	-	178,554	-	-	678,723	-	1,349,934
Other	-	-	-	-	-	-	-	-	-	1,840,479
Total revenues	2,446,183	1,507,341	15,070,815	139,543	655,028	5,566	-	19,824,476	57,848	127,780,750
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	3,682,298
Fire services	-	-	-	-	-	-	-	-	-	7,472,327
Police services	-	-	-	-	-	-	-	-	-	12,395,783
Health and human services	-	-	-	-	-	-	-	-	-	37,876,643
Economic and community development	-	-	-	-	-	-	-	-	-	16,569,086
Public transportation	-	-	-	-	-	-	-	-	-	7,912,322
Public works	-	-	-	-	-	-	-	-	-	1,659,879
Maintenance and operations of roads and facilities	-	-	-	-	-	-	-	-	-	466,919
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	7,435,704
Interest and fiscal agent charges	-	-	-	-	-	-	-	-	-	4,960,322
Bond issuance costs	36,026	28,989	14,105	-	23,883	-	-	103,003	-	103,003
Debt service - SBITAs:										
Principal	-	-	-	-	-	-	-	-	-	54,390
Capital projects	7,135,662	4,387,881	16,980,035	214,543	5,862,054	-	95,198	34,675,373	-	36,533,882
Total expenditures	7,171,688	4,416,870	16,994,140	214,543	5,885,937	-	95,198	34,778,376	-	137,122,558
Excess (deficiency) of revenues over expenditures	(4,725,505)	(2,909,529)	(1,923,325)	(75,000)	(5,230,909)	5,566	(95,198)	(14,953,900)	57,848	(9,341,808)
Other Financing Sources (Uses)										
Transfers from other funds	9,515,012	2,664,540	823,106	40,000	2,696,496	-	-	15,739,154	-	30,392,314
Transfers to other funds	(130,244)	(195)	(95)	-	(161)	-	-	(130,695)	-	(71,536,533)
General obligation bonds issued	5,311,275	4,273,810	2,079,522	-	3,520,957	-	-	15,185,564	-	15,185,564
Premium on bonds and notes	509,995	410,374	199,678	-	338,087	-	-	1,458,134	-	1,458,134
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	209,461
Total other financing sources (uses)	15,206,038	7,348,529	3,102,211	40,000	6,555,379	-	-	32,252,157	-	(24,291,060)
Net change in fund balances	10,480,533	4,439,000	1,178,886	(35,000)	1,324,470	5,566	(95,198)	17,298,257	57,848	(33,632,868)
Fund balances (deficits), beginning of year	31,812,000	11,788,827	3,440,565	341,664	16,720,372	80,006	2,187,300	66,370,734	689,939	263,419,762
Fund balances (deficits), end of year	\$ 42,292,533	\$ 16,227,827	\$ 4,619,451	\$ 306,664	\$ 18,044,842	\$ 85,572	\$ 2,092,102	\$ 83,668,991	\$ 747,787	\$ 229,786,894

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-1

MOA Trust Fund

Permanent Fund

Budgetary Comparison Schedule

Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income (loss)	\$ 2,140,000	\$ 38,362,806	\$ 36,222,806
Expenditures			
Current:			
General government	2,340,977	959,448	1,381,529
Excess (deficiency) of revenues over expenditures	(200,977)	37,403,358	37,604,335
Other Financing Sources (Uses)			
Transfers to other funds	(16,300,000)	(16,300,000)	-
Transfers from other funds	-	2,588,597	2,588,597
Total other financing sources (uses)	(16,300,000)	(13,711,403)	2,588,597
Net change in fund balance	(16,500,977)	23,691,955	40,192,932
Fund balance, beginning of year	410,100,520	410,100,520	-
Fund balance, end of year	\$ 393,599,543	\$ 433,792,475	\$ 40,192,932

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-2

Heritage Land Bank
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Charges for services	\$ 289,716	\$ 178,386	\$ (111,330)
Investment income (loss)	244,000	727,068	483,068
Other	-	346	346
Lease income	283,223	211,363	(71,860)
Interest income on leases	89,296	73,182	(16,114)
Total revenues	<u>906,235</u>	<u>1,190,345</u>	<u>284,110</u>
Expenditures			
Current:			
General government	832,637	542,391	290,246
Capital Outlay	5,000	3,500	1,500
Total expenditures	<u>837,637</u>	<u>545,891</u>	<u>291,746</u>
Excess (deficiency) of revenues over expenditures	68,598	644,454	575,856
Other Financing Sources (Uses)			
Transfers to other funds	(80,000)	-	80,000
Proceeds from sale of capital assets	924,000	209,461	(714,539)
Total other financing sources (uses)	<u>844,000</u>	<u>209,461</u>	<u>(634,539)</u>
Net change in fund balance	912,598	853,915	(58,683)
Fund balance, beginning of year	8,388,459	8,388,459	-
Fund balance, end of year	<u>\$ 9,301,057</u>	<u>\$ 9,242,374</u>	<u>\$ (58,683)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-3

Convention Center Operating Reserve

Special Revenue Fund

Budgetary Comparison Schedule

Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Hotel and motel taxes	\$ 26,223,746	\$ 26,562,748	\$ 339,002
P & I on Hotel and motel taxes	49,878	56,892	7,014
Investment income (loss)	166,000	2,845,195	2,679,195
Total revenues	26,439,624	29,464,835	3,025,211
Expenditures			
Current:			
Economic and community development	13,229,629	12,637,499	592,130
Debt service:			
Interest and fiscal agent charges	1,000	1,000	-
Total expenditures	13,230,629	12,638,499	592,130
Excess of revenues over expenditures	13,208,995	16,826,336	3,617,341
Other Financing Sources (Uses)			
Transfers to other funds	(9,506,666)	(9,674,337)	(167,671)
Transfers from other funds	1,005,321	1,005,320	(1)
Total other financing sources (uses)	(8,501,345)	(8,669,017)	(167,672)
Net change in fund balance	4,707,650	8,157,319	3,449,669
Fund balance, beginning of year	40,330,292	40,330,292	-
Fund balance, end of year	\$ 45,037,942	\$ 48,487,611	\$ 3,449,669

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-4

E911 Surcharge
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
E911 surcharges	\$ 7,967,411	\$ 8,220,154	\$ 252,743
Investment income (loss)	95,000	303,884	208,884
Total revenues	8,062,411	8,524,038	461,627
Expenditures			
Current:			
Fire services	1,454,493	1,325,519	128,974
Police services	7,156,764	6,164,551	992,213
Total expenditures	8,611,257	7,490,070	1,121,187
Net change in fund balance	(548,846)	1,033,968	1,582,814
Fund balance, beginning of year	4,775,474	4,775,474	-
Fund balance, end of year	\$ 4,226,628	\$ 5,809,442	\$ 1,582,814

MUNICIPALITY OF ANCHORAGE, ALASKAExhibit G-5

Police and Fire Retiree Medical Liability

Special Revenue Fund

Budgetary Comparison Schedule

Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income (loss)	\$ 6,125,828	\$ 2,902,979	\$ (3,222,849)
Total revenues	6,125,828	2,902,979	(3,222,849)
Expenditures			
Current:			
General government	113,122	42,834	70,288
Fire services	1,823,708	1,798,604	25,104
Police services	2,002,051	1,974,493	27,558
Total expenditures	3,938,881	3,815,931	122,950
Excess (deficiency) of revenues over expenditures	2,186,947	(912,952)	(3,099,899)
Other Financing Sources			
Transfers from other funds	1,086,934	1,086,934	-
Total other financing sources (uses)	1,086,934	1,086,934	-
Net change in fund balance	3,273,881	173,982	(3,099,899)
Fund balance, beginning of year	34,235,680	34,235,680	-
Fund balance, end of year	\$ 37,509,561	\$ 34,409,662	\$ (3,099,899)

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-6

Alcoholic Beverages Retail Sales Tax
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Alcoholic beverages retail sales taxes	\$ 15,900,000	\$ 16,200,826	\$ 300,826
Alcoholic beverages retail sales taxes P&I	100,000	60,450	(39,550)
Misc. alcohol Tax Revenue	150	992	842
Investment income(loss)	607,000	255,488	(351,512)
Intergovernmental	-	2,898	2,898
Other	-	4,283	4,283
Total revenues	16,607,150	16,524,937	(82,213)
Expenditures			
Current:			
General government	852,317	748,670	103,647
Police services	1,214,059	1,208,634	5,425
Health and human services	21,900,479	19,584,071	2,316,408
Economic and community development	1,386,800	1,055,626	331,174
Capital Outlay	-	1,400	(1,400)
Total expenditures	25,353,655	22,598,401	2,755,254
Excess (deficiency) of revenues over expenditures	(8,746,505)	(6,073,464)	2,673,041
Other Financing Sources (uses)			
Transfers to other funds	(90,000)	(90,000)	-
Total other financing sources (uses)	(90,000)	(90,000)	-
Net change in fund balance	(8,836,505)	(6,163,464)	2,673,041
Fund balance, beginning of year	6,661,347	6,661,347	-
Fund balance, end of year	\$ (2,175,158)	\$ 497,883	\$ 2,673,041

MUNICIPALITY OF ANCHORAGE, ALASKAExhibit G-7

Nuisance Property Abatement
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Charges for services	\$ 105,000	\$ 144,167	\$ 39,167
Fines and forfeitures	185,000	82,597	(102,403)
Investment income(loss)	10,000	26,557	16,557
Total revenues	300,000	253,321	(46,679)
Expenditures			
Current:			
Economic and community development	348,193	147,521	200,672
Total expenditures	348,193	147,521	200,672
Net change in fund balance	(48,193)	105,800	153,993
Fund balance, beginning of year	391,614	391,614	-
Fund balance, end of year	\$ 343,421	\$ 497,414	\$ 153,993

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-8

Other Restricted Resources
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Special assessments	\$ 1,123,547	\$ 907,508	\$ (216,039)
Investment income (loss)	(36,000)	(28,629)	7,371
Total revenues	<u>1,087,547</u>	<u>878,879</u>	<u>(208,668)</u>
Expenditures			
Current:			
General government	<u>1,087,547</u>	<u>1,087,547</u>	-
Total expenditures	<u>1,087,547</u>	<u>1,087,547</u>	-
Net change in fund deficit	-	(208,668)	(208,668)
Fund deficit, beginning of year	(341,133)	(341,133)	-
Fund deficit, end of year	<u>\$ (341,133)</u>	<u>\$ (549,801)</u>	<u>\$ (208,668)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-9

Marijuana Retail Sales Tax
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Marijuana Sales Tax	\$ 30,315	\$ 6,261,352	\$ 6,231,037
Marijuana sales taxes P&I	-	46,347	46,347
Investment income(loss)	-	175,650	175,650
Total revenues	30,315	6,483,349	6,453,034
Expenditures			
Current:			
Health and human services	30,315	30,315	-
Total expenditures	30,315	30,315	-
Net change in fund balance	-	6,453,034	6,453,034
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ -	\$ 6,453,034	\$ 6,453,034

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-10

Alaska Center for the Performing Arts, Inc. Surcharge Revenue Bond

Debt Service Fund

Budgetary Comparison Schedule

Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income (loss)	\$ 26,000	\$ 53,952	\$ 27,952
Other	312,000	387,495	75,495
Total revenues	338,000	441,447	103,447
Expenditures			
Debt service:			
Principal	175,000	175,000	-
Interest and fiscal agent charges	123,750	123,750	-
Total expenditures	298,750	298,750	-
Net change in fund balance	39,250	142,697	103,447
Fund balance, beginning of year	742,587	742,587	-
Fund balance, end of year	\$ 781,837	\$ 885,284	\$ 103,447

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-11

Police and Fire Retirement Certificate of Participation Bond
Debt Service Fund
Budgetary Comparison Schedule
Year Ended December 31, 2024

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income	\$ 10	\$ 24,051	\$ 24,041
Expenditures			
Principal	4,005,000	4,005,000	-
Interest and fiscal agent charges	1,424,112	1,424,112	-
Total expenditures	5,429,112	5,429,112	-
Deficiency of revenues over expenditures	(5,429,102)	(5,405,061)	24,041
Other Financing Sources			
Transfers from other funds	5,427,863	5,429,111	1,248
Net change in fund balance	(1,239)	24,050	25,289
Fund balance, beginning of year	30,267	30,267	-
Fund balance, end of year	\$ 29,028	\$ 54,317	\$ 25,289

NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for activities for which a fee is charged to external users for goods or services received.

The **Refuse Utility Fund** accounts for the Municipal-owned refuse collection services.

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

The **Anchorage Hydropower Fund** accounts for the remaining assets from the Electric Utility sale, including the installment sale revenues.



This page intentionally left blank.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-1

Nonmajor Enterprise Funds
Combining Statement of Net Position
December 31, 2024

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
Assets				
Current assets:				
Cash	\$ 1,043	\$ 200	\$ -	\$ 1,243
Cash and investments in central treasury	6,794,924	4,363,465	6,883,275	18,041,664
Equity in bond and grant capital acquisition and construction pool	3,917,831	-	272,985	4,190,816
Accrued interest on investments	346,316	-	-	346,316
Receivables (net of allowance for uncollectibles)	1,029,089	316,444	9,186	1,354,719
Due from other funds			217,874	217,874
Leases receivable, current portion	-	277,332	-	277,332
Interest receivable on leases	-	42,700	-	42,700
Prepaid items and deposits	25,164	2,684	-	27,848
Total current assets	12,114,367	5,002,825	7,383,320	24,500,512
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	94,250,561	94,250,561
Leases receivable	-	15,272,624	-	15,272,624
Intergovernmental receivables	3,158	2,622,686	-	2,625,844
Regulatory and other assets	-	-	1,767,291	1,767,291
Restricted assets:				
Debt service investments	171	-	-	171
Investments for operations	-	-	3,000,000	3,000,000
Net OPEB asset	1,597,108	140,186	-	1,737,294
Capital assets, not being depreciated	7,989,812	19,893,365	541,590	28,424,767
Capital assets, being depreciated and amortized, net	45,737,280	62,681,593	6,431,589	114,850,462
Total noncurrent assets	55,327,529	100,610,454	105,991,031	261,929,014
Total assets	67,441,896	105,613,279	113,374,351	286,429,526
Deferred Outflows of Resources				
Related to pension	254,112	22,305	-	276,417
Related to OPEB	114,018	10,008	-	124,026
Total deferred outflows of resources	368,130	32,313	-	400,443
Total assets and deferred outflows of resources	\$ 67,810,026	\$ 105,645,592	\$ 113,374,351	\$ 286,829,969

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-1 (Continued)

Nonmajor Enterprise Funds
Combining Statement of Net Position
December 31, 2024

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
Liabilities				
Current liabilities:				
Accounts payable and retainages	\$ 136,697	\$ 86,796	\$ 63,265	\$ 286,758
Accrued interest payable	372,959	-	-	372,959
Accrued payroll liabilities	189,148	60,375	1,467	250,990
Capital acquisition and construction accounts and retainage payable	476,966	126,874	223,296	827,136
Compensated absences	253,169	69,157	4,844	327,170
SBITAs payable, current portion	286			286
Bonds payable, current portion	376,200			376,200
Unearned revenues	-	349,684	-	349,684
Total current liabilities	1,805,425	692,886	292,872	2,791,183
Noncurrent liabilities:				
Notes payable	9,319,774	-	-	9,319,774
SBITAs payable	305	-	-	305
Bonds payable	38,056,992	-	-	38,056,992
Net pension liability	3,711,908	325,813	-	4,037,721
Total noncurrent liabilities	51,088,979	325,813	-	51,414,792
Total liabilities	52,894,404	1,018,699	292,872	54,205,975
Deferred Inflows of Resources				
Related to OPEB	47,404	4,161	-	51,565
Related to leases	-	14,936,267	-	14,936,267
Related to installment sale of electric utility	-	-	94,250,561	94,250,561
Total deferred inflows of resources	47,404	14,940,428	94,250,561	109,238,393
Net Position				
Net investment in capital assets	5,496,569	82,448,084	6,749,883	94,694,536
Restricted for operations	-	-	3,000,000	3,000,000
Restricted for OPEB	1,597,108	140,186	-	1,737,294
Unrestricted	7,774,541	7,098,195	9,081,035	23,953,771
Total net position	14,868,218	89,686,465	18,830,918	123,385,601
Total liabilities, deferred inflows of resources, and net position	\$ 67,810,026	\$ 105,645,592	\$ 113,374,351	\$ 286,829,969

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-2

Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2024

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for sales and services	\$15,102,698	\$1,069,364	\$1,603,431	\$17,775,493
Lease income	-	464,952	-	464,952
Other	87,264	-	332,533	419,797
Total operating revenues	15,189,962	1,534,316	1,935,964	18,660,242
Operating Expenses				
Operations	10,896,838	6,287,547	306,991	17,491,376
Depreciation and amortization	3,032,325	3,735,835	302,397	7,070,557
Total operating expenses	13,929,163	10,023,382	609,388	24,561,933
Operating income (loss)	1,260,799	(8,489,066)	1,326,576	(5,901,691)
Nonoperating Revenues (Expenses)				
Investment Income (loss)	789,019	101,065	599,395	1,489,479
Intergovernmental revenue (expense)	244,917	50,901	-	295,818
Installment sale	-	-	2,590,754	2,590,754
Other revenues	-	559	24	583
Interest income on leases	-	548,476	-	548,476
Interest expense	(2,455,607)	-	-	(2,455,607)
Gain (Loss) on sale of capital assets	(13,355)	-	-	(13,355)
Net nonoperating revenues (expenses)	(1,435,026)	701,001	3,190,173	2,456,148
Income (loss) before capital contributions and transfers	(174,227)	(7,788,065)	4,516,749	(3,445,543)
Capital contributions	572,508	6,791,866	-	7,364,374
Transfers to other funds	(1,183,444)	(70,074)	(2,888,597)	(4,142,115)
Change in net position	(785,163)	(1,066,273)	1,628,152	(223,284)
Net position, beginning of year	15,653,381	90,752,738	17,202,766	123,608,885
Net position, end of year	\$14,868,218	\$89,686,465	\$18,830,918	\$123,385,601

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-3

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year ended December 31, 2024

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
Cash Flows From Operating Activities				
Receipts from customers	\$15,137,644	\$1,356,871	\$1,623,322	\$18,117,837
Other cash receipts	-	-	332,533	332,533
Payments to employees	(4,380,692)	(1,173,260)	(68,608)	(5,622,560)
Payments to vendors	(4,733,445)	(4,991,132)	(213,787)	(9,938,364)
Payments for interfund services used	(1,352,815)	(267,108)	-	(1,619,923)
Net cash flows provided by (used for) operating activities	4,670,692	(5,074,629)	\$1,673,460	1,269,523
Cash Flows From Non-capital Financing Activities				
Transfers to other funds	(1,183,444)	(70,074)	(2,888,597)	(4,142,115)
Due to other funds	-	(1,356,724)	(279,628)	(1,636,352)
Due from other funds	-	-	(217,874)	(217,874)
Proceeds from installment sale	-	-	2,590,754	2,590,754
Net cash flows used for non-capital financing activities	(1,183,444)	(1,426,798)	(795,345)	(3,405,587)
Cash Flows From Capital and Related Financing Activities				
Principal payments on long-term obligations	(358,200)	-	-	(358,200)
Principal payments on SBITAs	(327)	-	-	(327)
Interest payments on long-term obligations	(2,437,724)	-	-	(2,437,724)
Acquisition and construction of capital assets	(2,963,841)	(1,257,847)	9,969	(4,211,719)
Proceeds from issuance of debt	429,269	-	-	429,269
Interest proceeds from leases	-	549,535	-	549,535
Capital grant proceeds	569,350	-	-	569,350
Capital contributions	-	11,472,139	-	11,472,139
Net cash flows provided by (used for) capital and related financing activities	(4,761,473)	10,763,827	9,969	6,012,323
Cash Flows From Investing Activities				
Investment Income received	837,668	101,065	599,395	1,538,128
Net cash flows provided by investing activities	837,668	101,065	599,395	1,538,128
Net increase (decrease) in cash and investments	(436,557)	4,363,465	1,487,479	5,414,387
Cash and Investments, beginning of year	11,150,526	200	8,668,781	19,819,507
Cash and Investments, end of year	\$ 10,713,969	\$ 4,363,665	\$ 10,156,260	\$ 25,233,894
Cash	1,043	200	-	1,243
Cash and investments in central treasury	6,794,924	4,363,465	6,883,275	18,041,664
Capital acquisition and construction accounts	3,917,831	-	272,985	4,190,816
Restricted for debt service	171	-	-	171
Restricted investments for operations	-	-	3,000,000	3,000,000
Total Cash and Investments	\$ 10,713,969	\$ 4,363,665	\$ 10,156,260	\$ 25,233,894

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-3 (Continued)

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year ended December 31, 2024

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
Reconciliation of Operating Income (Loss) to Net Cash				
Flows provided by (used for) Operating Activities:				
Operating income (loss)	\$ 1,260,799	\$ (8,489,066)	\$ 1,326,576	\$ (5,901,691)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:				
Depreciation and amortization	3,032,325	3,735,835	302,397	7,070,557
Other revenues	-	559	24	583
Pension and OPEB relief - noncash expense	244,917	21,498	-	266,415
Changes in assets, deferred outflows and inflows of resources, and liabilities that provided (used) cash:				
Accounts receivable, net	(52,318)	8,901	19,867	(23,550)
Leases receivable, net	-	268,678	-	268,678
Net OPEB asset	218,738	219,425	-	438,163
Prepaid items and deposits	1,024	288	-	1,312
Deferred outflows of resources related to pension	54,895	38,891	-	93,786
Deferred outflows of resources related to OPEB	9,952	14,543	-	24,495
Accounts payable, other accrued liabilities, and retainages	24,553	10,106	18,285	52,944
Accrued payroll liabilities	24,116	11,461	4,844	40,421
Compensated absences payable	54,511	(5,476)	1,467	50,502
Unearned revenue and deposits	-	9,369	-	9,369
Net pension liability	(164,887)	(441,950)	-	(606,837)
Deferred inflows of resources related to leases	-	(464,952)	-	(464,952)
Deferred inflows of resources related to OPEB	(37,933)	(12,739)	-	(50,672)
Net cash flows provided by (used for) operating activities	4,670,692	(5,074,629)	1,673,460	1,269,523
Noncash Investing, Capital, and Financing Activities:				
Capital purchases on account	476,966	126,874	223,296	827,136
Contributed capital for equipment	572,508	6,791,866	-	7,364,374
Total noncash investing, capital, and financing activities	\$ 1,049,474	\$ 6,918,740	\$ 223,296	\$ 8,191,510



This page intentionally left blank.

INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis.

Risk Management Funds account for money received from other Municipal funds to pay the costs of self-insurance claims in the following categories:

- General liability, automobile liability, workers' compensation
- Medical/Dental
- Unemployment compensation

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

The **Information Technology Fund** accounts for management information services.



This page intentionally left blank.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-1

Internal Service Funds
Combining Statement of Net Position (Deficit)
December 31, 2024

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Assets			
Current assets:			
Cash and investments in central treasury	\$ 8,918,687	\$ 41,959,949	\$ 4,894,665
Equity in bond and grant capital acquisition and construction pool	-	-	-
Receivables (net of allowance for uncollectibles)	14,567	852,056	-
Inventories	-	-	-
Prepaid items and deposits	1,185,373	-	-
Total current assets	10,118,627	42,812,005	4,894,665
Noncurrent assets:			
Advances to other funds	5,792,251	41,927	-
Capital assets, not being depreciated	-	-	-
Capital assets, being depreciated and amortized, net	5,592	-	-
Restricted for Net OPEB asset	170,285	-	-
Total noncurrent assets	5,968,128	41,927	-
Total assets	16,086,755	42,853,932	4,894,665
Deferred Outflows of Resources			
Related to pension	27,094	-	-
Related to OPEB	12,157	-	-
Related to Grant	-	-	-
Total deferred outflows of resources	39,251	-	-
Total assets and deferred outflows of resources	\$ 16,126,006	\$ 42,853,932	\$ 4,894,665
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 1,964	\$ 1,790,313	\$ -
Accrued payroll liabilities	22,702	9,892	-
Capital acquisition and construction accounts and retainage payable	-	-	-
Compensated absences	38,426	20,681	-
Claims payable and incurred but not reported	21,443,923	6,611,276	39,867
Due to other funds	-	-	-
Accrued interest payable	-	-	-
SBITAs payable maturing within one year	-	-	-
Direct Financing Agreements within one year	-	-	-
Total current liabilities	21,507,015	8,432,162	39,867
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	-	13,617	-
SBITAs payable	-	-	-
Direct Financing Agreements	-	-	-
Claims payable and incurred but not reported	10,862,777	-	-
Net pension liability	395,766	-	-
Total noncurrent liabilities	11,258,543	13,617	-
Total liabilities	32,765,558	8,445,779	39,867
Deferred Inflows of Resources			
Related to OPEB	5,054	-	-
Net Position (Deficit)			
Net investment in capital assets	5,592	-	-
Restricted for OPEB	170,285	-	-
Unrestricted net position (deficit)	(16,820,483)	34,408,153	4,854,798
Total net position (deficit)	(16,644,606)	34,408,153	4,854,798
Total liabilities, deferred inflows of resources, and net position (deficit)	\$ 16,126,006	\$ 42,853,932	\$ 4,894,665

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-1 (Continued)

Internal Service Funds
Combining Statement of Net Position (Deficit)
December 31, 2024

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Assets			
Current assets:			
Cash and investments in central treasury	\$ -	\$ -	\$ 55,773,301
Equity in bond and grant capital acquisition and construction pool	10,696,995	-	10,696,995
Receivables (net of allowance for uncollectibles)	90,238	-	956,861
Inventories	850,541	-	850,541
Prepaid items and deposits	90,300	149,732	1,425,405
Total current assets	11,728,074	149,732	69,703,103
Noncurrent assets:			
Advances to other funds	-	-	5,834,178
Capital assets, not being depreciated	3,801,695	1	3,801,696
Capital assets, being depreciated and amortized, net	16,613,359	29,146,642	45,765,593
Restricted for Net OPEB asset	1,299,947	4,606,770	6,077,002
Total noncurrent assets	21,715,001	33,753,413	61,478,469
Total assets	33,443,075	33,903,145	131,181,572
Deferred Outflows of Resources			
Related to pension	206,831	732,972	966,897
Related to OPEB	92,804	328,879	433,840
Related to Grant	135,450	-	135,450
Total deferred outflows of resources	435,085	1,061,851	1,536,187
Total assets and deferred outflows of resources	\$ 33,878,160	\$ 34,964,996	\$ 132,717,759
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 477,514	\$ 797,856	\$ 3,067,647
Accrued payroll liabilities	163,097	553,983	749,674
Capital acquisition and construction accounts and retainage payable	47,142	16,002	63,144
Compensated absences	214,926	889,665	1,163,698
Claims payable and incurred but not reported	-	-	28,095,066
Due to other funds	85,000	-	85,000
Accrued interest payable	-	24,197	24,197
SBITAs payable maturing within one year	-	1,269,924	1,269,924
Direct Financing Agreements within one year	-	1,659,097	1,659,097
Total current liabilities	987,679	5,210,724	36,177,447
Noncurrent liabilities:			
Advances from other funds	680,000	29,770,809	30,450,809
Compensated absences	-	-	13,617
SBITAs payable	-	2,763,814	2,763,814
Direct Financing Agreements	-	1,092,815	1,092,815
Claims payable and incurred but not reported	-	-	10,862,777
Net pension liability	3,021,263	10,706,793	14,123,822
Total noncurrent liabilities	3,701,263	44,334,231	59,307,654
Total liabilities	4,688,942	49,544,955	95,485,101
Deferred Inflows of Resources			
Related to OPEB	38,584	136,734	180,372
Net Position (Deficit)			
Net investment in capital assets	20,367,912	22,344,991	42,718,495
Restricted for OPEB	1,299,947	4,606,770	6,077,002
Unrestricted net position (deficit)	7,482,775	(41,668,454)	(11,743,211)
Total net position (deficit)	29,150,634	(14,716,693)	37,052,286
Total liabilities, deferred inflows of resources, and net position (deficit)	\$ 33,878,160	\$ 34,964,996	\$ 132,717,759

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-2

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended December 31, 2024

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Operating Revenues			
Charges for sales and services	\$ 12,838,329	\$ 53,178,144	\$ 546,956
Other	7,741	68,741	-
Total operating revenues	12,846,070	53,246,885	546,956
Operating Expenses			
Operations	15,548,921	57,110,676	141,714
Depreciation and amortization	1,526	-	-
Total operating expenses	15,550,447	57,110,676	141,714
Operating income (loss)	(2,704,377)	(3,863,791)	405,242
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	26,113	-	-
Investment Income (loss)	1,037,833	3,031,170	302,857
Other revenues	-	-	-
Interest expense	-	-	-
Gain on disposition of SBITA	-	-	-
Loss on sale of capital assets	-	-	-
Net nonoperating revenues (expenses)	1,063,946	3,031,170	302,857
Income (loss) before capital contributions and transfers	(1,640,431)	(832,621)	708,099
Capital contributions from governmental funds-capital projects funds	-	-	-
Transfers from other funds	-	-	-
Change in net position	(1,640,431)	(832,621)	708,099
Net position (deficit), beginning of year	(15,004,175)	35,240,774	4,146,699
Net position (deficit), end of year	\$ (16,644,606)	\$ 34,408,153	\$ 4,854,798

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-2 (Continued)

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended December 31, 2024

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Operating Revenues			
Charges for sales and services	\$ 10,545,691	\$ 26,655,419	\$ 103,764,539
Other	-	-	76,482
Total operating revenues	10,545,691	26,655,419	103,841,021
Operating Expenses			
Operations	9,245,299	20,114,655	102,161,265
Depreciation and amortization	3,442,812	9,781,176	13,225,514
Total operating expenses	12,688,111	29,895,831	115,386,779
Operating income (loss)	(2,142,420)	(3,240,412)	(11,545,758)
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	199,348	706,450	931,911
Investment Income (loss)	622,201	(1,954,519)	3,039,542
Other revenues	235,534	25,725	261,259
Interest expense	(53,662)	(143,872)	(197,534)
Gain on disposition of SBITA	-	81,355	81,355
Loss on sale of capital assets	298,188	(24,178)	274,010
Net nonoperating revenues (expenses)	1,301,609	(1,309,039)	4,390,543
Income (loss) before capital contributions and transfers	(840,811)	(4,549,451)	(7,155,215)
Capital contributions from governmental funds-capital projects funds	1,977,040	-	1,977,040
Transfers from other funds	1,365,439	-	1,365,439
Change in net position	2,501,668	(4,549,451)	(3,812,736)
Net position (deficit), beginning of year	26,648,966	(10,167,242)	40,865,022
Net position (deficit), end of year	\$ 29,150,634	\$ (14,716,693)	\$ 37,052,286

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-3

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2024

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Cash Flows from Operating Activities			
Receipts for interfund services provided	\$ 12,846,069	\$ 53,603,787	\$ 546,956
Payments to employees	(600,205)	(439,237)	-
Payments to vendors	(14,526,338)	(55,037,585)	(149,444)
Payments for interfund services used	(1,231,411)	(887)	-
Net cash flows provided by (used for) operating activities	(3,511,885)	(1,873,922)	397,512
Cash Flows from Non-capital Financing Activities			
Intergovernmental	26,113	-	-
Advance from other funds	-	-	-
Advance to other funds	-	4,133	-
Net cash flows provided by non-capital financing activities	26,113	4,133	-
Cash Flows from Capital and Related Financing Activities			
Principal payments on long-term obligations	-	-	-
Principal payments on SBITAs obligations	-	-	-
Interest payments on long-term obligations	-	-	-
Transfers from other funds	-	-	-
Acquisition and construction of capital assets	-	-	-
Proceeds (loss) from sale or disposition of capital assets	-	-	-
Capital Contributions from governmental funds-capital projects funds	-	-	-
Net cash flows used for capital and related financing activities	-	-	-
Cash Flows from Investing Activities			
Investment Income received (loss)	1,037,833	3,031,170	302,857
Net cash flows provided by (used for) investing activities	1,037,833	3,031,170	302,857
Net increase (decrease) in cash and investments	(2,447,939)	1,161,381	700,369
Cash and investments, beginning of year	11,366,626	40,798,568	4,194,296
Cash and investments, end of year	8,918,687	41,959,949	4,894,665
Cash and investments in central treasury	8,918,687	41,959,949	4,894,665
Equity in bond and capital acquisition and construction accounts	-	-	-
Total Cash and Investments	\$ 8,918,687	\$ 41,959,949	\$ 4,894,665

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-3 (Continued)

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2024

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts for interfund services provided	\$ 10,690,987	\$ 26,655,419	\$ 104,343,218
Payments to employees	182,189	(12,780,524)	(13,637,777)
Payments to vendors	(7,555,524)	(5,138,616)	(82,407,507)
Payments for interfund services used	(2,111,778)	(742,285)	(4,086,361)
Net cash flows provided by (used for) operating activities	1,205,874	7,993,994	4,211,573
Cash Flows from Non-capital Financing Activities			
Intergovernmental	199,348	706,450	931,911
Advance from other funds	(85,000)	(473,249)	(558,249)
Advance to other funds	-	-	4,133
Net cash flows provided by non-capital financing activities	114,348	233,201	377,795
Cash Flows from Capital and Related Financing Activities			
Principal payments on long-term obligations	-	(5,137,633)	(5,137,633)
Principal payments on SBITAs obligations	-	(591,766)	(591,766)
Interest payments on long-term obligations	(53,662)	(175,107)	(228,769)
Transfers from other funds	1,365,439	-	1,365,439
Acquisition and construction of capital assets	(4,332,445)	(1,690,525)	(6,022,970)
Proceeds (loss) from sale or disposition of capital assets	298,188	(24,178)	274,010
Capital Contributions from governmental funds-capital projects funds	1,977,040	-	1,977,040
Net cash flows used for capital and related financing activities	(745,440)	(7,619,209)	(8,364,649)
Cash Flows from Investing Activities			
Investment Income received (loss)	622,201	(1,954,519)	3,039,542
Net cash flows provided by (used for) investing activities	622,201	(1,954,519)	3,039,542
Net increase (decrease) in cash and investments	1,196,983	(1,346,533)	(735,739)
Cash and investments, beginning of year	9,500,012	1,346,533	67,206,035
Cash and investments, end of year	10,696,995	-	66,470,296
Cash and investments in central treasury	-	-	55,773,301
Equity in bond and capital acquisition and construction accounts	10,696,995	-	10,696,995
Total Cash and Investments	\$ 10,696,995	\$ -	\$ 66,470,296

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-3 (Continued)

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2024

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Reconciliation of Operating Income (Loss) to Net Cash			
Flows provided by (used for) Operating Activities:			
Operating income (loss)	\$ (2,704,377)	\$ (3,863,791)	\$ 405,242
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:			
Depreciation and amortization	1,526	-	-
Other (revenues) / expenses	-	-	-
Non-cash gain on SBITA termination	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities that provided (used) cash:			
Accounts receivable, net	(1)	356,902	-
Prepaid items and deposits	(50,237)	-	-
Inventories	-	-	-
Net OPEB asset	(10,714)	-	-
Deferred outflows of resources related to pension	61	-	-
Deferred outflows of resources related to OPEB	(1,263)	-	-
Deferred outflows of resources related to Grant	-	-	-
Accounts payable and retainages	(260)	385,184	-
Accrued payroll liabilities	4,193	3,565	-
Compensated absences payable	2,366	(2,058)	-
Claims payable	(805,819)	1,246,276	(7,730)
Net pension liability	55,085	-	-
Deferred inflows of resources related to OPEB	(2,445)	-	-
Net cash flows provided by (used for) operating activities	<u>(3,511,885)</u>	<u>(1,873,922)</u>	<u>397,512</u>
Noncash Investing, Capital, and Financing Activities:			
Capital purchases on account	-	-	-
Derecognition of subscription asset due to terminatoin	-	-	-
Derecognition of subscription liability due to termination	-	-	-
Non-cash gain recognized from terminatoin of SBITA	-	-	-
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-3 (Continued)

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2024

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash			
Flows provided by (used for) Operating Activities:			
Operating income (loss)	\$ (2,142,420)	\$ (3,240,412)	\$ (11,545,758)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used for) operating activities:			
Depreciation and amortization	3,442,812	9,781,176	13,225,514
Other (revenues) / expenses	235,534	107,080	342,614
Non-cash gain on SBITA termination	-	(81,355)	(81,355)
Changes in assets, deferred outflows and inflows of resources, and liabilities that provided (used) cash:			
Accounts receivable, net	(90,238)	-	266,663
Prepaid items and deposits	-	545,137	494,900
Inventories	(317,201)	-	(317,201)
Net OPEB asset	119,164	325,885	434,335
Deferred outflows of resources related to pension	34,663	106,431	141,155
Deferred outflows of resources related to OPEB	4,080	7,879	10,696
Deferred outflows of resources related to Grant	(135,450)	-	(135,450)
Accounts payable and retainages	30,648	82,739	498,311
Accrued payroll liabilities	10,852	166,537	185,147
Compensated absences payable	50,049	112,303	162,660
Claims payable	-	-	432,727
Net pension liability	(8,511)	175,674	222,248
Deferred inflows of resources related to OPEB	(28,108)	(95,080)	(125,633)
Net cash flows provided by (used for) operating activities	<u>1,205,874</u>	<u>7,993,994</u>	<u>4,211,573</u>
Noncash Investing, Capital, and Financing Activities:			
Capital purchases on account	47,142	16,002	63,144
Derecognition of subscription asset due to terminatoin	-	3,334,540	3,334,540
Derecognition of subscription liability due to termination	-	(3,415,895)	(3,415,895)
Non-cash gain recognized from terminatoin of SBITA	-	81,355	81,355
Total noncash investing, capital, and financing activities	<u>\$ 47,142</u>	<u>\$ 16,002</u>	<u>\$ 63,144</u>

FIDUCIARY FUNDS

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

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

The **Police and Fire Retiree Medical Trust Funds** account for contributions and distributions on behalf of Police and Fire retirees who are eligible for the plan covered by the Trust.

MUNICIPALITY OF ANCHORAGE, ALASKA
Fiduciary Funds
Combining Statements of Fiduciary Net Position
December 31, 2024

Exhibit J-1

	Police and Fire Retirement Trust Funds				Police and Fire Retiree Medical Trust Fund	
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Police/Fire Medical Group	Total Fiduciary Funds
Assets						
Cash and cash equivalents	\$ 8,535	\$ 7,074	\$ 32,374	\$ 47,983	\$ 17,859	\$ 65,842
Accrued interest	180,829	149,876	685,879	1,016,584	71,568	1,088,152
Investments:						
Money market funds	1,188,074	984,711	4,506,333	6,679,118	2,816,650	9,495,768
Certificate of deposit	-	-	-	-	7,160,341	7,160,341
U.S. treasuries	1,598,454	1,324,844	6,062,896	8,986,194	5,521,789	14,507,983
U.S. agencies	1,362,549	1,129,319	5,168,114	7,659,982	4,841,027	12,501,009
Corporate fixed income securities	12,255,273	10,157,518	46,483,930	68,896,721	-	68,896,721
Domestic fixed income funds	1,109,075	919,233	4,206,690	6,234,998	1,182,560	7,417,558
International fixed income funds	-	-	-	-	293,908	293,908
Domestic equity securities	20,970,522	17,380,965	79,540,644	117,892,131	1,453,318	119,345,449
International equity securities	13,114,123	10,869,358	49,741,530	73,725,011	973,261	74,698,272
Real estate funds	7,570,501	6,274,646	28,714,712	42,559,859	-	42,559,859
Total investments	59,168,571	49,040,594	224,424,849	332,634,014	24,242,854	356,876,868
Capital assets, being depreciated and amortized, net	329	273	1,248	1,850	-	1,850
Total assets	59,358,264	49,197,817	225,144,350	333,700,431	24,332,281	358,032,712
Liabilities						
Accounts payable and accrued expenses	17,268	14,312	65,497	97,077	3,323	100,400
Due to general funds	-	-	-	-	318,900	318,900
Total liabilities	17,268	14,312	65,497	97,077	322,223	419,300
Net Position						
Restricted for:						
Pensions	59,340,996	49,183,505	225,078,853	333,603,354	-	333,603,354
Postemployment benefits other than pensions	-	-	-	-	24,010,058	24,010,058
Total net position	\$ 59,340,996	\$ 49,183,505	\$ 225,078,853	\$ 333,603,354	\$ 24,010,058	\$ 357,613,412

MUNICIPALITY OF ANCHORAGE, ALASKA
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
Year ended December 31, 2024

Exhibit J-2

	Police and Fire Retirement Trust Funds				Police and Fire Retiree Medical Trust Fund	
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Police/Fire Medical Group	Total Fiduciary Funds
Additions						
Contributions from the Municipality	\$ -	\$ -	\$ -	\$ -	\$ 3,773,097	\$ 3,773,097
Investment income (loss):						
Interest	659,110	544,605	2,471,764	3,675,479	10,130	3,685,609
Dividends	600,403	495,960	2,249,256	3,345,619	622,464	3,968,083
Net increase in fair value of investments	4,252,208	3,508,940	15,869,400	23,630,548	618,592	24,249,140
Less: investment expense	(311,374)	(257,271)	(1,167,499)	(1,736,144)	(13,402)	(1,749,546)
Net investment loss	5,200,347	4,292,234	19,422,921	28,915,502	1,237,784	30,153,286
Total additions	5,200,347	4,292,234	19,422,921	28,915,502	5,010,881	33,926,383
Deductions						
Regular benefit payments	7,243,129	5,636,945	21,201,547	34,081,621	3,866,464	37,948,085
Administrative expenses	139,598	115,186	521,567	776,351	71,585	847,936
Total deductions	7,382,727	5,752,131	21,723,114	34,857,972	3,938,049	38,796,021
Change in fiduciary net position	(2,182,380)	(1,459,897)	(2,300,193)	(5,942,470)	1,072,832	(4,869,638)
Net position, beginning of year	61,523,376	50,643,402	227,379,046	339,545,824	22,937,226	362,483,050
Net position, end of year	\$ 59,340,996	\$ 49,183,505	\$ 225,078,853	\$ 333,603,354	\$ 24,010,058	\$ 357,613,412



This page intentionally left blank.