MUNICIPALITY OF ANCHORAGE, ALASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2016

Ethan Berkowitz
Mayor

Prepared by:
Controller's Division

Robert E Harris
CFO

Tammy E Clayton
Controller
Cover photo courtesy of Kelly Rueff - Senior Finance Officer, Controller’s Division.
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Municipality of Anchorage

Ethan Berkowitz, Mayor

July 31, 2017

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

Transmittal of the Comprehensive Annual Financial Report.

The Comprehensive Annual Financial Report (CAFR) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2016, is hereby submitted in accordance with Anchorage Home Rule Charter and Anchorage Municipal Code. These laws require an annual report on financial and administrative activities with an independent audit of all municipal accounts by a certified public accountant. BDO USA, LLP performed the independent audit in accordance with generally accepted auditing standards. Management is responsible for the accuracy, completeness and fairness of the presentation including all disclosures.

Generally accepted accounting principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Municipality's MD&A can be found in the Financial Section of the CAFR immediately following the report of the independent auditors.

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

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

BDO USA, LLP was retained to perform both the financial and the compliance audits of Federal and State financial assistance programs for the year ended December 31, 2016. BDO USA, LLP audited all 2016 financial records except for those of Police & Fire Retirement Pension Trust Funds. BDO USA, LLP reports are included in the financial section of the CAFR and in both financial assistance reports. The Pension Trust Funds were audited by certified public accountants who issued an unmodified report.
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 south central part of the State of Alaska. It encompasses a geographic area of approximately 1,958 square miles and serves a population of 299,037.

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

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 areawide basis. Other services are provided on a geographic basis such as fire protection, police protection, road maintenance, parks and recreation, building safety and others. These are referred to as special purpose service areas.

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

The Assembly approves operating budgets and appropriations of direct costs at the department level, and revenues, direct costs and indirect costs at the fund level. During the year, the Assembly may approve supplemental appropriations to increase or decrease the budget or to transfer all or part of any unencumbered balance from one appropriation to another. The Assembly, by ordinance, may authorize a contract, lease or other obligation requiring financing from future appropriations. A lease purchase agreement with respect to acquisition of a capital improvement valued in excess of $1 million is not valid until approved by the voters. The Mayor may transfer all or part of an unencumbered balance between categories within an appropriation. No obligation involving the expenditure of money may be made unless the Chief Fiscal Officer has certified that the funds required have been appropriated and/or are available for that purpose.

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

The financial reporting entity includes the four component units for which the Municipality is financially accountable. This includes CIVICVentures, the Anchorage School District (ASD), Anchorage Community Development Authority (ACDA) and Alaska Center for the Performing Arts, Inc. (ACPA). Additional information on all four of these component units can be found in Note 1(A) of the notes to the financial statements.
The Municipality owns and operates several utilities and other enterprise activities including electric, water, wastewater, refuse collection, solid waste disposal, port, and the Municipal airport. The Municipality contracts for management of its sports arena, performing arts center, convention center, 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

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Municipality operates.

The Municipality has an approximate population of 299,037 which represents a slight increase of less than 1 percent over the prior year. As the largest city in Alaska, the Municipality is home to approximately 40 percent of the State’s residents.

For 2016, the Anchorage School District had 47,756 students enrolled for the 2015-2016 academic year, a decrease of less 1 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 private independent university.

Unemployment in the Municipality increased less than 1 percent in 2016. The average unemployment rate in 2016 was 5.3 percent, an increase from the 5.0 percent in 2015. The 2016 rate is slightly higher than the national average of 4.9 percent, but is lower than the 6.6 percent for the State of Alaska.

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

Health care employment continues to be one of the fastest growing service producing industries adding 900 jobs in the Municipality during 2016. And in fact it is projected to continue to grow in 2017; however, at a more moderate rate. It is expected to grow by 400 jobs or approximately 2 percent. The health care sector in the Municipality now accounts for approximately 20,000 jobs.

Within the state, the Municipality has some of the most advanced medical facilities making it the healthcare hub of Alaska. Slightly more than 50 percent of all healthcare employment in the state is in Municipality. With improvements in new technologies here, residents don’t have to travel out of state for care. Rather they can access services locally. Several new facilities have opened in 2016 or will open in 2017 to address these needs. In 2016, a 202 room patient housing facility opened for individuals traveling to the Alaska Native Medical Center from outside the Municipality. In 2017, a 53,000 square foot Childcare and Education Center will open. This facility will house a wide variety of healthcare related training and in-house education programs. Another facility being constructed that will open in 2017 is a children’s dental clinic which will offer 32 dental chairs and room for hygienist training programs.

Behind the health care sector, the tourism sector is another major economic driver for the Municipality. The Municipality offers a central location within the state, available transportation infrastructure and abundant recreational opportunities. In addition to Anchorage’s regional sport fishing and tourism destinations, visitors often use Anchorage as the gateway to other Alaska destinations. In 2016, a record number of 1.9 million tourists came to Alaska. Just within Anchorage, the leisure and hospitality sector accounts for more than 17,200 jobs. In 2017, the visitor-dependent slice of this industry is expected to grow by approximately two percent. Two new hotels are under construction in the Municipality and are expected to open in 2017. Not only does this provide new jobs, it also provides revenues in the form of bed taxes.

Construction employment within the Municipality did decline in 2016 by approximately 700 jobs. However, the Municipality added $82.18 million in assessed value in new commercial buildings in 2016. Additionally,
$149.67 million in assessed value was added for new residential structures. While total construction spending has declined, there are several new projects that are expected to be completed in 2017. Construction is continuing on a new $40 million, 105,000 square foot hangar at the Ted Stevens Anchorage International Airport. Additionally, a distribution company is constructing a new $40 million warehouse. There are also several other smaller commercial projects under construction.

The transportation sector is another major sector in the Municipality. Three major components of that sector are the Ted Stevens Anchorage International Airport, the Alaska Railroad and the municipal owned Port of Anchorage. With regards to the airport, activity relates to both air cargo and passengers. The Ted Stevens Anchorage International Airport is among the top five airports in the world for cargo throughput. Although transit cargo volumes were down slightly in 2016 at 4.23 billion pounds as compared to 2015, they were above the 2014 total of 4.0 billion pounds. In 2015, there was an artificial spike due to a West Coast port strike. And in 2017, passenger transportation is projected to be positive. A stable visitor season is anticipated in 2017 which will maintain activity.

The State owned Alaska Railroad also transports freight and passengers. While revenues from transporting freight was down, revenues from passengers increased. The Railroad brought in passenger revenues of $32.7 million in 2016, an increase of $2.0 million over 2015.

The Port is ice free year round and is served by two major maritime carriers, TOTE, Inc. and Matson, Inc. In addition to the maritime carriers, petroleum and cement operators enjoy use of the Port year round as well. The Port serves 87 percent of the State of Alaska’s population and handles 90 percent of the consumer goods brought to Alaska. It is one of 16 commercial strategic Ports nationwide. Recent tonnage trends show a slight decline in 2016 to 3.5 million tons compared to 3.8 million tons in 2015. Petroleum users moved 10.2 million barrels of petroleum product through the Port in 2016 compared to 11.6 million in 2015. The Port is currently undergoing a modernization project where aging terminals will be replaced with new, state of the art terminals. Presently, the project has secured funds to complete Phase 1 of a four phase project.

Relevant Financial Policies

The Municipality updated its Fund Balance Policy through the approval of Resolution No. 2015-84 by the Assembly. The Fund Balance Policy actually consists of three policies.

First, it is the policy of the Municipality to prepare and manage five major general government fund budgets so as to maintain unrestricted general fund balance in an amount equal to 10 percent of current year expenditures as a bond rating designation that will become committed fund balance.

Second, it is the policy of the Municipality to prepare and manage its non-major governmental operating funds (limited service areas and rural service areas) budgets so as to maintain an unrestricted fund balance of 8.25 percent current year expenditures as a bond rating designation that will become committed fund balance.

Third, it is the policy of the Municipality to prepare and manage budgets so as to maintain unrestricted fund balances in its five major funds in an amount between 2.0 percent and 3.0 percent of current year expenditures as a working capital reserve that will become part of the unassigned fund balance.

With regards to expenditures, they are defined as total expenditures reported in the CAFR’s Statement of Revenues, Expenditures, and Changes in Fund Balance, General Fund and shall be reduced by contributions to education and by on-behalf payments made on-behalf of the Municipality by the State of Alaska directly to the Public Employees Retirement System (PERS). They will also be reduced by expenditures in the Police and Fire Retirement Administration, Fund 213 and expenditures in the Municipality’s Trust, Fund 731.
Long-term Financial Planning

The Municipality has no legal debt limit mandated by Municipal Charter, Municipal Code or State Statute. The Municipality continues to maintain credit ratings on all outstanding debt. Current long-term Municipality general obligation bond ratings are AAA by Standard and Poor’s (S&P) and AA+ by Fitch Ratings (Fitch). Both ratings are with a stable outlook. Revenue bond covenants stipulating debt service coverage requirements were met in 2016.

The Municipality’s percentage of net general obligation debt to assessed valuation and bonded debt per capita are useful indicators to citizens and investors of Anchorage’s debt position. The percentage of net direct general obligation debt, exclusive of ASD debt, to assessed valuation was 1.31 percent as of December 31, 2016 and the net direct general obligation debt per capita was $1,577. The respective amounts as of December 31, 2015 were 1.38 percent and $1,618. When ASD debt is included, net direct general obligation debt to assessed value as of December 31, 2016 is 2.93 percent (3.03 percent in 2015) and the net direct general obligation debt per capita is $3,520 ($3,550 in 2015).

In April 2017, the voters of the Municipality approved the issuance of $44,625,000 in general obligation bonds. The bonds will be for various projects including roads and drainage, public safety, fire protection and parks and recreation. At this time, it is not known when those bonds will be issued. Additional information on prior bonds that have been authorized but not issued, can be found in Note 10(F) of the notes to the financial statements.

Awards and Acknowledgements

The Municipality of Anchorage and its employees are committed to the goal of making Anchorage a better place to live, work and raise families.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Municipality of Anchorage for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This was the twenty-ninth consecutive year that the Municipality has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated efforts of the entire staff of the Controller Division. We wish to express sincere appreciation to our employees who assisted and contributed to the preparation of this report whether it was in processing daily transactions or in report preparation. We also express our appreciation to all other individuals who assisted in this effort.

Respectfully submitted,

Robert E. Harris
Chief Fiscal Officer

Tammy E. Clayton
Controller
Certificate of Achievement for Excellence in Financial Reporting

Presented to

Municipality of Anchorage
Alaska

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Jeffrey P. Ennis
Executive Director/CEO
MUNICIPALITY OF ANCHORAGE

2016

PRINCIPAL OFFICIALS

ASSEMBLY

The legislative power of Anchorage is vested in an eleven member elected assembly. The Assembly, by Charter, is required to meet twice each month. The body meets on Tuesdays in the Assembly Chambers at 3600 Denali Street (Z.J. Loussac Library). Numerous special meetings and work sessions are scheduled throughout the year. At December 31, 2016, the following citizens were elected to serve on the Assembly.

Elvi Gray-Jackson, Chair
Patrick Flynn          Tim Steele
Bill Evans            Forrest Dunbar
John Weddleton        Eric Croft
Pete Petersen         Amy Demboski
Dick Traini, Vice Chair Bill Starr

Barbara A. Jones, Municipal Clerk

ADMINISTRATION

Ethan Berkowitz, Mayor

Mike Abbott, Municipal Manager

William D. Falsey, Municipal Attorney

Robert E. Harris, CFO
Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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 Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Municipality of Anchorage, Alaska’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police/Fire Retirement System fiduciary funds, which represent 39% and 50%, respectively, of the assets, and fund balance/net position of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police/Fire Retirement System fiduciary funds is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Police/Fire Retirement System fiduciary funds were not audited in accordance with Government Auditing Standards.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the 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 discreetly presented component units, each major fund, and the aggregate remaining fund information of Municipality of Anchorage, Alaska as of December 31, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4-17, the budgetary comparison information, the condition rating of Anchorage’s road network, the schedules of information on the net pension liability and pension contributions, the schedules of changes in employer net pension liability, and related ratios, investment returns, employer contributions and funding progress on pages 105-119, be presented to supplement the basic financial statements. Such 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. 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.
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Municipality of Anchorage’s basic financial statements. The accompanying supplementary budgetary comparison schedules, the combining fund financial statements, and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and the combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 31, 2017 on our consideration of 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 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 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 Municipality of Anchorage’s internal control over financial reporting and compliance.

BDU USA, LLP
Anchorage, Alaska
July 31, 2017
As management of the Municipality of Anchorage (Municipality), we offer readers of the Municipality's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All monetary amounts are in thousands of dollars, unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Municipality exceeded its liabilities and deferred inflows of resources at the end of 2016 with reported net position of $3.6 billion.
- The Municipality’s total net position increased by $7.5 million or approximately .21 percent for 2016. The increase is the net result of a decrease in governmental activities net position of $38.8 million and an increase in business-type activities net position of $46.3 million.
- During the year, the governmental activities generated $782.1 million in revenues not including transfers from, which was offset by expenses of $843.7 million, not including transfers to.
- During the year, the business-type activities generated $387.8 million in revenues not including transfers from, that was offset by expenses of $318.7 million, not including transfers to.
- As of December 31, 2016, the Municipality’s governmental funds reported a combined ending fund balance of $358.8 million, a decrease of $26 million. Of the fund balance, $3.1 million is non-spendable, $253.8 million is restricted, $61.6 million is committed, $29.1 million is assigned and $11.2 million is unassigned. Included in the committed fund balances are $41.6 million bond rating set asides.
- The MOA Trust Fund, the Capital Roads and Drainage Fund, and the Port Fund did not meet the quantitative eligibility criteria to be reported as major funds but because of their significance to the Municipality’s taxpayers they have been included as major funds for 2016.
- The Municipality’s total capital assets (net of accumulated depreciation) at December 31, 2016 was $5.6 billion.
- The Municipality’s total long-term debt at December 31, 2016 was $1.4 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Municipality’s basic financial statements. The Municipality’s basic financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) the notes to financial statements, and 4) required supplementary information. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Municipality's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the Municipality’s assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Municipality is improving or deteriorating.

The statement of activities presents information showing how the Municipality’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event gives rise and when the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement on an accrual basis, with related cash flows in future fiscal periods.
Both of the government-wide financial statements distinguish functions of the Municipality that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Municipality include general government, fire and police services, health and human services, economic and community development, public transportation, public works, education, maintenance and operations of roads and facilities, and debt service. Governmental activities also include information from CIVICVentures, a blended component unit. The business-type activities of the Municipality include water and wastewater services, electric generation and distribution, port services, Municipal airport services, solid waste disposal services, and refuse collection services.

The government-wide financial statements include not only the Municipality itself, but also the following discretely presented component units for which the Municipality is fiscally accountable - the Anchorage School District (ASD), Anchorage Community Development Authority (Authority or ACDA), and the Alaska Center for the Performing Arts (ACPA). Financial information for these discrete component units is reported separately from the financial information presented for the primary government itself. CIVICVentures, although legally separate, functions for all practical purposes as an integral part of the primary government and therefore has been included with the primary government as a blended component unit.

Fund Financial Statements
The remaining statements are fund financial statements that focus on individual parts of the local government, reporting the Municipality’s operations in more detail than the government-wide statements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Municipality can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Municipality maintains twenty-four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, MOA Trust Fund, and Capital Projects Roads and Drainage Fund. Information from the other twenty-one governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Municipality adopts an annual appropriated budget for its General Fund. The Assembly approves operating budgets and appropriations of direct costs at the department level, and revenues, direct costs and indirect costs at the fund and sub fund level. In addition to the budgetary comparison schedule by function, two budgetary comparison schedules at the department level and at the fund and sub fund level for the General Fund have been added as additional supplementary information to demonstrate compliance with this budget.

Proprietary Funds
Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Municipality maintains two different types of proprietary funds - enterprise funds and internal service funds.
Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses enterprise funds to account for its water services; wastewater services; electric generation, transmission, and distribution; port services; Municipal airport services; solid waste disposal services, and refuse collection services.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Municipality’s various functions. The Municipality uses internal service funds to account for equipment and vehicle operations and maintenance, risk management, self-insurance, unemployment compensation, and information technology services. Because these services predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements, with the exception of the portion allocated to enterprise funds.

The proprietary fund financial statements provide separate information for the electric generation/distribution services, water services, wastewater services, and port services, all of which are considered to be major enterprise funds of the Municipality. Information from the other three proprietary enterprise funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary enterprise funds is provided in the form of combining statements elsewhere in this report. All proprietary internal service funds are combined into a single, aggregated presentation. Individual fund data for each of these internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds
Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as the retirement and retiree medical plans for police and fire employees, in which the Municipality acts solely as a trustee. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Municipality’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements
The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information
In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Municipality’s disclosure of information relating to the general fund’s budgetary comparison schedule, its paved road infrastructure network (accounted for under the modified approach), schedules for its various pension plans, and schedules for the Police and Fire Retirement System other post-employment benefits.

In addition to these required elements, the combining statements referred to earlier in connection with non-major governmental, proprietary, and fiduciary funds are presented as additional supplementary information immediately following the required supplementary information. A summary of selected statistical information is also provided.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position
Net position may serve over time as a useful indicator of a government’s financial position. The following table reflects the condensed Statement of Net Position for December 31, 2016 compared to the prior year (reference Table A-1).
## Overall Analysis

At December 31, 2016, the Municipality’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $3.6 billion. Total net position increased $7.5 million or .21 percent.

The largest portion of the Municipality’s net position (97 percent) reflects its investment in capital assets less any outstanding debt used to acquire those assets. The Municipality’s capital assets are used to provide services to its citizens, consequently; they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position in the amount of $277.3 million represent those assets that the Municipality holds that are required to be spent for a specific purpose by outside sources and/or enabling legislation. Of this total, the Municipality reported $28.6 million restricted net position for the acquisition and construction of capital, $34.3 million for the Police and Fire Retiree Medical Liability prefunding, and $147.5 million representing the investment balance in the MOA Trust Fund.

The remaining balance of unrestricted net position may be used for the Municipality’s ongoing obligations to citizens and creditors. For 2016, the unrestricted net position was a deficit of $169 million. This was primarily due to a significant increase in net pension liability reported in accordance with GASB 68- Accounting and Reporting for Pensions. The net pension liability is actuarily calculated by the State of Alaska. The liability was significant enough to keep the unrestricted net position of the Municipality in a deficit position.

## Governmental Activities

The governmental activities total net position decreased $38.8 million or 1.4 percent. The majority of this decrease was due to a significant increase in net pension liability. For 2016, the net pension liability increased by $111.9 million. This increase in net pension liability was partially offset by an increase in deferred outflows related to net pension liability of $49.9 million and an increase in capital assets of $55.3 million. Cash and investments also decreased by approximately $9.3 million.

Investment in capital assets, net of debt increased $55.6 million or 2 percent. This increase is due to increased capitalizable expenditures in the Capital Projects Roads and Drainage Fund and Area-wide Capital Projects Fund in 2016.
Restricted net position decreased $5.8 million or 2.3 percent. This decrease is due to a decrease in unspent bond proceeds.

Unrestricted net position is the remaining total net position that is not classified as either investment in capital assets, net of debt or restricted net position. Any change to unrestricted net position is the reflection of changes in the other two net position categories. In 2016, the deficit in unrestricted net position increased by $88.5 million or 47.8 percent.

**Business-type Activities**

The business-type activities total net position increased $46.3 million or 6.4 percent. Investment in capital assets, net of debt reported an increase of $25.7 million. This increase is due to the additions to the distribution and production assets in the Utilities, without a significant increase in related debt.

Restricted net position increased $5.9 million or 23.6 percent mainly due to the restrictions placed on a portion of the Port legal settlement monies in accordance with the settlement agreements.

Unrestricted net position is the remaining total net position that is not classified as either investment in capital assets, net of debt or restricted. Any change to unrestricted net position is the reflection of changes in the other two net position categories. In 2016, unrestricted net position increased by $14.7 million.

At the end of the current fiscal year, the Municipality was able to report positive balances in all three categories of net position for the business-type activities only. For the government as a whole and the governmental activities, the Municipality reported positive balances in investment in capital assets and restricted net position only. Unrestricted net position reported a negative balance for governmental activities and the Municipality as a whole. This continues to be due to the net pension liability required to be reported in accordance with GASB 68.

**Statement of Activities**

The Statement of Activities can be used to determine if Municipality services are operating efficiently or if they are too reliant on general revenues. It can also be a good indicator of which functions the Municipality spends most of its resources. The following table reflects the condensed Statement of Activities of the Municipality for 2016 compared to the prior year and indicates the changes in position for governmental and business-type activities (reference Table A-2).

<table>
<thead>
<tr>
<th>Table A-2</th>
<th>Municipality’s Changes in Net Position (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Governmental activities</td>
</tr>
<tr>
<td>Revenues:</td>
<td></td>
</tr>
<tr>
<td>Program revenues:</td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>49,800</td>
</tr>
<tr>
<td>Operating grants &amp; contributions</td>
<td>32,199</td>
</tr>
<tr>
<td>Capital grants &amp; contributions</td>
<td>80,818</td>
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<tr>
<td>General revenues:</td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>528,814</td>
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<tr>
<td>Other taxes</td>
<td>67,785</td>
</tr>
<tr>
<td>Grants and entitlements not restricted to specific programs</td>
<td>9,280</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>13,404</td>
</tr>
<tr>
<td>Total revenues</td>
<td>782,100</td>
</tr>
</tbody>
</table>
The Municipality’s total net position of $3.6 billion increased by $7.5 million from current year operations as reported in the Statement of Activities. This increase is the net effect of a $38.8 million decrease in governmental activities and a $46.3 million increase in business-type activities.

**Overall Analysis**

Governmental Activities

Governmental activities decreased the Municipality’s net position by $38.8 million. The decrease is the result of less revenues available to offset the increased costs in 2016.

Total governmental activity revenues were $782.1 million, excluding transfers. Revenues decreased $18.2 million or 2.3 percent over the prior year. Property taxes, the Municipality’s largest single revenue source, increased 3.7 percent, along with investment earnings. Capital Grants and Contributions had the largest decrease, of 22.9 percent, followed by decreases in Operating Grant and Contributions and Charges for Services of 22.1 percent and 13.9 percent, respectively.

Total governmental activity expenses in 2016 were $843.7 million, excluding transfers, an increase of $13.1 million or 1.6 percent. Out of the total expenses, $162.8 million was paid either by those directly benefiting from the programs or by other governments and organizations that subsidize certain programs with grants and contributions. The remaining net expense (total expenses less program revenues) of $680.9 million was the cost of governmental services paid by the Municipality’s taxpayers.

Education, Police Services, and Fire Service functional expense categories yielded the largest total expenses of $243.8 million, $146.9 million and $127.8 million, respectively. However, the Economic and Community Development functional expense category showed the largest increase in expense of $3.4 million with General Government as the second largest increase of $2.5 million.

### Governmental and Business-type Activities

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>General government</td>
<td>$31,778</td>
<td>$29,240</td>
<td>$31,778</td>
<td>$29,240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire services</td>
<td>127,751</td>
<td>128,861</td>
<td>127,751</td>
<td>128,861</td>
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<td></td>
</tr>
<tr>
<td>Police services</td>
<td>146,998</td>
<td>149,236</td>
<td>146,998</td>
<td>149,236</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and human services</td>
<td>27,029</td>
<td>25,915</td>
<td>27,029</td>
<td>25,915</td>
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<td></td>
</tr>
<tr>
<td>Economic and community dev.</td>
<td>78,164</td>
<td>74,741</td>
<td>78,164</td>
<td>74,741</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public transportation</td>
<td>37,259</td>
<td>36,621</td>
<td>37,259</td>
<td>36,621</td>
<td></td>
<td></td>
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<tr>
<td>Public works</td>
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<td>90,596</td>
<td>91,116</td>
<td>90,596</td>
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<td>240,240</td>
<td>243,841</td>
<td>240,240</td>
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<tr>
<td>Maintenance and operations</td>
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<td>35,416</td>
<td>36,994</td>
<td>35,416</td>
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<tr>
<td>Interest</td>
<td>22,793</td>
<td>19,782</td>
<td>22,793</td>
<td>19,782</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>-</td>
<td>-</td>
<td>47,333</td>
<td>44,769</td>
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<td></td>
</tr>
<tr>
<td>Wastewater</td>
<td>-</td>
<td>-</td>
<td>43,372</td>
<td>42,495</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>-</td>
<td>-</td>
<td>171,654</td>
<td>152,869</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port</td>
<td>-</td>
<td>-</td>
<td>21,756</td>
<td>26,544</td>
<td></td>
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</tr>
<tr>
<td>Municipal airport</td>
<td>-</td>
<td>-</td>
<td>4,637</td>
<td>5,475</td>
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<td></td>
</tr>
<tr>
<td>Solid waste</td>
<td>-</td>
<td>-</td>
<td>19,914</td>
<td>21,710</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refuse</td>
<td>-</td>
<td>-</td>
<td>9,997</td>
<td>9,109</td>
<td></td>
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</tr>
<tr>
<td>Total expenses</td>
<td>843,723</td>
<td>830,648</td>
<td>318,663</td>
<td>302,971</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net position prior to transfers</td>
<td>(61,623)</td>
<td>(30,306)</td>
<td>69,094</td>
<td>42,610</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>22,791</td>
<td>32,627</td>
<td>(22,791)</td>
<td>(32,627)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net position</td>
<td>(38,832)</td>
<td>2,321</td>
<td>46,303</td>
<td>9,983</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning net position</td>
<td>2,820,913</td>
<td>2,818,592</td>
<td>728,915</td>
<td>718,932</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending net position</td>
<td>$2,782,081</td>
<td>$2,820,913</td>
<td>$775,218</td>
<td>$728,915</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table A-2

Municipality’s Changes in Net Position (in thousands)

**Table A-2**

Municipality’s Changes in Net Position (in thousands)

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<td>$775,218</td>
<td>$728,915</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall Analysis</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Education, Police Services, and Fire Service functional expense categories yielded the largest total expenses of $243.8 million, $146.9 million and $127.8 million, respectively. However, the Economic and Community Development functional expense category showed the largest increase in expense of $3.4 million with General Government as the second largest increase of $2.5 million.</td>
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</tr>
</tbody>
</table>
The first graph compares the Municipality’s governmental activities program and general revenues for 2016 and 2015. The second graph compares the Municipality’s 2016 governmental activities revenues vs expenses by function.
The third graph compares the Municipality’s governmental activities expenses by function for 2016 and 2015.

Business-type Activities
Business-type activities increased the Municipality’s net position by $46.3 million from current operations. Key elements of the change in net position are as follows:

- The Port had an increase in revenues of $12.6 million from three legal settlement agreements with subcontractors related to the PIEP lawsuit.
- The Electric Utility paid significantly less Municipal Utility Service Assessment (MUSA) in 2016 than was paid in 2015.
- Charges for Services and Capital Grants and Contributions revenue categories had increases of $15.7 million and $11.5 million, respectively.
- All enterprise funds had an increase in pension expense related to GASB 68 of 165 percent.

Total business-type revenues were $387.8 million, excluding transfers. Revenues increased $42.2 million or 12.2 percent. There were increases in every category of business-type revenues.

Total business-type expenses were $318.7 million, up 5.2 percent from the prior year. The Electric Utility had an increase in expenses of $18.8 million from operations. The Water Utility experienced an increase in expenses of $2.6 million and the Wastewater Utility had an increase in expenses of $877,000. Increases in the expenses of the Utilities all resulted from operations. The Port expenses decreased $4.8 million mainly due to their capital projects moving into the capitalizable phases of construction.

The first graph compares the Municipality’s business-type activities program and general revenues for 2016 and 2015. The second graph compares the Municipality’s 2016 business-type activities revenues vs expenses by function. The third graph compares the Municipality’s business-type activities expenses for 2016 and 2015.
As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance related, budgetary, and legal requirements. The following is a brief discussion of financial highlights of the Municipality's governmental and proprietary funds.

**Governmental Funds**

The focus of the Municipality's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Municipality's financial requirements.

As of December 31, 2016, the Municipality's governmental funds reported a combined ending fund balance of $358.8 million, a decrease of $26 million in comparison to the prior year. Of the total fund balance, $3.1 million is non-spendable as it relates to prepaid, inventories and long-term loans receivable, $253.8 million is restricted due to legal obligations from outside parties, $61.6 million is committed, $29.1 million is assigned, and $11.2 million is unassigned.

The following funds are the Municipality's major funds:

The General Fund is the primary operational fund for the Municipality. At December 31, 2016, the General fund reported total fund balance of $65.1 million, a decrease of $18.6 million over the prior year. The revenue over expenditure deficiency increased by approximately $16.1 million in 2016. The General Fund incurred unreimbursed expenditures related to the FTA Section 5307 grant of $3.1 million due the fact that the Municipality and the Alaska Railroad have not entered into an agreement for share the grant. This has delayed the FTA from awarding the grant and precludes the Municipality from seeking reimbursement for these expenditures. Other financing sources and uses decreased $10.4 million due mostly to a decrease in the annual revenue distributions from the Utilities.

In measuring the General Fund’s liquidity, one may compare both the combination of committed, assigned, and unassigned fund balance and the total fund balance to total expenditures. At December 31, 2016, combined committed, assigned, and unassigned fund balance represents 9.3 percent of total General Fund expenditures and total fund balance represents 9.6 percent of the same amount.
The MOA Trust Fund was reported as a major fund this year even though it does not meet the eligibility requirements due to its significance to the Municipality taxpayers. Investment income from the MOA Trust Fund was $9 million in 2016. This was an increase of $7.7 million from the prior year. The MOA Trust distributed the annual dividend to the General Fund in the amount of $5.4 million in accordance the AMC 6.50.060.

The Capital Projects Road and Drainage Fund did not meet the major fund eligibility requirements in 2016. However, it is reported as a major fund due to its significance to the Municipality taxpayers. Capital outlay expenditures decreased $10.1 million in 2016. Bonds were issued in 2016 to fund road and drainage capital projects. Intergovernmental Revenues decreased $15.8 million in 2016.

Proprietary Funds
The Municipality’s proprietary funds provide information using the same basis of accounting found in the government-wide financial statements. Internal service funds, although proprietary, do not report major funds, therefore are not included in the following discussion.

At December 31, 2016, the net position for the proprietary funds (enterprise funds) increased by $46.3 million.

The following funds are the Municipality’s major funds:

- The Electric Utility’s net position increased $5.8 million or 2.3 percent over the prior year. Plant increased $379.9 million during 2016 compared to an increase of $66.8 million during 2015. This increase relates to the capitalization from construction work in progress for steam production plant and natural gas production and gathering plant, offset by accumulated depreciation. Total operating revenues increased $3 million during 2016 compared to an increase of $24.2 million during 2015, while operating expenses increased $9.9 million during 2016 compared to an increase of 24.6 million during 2015.

- The Water Utility’s net position increased by $9.5 million over the prior year. Operating revenues decreased by $20,242, due to consistency in the rates and customers between 2016 and 2015. Non-operating revenues increased by $736,820 due to an increase in investment income. Total expenses increased by $3.7 million in 2016 when compared to 2015, with operating expenses increasing by $3.1 million, and non-operating expenses decreasing by $620,052. The increase in operating expenses was primarily due to an increase in pension expense.

- The Wastewater Utility’s net position increased by $4.6 million over the prior year. Operating revenues increased by $628,628, primarily due consistency in the rates and customers. Total operating expenses increased by $1 million in 2016 over 2015. The increase in operating expenses was primarily due to an increase in pension expense.

- The Port’s net position increased by $16.4 million over the prior year. Total revenues increased overall by $12.9 million in 2016 mainly due to the settlement with three subcontractors from the PIEP lawsuit. Operating expenses decreased by $4.7 million, which was primarily due to their capital projects moving into the capitalizable phases of construction.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Municipality adopted its 2016 operating general fund budget in November 2015, which included projected revenue sources to support spending of $430.5 million.

By April 2016, the Municipality had actual 2015 year-end financial data that was used in the first quarter amendment process, which resulted in budget revisions totaling $5.7 million, bringing the 2016 revised general fund budget approved in April to $436.2 million. The revised budget served as the basis for calculating the property tax revenue requirements. The mill rates then were set and taxes were levied for general purposes and all service areas. Significant first quarter budget revisions include:

- $2.3 million increase for one-time legal costs and funding for projects including: Vote-by-Mail, IGC Review, and Homelessness.
- $1.5 million increase for operations and maintenance and debt service costs associated with capital projects funded with voter approved bonds.
$1.5 million to the Anchorage Fire Department for operating expenses for the Anchorage Fire Service Area and for Area-wide Emergency Operations (appropriation was for an amount not-to-exceed $1.5M).

Additionally, throughout the year, $7.6 million of supplemental appropriations were requested for unanticipated and high priority needs taking the final amended budget to $443.8 million. Significant supplemental appropriations include:

- $2.1 million increase for on-going technology costs including improvements for Information Technology Department customer service and for SAP go-live support.
- $2.2 million to multiple departments with Limited Service Areas for operating expenses, year round road maintenance, and/or contributions to capital projects.
- $2 million to the Real Estate Department for Heritage Land Bank (Fund 221) activities.

The Anchorage School District’s annual operating budget for its July 1 through June 30 fiscal year also had been approved by April 2016 and its mill rate also was set and taxes were levied based on its property tax requirements for the 2016 calendar year. This was reflected in the operating budget as a $242.7 million contribution to Anchorage School District for property taxes collected on their behalf by general government.

The inclusion of the ASD annual operating budget as a revision into the general fund final amended budget brings the total to $686.5 million.

2016 Property Tax Levy by Service Areas

- Anchorage School District, 46%
- Anchorage Fire SA, 14%
- Anchorage Roads and Drainage SA, 13%
- Anchorage Metropolitan Police SA, 19%
- Anchorage Parks & Recreation SA, 3%
- Areawide General Fund, 1%
- Limited Road Service Areas, 3%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
At the end of 2016 and 2015, the Municipality had invested $5,564,598,790 and $5,341,743,265 in a broad range of capital assets, including police and fire equipment, buildings, land, and infrastructure (reference Table A-3). More detailed information about the Municipality’s capital assets is presented in Note 5 - Capital Assets in the basic financial statements.
Municipality of Anchorage’s Capital Assets
(Net of accumulated depreciation, in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>1,261,309 $</td>
<td>1,248,154 $</td>
<td>67,500 $</td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>271,478 $</td>
<td>264,791 $</td>
<td>456,850 $</td>
</tr>
<tr>
<td>Art</td>
<td>20,124 $</td>
<td>19,974 $</td>
<td>- $</td>
</tr>
<tr>
<td>Equipment</td>
<td>50,901 $</td>
<td>50,639 $</td>
<td>- $</td>
</tr>
<tr>
<td>Distribution and collection systems</td>
<td>- $</td>
<td>- $</td>
<td>1,573,843 $</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,699,714 $</td>
<td>1,681,335 $</td>
<td>- $</td>
</tr>
<tr>
<td>Construction work-in-progress</td>
<td>104,398 $</td>
<td>87,762 $</td>
<td>58,481 $</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 3,407,924 $</td>
<td>$ 3,352,655 $</td>
<td>$ 2,156,674 $</td>
</tr>
</tbody>
</table>

In 2016, total governmental activities capital asset increased by $55.3 million, with the majority of the increase resulting from additions to land, infrastructure and construction work in progress.

Business-type activities capital assets increased by $167.6 million during 2016 with the majority of the increase resulting from additions to distribution and collection systems.

**Infrastructure Modified Approach**

The Municipality manages its paved road network using its Pavement Management Plan and accounts for it using the modified approach. The condition of road pavement is measured based upon an assessment of the longitudinal profile (International Roughness Index) and rut depth provided by the Dynatest Road Surface Profiler. The measurement system is an algorithm that combines the international roughness index, rut depth, and road profile to determine a condition index from 2 for pavement in excellent condition to 7 for pavement in poor condition. The condition index is used to classify paved roads in good or better condition (4 or less) and fair condition (5 or more). It is the Municipality’s policy to maintain 60% or more of the total paved road miles in good or better condition. The most recent condition assessment shows that the condition of the Municipality’s paved road network is in accordance with its plan. Condition assessments are updated every three years.

A comparison of estimated to actual maintenance and preservation expense is presented in Required Supplementary Information. During 2016, actual road infrastructure maintenance and preservation expense was 6.5 percent more than estimated.

A condition assessment was performed in 2014 and indicated approximately 83.6 percent of total paved roads as being in good or better condition. This assessment result increased from the assessment results of 77.6 percent received during the 2011 assessment. The current assessment exceeds the Municipality’s plan to maintain 60 percent of total paved roads in good or better condition. The next scheduled assessment is in 2017.

**Long-term Debt**

At December 31, 2016, the Municipality had $1,421,001,876 in debt outstanding, a decrease of less than 1 percent from 2015 debt outstanding of $1,421,212,219 (reference Table A-4). More detailed information about the Municipality’s long-term debt liabilities is presented in Note 10 - Long-term Obligations in the basic financial statements.
### Table A-4
Municipality of Anchorage’s Outstanding Debt
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General obligation bonds</td>
<td>$474,668</td>
<td>$487,289</td>
<td>$ -</td>
</tr>
<tr>
<td>Revenue bonds</td>
<td>-</td>
<td>-</td>
<td>$524,307</td>
</tr>
<tr>
<td>CIVIC Ventures revenue bonds</td>
<td>98,417</td>
<td>100,502</td>
<td>-</td>
</tr>
<tr>
<td>Capital leases</td>
<td>33,185</td>
<td>19,154</td>
<td>286,392</td>
</tr>
<tr>
<td>Long-term contracts</td>
<td>4,032</td>
<td>4,182</td>
<td>-</td>
</tr>
<tr>
<td>HUD loans</td>
<td>-</td>
<td>1,350</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$610,302</td>
<td>$612,477</td>
<td>$810,699</td>
</tr>
</tbody>
</table>

In 2016, the Municipality issued $27.5 million of general obligation bonds and 17.3 million of capital lease debt in the governmental activities for capital projects and the SAP project. In 2016, the Municipality issued $28.3 million in long-term notes to fund capital projects in the business-type activities.

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

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

Municipal population increased less than percent\(^1\) from the July 2015 estimate to the July 2016 estimate. The 2016 annual average unemployment rate was 5.3 percent for Anchorage-Matsu Region, 6.6 percent for the entire state, and the national average was 4.9 percent\(^2\).

The Municipality’s Tax Limit allows for an increase in property taxes to be collected based on inflation, population, new construction and other factors such as debt service, operations and maintenance costs of voter-approved projects, and legal judgments and settlements. In 2016, property tax revenue represents 58.2 percent of the funding sources for the General Government Operating Budget; non-property taxes and program generated revenue account for 33.5 percent; intra-governmental charges outside of general government 7.5 percent; and fund balance applied constitutes the remaining 1 percent.

The 2017 approved General Government Operating Budget is $505,597,113\(^3\), which is $16,946,439 more than the 2016 revised budget of $488,550,674\(^4\). Property taxes required to support the 2017 approved budget are $303.9 million compared to $284.6 million in 2016.

The Municipal Utilities and enterprise activities 2017 proposed operating budgets total $291,196,853\(^5\) and 2017 proposed capital budgets total $76,783,000\(^6\). The 2017 General Government Capital Improvement Budget is $55,518,000\(^7\).

**REQUESTS FOR FINANCIAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Municipality’s finances and to demonstrate our accountability for the monies we receive. If you have questions about this report or need additional financial information, please contact the Municipality of Anchorage, Controller Division, 632 W. 6th Avenue, P.O. Box 196650, Anchorage, AK 99519-6650.

\(^1\) State of Alaska, Department of Labor and Workforce Development
\(^2\) United States Department of Labor, Bureau of Labor Statistics
\(^3\) AR 2017-139(S) as Amended
\(^4\) AR 2016-104 as Amended
\(^5\) AO 2016-103(S)
\(^6\) AO 2016-103(S)
\(^7\) AO 2016-105 as Amended
### MUNICIPALITY OF ANCHORAGE, ALASKA

#### Statement of Net Position

December 31, 2016

<table>
<thead>
<tr>
<th>Assets</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td>$66,841</td>
<td>$6,525</td>
<td>$73,366</td>
</tr>
<tr>
<td>Cash</td>
<td>$267,725,435</td>
<td>$145,540,986</td>
<td>$413,266,421</td>
</tr>
<tr>
<td>Bond and capital acquisition and construction accounts</td>
<td>-</td>
<td>8,949,988</td>
<td>8,949,988</td>
</tr>
<tr>
<td>Investments</td>
<td>34,263,367</td>
<td>-</td>
<td>34,263,367</td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>738,582</td>
<td>744,395</td>
<td>1,482,977</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>439,019</td>
<td>439,019</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>26,579,678</td>
<td>26,684,734</td>
<td>53,264,412</td>
</tr>
<tr>
<td>Due from primary government</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from component unit</td>
<td>5,743</td>
<td>-</td>
<td>5,743</td>
</tr>
<tr>
<td>Internal balances</td>
<td>2,211,527</td>
<td>(2,211,527)</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>9,600,216</td>
<td>171,426</td>
<td>9,771,642</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,594,751</td>
<td>32,645,779</td>
<td>34,240,530</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>1,641,880</td>
<td>412,088</td>
<td>2,053,968</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>1,627,207</td>
<td>1,627,207</td>
</tr>
<tr>
<td><strong>Restricted assets:</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>154,832,942</td>
<td>-</td>
<td>154,832,942</td>
</tr>
<tr>
<td>Investments in Angel Fund programs</td>
<td>1,278,236</td>
<td>-</td>
<td>1,278,236</td>
</tr>
<tr>
<td>Investment, art collection</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>-</td>
<td>1,170,729</td>
<td>1,170,729</td>
</tr>
<tr>
<td>Restricted deposits</td>
<td>-</td>
<td>20,833,666</td>
<td>20,833,666</td>
</tr>
<tr>
<td>Legal settlement set aside</td>
<td>-</td>
<td>2,300,000</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Bond and capital acquisition and construction accounts</td>
<td>-</td>
<td>8,540,469</td>
<td>8,540,469</td>
</tr>
<tr>
<td>Bond operation and maintenance</td>
<td>-</td>
<td>13,200,000</td>
<td>13,200,000</td>
</tr>
<tr>
<td>Debt service accounts</td>
<td>-</td>
<td>7,232,643</td>
<td>7,232,643</td>
</tr>
<tr>
<td>Landfill post closure cash reserve</td>
<td>-</td>
<td>32,408,184</td>
<td>32,408,184</td>
</tr>
<tr>
<td>Cash for unredeemed mini bonds</td>
<td>-</td>
<td>105,000</td>
<td>105,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$500,539,198</td>
<td>$300,801,311</td>
<td>$801,340,509</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>19,200,054</td>
<td>19,200,054</td>
</tr>
<tr>
<td>Prepaid OPEB</td>
<td>20,271,242</td>
<td>-</td>
<td>20,271,242</td>
</tr>
<tr>
<td>Internal balances</td>
<td>1,067,753</td>
<td>(1,067,753)</td>
<td>-</td>
</tr>
<tr>
<td>Loans and leases receivable, net</td>
<td>3,371,663</td>
<td>-</td>
<td>3,371,663</td>
</tr>
<tr>
<td><strong>Restricted assets:</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>-</td>
<td>524,119</td>
<td>524,119</td>
</tr>
<tr>
<td>Capital inventory</td>
<td>-</td>
<td>559,373</td>
<td>559,373</td>
</tr>
<tr>
<td>Asset retirement obligation sinking fund</td>
<td>-</td>
<td>11,797,445</td>
<td>11,797,445</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>22,881,853</td>
<td>9,806,098</td>
<td>32,687,951</td>
</tr>
<tr>
<td>Revenue bond reserve investments</td>
<td>-</td>
<td>23,143,622</td>
<td>23,143,622</td>
</tr>
<tr>
<td>Capital assets, not being depreciated</td>
<td>2,842,812,452</td>
<td>125,981,197</td>
<td>2,968,793,649</td>
</tr>
<tr>
<td>Capital assets, being depreciated, net</td>
<td>565,112,123</td>
<td>2,030,693,018</td>
<td>2,595,805,141</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$3,455,517,086</td>
<td>$2,220,637,173</td>
<td>$5,676,154,259</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$3,956,056,284</td>
<td>$2,521,438,484</td>
<td>$6,477,494,768</td>
</tr>
</tbody>
</table>

#### Deferred Outflows of Resources

| Deferred outflow related to net pension liability | $83,366,476 | $13,949,907 | $97,316,383 |
| Deferred charge on refunding | 5,634,752 | 1,502,100 | 7,136,852 |
| **Total deferred outflows of resources** | $89,001,228 | $15,452,007 | $104,453,235 |

See accompanying notes to the financial statements
## Assets

### Current assets:
- **Cash:** $1,557,952 + $1,621,590 = $3,222,498
- **Cash in central treasury:** 3,469,183
- **Bond and capital acquisition and construction accounts:** 8,949,988
- **Investments:** 237,854,599
- **Accrued interest on investments:** 2,370
- **Interest receivable:** 46,826
- **Receivables (net of allowance for uncollectibles):** 22,755,984 + 250,977 = 23,007,019
- **Due from primary government:** 123,001,633
- **Due from component unit:** 123,006,055
- **Internal balances:** 5,743
- **Intergovernmental receivables:** 9,771,642
- **Inventories:** 3,801,565
- **Prepaid items and deposits:** 1,546,671 + 100,683 = 1,647,354
- **Other assets:** 1,627,207

### Restricted assets:
- **Investments:** 154,832,942
- **Investments in Angel Fund programs:** 1,278,236
- **Investment, art collection:** 127,042
- **Customer deposits:** 1,170,729
- **Legal settlement set aside:** 3,200,000
- **Bond and capital acquisition and construction accounts:** 8,540,469
- **Bond operation and maintenance:** 13,200,000
- **Debt service accounts:** 7,232,643
- **Landfill post closure cash reserve:** 32,408,184
- **Cash for unredeemed mini bonds:** 105,000

### Total current assets:
- **Anchorage School District:** 389,007,248
- **Anchorage Community Development Authority:** 5,408,853
- **Alaska Center for the Performing Arts:** 2,561,344
- **Total Reporting Entity:** 1,198,317,954

### Noncurrent assets:
- **Other assets:** 21,957,948
- **Prepaid OPEB:** 20,271,242
- **Internal balances:** 3,371,663
- **Loans and leases receivable, net:** 1,170,729
- **Restricted assets:** 524,119
- **Capital inventory:** 557,373
- **Asset retirement obligation sinking fund:** 11,797,445
- **Intergovernmental receivables:** 32,687,951
- **Revenue bond reserve investments:** 23,143,622
- **Capital assets, not being depreciated:** 3,023,229,648
- **Capital assets, being depreciated, net:** 8,540,469
- **Total noncurrent assets:** 1,982,894,357

### Total assets:
- **Anchorage School District:** 1,667,136,708
- **Anchorage Community Development Authority:** 34,019,491
- **Alaska Center for the Performing Arts:** 62,893
- **Total Reporting Entity:** 8,181,212,311

## Deferred Outflows of Resources

### Deferred outflow related to net pension liability:
- **Anchorage School District:** 104,890,233
- **Anchorage Community Development Authority:** 670,978
- **Alaska Center for the Performing Arts:** 202,877,594

### Deferred charge on refunding:
- **Anchorage School District:** 8,032,282
- **Anchorage Community Development Authority:** 15,169,134

### Total deferred outflows of resources:
- **Anchorage School District:** $112,922,515
- **Anchorage Community Development Authority:** $670,978
- **Alaska Center for the Performing Arts:** $-218,046,728
MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
December 31, 2016

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and retainages</td>
<td>$21,035,879</td>
<td>$30,857,922</td>
<td>$51,893,801</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>7,864,792</td>
<td>4,542,250</td>
<td>12,407,042</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>13,361,012</td>
<td>3,776,652</td>
<td>17,137,664</td>
</tr>
<tr>
<td>Current portion of long-term obligations</td>
<td>90,281,318</td>
<td>31,130,651</td>
<td>121,411,969</td>
</tr>
<tr>
<td>Notes payable</td>
<td></td>
<td>181,000,000</td>
<td>181,000,000</td>
</tr>
<tr>
<td>Due to primary government</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to component unit</td>
<td>82,130,225</td>
<td></td>
<td>82,130,225</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>7,416,749</td>
<td></td>
<td>7,416,749</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td></td>
<td>297,749</td>
<td>297,749</td>
</tr>
<tr>
<td>Liabilities payable from restricted assets</td>
<td>7,659,868</td>
<td>11,562,065</td>
<td>19,221,933</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td>229,749,843</td>
<td>263,167,289</td>
<td>492,917,132</td>
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<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities payable from restricted assets</td>
<td>-</td>
<td>524,119</td>
<td>524,119</td>
</tr>
<tr>
<td>Other long-term obligations</td>
<td></td>
<td>107,091,850</td>
<td>107,091,850</td>
</tr>
<tr>
<td>Noncurrent portion of long-term obligations</td>
<td>582,033,666</td>
<td>728,046,331</td>
<td>1,310,079,997</td>
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<tr>
<td>Net pension liability</td>
<td>446,495,821</td>
<td>62,883,354</td>
<td>509,379,175</td>
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<tr>
<td><strong>Total noncurrent liabilities</strong></td>
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<td>898,545,654</td>
<td>1,927,075,141</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>1,258,279,330</td>
<td>1,161,712,943</td>
<td>2,419,992,273</td>
</tr>
</tbody>
</table>

**Deferred Inflows of Resources**

| Contributions in aid of construction (net amortization) | - | 562,544,873 | 562,544,873 |
| Future natural gas purchases | - | 16,477,276 | 16,477,276 |
| Regulatory liability gas sales | - | 20,236,871 | 20,236,871 |
| Time restricted health permit receipts | 560,045 | - | 560,045 |
| Deferred inflow related to net pension liability | 4,136,684 | 700,942 | 4,837,626 |
| General property tax receipts | - | - | - |
| Debt service tax receipts | - | - | - |
| **Total deferred inflows of resources** | 4,696,729 | 599,959,962 | 604,656,691 |

**Net Position**

| Net investment in capital assets | 2,809,346,703 | 639,217,895 | 3,448,564,598 |

| Restricted for:                  |               |             |             |
| Debt service                      | 13,686,255    | 5,403,893   | 19,272,148  |
| Maintenance and operations        | -             | -           | -           |
| Acquisition and construction      | 16,523,342    | 12,106,098  | 28,629,440  |
| Operations                        | -             | 13,200,000  | 13,200,000  |
| Convention center operating reserve | 15,086,845     | -         | 15,086,845  |
| Police and fire retiree medical liability | 34,284,534 | - | 34,284,534 |
| Grant activity                    | 19,170,030    | -           | 19,170,030  |
| Perpetual care:                   |               |             |             |
| Nonexpendable                     | 150,000       | -           | 150,000     |
| MOA trust:                        |               |             |             |
| Nonexpendable                     | 147,548,268   | -           | 147,548,268 |
| Endowment                         | -             | -           | -           |
| Bond rating                       | -             | -           | -           |
| Federal Impact Aid 8003(d)        | -             | -           | -           |
| **Unrestricted**                  | (273,896,524) | 105,289,700 | (168,606,824) |
| **Total net position**            | $2,782,081,453 | $775,217,586 | $3,557,299,039 |

See accompanying notes to the financial statements
### Component Units

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Anchorage School District</th>
<th>Anchorage Community Development Authority</th>
<th>Alaska Center for the Performing Arts</th>
<th>Total Reporting Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td>$12,161,969</td>
<td>$488,206</td>
<td>$441,197</td>
<td>$64,985,173</td>
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<tr>
<td>Accounts payable and retainages</td>
<td>9,227,724</td>
<td>-</td>
<td>-</td>
<td>21,634,766</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>23,276,152</td>
<td>-</td>
<td>-</td>
<td>40,413,816</td>
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<tr>
<td>Current portion of long-term obligations</td>
<td>73,470,500</td>
<td>-</td>
<td>-</td>
<td>194,882,469</td>
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<tr>
<td>Notes payable</td>
<td>-</td>
<td>181,000,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to primary government</td>
<td>-</td>
<td>68,891</td>
<td>122,010</td>
<td>190,901</td>
</tr>
<tr>
<td>Due to component unit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>82,130,225</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>3,593,746</td>
<td>167,805</td>
<td>586,933</td>
<td>11,766,233</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>297,749</td>
</tr>
<tr>
<td>Liabilities payable from restricted assets</td>
<td>-</td>
<td>-</td>
<td>46,907</td>
<td>19,268,840</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>121,730,091</td>
<td>724,902</td>
<td>1,197,047</td>
<td>616,569,172</td>
</tr>
</tbody>
</table>

| Noncurrent liabilities: | | | | |
| Liabilities payable from restricted assets | - | - | - | 524,119 |
| Other long-term obligations | - | - | - | 107,091,850 |
| Noncurrent portion of long-term obligations | 581,830,631 | - | - | 1,891,910,628 |
| Net pension liability | 454,712,187 | 4,766,948 | - | 968,858,310 |
| Total noncurrent liabilities | 1,036,542,818 | 4,766,948 | - | 2,968,384,907 |
| Total liabilities | 1,158,272,909 | 5,491,850 | 1,197,047 | 3,584,954,079 |

### Deferred Inflows of Resources

| | | | |
| Contributions in aid of construction (net amortization) | - | - | - | 562,544,873 |
| Future natural gas purchases | - | - | - | 16,477,276 |
| Regulatory liability gas sales | - | - | - | 20,236,871 |
| Time restricted health permit receipts | - | - | - | 560,045 |
| Deferred inflow related to net pension liability | 9,243,530 | 229,214 | - | 14,310,370 |
| General property tax receipts | 102,641,939 | - | - | 102,641,939 |
| Debt service tax receipts | 20,359,694 | - | - | 20,359,694 |
| Total deferred inflows of resources | 132,245,163 | 229,214 | - | 737,131,068 |

### Net Position

| | | | |
| Net investment in capital assets | 697,495,685 | 25,852,744 | - | 4,171,915,027 |
| Restricted for: | | | | |
| Debt service | 4,020,159 | - | - | 23,292,307 |
| Maintenance and operations | - | - | 744,854 | 744,854 |
| Acquisition and construction | - | 2,340,972 | 26,103 | 30,996,515 |
| Operations | - | - | - | 13,200,000 |
| Convention center operating reserve | - | - | - | 15,086,845 |
| Police and fire retiree medical liability | - | - | - | 34,284,534 |
| Grant activity | - | - | - | 19,170,030 |
| Perpetual care: | | | | |
| Nonexpended | - | - | - | 150,000 |
| MOA trust: | | | | |
| Nonexpended | - | - | - | 147,548,268 |
| Endowment | - | - | 60,075 | 60,075 |
| Bond rating | 24,600,326 | - | - | 24,600,326 |
| Federal Impact Aid 8003(d) | 188,857 | - | - | 188,857 |
| Unrestricted | (236,765,876) | 775,689 | 533,265 | (404,063,746) |
| Total net position | 480,541,151 | 28,969,405 | - | 4,077,173,892 |

See accompanying notes to the financial statements
MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Activities
For the year ended December 31, 2016

Functions/Programs Expenses Charges for Services Operating Grants and Contributions Capital Grants and Contributions
Primary government:

Governmental activities:
General government $31,777,644 $7,397,112 $2,437,272 -
Fire services 127,750,790 11,218,269 2,645,190 2,980,863
Police services 146,997,658 11,883,107 4,581,479 1,932,674
Health and human services 27,028,516 2,606,170 10,282,399 -
Economic and community development 78,163,980 2,666,183 3,261,789 27,248,883
Public transportation 37,258,533 4,387,796 2,540,477 1,693,961
Public works 91,116,000 9,421,991 5,579,805 43,400,155
Maintenance and operations of roads and facilities 36,094,141 318,988 798,698 2,564,659
Education 243,841,632 - 71,800 997,500
Interest on long-term debt 22,793,843 - - -
Total governmental activities 843,722,737 49,799,616 32,198,909 80,818,695

Business-type activities:
Electric 171,654,101 179,751,959 317,044 -
Water 47,332,911 62,834,038 416,209 -
Wastewater 43,372,095 52,629,855 401,308 -
Port 21,755,534 13,975,856 43,575 13,323,471
Refuse 9,997,351 11,112,587 59,168 -
Solid Waste 19,913,585 22,898,337 59,508 -
Municipal Airport 4,636,998 1,512,527 385,230 9,711,315
Total business-type activities 318,662,575 344,715,159 1,682,042 23,034,786
Total primary government $1,162,385,312 $394,514,775 $33,880,951 $103,853,481

Component Units:
Anchorage School District $882,766,137 $6,286,818 $168,651,999 $57,757,752
Anchorage Community Development Authority 11,864,551 8,256,293 - -
Alaska Center for the Performing Arts 3,099,123 2,669,055 211,733 200,695
Total Component Units $897,729,811 $17,212,166 $168,863,332 $57,958,447

General revenues:
Property taxes
Motor vehicle taxes
Hotel and motel taxes
Tobacco taxes
Assessments in lieu of taxes
Grants and entitlements not restricted to specific programs
Appropriation from Municipality of Anchorage
Investment income
Other
Transfers from (to) other funds
Total general revenues and transfers
Change in net position
Net position, beginning of year
Net position, end of year

See accompanying notes to the financial statements
MUNICIPALITY OF ANCHORAGE, ALASKA  
Statement of Activities  
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
<th>Anchorage School District</th>
<th>Anchorage Community Development Authority</th>
<th>Alaska Center for the Performing Arts</th>
<th>Total Reporting Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (21,943,260)</td>
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<tr>
<td>(242,772,332)</td>
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</tr>
<tr>
<td>(22,793,843)</td>
<td>(22,793,843)</td>
<td>(22,793,843)</td>
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</tr>
</tbody>
</table>

| $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) |


Net (Expense), Revenue and Changes in Net Position

| Component Units |

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
<th>Anchorage School District</th>
<th>Anchorage Community Development Authority</th>
<th>Alaska Center for the Performing Arts</th>
<th>Total Reporting Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (21,943,260)</td>
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</tr>
<tr>
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</tr>
<tr>
<td>(128,600,398)</td>
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<td>(128,600,398)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(14,139,947)</td>
<td>(14,139,947)</td>
<td>(14,139,947)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(45,087,125)</td>
<td>(45,087,125)</td>
<td>(45,087,125)</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>(28,636,299)</td>
<td>(28,636,299)</td>
<td>(28,636,299)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(32,714,049)</td>
<td>(32,714,049)</td>
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<td></td>
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<tr>
<td>(33,311,796)</td>
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<tr>
<td>(242,772,332)</td>
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<td></td>
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</tr>
<tr>
<td>(22,793,843)</td>
<td>(22,793,843)</td>
<td>(22,793,843)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) | $ (680,905,517) |


See accompanying notes to the financial statements
## MUNICIPALITY OF ANCHORAGE, ALASKA

### Balance Sheet

#### Governmental Funds

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects Roads and Drainage</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 19,826</td>
<td>-</td>
<td>-</td>
<td>$ 47,015</td>
<td>$ 66,841</td>
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<tr>
<td>Cash in central treasury</td>
<td>144,047,619</td>
<td>-</td>
<td>10,579,917</td>
<td>74,681,808</td>
<td>229,309,344</td>
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<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,263,367</td>
<td>34,263,367</td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>738,582</td>
<td>-</td>
<td>-</td>
<td>738,582</td>
<td></td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>19,499,342</td>
<td>-</td>
<td>-</td>
<td>3,304,765</td>
<td>22,804,107</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>1,562,608</td>
<td>-</td>
<td>7,952,926</td>
<td>22,966,535</td>
<td>32,482,069</td>
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<td>379,977</td>
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<td>3,568,224</td>
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<td>Due from component units</td>
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<td>-</td>
<td>5,743</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,358,986</td>
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<td>-</td>
<td>1,358,986</td>
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<tr>
<td>Prepaid items and deposits</td>
<td>33,340</td>
<td>-</td>
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<td>605,039</td>
<td>638,379</td>
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<td>Advances to other funds</td>
<td>903,432</td>
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<td>-</td>
<td>1,646,199</td>
<td>2,549,631</td>
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<td>Investments</td>
<td>147,668,159</td>
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<td>7,164,783</td>
<td>154,815,354</td>
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<tr>
<td>Investments in Angel Fund program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,278,236</td>
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</tr>
<tr>
<td>Accrued Investments</td>
<td>17,588</td>
<td>-</td>
<td>-</td>
<td>17,588</td>
<td></td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>-</td>
<td>-</td>
<td>3,731,663</td>
<td>3,731,663</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 183,156,902</td>
<td>147,668,159</td>
<td>22,591,250</td>
<td>155,431,509</td>
<td>508,847,820</td>
</tr>
</tbody>
</table>

#### Liabilities

|                      |                  |           |                            |                          |                          |
| Accounts payable and retainages | 7,497,850       | 101,427  | 3,433,078                 | 7,974,351                | 19,006,706              |
| Accrued payroll liabilities | 12,463,033      | -         | 11                         | 390,118                  | 12,853,162              |
| Due to other funds      | 82,130,225      | -         | 11,752,554                | 11,771,018               |
| Due to component unit   | 1,859,084       | -         | 250,717                   | 5,305,177                | 7,414,978               |
| Unearned revenue and deposits | 286,199         | -         | 311,782                   | 903,432                  | 1,501,413               |
| **Total liabilities**  | $ 104,236,391   | 119,891  | 3,995,588                 | 26,325,632               | 134,677,502             |

#### Deferred Inflows of Resources

|                      |                  |           |                            |                          |                          |
| Time restricted health permit receipts | 560,045         | -         | -                          | 560,045                  |
| Unavailable revenue-long-term HUD loan receivable | -              | -         | -                          | 1,077,784                | 1,077,784               |
| Unavailable revenue-property taxes | 9,340,458       | -         | -                          | 9,340,458                |
| Unavailable revenue-risk management claims | 160,928         | -         | -                          | 160,928                  |
| Unavailable revenue-build american bonds interest | 541,314         | -         | -                          | 541,314                  |
| Unavailable revenue-special assessments | 3,258,939       | -         | 379,262                   | 2,904                    | 3,641,105               |
| **Total deferred inflows of resources** | $ 13,881,684   | -         | 379,262                   | 1,080,688                | 15,321,634              |

#### Fund Balances

|                      |                  |           |                            |                          |                          |
| Nonspendable         | 2,295,758        | -         | -                          | 755,039                  | 3,050,797               |
| Restricted           | 11,468           | 147,548,268 | 17,231,749               | 88,969,762               | 253,761,267             |
| Committed            | 41,615,564       | -         | 984,651                   | 19,044,328               | 61,644,543              |
| Assigned             | 7,242,461        | -         | -                          | 21,918,179               | 29,160,640              |
| Unassigned           | 13,893,576       | -         | -                          | (2,662,139)              | 11,231,437              |
| **Total fund balances** | $ 65,058,827   | 147,548,268 | 18,216,400         | 126,025,189              | 358,846,684             |
| **Total liabilities, deferred inflows of resources and fund balances** | $ 183,156,902 | $ 147,668,159 | $ 22,591,250 | $ 155,431,509 | $ 508,847,820 |

---

See accompanying notes to the financial statements
Amounts reported as fund balances on the governmental fund balance sheet: $358,848,684

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: $3,407,924,575
- Police and fire OPEB actuarial calculations reported overpayments for the current fiscal year: $20,271,242
- Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:
  - Property taxes: $9,340,458
  - Risk management claims: $160,928
  - Build america bond rebate: $541,314
  - Special assessments: $3,641,105
  - HUD Rehab Long-term loan receivable, net activity: $1,077,784
  - Total: $14,761,589

Deferred outflows of resources are capitalized and expensed overtime:

- Deferred charges on bond refunding: $5,634,752
- Deferred outflows of resources related to net pension liability: $83,366,476
- Total: $89,001,228

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

- Total internal service equity related to governmental activities: $38,456,868
- Net of amounts included in:
  - Capital assets, net of depreciation and amortization: $(84,803,433)
  - Accrued interest: $95,594
  - Compensated absences: $798,309
- Total: $(45,452,662)

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

- General obligation bonds, including premium and discount: $(474,667,962)
- Long-term contracts: $(4,032,452)
- Pollution remediation: $(3,280,089)
- CIVICVentures revenue bonds: $(98,416,838)
- Compensated absences: $(24,378,565)
- Net pension liability: $(446,495,821)
- Accrued interest payable: $(7,864,792)
- Total: $(1,059,136,519)

Deferred inflows of resources are capitalized and reduce expenses overtime:

- Deferred inflows of resources related to net pension liability: $(4,136,684)
- Net position of governmental activities: $2,782,081,453

See accompanying notes to the financial statements
### Revenues

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects</th>
<th>Roads and Drainage</th>
<th>Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$577,356,754</td>
<td>-</td>
<td>-</td>
<td>$14,414,037</td>
<td>$591,770,791</td>
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</tr>
<tr>
<td>Assessments in lieu of taxes</td>
<td>3,189,013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,189,013</td>
<td></td>
</tr>
<tr>
<td>Special assessments</td>
<td>639,291</td>
<td>-</td>
<td>149,514</td>
<td>1,176,208</td>
<td>1,964,973</td>
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</tr>
<tr>
<td>Licenses and permits</td>
<td>9,322,822</td>
<td>-</td>
<td>-</td>
<td>9,322,822</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>21,460,560</td>
<td>-</td>
<td>23,150,113</td>
<td>59,541,730</td>
<td>104,152,403</td>
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<tr>
<td>Charges for services</td>
<td>23,076,407</td>
<td>-</td>
<td>-</td>
<td>913,929</td>
<td>23,990,336</td>
<td></td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>4,703,932</td>
<td>-</td>
<td>-</td>
<td>6,558,506</td>
<td>13,262,438</td>
<td></td>
</tr>
<tr>
<td>E911 surcharges</td>
<td>4,703,932</td>
<td>-</td>
<td>-</td>
<td>6,558,506</td>
<td>13,262,438</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>310,715</td>
<td>8,954,605</td>
<td>456,166</td>
<td>3,318,070</td>
<td>13,040,556</td>
<td></td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>113,284</td>
<td>-</td>
<td>1,500,000</td>
<td>1,173,717</td>
<td>2,787,001</td>
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<tr>
<td>Other</td>
<td>3,174,574</td>
<td>-</td>
<td>-</td>
<td>1,148,877</td>
<td>4,323,451</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>643,347,312</td>
<td>8,954,605</td>
<td>25,255,793</td>
<td>88,588,891</td>
<td>766,146,601</td>
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</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects</th>
<th>Roads and Drainage</th>
<th>Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>21,395,276</td>
<td>490,685</td>
<td>378,549</td>
<td>4,032,778</td>
<td>26,297,288</td>
<td></td>
</tr>
<tr>
<td>Fire services</td>
<td>103,314,204</td>
<td>-</td>
<td>-</td>
<td>3,343,535</td>
<td>106,657,739</td>
<td></td>
</tr>
<tr>
<td>Police services</td>
<td>114,495,755</td>
<td>-</td>
<td>-</td>
<td>9,856,325</td>
<td>124,352,080</td>
<td></td>
</tr>
<tr>
<td>Health and human services</td>
<td>13,197,822</td>
<td>-</td>
<td>-</td>
<td>9,398,371</td>
<td>22,596,193</td>
<td></td>
</tr>
<tr>
<td>Economic and community</td>
<td>44,060,883</td>
<td>-</td>
<td>-</td>
<td>11,213,066</td>
<td>55,273,949</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>26,335,201</td>
<td>-</td>
<td>-</td>
<td>2,482,085</td>
<td>28,817,286</td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>23,667,593</td>
<td>-</td>
<td>-</td>
<td>5,479,673</td>
<td>29,147,266</td>
<td></td>
</tr>
<tr>
<td>Maintenance and operations</td>
<td>32,812,833</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>32,812,833</td>
<td></td>
</tr>
<tr>
<td>of roads and facilities</td>
<td>242,707,116</td>
<td>-</td>
<td>-</td>
<td>1,134,516</td>
<td>243,841,632</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>36,335,000</td>
<td>-</td>
<td>-</td>
<td>3,260,000</td>
<td>39,595,000</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>19,212,647</td>
<td>-</td>
<td>-</td>
<td>4,475,622</td>
<td>23,688,269</td>
<td></td>
</tr>
<tr>
<td>Bond issuance costs</td>
<td>-</td>
<td>94,500</td>
<td>-</td>
<td>13,574</td>
<td>108,074</td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>-</td>
<td>56,625,336</td>
<td>55,278,699</td>
<td>111,904,035</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>677,533,880</td>
<td>490,685</td>
<td>57,098,385</td>
<td>109,968,244</td>
<td>845,091,194</td>
<td></td>
</tr>
</tbody>
</table>

**Excess (deficiency) of revenues over expenditures**

- (34,186,568) | 8,463,920 | (31,842,592) | (21,379,353) | (78,944,593) |

### Other financing sources (uses)

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects</th>
<th>Roads and Drainage</th>
<th>Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from other funds</td>
<td>28,490,445</td>
<td>-</td>
<td>4,345,379</td>
<td>19,930,817</td>
<td>52,766,641</td>
<td></td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(15,380,180)</td>
<td>(5,400,000)</td>
<td>(5,900)</td>
<td>(15,154,758)</td>
<td>(29,940,938)</td>
<td></td>
</tr>
<tr>
<td>General obligation bonds</td>
<td>-</td>
<td>-</td>
<td>21,746,289</td>
<td>3,123,711</td>
<td>24,870,000</td>
<td></td>
</tr>
<tr>
<td>and contracts issued</td>
<td>-</td>
<td>-</td>
<td>2,337,112</td>
<td>335,711</td>
<td>2,672,823</td>
<td></td>
</tr>
<tr>
<td>Premium on bond sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Insurance recoveries</td>
<td>253,654</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>253,654</td>
<td></td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>2,253,791</td>
<td>-</td>
<td>-</td>
<td>35,202</td>
<td>2,288,993</td>
<td></td>
</tr>
<tr>
<td>**Total other financing</td>
<td>15,617,710</td>
<td>(5,400,000)</td>
<td>28,422,880</td>
<td>14,270,683</td>
<td>52,911,273</td>
<td></td>
</tr>
<tr>
<td>sources (uses)**</td>
<td>(8,463,920)</td>
<td>30,639,920</td>
<td>(3,419,712)</td>
<td>(7,108,670)</td>
<td>(26,033,320)</td>
<td></td>
</tr>
</tbody>
</table>

**Net change in fund balances**

- (18,568,858) | 3,063,920 | (3,419,712) | (7,108,670) | (26,033,320) |

**Fund balances, beginning of year**

- 83,627,685 | 144,484,348 | 21,636,112 | 135,133,859 | 384,882,004 |

**Fund balances, end of year**

- $65,058,827 | $147,548,268 | $18,216,400 | $128,025,189 | $358,848,684
MUNICIPALITY OF ANCHORAGE, ALASKA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended December 31, 2016

Net change in fund balance – total governmental funds $ (26,033,320)

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

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

- Capital outlay and equipment purchases 61,107,661
- Contributed assets 16,309,629
- Depreciation expense (38,217,797)
- Other gain/(loss) on capital assets (3,640,773)

35,558,720

Revenues in the statement of activities that do not provide current financial resources and are deferred
in the funds:

- Property taxes 1,639,447
- Special assessments (757,338)
- Build america bond rebate 541,314
- HUD 108 and Rehab Loans receivable (1,502,143)

(78,720)

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

- New issuance of general obligation bonds (24,870,000)
- Premium on bond sale (2,672,823)
- Principal repayment 39,595,000
- Net change in premium/discount/deferred charge bonds 3,683,774
- Net change in interest accrual (2,364,216)

13,371,735

Some expenses and revenues reported in the statement of activities do not require the use of current
financial resources and, therefore, are not reported as expenditures or revenues in governmental funds:

- Compensated absences (1,926,279)
- Pollution remediation 55,631
- Pension expense (59,614,737)
- Claims and judgments receipts 12,587
- HUD section 108 loan payable, net activity 31,119
- Police and fire postemployment healthcare benefits asset, net activity 3,403,945

(3,611,925)

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

Change in net position of governmental activities $ (38,831,244)

See accompanying notes to the financial statements
### Business-Type Activities – Enterprise Funds

<table>
<thead>
<tr>
<th>Assets</th>
<th>Electric Utility</th>
<th>Water Utility</th>
<th>Wastewater Utility</th>
<th>Port</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,000</td>
<td>$ -</td>
<td>$1,700</td>
<td>$150</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>47,335,490</td>
<td>36,343,020</td>
<td>29,455,979</td>
<td>16,076,128</td>
</tr>
<tr>
<td>Bond and capital acquisition and construction accounts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,597,709</td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>364,765</td>
<td>109,840</td>
<td>27,756</td>
<td>70,971</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>197,790</td>
<td>241,229</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>12,229,557</td>
<td>5,513,844</td>
<td>4,861,854</td>
<td>1,030,918</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>30,261,745</td>
<td>1,556,132</td>
<td>498,823</td>
<td>329,079</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>-</td>
<td>144,829</td>
<td>138,960</td>
<td>120,146</td>
</tr>
<tr>
<td>Special assessments receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unbilled reimbursable projects</td>
<td>887,420</td>
<td>60,017</td>
<td>6,837</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,627,207</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restricted assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>1,170,729</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted deposits</td>
<td>20,833,666</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal settlement set aside</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Bond and capital acquisition and construction accounts</td>
<td>2,525,855</td>
<td>4,222,552</td>
<td>1,792,062</td>
<td>-</td>
</tr>
<tr>
<td>Landfill post closure cash reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revenue bond operations and maintenance accounts</td>
<td>13,200,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash for unredeemed mini bonds</td>
<td>-</td>
<td>105,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt service accounts</td>
<td>2,098,291</td>
<td>5,134,352</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>132,733,515</td>
<td>53,504,037</td>
<td>36,872,370</td>
<td>25,525,101</td>
</tr>
<tr>
<td><strong>Noncurrent assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>3,147,754</td>
<td>6,463,510</td>
<td>9,588,790</td>
<td>-</td>
</tr>
<tr>
<td><strong>Restricted assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>-</td>
<td>257,496</td>
<td>266,623</td>
<td>-</td>
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<tr>
<td>Capital inventory</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>559,373</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,703,116</td>
</tr>
<tr>
<td>Revenue bond reserve investments</td>
<td>23,143,622</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Asset retirement obligation sinking fund</td>
<td>11,797,445</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>896,237,015</td>
<td>543,017,365</td>
<td>407,184,785</td>
<td>171,317,508</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>934,325,836</td>
<td>549,738,371</td>
<td>417,040,198</td>
<td>174,579,997</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,067,059,351</td>
<td>603,242,408</td>
<td>453,912,568</td>
<td>200,105,098</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Electric Utility</th>
<th>Water Utility</th>
<th>Wastewater Utility</th>
<th>Port</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred charge on refunding</td>
<td>516,907</td>
<td>985,193</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred outflow related to net pension liability</td>
<td>3,348,292</td>
<td>4,369,794</td>
<td>4,213,328</td>
<td>446,838</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>3,865,199</td>
<td>5,354,387</td>
<td>4,213,328</td>
<td>446,838</td>
</tr>
<tr>
<td><strong>Total assets and deferred outflows of resources</strong></td>
<td>$1,070,924,550</td>
<td>$608,597,395</td>
<td>$458,125,876</td>
<td>$200,551,936</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements
### Business-Type Activities Enterprise Funds (Continued)

#### Assets

<table>
<thead>
<tr>
<th>Current assets:</th>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
<th>Internal Service Funds</th>
<th>Total Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash $3,675</td>
<td>$6,525</td>
<td>$</td>
<td>$6,525</td>
<td></td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>16,330,369</td>
<td>145,540,986</td>
<td>36,132,592</td>
<td>181,673,578</td>
</tr>
<tr>
<td>Bond and capital acquisition and construction accounts</td>
<td>3,352,279</td>
<td>8,994,986</td>
<td>2,283,499</td>
<td>11,233,487</td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>171,063</td>
<td>74,395</td>
<td>-</td>
<td>74,395</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>-</td>
<td>439,019</td>
<td>-</td>
<td>439,019</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>1,932,666</td>
<td>25,568,839</td>
<td>207,347</td>
<td>25,776,186</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>171,426</td>
<td>171,426</td>
<td>-</td>
<td>171,426</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>32,645,779</td>
<td>235,765</td>
<td>32,881,544</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>8,153</td>
<td>412,088</td>
<td>1,003,501</td>
<td>1,415,589</td>
</tr>
<tr>
<td>Special assessments receivable</td>
<td>-</td>
<td>161,621</td>
<td>-</td>
<td>161,621</td>
</tr>
<tr>
<td>Unbilled reimbursable projects</td>
<td>-</td>
<td>954,274</td>
<td>-</td>
<td>954,274</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>1,627,207</td>
<td>-</td>
<td>1,627,207</td>
</tr>
</tbody>
</table>

**Restricted assets:**

- Customer deposits | - | 1,170,729 | - | 1,170,729 |
- Restricted deposits | - | 20,833,666 | - | 20,833,666 |
- Legal settlement set aside | - | 2,300,000 | - | 2,300,000 |
- Bond and capital acquisition and construction accounts | - | 8,540,469 | - | 8,540,469 |
- Landfill post closure cash reserve | 32,408,184 | 32,408,184 | - | 32,408,184 |
- Revenue bond operations and maintenance accounts | - | 13,200,000 | - | 13,200,000 |
- Cash for unredeemed mini bonds | - | 105,000 | - | 105,000 |
- Debt service accounts | - | 7,232,643 | - | 7,232,643 |

**Total current assets:**

54,377,815 | 303,012,838 | 39,862,704 | 342,275,352

#### Noncurrent assets:

- Advances to other funds | - | - | 311,782 | 311,782 |
- Other assets | - | 19,200,054 | - | 19,200,054 |

**Restricted assets:**

- Customer deposits | - | 524,119 | - | 524,119 |
- Capital inventory | - | 559,373 | - | 559,373 |
- Intergovernmental receivables | 7,102,982 | 9,806,098 | - | 9,806,098 |
- Revenue bond reserve investments | - | 23,143,622 | - | 23,143,622 |
- Asset retirement obligation sinking fund | - | 11,797,445 | - | 11,797,445 |
- Capital assets, net | 138,917,542 | 2,156,674,215 | 84,603,433 | 2,241,477,648 |

**Total noncurrent assets:**


**Total assets:**

200,398,339 | 2,524,717,764 | 124,977,919 | 2,649,695,683 |

### Deferred Outflows of Resources

**Deferred Outflows of Resources**

| Deferred charge on refunding | - | 1,502,100 | - | 1,502,100 |
| Deferred outflow related to net pension liability | 1,571,655 | 13,949,907 | 3,302,927 | 17,252,834 |

**Total deferred outflows of resources:**

1,571,655 | 15,452,007 | 3,302,927 | 18,339,918 |

**Total assets and deferred outflows of resources:**

$201,969,994 | $2,540,169,771 | $128,280,846 | $2,668,450,617

---

See accompanying notes to the financial statements
See accompanying notes to the financial statements
### Business-Type Activities Enterprise Funds (Continued)

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
<th>Internal Service Funds</th>
<th>Total Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable, other accrued liabilities and retainages</td>
<td>859,621</td>
<td>29,848,418</td>
<td>2,029,316</td>
<td>31,877,734</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>537,657</td>
<td>3,776,652</td>
<td>507,850</td>
<td>4,284,502</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts and retainage payable</td>
<td>352,641</td>
<td>1,009,504</td>
<td>7,659,868</td>
<td>8,666,372</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>796,821</td>
<td>5,768,560</td>
<td>786,111</td>
<td>6,557,671</td>
</tr>
<tr>
<td>Claims payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims incurred but not reported</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to other funds</td>
<td>2,211,527</td>
<td>2,211,527</td>
<td>7,597,161</td>
<td>9,808,688</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>84,983</td>
<td>4,542,250</td>
<td>95,594</td>
<td>4,637,844</td>
</tr>
<tr>
<td>Pollution remediation obligation</td>
<td>-</td>
<td>830,000</td>
<td></td>
<td>830,000</td>
</tr>
<tr>
<td>Long-term obligations maturing within one year</td>
<td>1,486,613</td>
<td>24,532,091</td>
<td>5,416,373</td>
<td>29,494,646</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td>297,749</td>
<td>297,749</td>
<td>1,771</td>
<td>299,520</td>
</tr>
<tr>
<td>Current liabilities payable from restricted assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer refunds and deposits payable</td>
<td>-</td>
<td>1,170,729</td>
<td></td>
<td>1,170,729</td>
</tr>
<tr>
<td>Unredeemed mini bonds payable</td>
<td>-</td>
<td>105,000</td>
<td>-</td>
<td>105,000</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts and retainage payable</td>
<td>-</td>
<td>10,286,336</td>
<td>-</td>
<td>10,286,336</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>6,629,612</td>
<td>265,378,816</td>
<td>51,721,754</td>
<td>317,100,570</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue bonds payable (net of unamortized discounts and premiums)</td>
<td>-</td>
<td>512,092,127</td>
<td>-</td>
<td>512,092,127</td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>-</td>
<td>-</td>
<td>1,360,000</td>
<td>1,360,000</td>
</tr>
<tr>
<td>Alaska clean water loans payable</td>
<td>14,255,886</td>
<td>166,983,556</td>
<td>-</td>
<td>166,983,556</td>
</tr>
<tr>
<td>Asset retirement obligation</td>
<td>-</td>
<td>15,135,086</td>
<td>-</td>
<td>15,135,086</td>
</tr>
<tr>
<td>Capital leases payable</td>
<td>-</td>
<td>-</td>
<td>27,768,629</td>
<td>27,768,629</td>
</tr>
<tr>
<td>Claims incurred but not reported</td>
<td>-</td>
<td>-</td>
<td>6,729,223</td>
<td>6,729,223</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>5,868</td>
<td>820,628</td>
<td>9,198</td>
<td>829,826</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>7,084,704</td>
<td>62,883,354</td>
<td>14,888,923</td>
<td>77,772,277</td>
</tr>
<tr>
<td>Liabilities payable from restricted assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer deposits</td>
<td>-</td>
<td>524,119</td>
<td>-</td>
<td>524,119</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pollution remediation obligation</td>
<td>-</td>
<td>606,750</td>
<td>-</td>
<td>606,750</td>
</tr>
<tr>
<td>Future landfill closure costs</td>
<td>32,408,184</td>
<td>32,408,184</td>
<td>-</td>
<td>32,408,184</td>
</tr>
<tr>
<td>Notes payable</td>
<td>-</td>
<td>40,000,000</td>
<td>-</td>
<td>40,000,000</td>
</tr>
<tr>
<td>Other long-term obligations</td>
<td>-</td>
<td>67,091,850</td>
<td>-</td>
<td>67,091,850</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>53,754,842</td>
<td>886,545,854</td>
<td>50,759,973</td>
<td>949,301,627</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>60,384,254</td>
<td>1,163,924,470</td>
<td>102,477,727</td>
<td>1,266,402,197</td>
</tr>
<tr>
<td><strong>Deferred Inflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions in aid of construction (net amortization)</td>
<td>-</td>
<td>562,544,873</td>
<td>-</td>
<td>562,544,873</td>
</tr>
<tr>
<td>Future natural gas purchases</td>
<td>-</td>
<td>16,477,276</td>
<td>-</td>
<td>16,477,276</td>
</tr>
<tr>
<td>Regulatory liability gas sales</td>
<td>-</td>
<td>20,236,871</td>
<td>-</td>
<td>20,236,871</td>
</tr>
<tr>
<td>Deferred inflow related to net pension liability</td>
<td>78,971</td>
<td>700,942</td>
<td>165,962</td>
<td>866,904</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>78,971</td>
<td>599,959,862</td>
<td>165,962</td>
<td>600,125,824</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>123,175,043</td>
<td>639,217,895</td>
<td>51,618,431</td>
<td>690,836,326</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>5,403,893</td>
<td>-</td>
<td>5,403,893</td>
</tr>
<tr>
<td>Acquisition and construction</td>
<td>7,102,982</td>
<td>12,106,098</td>
<td>-</td>
<td>12,106,098</td>
</tr>
<tr>
<td>Operations</td>
<td>-</td>
<td>13,200,000</td>
<td>-</td>
<td>13,200,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11,228,744</td>
<td>106,357,453</td>
<td>(25,981,274)</td>
<td>80,376,179</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>141,506,769</td>
<td>776,265,339</td>
<td>25,637,157</td>
<td>801,224,866</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources and net position</strong></td>
<td>201,969,994</td>
<td>1,286,856,846</td>
<td>128,280,846</td>
<td>2,686,450,617</td>
</tr>
</tbody>
</table>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

$ 775,277,588

Net position of business-type activities

See accompanying notes to the financial statements 33
MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2016

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2016

Electric Water Wastewater
Utility Utility Utility Port

Operating revenues
Charges for sales and services $159,299,669 $59,940,424 $51,034,547 $7,811,443
Other 7,852,729 1,325,421 966,107 4,575,270
Total operating revenues 167,152,398 61,265,845 52,000,654 12,386,713

Operating expenses
Operations 111,825,127 29,429,201 29,946,920 11,967,606
Amortization of future landfill closure costs - - - -
Depreciation and amortization 31,634,639 10,838,760 8,750,021 7,715,345
Total operating expenses 143,459,766 40,267,961 38,696,941 19,682,951

Operating income (loss) 23,692,632 20,997,884 13,303,713 (7,296,238)

Nonoperating revenues (expenses)
Investment income (loss) 821,521 690,983 494,810 344,945
Legal Settlements - - - 12,600,000
Interest subsidy on build america bonds 2,395,417 - - -
Other revenues - 2,179 9,107 1,589,143
Intergovernmental revenue 317,044 416,209 401,308 43,575
Interest expense (18,873,933) (6,713,786) (4,497,660) (541,719)
Allowance for funds used during construction (12,599,561) 1,566,014 620,094 -
Gain (loss) on sale of capital assets (6,928,674) - - -
Amortization of deferred charges (131,819) (141,357) (25,448) -
Other expenses (123,039) (7,386) (1,414) (1,504,007)
Net nonoperating revenues (expenses) (11,923,922) (4,187,144) (2,999,203) 12,531,937

Income (loss) before capital contributions and transfers 11,768,710 16,810,740 10,304,510 5,235,699

Capital contributions - - - 13,323,471
Transfers from other funds 13,456 - - -
Transfers to other funds (5,988,574) (7,314,997) (5,704,269) (2,114,268)
Change in net position 5,793,592 9,495,743 4,600,241 16,444,902
Net position, beginning of year 248,772,841 130,389,791 81,451,656 137,829,804
Net position, end of year $254,566,433 $139,865,534 $86,051,897 $154,274,706

See accompanying notes to the financial statements
# Statement of Revenues, Expenses, and Changes in Net Position

## Proprietary Funds

For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Total Proprietary Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for sales and services</td>
<td>$398,516,878</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$16,859,095</td>
<td>$</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$415,375,973</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Total Proprietary Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>$296,043,726</td>
<td>$</td>
</tr>
<tr>
<td>Amortization of future landfill closure costs</td>
<td>$1,307,255</td>
<td>$</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$72,421,861</td>
<td>$</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$369,772,842</td>
<td>$</td>
</tr>
</tbody>
</table>

## Nonoperating Revenues (expenses)

<table>
<thead>
<tr>
<th>Nonoperating Revenues (expenses)</th>
<th>Total Proprietary Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income (loss)</td>
<td>$3,693,238</td>
<td>$</td>
</tr>
<tr>
<td>Legal Settlements</td>
<td>$12,600,000</td>
<td>$</td>
</tr>
<tr>
<td>Interest subsidy on build america bonds</td>
<td>$2,395,417</td>
<td>$</td>
</tr>
<tr>
<td>Other revenues</td>
<td>$1,644,136</td>
<td>$</td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>$1,995,387</td>
<td>$</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$31,341,382</td>
<td>$</td>
</tr>
<tr>
<td>Allowance for funds used during construction</td>
<td>$14,785,669</td>
<td>$</td>
</tr>
<tr>
<td>Gain (loss) on sale of capital assets</td>
<td>$1,661,645</td>
<td>$</td>
</tr>
<tr>
<td>Amortization of deferred charges</td>
<td>$1,307,255</td>
<td>$</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$1,307,255</td>
<td>$</td>
</tr>
<tr>
<td>Net nonoperating revenues (expenses)</td>
<td>$45,603,131</td>
<td>$</td>
</tr>
</tbody>
</table>

## Income (loss) before capital contributions and transfers

<table>
<thead>
<tr>
<th>Income (loss) before capital contributions and transfers</th>
<th>Total Proprietary Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$40,421,652</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

## Change in net position

<table>
<thead>
<tr>
<th>Change in net position</th>
<th>Total Proprietary Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$42,690,798</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Adjustment to reflect the consolidation of internal (713,040) service fund activities related to enterprise funds.

$46,302,723 Change in net position of business-type activities.

See accompanying notes to the financial statements
<table>
<thead>
<tr>
<th>Electric Utility</th>
<th>Water Utility</th>
<th>Wastewater Utility</th>
<th>Port</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td><strong>Cash flows from (for) non-capital financing activities</strong></td>
<td><strong>Cash flows from (for) capital and related financing activities</strong></td>
<td><strong>Cash flows from investing activities</strong></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$171,095,193</td>
<td>$60,049,231</td>
<td>$50,658,730</td>
</tr>
<tr>
<td>Other operating cash receipts</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts for interfund services provided</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(30,161,783)</td>
<td>(15,714,640)</td>
<td>(16,054,393)</td>
</tr>
<tr>
<td>Payments to vendors</td>
<td>(71,260,358)</td>
<td>(8,427,654)</td>
<td>(10,858,514)</td>
</tr>
<tr>
<td>Payments for interfund services used</td>
<td>(1,692,777)</td>
<td>(1,860,894)</td>
<td>(4,438,322)</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>88,586,036</td>
<td>34,046,043</td>
<td>19,307,501</td>
</tr>
<tr>
<td><strong>Cash flows from (for) non-capital financing activities</strong></td>
<td><strong>Intergovernmental revenue</strong></td>
<td><strong>Transfers to other funds</strong></td>
<td><strong>Security contract</strong></td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(5,975,118)</td>
<td>(7,314,997)</td>
<td>(5,704,269)</td>
</tr>
<tr>
<td>Security contract</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Right of way and security fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan payments on interfund loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advance to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from (for) non-capital financing activities</td>
<td>(5,975,118)</td>
<td>(7,314,997)</td>
<td>(5,704,269)</td>
</tr>
<tr>
<td><strong>Cash flows from (for) capital and related financing activities</strong></td>
<td><strong>Proceeds from issuance of short-term obligations</strong></td>
<td><strong>Interest payments on short-term obligations</strong></td>
<td><strong>Proceeds from issuance of long-term obligations</strong></td>
</tr>
<tr>
<td>Proceeds from issuance of short-term obligations</td>
<td>66,700,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on short-term obligations</td>
<td>(1,213,933)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from issuance of long-term obligations</td>
<td>-</td>
<td>5,500,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Principal payments on long-term obligations</td>
<td>(7,465,000)</td>
<td>(9,241,407)</td>
<td>(5,894,889)</td>
</tr>
<tr>
<td>Capital Claims and Judgements</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on long-term obligations</td>
<td>(18,673,761)</td>
<td>(6,607,235)</td>
<td>(4,407,729)</td>
</tr>
<tr>
<td>Interest subsidy on build america bonds</td>
<td>2,395,417</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(165,134,315)</td>
<td>(22,698,091)</td>
<td>(15,066,412)</td>
</tr>
<tr>
<td>Landfill post closure cash reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Principal payments on interfund loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on interfund loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from Alaska clean water loans</td>
<td>-</td>
<td>9,996,202</td>
<td>8,815,244</td>
</tr>
<tr>
<td>Proceeds from issuance of debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds (loss) from the sale or disposition of capital assets</td>
<td>49,456</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital contributions – customers</td>
<td>343,884</td>
<td>532,065</td>
<td>574,187</td>
</tr>
<tr>
<td>Capital contributions – intergovernmental</td>
<td>2,525,855</td>
<td>4,222,552</td>
<td>1,792,062</td>
</tr>
<tr>
<td>Net cash from (for) capital and related financing activities</td>
<td>(122,748,064)</td>
<td>(22,484,014)</td>
<td>(11,634,448)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td><strong>Proceeds from sale of investments</strong></td>
<td><strong>Purchase of investments</strong></td>
<td><strong>Investment income</strong></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>-</td>
<td>(64,926)</td>
<td>-</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>65,883,973</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>852,971</td>
<td>588,253</td>
<td>492,902</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>66,536,944</td>
<td>523,327</td>
<td>492,902</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash</strong></td>
<td><strong>Cash, beginning of year</strong></td>
<td><strong>Cash, end of year</strong></td>
<td><strong>Cash in central treasury</strong></td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>26,399,798</td>
<td>4,770,359</td>
<td>2,461,686</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>24,833,276</td>
<td>36,157,709</td>
<td>29,054,678</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>51,033,074</td>
<td>40,928,068</td>
<td>31,516,364</td>
</tr>
<tr>
<td>Cash</td>
<td>1,000</td>
<td>-</td>
<td>1,700</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>47,335,490</td>
<td>36,343,020</td>
<td>29,455,979</td>
</tr>
<tr>
<td>Bond and capital acquisition and construction accounts</td>
<td>2,525,855</td>
<td>4,222,552</td>
<td>1,792,062</td>
</tr>
<tr>
<td>Legal Settlement Set-aside</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>1,170,729</td>
<td>257,496</td>
<td>266,623</td>
</tr>
<tr>
<td>Mini Bonds accounts</td>
<td>-</td>
<td>105,000</td>
<td>-</td>
</tr>
<tr>
<td>Cash, December 31</td>
<td>$51,033,074</td>
<td>$40,928,068</td>
<td>$31,516,364</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements
## Business-Type Activities Enterprise Funds

<table>
<thead>
<tr>
<th></th>
<th>Other Enterprise Funds</th>
<th>Total Enterprise Funds</th>
<th>Governmental Activities</th>
<th>Total Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$36,118,520</td>
<td>$330,790,254</td>
<td>$</td>
<td>$330,790,254</td>
</tr>
<tr>
<td>Other operating cash receipts</td>
<td>-</td>
<td>20,605,761</td>
<td>-</td>
<td>20,605,761</td>
</tr>
<tr>
<td>Receipts for interfund services provided</td>
<td>-</td>
<td>-</td>
<td>86,904,879</td>
<td>86,904,879</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(12,455,361)</td>
<td>(77,163,399)</td>
<td>(13,166,953)</td>
<td>(90,330,352)</td>
</tr>
<tr>
<td>Payments to vendors</td>
<td>(9,156,330)</td>
<td>(106,753,997)</td>
<td>(68,280,383)</td>
<td>(175,034,380)</td>
</tr>
<tr>
<td>Payments for interfund services used</td>
<td>(1,675,154)</td>
<td>(10,618,293)</td>
<td>(3,685,752)</td>
<td>(14,304,045)</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>$19,686,323</td>
<td>$167,137,816</td>
<td>$38,416,091</td>
<td>$205,553,907</td>
</tr>
</tbody>
</table>

| **Cash flows from (for) non-capital financing activities** |                        |                        |                         |                         |
| Intergovernmental revenue | 612,214                | 612,214                | -                       | 612,214                |
| Transfers to other funds | (1,882,666)            | (22,791,338)           | (34,465)                | (22,825,803)           |
| Capital Claims and Judgments | -                      | (82,713)               | -                       | (82,713)               |
| Right of way and security fees | -                      | 167,849                | -                       | 167,849                |
| Loan payments on interfund loans | -                      | -                      | 62,688                  | 62,688                |
| Due to other funds | 2,211,527              | 2,211,527              | 2,964,843               | 5,196,370              |
| Due from other funds | -                      | -                      | (164)                   | (164)                  |
| Advance to other funds | -                      | -                      | 149,514                 | 149,514                |
| Net cash from (for) non-capital financing activities | $1,141,055             | (19,882,461)           | 3,162,416               | (16,720,045)           |

| **Cash flows from (for) capital and related financing activities** |                        |                        |                         |                         |
| Proceeds from issuance of short-term obligations | -                      | 66,700,000             | -                       | 66,700,000             |
| Interest payments on short-term obligations | -                      | (1,213,933)            | -                       | (1,213,933)            |
| Proceeds from issuance of long-term obligations | -                      | 9,500,000              | -                       | 9,500,000              |
| Principal payments on long-term obligations | (2,044,410)            | (24,645,706)           | (3,260,168)             | (27,905,874)           |
| Interest payments on long-term obligations | (266,312)              | (30,467,111)           | (417,469)               | (30,904,560)           |
| Proceeds (loss) from the sale or disposition of capital assets | 150,231                | 199,687                | (35,273)                | 194,414                |
| Capital contributions – customers | -                      | 1,450,136              | -                       | 1,450,136              |
| Capital contributions – intergovernmental | 7,054,638              | 20,380,375             | -                       | 20,380,375             |
| Net cash from (for) capital and related financing activities | (10,780,523)           | (158,383,665)          | (7,300,517)             | (165,684,182)          |

| **Cash flows from investing activities** |                        |                        |                         |                         |
| Proceeds from sale of investments | -                      | (64,926)               | -                       | (64,926)               |
| Purchase of investments | -                      | 65,683,973             | -                       | 65,683,973             |
| Investment income | 912,779                | 3,154,423              | 364,006                 | 3,518,429             |
| Net cash from investing activities | 912,779                | 68,773,470             | 364,006                 | 69,137,476             |

| **Net increase (decrease) in cash** | 4,104,986              | 47,367,670             | (2,002,304)             | 45,365,366             |
| **Cash, beginning of year** | 15,581,337             | 119,770,146            | 40,418,395             | 160,188,541            |
| **Cash, end of year** | 19,686,323             | 167,137,816            | 38,416,091             | 205,553,907            |

| **Cash** | 3,675                   | 6,525                   | -                       | 6,525                   |
| **Cash in central treasury** | 16,330,369             | 145,540,986            | 36,132,592             | 181,673,957            |
| **Bond and capital acquisition and construction accounts** | 3,352,279              | 17,490,457             | 2,283,499              | 19,733,956             |
| **Legal Settlement Set-aside** | -                      | 2,300,000              | -                       | 2,300,000              |
| **Customer deposits** | -                      | 1,694,848              | -                       | 1,694,848              |
| **Mini Bonds accounts** | -                      | 105,000                | -                       | 105,000                |
| **Cash, December 31** | $19,686,323             | $167,137,816           | $38,416,091            | $205,553,907           |

See accompanying notes to the financial statements
## Business-Type Activities – Enterprise Funds

<table>
<thead>
<tr>
<th></th>
<th>Electric Utility</th>
<th>Water Utility</th>
<th>Wastewater Utility</th>
<th>Port</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$23,692,632</td>
<td>$20,997,884</td>
<td>$13,303,713</td>
<td>$(7,296,238)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of future landfill closure costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$31,634,639</td>
<td>$10,838,760</td>
<td>$8,750,021</td>
<td>$7,715,345</td>
</tr>
<tr>
<td>PERS relief-noncash expense</td>
<td>$317,044</td>
<td>$416,208</td>
<td>$401,308</td>
<td>$43,575</td>
</tr>
<tr>
<td>Other revenues / expenses</td>
<td>$(123,039)</td>
<td>$(5,207)</td>
<td>$7,693</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$1,154,977</td>
<td>$(927,212)</td>
<td>$(1,764,757)</td>
<td>$481,867</td>
</tr>
<tr>
<td>Inventories</td>
<td>$(959,810)</td>
<td>$146,245</td>
<td>$(43,005)</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>-</td>
<td>$(17,625)</td>
<td>$(9,597)</td>
<td>30,278</td>
</tr>
<tr>
<td>Unbilled reimbursable projects</td>
<td>$21,185</td>
<td>$(11,043)</td>
<td>4,202</td>
<td>-</td>
</tr>
<tr>
<td>Other assets current</td>
<td>$(549,391)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other assets noncurrent</td>
<td>$(73,335)</td>
<td>290,314</td>
<td>$(1,566,667)</td>
<td>-</td>
</tr>
<tr>
<td>Customer deposits and refunds payable</td>
<td>$(125,604)</td>
<td>$(65,608)</td>
<td>$(1,880,077)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred outflows of resource</td>
<td>$(1,963,742)</td>
<td>$(2,575,366)</td>
<td>$(2,322,645)</td>
<td>$(251,219)</td>
</tr>
<tr>
<td>Accounts payable, other accrued liabilities and retainages</td>
<td>$(642,951)</td>
<td>$(1,118,556)</td>
<td>$(508,630)</td>
<td>$803,801</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>$425,678</td>
<td>$57,844</td>
<td>$37,165</td>
<td>$(2,526)</td>
</tr>
<tr>
<td>Asset retirement obligation</td>
<td>$6,599,158</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>$326,819</td>
<td>$86,657</td>
<td>$83,555</td>
<td>$53,694</td>
</tr>
<tr>
<td>Claims payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>$4,599,415</td>
<td>$6,097,520</td>
<td>$4,662,651</td>
<td>$531,587</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>$24,252,361</td>
<td>$(42,272)</td>
<td>$(64,179)</td>
<td>$(6,091)</td>
</tr>
<tr>
<td>Unearned revenues and deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other long-term obligations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(15,002)</td>
</tr>
<tr>
<td>Mini bonds transfer</td>
<td>-</td>
<td>$(80,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pollution remediation obligation</td>
<td>-</td>
<td>$(42,500)</td>
<td>216,750</td>
<td>-</td>
</tr>
<tr>
<td>Total cash provided by operating activities</td>
<td>$88,586,036</td>
<td>34,046,043</td>
<td>$19,307,501</td>
<td>2,089,071</td>
</tr>
</tbody>
</table>

### Noncash investing, capital, and financing activities:

- **Capital purchases on account**: $7,872,006
- **Capital inventory additions, net of sale**: $100,796
- **Contributed capital and equipment**: $353,855
- **Capital in aid of construction funded from deferred inflows of resources**: $656,883
- **Portion of plant from AFUDC**: $593,373
- **Contributed capital and equipment**: $2,237,380
- **Capital in aid of construction funded from deferred inflows of resources**: $3,800,266
- **Portion of plant from AFUDC**: $2,703,116

**Total noncash investing, capital, and financing activities**: $113,108,581

---

See accompanying notes to the financial statements
## Reconciliation of change in net position to net cash provided (used) by operating activities:

Operating income (loss) **$1,448,106** $52,146,097 $(6,542,966) **$45,603,131**

### Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type Activities</th>
<th>Other Enterprise Funds</th>
<th>TotalEnterprise Funds</th>
<th>Governmental Activities – Internal Service Funds</th>
<th>Total Proprietary Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of future landfill closure costs</td>
<td>1,307,255</td>
<td>1,307,255</td>
<td>-</td>
<td>1,307,255</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,772,216</td>
<td>66,710,981</td>
<td>5,710,880</td>
<td>72,421,861</td>
<td></td>
</tr>
<tr>
<td>PERS relief-noncash expense</td>
<td>150,360</td>
<td>1,328,495</td>
<td>313,345</td>
<td>1,641,840</td>
<td></td>
</tr>
<tr>
<td>Other revenues / expenses</td>
<td>-</td>
<td>(120,553)</td>
<td>43,871</td>
<td>(76,682)</td>
<td></td>
</tr>
</tbody>
</table>

### Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:

1. Accounts receivable, net:
   - **758,902** and **207,347**
   - **503,570**
2. Inventories:
   - **64,921** and **70,376**
   - **721,273**
3. Prepaid items and deposits:
   - **2,203** and **61,378**
   - **66,637**
4. Unbilled reimbursable projects:
   - **-** and **-**
   - **14,344**
5. Other assets current:
   - **-** and **-**
   - **(549,391)**
6. Other assets noncurrent:
   - **-** and **-**
   - **(1,349,688)**
7. Customer deposits and refunds payable:
   - **-** and **-**
   - **(2,071,289)**
8. Deferred outflows of resource:
   - **(905,372)** and **(1,808,205)**
   - **(9,826,549)**
9. Accounts payable, other accrued liabilities and retainages:
   - **348,831** and **1,142,627**
   - **25,122**
10. Accrued payroll liabilities:
    - **(58,281)** and **(27,333**
    - **487,213**
11. Asset retirement obligation:
    - **-** and **-**
    - **6,599,158**
12. Compensated absences:
    - **70,246** and **(48,039)**
    - **572,932**
13. Claims payable:
    - **-** and **(500,970)**
    - **(500,970)**
14. Net pension liability:
    - **2,034,701** and **3,559,883**
    - **21,485,757**
15. Deferred inflows of resources:
    - **(18,252)** and **(52,146)**
    - **24,069,421**
16. Unearned revenues and deposits:
    - **(144,161)** and **(1,771)**
    - **(142,390)**
17. Other long-term obligations:
    - **-** and **-**
    - **(15,000)**
18. Mini bonds transfer:
    - **-** and **-**
    - **(80,000)**
19. Pollution remediation obligation:
    - **-** and **-**
    - **174,250**
20. Total cash provided by operating activities:
    - **12,831,675** and **1,771,791**
    - **158,632,117**

### Noncash investing, capital, and financing activities:

1. Capital purchases on account:
   - **352,641** and **7,859,888**
   - **16,996,029**
2. Capital inventory additions, net of sale:
   - **-** and **-**
   - **559,373**
3. Contributed capital and equipment:
   - **7,102,982** and **2,060,163**
   - **17,903,907**
4. Capital in aid of construction funded from deferred inflows of resources:
   - **-** and **-**
   - **92,637,014**
5. Portion of plant from AFUDC:
   - **-** and **-**
   - **12,599,561**
6. Total noncash investing, capital, and financing activities:
   - **$7,455,623** and **$9,720,031**
   - **$140,695,884**

See accompanying notes to the financial statements.
## MUNICIPALITY OF ANCHORAGE, ALASKA

Statement of Net Position
Fiduciary Funds
December 31, 2016

### Pension and Other Post Employment Benefits

<table>
<thead>
<tr>
<th>Trust Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash in central treasury</strong></td>
<td><strong>$ 162,083</strong></td>
</tr>
<tr>
<td><strong>Cash, cash equivalents held under securities lending program</strong></td>
<td><strong>4,974,926</strong></td>
</tr>
<tr>
<td>Investments, at fair value:</td>
<td></td>
</tr>
<tr>
<td>Cash and money market funds</td>
<td><strong>7,278,688</strong></td>
</tr>
<tr>
<td>U.S. treasuries</td>
<td><strong>5,460,921</strong></td>
</tr>
<tr>
<td>U.S. TIPS</td>
<td><strong>238,947</strong></td>
</tr>
<tr>
<td>U.S. agencies</td>
<td><strong>2,364,331</strong></td>
</tr>
<tr>
<td>Corporate fixed income securities</td>
<td><strong>74,704,183</strong></td>
</tr>
<tr>
<td>Fixed income funds</td>
<td><strong>1,187,935</strong></td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td><strong>3,961,511</strong></td>
</tr>
<tr>
<td>Domestic equity securities</td>
<td><strong>138,614,466</strong></td>
</tr>
<tr>
<td>International equity securities</td>
<td><strong>62,219,137</strong></td>
</tr>
<tr>
<td>Real estate funds</td>
<td><strong>39,770,170</strong></td>
</tr>
</tbody>
</table>

| **Total investments** | **335,800,289** |
| **Total assets**       | **340,937,298** |

### Liabilities

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td><strong>37,413</strong></td>
</tr>
<tr>
<td>Payable under securities lending program</td>
<td><strong>4,974,926</strong></td>
</tr>
</tbody>
</table>

| **Total liabilities** | **5,012,339** |

### Net Position

Restricted for pensions:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees’ pension benefits</td>
<td><strong>318,074,061</strong></td>
</tr>
<tr>
<td>Employees’ post employment healthcare benefits</td>
<td><strong>17,850,898</strong></td>
</tr>
</tbody>
</table>

| **Total net position restricted for pension benefits** | **335,924,959** |
| **Total liabilities and net position restricted for pension benefits** | **$ 340,937,298** |

See accompanying notes to the financial statements
### Pension and Other Post Employment Benefits

<table>
<thead>
<tr>
<th>Trust Funds</th>
<th>Pension and Other Post Employment Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 10,538,265</td>
<td>Contributions from other funds</td>
</tr>
<tr>
<td>126,119</td>
<td>Contributions from employees</td>
</tr>
<tr>
<td>3,203,805</td>
<td>Interest</td>
</tr>
<tr>
<td>2,741,702</td>
<td>Dividends</td>
</tr>
<tr>
<td>20,781,771</td>
<td>Net increase (decrease) in fair value of investments</td>
</tr>
<tr>
<td>(1,541,060)</td>
<td>Less: investment expense</td>
</tr>
<tr>
<td>35,850,602</td>
<td>Total additions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>35,647,009</td>
<td>Regular benefit payments</td>
</tr>
<tr>
<td>708,727</td>
<td>Administrative expenses</td>
</tr>
<tr>
<td>36,355,736</td>
<td>Total deductions</td>
</tr>
</tbody>
</table>

Change in net position: (505,134)

Net position, beginning of year: 336,430,093

Net position, end of year: $335,924,959
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Blended Component Unit
CIVICVentures is a nonprofit corporation created to finance and construct a convention center for the Municipality, as well as upgrades and improvements to the Egan Center. All of the board members are appointed by the Mayor. As of December 31, 2016, two of CIVICVentures' five-member Board of Directors are executive employees of the Municipality and management and accounting functions are performed by the Municipality. CIVICVentures is reported as a debt service fund.

Discretely Presented Component Units
The Anchorage School District (ASD) is a legally separate governmental entity, which is responsible for elementary and secondary education within the Municipality. Members of the School Board are elected by the voters, however, the Municipality imposes its will over the ASD because the Assembly has the authority to approve and/or alter the total budget of the ASD. The Municipality also must levy the necessary taxes, and issue bonds for the ASD. The ASD has a June 30 fiscal year end, therefore, the financial information presented in these financial statements is as of and for the fiscal year ended June 30, 2016.

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

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

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

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

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

Anchorage Community Development Authority
245 W. 5th Ave, Suite 122
Anchorage, Alaska 99501

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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 considered to be available when they are collectible within the current period or soon
enough thereafter to pay liabilities of the current period. For this purpose, the Municipality considers revenues to
be available if they are collected within six months of the end of the current fiscal period, except for property taxes
which must be collected within 60 days following year end. Expenditures generally are recorded when a liability is
incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to
compensated absences and claims and judgments, are recorded only when payment is due.

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

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

- The **General Fund** is the Municipality’s primary operating fund. It is used to account for resources which are
  not required legally or by sound management to be accounted for in any other fund.

Additionally, the Municipality has elected to present the following as major governmental funds because of their
significance to the public:

- The **MOA Trust Fund** accounts for the endowment fund authorized by the voters of the Municipality.
- The **Roads and Drainage Capital Project Fund** accounts for the capital projects related to the roads and
  drainage system.

The Municipality reports the following major proprietary funds:

- The **Electric Utility Fund** accounts for the operations of the Municipality owned Electric Utility.
- The **Water Utility Fund** accounts for the operations of the Municipality owned Water Utility.
- The **Wastewater Utility Fund** accounts for the operations of the Municipality owned Wastewater Utility.
- The **Port Fund** accounts for operations of the Municipality owned port. The Port fund is reported as a major
  fund for qualitative purposes, not quantitative.
Additionally, the Municipality reports the following fund types:

- The **Internal Service Funds** account for the management and maintenance of general government equipment and vehicles, information technology, and for general liability, workers’ compensation, medical/dental, and unemployment compensation insurance coverage provided to other departments on a cost-reimbursement basis.

- The **Pension and Post-employment Benefit Trust Funds** account for the Police and Fire Retirement Systems Pension plans and the Police and Fire Retiree Medical plan for eligible Police and Fire retirees.

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

The Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds includes AFUDC as an item of non-operating revenues in a manner that indicates the basis for the amount capitalized.

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

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

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

**Cash and Cash Equivalents**

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

**Investments**

Investments at year end are reported at fair value using the techniques presented in GASB Statement No. 72-Fair Value Measurement and Application (GASB 72). Some investments are held at an approximation of fair value using either amortized costs or Net Asset Value (NAV). Investment income on cash pool investments is allocated to the various funds based on their average daily cash pool equity balances. 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). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. Details regarding interfund activity is discussed in Note 7.
All trade and property taxes receivable, including those business-type activities, are shown net of an allowance for uncollectable. Allowance for uncollectable calculations vary depending on the type of receivable, with property taxes using weighted percentages between 0 and over 90 days, and trade accounts using weighted percentages between 0 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 2016, real and personal property taxes were levied on May 1st. Real property taxes were payable in two installments on June 15 and August 15, and personal property taxes in two installments on August 31 and October 31. ASD had accrued taxes and deferred revenue of $123,001,633 for financing half of the 2016-2017 budget as of June 30, 2016. At December 31, 2016, property taxes receivable was $11,497,108 including penalties and interest of $1,477,142 and excluding allowance for uncollectable property tax receivable of $130,606.

Inventories
Inventories are valued at cost (specific identification), except inventories of the Utilities. The Electric Utility uses weighted average cost, the Water and Wastewater Utilities use average cost, and the Port uses specific identification. All Municipality inventories are recorded as expenditures or expenses when used (consumption method).

Prepaids
Prepaid are recognized when incurred and the expenditure is recorded in the period that is benefited using the consumption method.

Restricted Assets
Assets restricted for specific uses by bond covenants, grant provisions or other requirements are classified as restricted assets. The “investments account” is used to report the investment balance in the MOA Trust Fund, which is restricted for a specific purpose under Municipal Code 6.50.060, and the CIVICVentures debt service fund bond reserve. The “bond operation and maintenance account” is used to report resources set aside to subsidize potential deficiencies from the Municipality’s operations that could adversely affect debt service payments. The “bond and capital acquisition and construction account” is used to report those proceeds of bond issuances that are restricted for use in construction. The “landfill post closure cash reserve account” is used to restrict funds to offset the future landfill closure costs, as is required by Municipal Code 26.80.060(c)(3). The “debt service account” is used to segregate resources accumulated for debt service payments. “Intergovernmental receivables” represent grant receivables due from state and federal governments for capital purposes. Liabilities payable from such restricted assets are separately classified.

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

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

The Utilities capitalize interest on construction work in progress in accordance with regulatory requirements. Interest was capitalized in 2016 in the amounts of $12,599,561, $1,566,014, and $620,094 for the Electric, Water and Wastewater Utilities, respectively.

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

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

Property, plant, and equipment of the Municipality are depreciated using the straight line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and Improvements</td>
<td>10-47 years</td>
</tr>
<tr>
<td>Production, Treatment, General Plant, Transmission and Reservoirs</td>
<td>5-90 years</td>
</tr>
<tr>
<td>Lift Stations, Interceptor, Trunks and Laterals</td>
<td>50-85 years</td>
</tr>
<tr>
<td>Equipment Containers</td>
<td>14 years</td>
</tr>
<tr>
<td>Office Equipment and Vehicles</td>
<td>3-25 years</td>
</tr>
<tr>
<td>Infrastructure (other than roads)</td>
<td>30-75 years</td>
</tr>
</tbody>
</table>

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

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

Long-Term Obligations
In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statements of net position. Bond premiums, discounts, gains and losses on bond refunding, are deferred and amortized over the life of the bond using the straight line method. Bonds payable are reported net of the applicable bond premiums and discounts. Gains and losses on bond refunding are reported as deferred inflows of resources and deferred outflows of resources. Debt issuance costs are expensed in the period in which they are incurred.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Details regarding long-term obligations are discussed in Note 10.

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

Contributed Capital
The Utilities receive Contribution In Aid of Construction (CIAC), which they record as contributed plant in service and deferred inflows of resources. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective Utility plant as a reduction of depreciation expense and a reduction of deferred inflows of resources. Consequently, CIAC’s are recorded as deferred inflows of resources in the accompanying financial statements. The Utilities’ rates also include an Allowance for Funds Used During Construction (AFUDC), which is capitalized in the accompanying financial statements. At December 31, 2016, Electric, Water and Wastewater Utility deferred inflow of resources balances related to CIAC were $177,321,176, $212,125,041, and $173,098,656 respectively.
Deferred Outflows of Resources and Deferred Inflows of Resources
Deferred outflows of resources for the charges on refunding are reported on the government-wide Statement of Net Position for business-type activities and the proprietary fund statement for the Electric and Water Utilities. Deferred inflows of resources for property taxes, special assessments, and other unavailable revenues are reported in the governmental fund statements. Time restricted revenues from health permit receipts are reported as deferred inflows of resources are reported in the government-wide Statement of Net Position for governmental activities. Deferred inflows of resources for business-type activities are discussed above and in Note 18. Deferred outflows of resources and deferred inflows of resources related to pensions are discussed in Note 13.

Fund Balance
The Assembly adopted a fund balance policy through resolution, which is used by the Municipality to report fund balance. Detailed disclosures regarding the fund balance policy and reporting is discussed in Note 15.

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

F. Statement of Cash Flows
For the purposes of the statement of cash flows, the Municipality has defined cash as the demand deposits and all investments maintained in the central treasury (regardless of maturity period), because the funds use the pool essentially as a demand deposit account.

G. Reclassifications
Certain amounts previously reported have been reclassified to conform to the current year’s presentation. The reclassification had no effect on previously reported changes in net position or fund balances.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - 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, 2016, expenditures exceeded appropriations in the Economic and Community Development department of the general fund by $96,023. Budgets, original and final, and actual amounts do not include PERS on-behalf expenditures and indirect charges.

B. Negative Fund Balance
As of December 31, 2016, an overall negative unassigned fund balance position were reported for the following funds:

Non-major Governmental Funds:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>E911 Surcharge</td>
<td>$(828,616)</td>
</tr>
<tr>
<td>Other Restricted Resources</td>
<td>(46,130)</td>
</tr>
<tr>
<td>Public Safety Capital Projects</td>
<td>(1,787,393)</td>
</tr>
<tr>
<td><strong>Total Non-major Governmental Funds</strong></td>
<td><strong>$(2,662,139)</strong></td>
</tr>
</tbody>
</table>

The E911 Surcharge fund reported an overall negative unassigned fund balance as a result of insufficient surcharge revenues being collected to cover the expenditures for 2016. In 2016, the Municipality increased the surcharge to the maximum allowed under AMC 29.35.131 of $2.00 per line, but still expects that expenditures will exceed revenues generated from the surcharge. The Municipality is determining whether reductions in expenditures or supplemental appropriations from other sources are appropriate.
The Other Restricted Resources fund reported an overall negative unassigned fund balance as a result of more than one year of cumulative expenditures being in excess of special assessment revenues. This fund has presented a deficit fund balance consistently since 2006. The Municipality is determining whether adjusting the special assessment levy or supplemental appropriations from other sources are appropriate to address the fund balance deficit.

The Public Safety Capital Projects fund reported an unassigned fund balance as a result of Restricted and Committed fund balances calculated for the fund were in excess of total fund balance. At December 31, 2016, Public Safety Capital Projects fund had approximately $10.225 million in authorized but not issued general obligation bonds available for capital projects. The Municipality will be looking into issuing additional debt to continue with future capital projects and also to resolve the negative fund balance.

C. Related Party Transaction

Anchorage Community Development Authority - The Municipality has leased 516 spaces located on four sites to the Authority for a period of 35 years. The agreement included an advance payment of $350 per lot and will terminate in 2019. In 2016, the Municipality paid a total of $603,889 to ACDA for leased parking.

D. Material Violations of Contractual Provisions

There were no material violations of contractual provisions as of December 31, 2016.

NOTE 3 - CASH AND INVESTMENTS

At December 31, 2016, the Municipality had the following cash and investments, with fixed income maturities as noted:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value*</th>
<th>Less Than 1</th>
<th>1 - 5</th>
<th>6 - 10</th>
<th>More Than 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>$73,366</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Treasury - Restricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>47,692,839</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>2,902,556</td>
<td>2,902,556</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>299,827</td>
<td>299,827</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>240,900</td>
<td>240,900</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>13,307,427</td>
<td>4,282,430</td>
<td>7,879,780</td>
<td>1,145,217</td>
<td></td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>39,384,533</td>
<td>20,020,719</td>
<td>18,380,009</td>
<td>500,338</td>
<td>483,467</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>19,726</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,726</td>
</tr>
<tr>
<td>Asset-Backed Securities**</td>
<td>3,944,233</td>
<td>83,298</td>
<td>2,604,572</td>
<td>591,869</td>
<td>664,494</td>
</tr>
<tr>
<td>Corporate Fixed Income Securities</td>
<td>16,708,812</td>
<td>6,771,159</td>
<td>5,691,704</td>
<td>3,973,028</td>
<td>272,921</td>
</tr>
<tr>
<td></td>
<td>$124,500,853</td>
<td>$34,600,889</td>
<td>$34,556,065</td>
<td>$6,230,178</td>
<td>$1,420,882</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value*</th>
<th>Less Than 1</th>
<th>1 - 5</th>
<th>6 - 10</th>
<th>More Than 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Treasury - Unrestricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>6,556,270</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>34,032,002</td>
<td>34,032,002</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>3,515,419</td>
<td>3,515,419</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>2,824,520</td>
<td>2,824,520</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>123,312,501</td>
<td>17,495,823</td>
<td>92,389,185</td>
<td>13,427,493</td>
<td></td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>66,705,430</td>
<td>54,756,761</td>
<td>413,700</td>
<td>5,866,387</td>
<td>5,668,582</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>231,288</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>231,288</td>
</tr>
<tr>
<td>Asset-Backed Securities**</td>
<td>46,245,507</td>
<td>976,652</td>
<td>30,538,202</td>
<td>6,939,573</td>
<td>7,791,080</td>
</tr>
<tr>
<td>Corporate Fixed Income Securities</td>
<td>137,193,556</td>
<td>20,676,137</td>
<td>66,734,333</td>
<td>46,583,129</td>
<td>3,199,957</td>
</tr>
<tr>
<td></td>
<td>$420,616,493</td>
<td>$134,277,314</td>
<td>$190,075,420</td>
<td>$73,047,870</td>
<td>$16,659,619</td>
</tr>
</tbody>
</table>

* Market value plus accrued income.
** Includes asset-backed securities, residential and commercial mortgage-backed securities, and collateralized debt obligations.
### Fixed Income Investment Maturities (in years)

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Less Than 1</th>
<th>1 - 5</th>
<th>6 - 10</th>
<th>More Than 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MOA Trust Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>2,492,668</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bank Loan Investments</td>
<td>4,725,662</td>
<td>-</td>
<td>-</td>
<td>4,725,662</td>
<td>-</td>
</tr>
<tr>
<td>Fixed Income Funds</td>
<td>39,921,998</td>
<td>-</td>
<td>39,921,998</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Domestic Equities &amp; Equity Funds</td>
<td>49,460,800</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International Equities &amp; Equity Funds</td>
<td>37,782,321</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Real Estate Funds</td>
<td>13,285,430</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$147,668,159</td>
<td>$ -</td>
<td>$39,921,998</td>
<td>$4,725,662</td>
<td>$ -</td>
</tr>
</tbody>
</table>

| **Police & Fire Retiree Medical Trust Fund** |            |       |       |        |              |
| Cash & Money Market Funds              | 1,056,174  | -     | -     | -      | -            |
| Certificate of Deposit                 | 3,961,511  | -     | 3,961,511 | - | -            |
| U.S. Treasuries                        | 5,460,921  | 2,224,921 | 3,236,000 | - | -            |
| U.S. TIPS                              | 238,947    | -     | -     | 238,947 | -            |
| U.S. Agencies                          | 2,364,331  | -     | 2,364,331 | - | -            |
| Fixed Income Funds                     | 1,187,935  | -     | 282,530 | 905,405 | -            |
| Domestic Equity Funds                   | 2,170,471  | -     | -     | -      | -            |
| International Equity Funds             | 1,408,118  | -     | -     | -      | -            |
| **Total**                              | $17,848,408 | $2,224,921 | $9,844,372 | $1,144,352 | $ -          |

| **Police & Fire Retiree Medical Liability Fund** |            |       |       |        |              |
| Cash & Money Market Funds              | $306,410   | -     | -     | -      | -            |
| Fixed Income Funds                     | 8,086,711  | -     | -     | 8,086,711 | -            |
| Domestic Equities & Equity Funds       | 13,338,256 | -     | -     | -      | -            |
| International Equity Funds             | 8,749,174  | -     | -     | -      | -            |
| Real Estate Funds                      | 3,782,809  | -     | -     | -      | -            |
| **Total**                              | $34,263,360 | $ -     | $ -   | $ 8,086,711 | $ -          |

| **Police and Fire Retirement Pension Trust Fund** |            |       |       |        |              |
| Cash & Money Market Funds              | 6,222,514  | -     | -     | -      | -            |
| Corporate Fixed Income Securities      | 74,704,183 | 10,051,360 | 32,943,729 | 28,969,310 | 2,739,784 |
| Domestic Equities & Equity Funds       | 136,443,995 | -     | -     | -      | -            |
| International Equity Funds             | 60,811,019 | -     | -     | -      | -            |
| Real Estate Funds                      | 39,770,170 | -     | -     | -      | -            |
| **Total**                              | $317,951,881 | $10,051,360 | $32,943,729 | $28,969,310 | $2,739,784 |

| **HUD Section 108 Loan Program Investment** |           |       |       |        |              |
| Cash & Money Market Funds              | 7          | -     | -     | -      | -            |
| **Total**                              | $7         | -     | -     | -      | -            |

| **CIVICVentures Component Unit**        |           |       |       |        |              |
| Cash & Money Market Funds              | 196,155    | -     | -     | -      | -            |
| U.S. Agencies                          | 5,587,369  | 1,362,042 | 4,225,327 | - | -            |
| Corporate Fixed Income Securities      | 1,381,259  | 366,040 | 1,015,219 | - | -            |
| **Total**                              | $7,164,783 | $1,728,082 | $5,240,546 | $ - | $ -          |

| **Total Cash & Investments**            |           |       |       |        |              |
| Governmental Activities                | 457,627,167 |       |       | $122,204,083 | $20,820,285 |
| Business-Type Activities               | 276,497,771 |       |       | $182,882,566 | $312,582,130 |
| Fiduciary Funds                        | 335,962,372 |       |       | $182,087,310 | $20,820,285 |
| **Total**                              | $1,070,087,310 | $182,882,566 | $312,582,130 | $122,204,083 | $20,820,285 |

### A. Municipal Central Treasury

The Municipality manages its Central Treasury in four portfolios; one internally managed portfolio and three externally managed duration portfolios based on liability duration and cash needs: working capital, contingency reserve and strategic reserve.
The Municipality maintains a comprehensive policy over cash and investments that is designed to mitigate risks while maximizing investment return and providing for operating liquidity. Pursuant to Anchorage Municipal Code (AMC) 6.50.030, the Municipality requires investments to meet specific rating and issuer requirements.

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

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

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

- Structured Investment Vehicles.
- Asset Backed Commercial Paper.
• Short Sales.
• Securities not denominated in U.S. Dollars.
• Commodities.
• Real Estate Investments.
• Derivatives, except “to be announced” forward mortgage-backed securities (TBAs) and derivatives for which payment is guaranteed by the U.S. government or an agency thereof.

The Investment Management Agreement (IMA) for each external manager and the policy and procedures (P&P) applicable to the internally managed investments provide additional guidelines for each portfolio’s investment mandate. The IMA and P&P limit the concentration of investments for the working capital portfolio and the internally managed portfolio at the time new investments are purchased as follows:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Concentration Limit</th>
<th>Working Capital Portfolio Holding % at December 31, 2016</th>
<th>Internally Managed Portfolio Holding % at December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Government Securities*</td>
<td>50% to 100%</td>
<td>52%</td>
<td>51%</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>0% to 50%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>Certificates of Deposit**</td>
<td>0% to 50%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Bankers Acceptances</td>
<td>0% to 25%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>0% to 15%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>0% to 15%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Alaska Municipal League Investment Pool (AMLIP)***</td>
<td>0% to 25%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Money Market Mutual Funds****</td>
<td>0% to 25%</td>
<td>15%</td>
<td>41%</td>
</tr>
<tr>
<td>Dollar Denominated Fixed Income Securities, other</td>
<td>0% to 15%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>than those listed herein, rated by at least one nationally recognized rating agency</td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Includes debt obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations.
**The policy limits CDs that are not secured by U.S. government securities to 20% of the internally managed portfolio.
***The Working Capital portfolio may not be invested in AMLIP.
****Internally Managed Portfolio, 2016, includes amounts in excess of $21 million held in anticipation of planned spending. Excluding these amounts, the Internally Managed Portfolio meets the Concentration Limit.

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.

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

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Lower Limit</th>
<th>Upper Limit</th>
<th>Investment Holding % at December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equities</td>
<td>30%</td>
<td>40%</td>
<td>33%</td>
</tr>
<tr>
<td>International Equities</td>
<td>22%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Fixed Income (excluding TIPS)</td>
<td>23%</td>
<td>29%</td>
<td>27%</td>
</tr>
<tr>
<td>Bank Loan Investments</td>
<td>0%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Treasury Inflation Protected Securities (TIPS)</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

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 Europe, Australia, Far East Index (MSCI-EAFE), 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 earn a rate of return on fund assets that exceeds the rate of inflation by at least five percent in order to maintain funding of accrued liabilities and enhance member health benefits. The Police and Fire Retiree Medical Trust investment objective is based upon a 5 to 10 year investment horizon and short-term market volatility is to be viewed with an appropriate perspective. In accordance with its investment policy, Member Allocated Funds of the Police and Fire Medical Trust must be invested in cash equivalents. The Trust’s general funds may be invested in the following instruments:

- Domestic equities.
- International equities.
• Domestic (dollar-denominated) fixed income securities.
• Cash equivalents.

The Police and Fire Retiree Medical Trust investment policy controls risk by stipulating that:

• The use of leverage is prohibited, as are short sales and margin transactions.
• For equities, investment in any one company shall not exceed the greater of 5 percent or 1.5 times the company’s weighting in an appropriate market index; investment in any one sector shall not exceed the greater of 30 percent or 1.5 time the sector’s weighting in the appropriate market index.
• No position in an individual security shall exceed 5 percent of the fixed income portfolio’s market value.
• The weighted average credit quality of the fixed income portfolio must be rated AA- by Standard and Poor's or Aa3 by Moody's.
• The duration of the fixed income portfolio shall be within 20 percent of the duration of the Barclay's Aggregate Index.

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

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Target Allocation</th>
<th>Investment Holding % at December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Domestic Equities</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>International Equities</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>23%</td>
<td>22%</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

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

D. Police and Fire Retiree Medical Liability Fund

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

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

• Domestic equities.
• International equities.
• Fixed income securities.
• Real estate equities.

The Police and Fire Retiree Medical Liability Fund investment policy limits the concentration of investments as follows:
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 Fund's investment policy also prohibits the following investments:

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

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

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Lower Limit</th>
<th>Upper Limit</th>
<th>Investment Holding % at December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Cap Core</td>
<td>9%</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Large Cap Growth</td>
<td>8%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Large Cap Value</td>
<td>8%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Small Cap Growth</td>
<td>2%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Small/Mid Cap Value</td>
<td>2%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>International Equities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSCI ACWI ex US</td>
<td>7%</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Growth</td>
<td>7%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Fixed Income:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic Fixed Income</td>
<td>20%</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>Real Estate Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Real Estate Investment Trust</td>
<td>1%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Open Ended Proprietary Fund</td>
<td>2%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Farmland</td>
<td>2%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>UBS-TPI</td>
<td>2%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>0%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

The Police and Fire Retirement Pension Trust Fund 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. 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. 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.

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, 2016, the Working Capital Portfolio had a duration of 0.16 years, or approximately 58 days. 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, 2016, the Contingency Reserve Portfolio had a duration of 1.88 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.92 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, 2016, the Strategic Reserve Portfolio had a duration of 3.88 years as compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.86 years.

The effective durations of the externally managed portfolios of the Municipal Central Treasury (working capital, contingency reserve and strategic reserve) at December 31, 2016, were 0.16 years, 1.88 years, and 3.88 years, respectively, which are within the required durations per the policy.

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, 2016, the duration of the index was 5.89 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 5.96 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, 2016, the duration of the Barclays Capital Aggregate Index was 5.89 years, and the duration of the Police and Fire Retirement Trust’s fixed income portfolio was 4.19 years, which is within the required duration per the policy.

G. 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.

Policy & Procedures (P&P) 24-11 states that the Internally Managed Funds may not have investments in any single issuer exceeding 5 percent of total investments. P&P 24-11 also requires that at least 50 percent of the portfolio shall be invested in U.S. Government securities or in mutual funds that invest solely in U.S. Government securities. P&P 24-11 limits concentrations by security type based upon portfolio values at the time of purchase. Security type concentration limits are as follows: i) 50 percent invested in repurchase agreements or certificates of deposit, including unsecured certificates of deposit, ii) 25 percent invested in banker’s acceptances or money
market mutual funds or mutual fund investments that invest predominantly in investments permitted by AMC 6.50.030 or the Alaska Municipal League Investment Pool (AMLIP). iii) 20 percent invested in certificates of deposit secured by other than U.S. Government securities, and iv) 15 percent invested in commercial paper of dollar denominated fixed income securities, other than those listed previously, rated by at least one nationally recognized rating agency. P&P 24-11 states that bond debt service reserve funds may be invested in securities not exceeding the final maturity date of the bond issue for which they are invested, and investment of any funds that are subject to restrictive covenants contained in an Ordinance or Resolution must be invested in accordance with those covenants.

At December 31, 2016, the Municipal Central Treasury’s investment in marketable debt securities, excluding U.S. Treasury and Agency securities, totaled $208,464,246. The distribution of ratings on these securities was as follows:

<table>
<thead>
<tr>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>AAA</td>
</tr>
<tr>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>Aa</td>
<td>AA</td>
</tr>
<tr>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Baa</td>
<td>BBB</td>
</tr>
<tr>
<td>23%</td>
<td>25%</td>
</tr>
<tr>
<td>Ba or Lower</td>
<td>BB or Lower</td>
</tr>
<tr>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Not Rated</td>
<td>Not Rated</td>
</tr>
<tr>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

At December 31, 2016, securities in the MOA Trust had an investment of $39,921,998 in commingled fixed income funds with a weighted average credit quality rating of BBB.

At December 31, 2016, the Police and Fire Retiree Medical Trust had an investment of $1,187,935 in commingled fixed income funds with a weighted average credit quality rating of A+, and an investment of $238,947 in commingled TIPS funds with a weighted average credit quality rating of AAA.

At December 31, 2016, the Police and Fire Retiree Medical Liability Fund had an investment of $6,563,440 in a commingled fixed income fund with a weighted average credit quality rating of BBB, and an investment of $1,523,271 in a commingled fixed income fund with a weighted average credit quality rating of AA.

At December 31, 2016, the Police and Fire Retirement Pension Trust’s total fixed income portfolio had a weighted average rating of A3 by Moody’s. The Police and Fire Retirement Trust’s investment in marketable debt securities totaled $74,704,183, with ratings distributed as follows:

<table>
<thead>
<tr>
<th>Moody's</th>
<th>S&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaa</td>
<td>AAA</td>
</tr>
<tr>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Aa</td>
<td>AA</td>
</tr>
<tr>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>Baa</td>
<td>BBB</td>
</tr>
<tr>
<td>44%</td>
<td>41%</td>
</tr>
<tr>
<td>Ba or Lower</td>
<td>BB or Lower</td>
</tr>
<tr>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Not Rated</td>
<td>Not Rated</td>
</tr>
<tr>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**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, 2016, the Municipal Central Treasury had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2016, the MOA Trust had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2016, the Police and Fire Retiree Medical Trust had no investments in any single issuer exceeding 5 percent of total investments.
At December 31, 2016, the Police and Fire Retiree Medical Liability Fund had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2016, the Police and Fire Retirement Trust had no investments in any single issuer exceeding 5 percent of total investments.

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

At December 31, 2016, the Municipal Central Treasury had bank deposit carrying amounts totaling $50,179,132, of which $500,000 was covered by federal depository insurance. Bank deposits of $13,478,739 were secured by collateral held by a third party and deposits of $36,200,393 were secured by collateral held at the depository bank. 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, 2016 cash deposits and investments were not exposed to custodial risk.

H. Securities Lending
During 2016, the Police and Fire Retirement Pension Trust lent securities in its investment portfolio to financial institutions through a securities lending program administered by the Police and Fire Retirement Pension Trust’s custodian. At December 31, 2016, the amount of the collateral provided by borrowers averaged 102 percent of the value of securities lent. The Police and Fire Retirement Pension Trust is authorized to lend its investment securities by its statement of investment policy, which is approved by the Board. The lending is managed by the Police and Fire Retirement Pension Trust’s custodian. All loans can be terminated on demand by either the Police and Fire Retirement Pension Trust or the borrowers. The term of the loans can vary from one week to many months. The agent lends the Police and Fire Retirement Pension Trust’s U.S. Government and Agency securities and domestic corporate fixed income and equity securities for securities or cash collateral of 102 percent. The securities lending contracts do not allow the Police and Fire Retirement Pension Trust to pledge or sell any collateral securities. Cash collateral is invested in the agent’s collateral investment pool, whose share values are based on the amortized cost of the pool’s investments. At December 31, 2016, the pool had a weighted average maturity of 13 days. There are no restrictions on the amount of securities that can be lent at one time or to one borrower.

The investments are classified in category 1 because the securities are held by the Police and Fire Retirement Pension Trust’s agent (which is not affiliated with or related to the investment broker) in the Police and Fire Retirement Pension Trust’s name. Category 1 is defined as insured or collateralized with securities held by the entity or by its agent in the entity’s name.

The following represents the balances relating to the securities lending transactions at December 31, 2016:

<table>
<thead>
<tr>
<th>Securities Lent</th>
<th>Fair Value of Underlying Securities</th>
<th>Collateral Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Securities</td>
<td>$2,174,296</td>
<td>$2,222,333</td>
</tr>
<tr>
<td>Domestic Equities</td>
<td>$2,800,530</td>
<td>$2,858,567</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,974,826</strong></td>
<td><strong>$5,080,900</strong></td>
</tr>
</tbody>
</table>

The lending agent provides indemnification if the borrowers fail to return the underlying securities (and the collateral is inadequate to replace the securities lent) or if the borrowers fail to pay income distributions on borrowed securities. There are no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior-period losses during the year.
I. 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, 2016, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

The MOA Trust’s investment in commingled international equity funds and individual investments within other funds expose it to exchange risk in various foreign currencies. At December 31, 2016, these investments totaled $37,782,321 and represented 26 percent of the Trust’s aggregate portfolio. Exposure to foreign currency risk was as follows:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Underlying Currency</th>
<th>Fair Value (U.S. Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Depositary Receipts</td>
<td>Various</td>
<td>$1,313,905</td>
</tr>
<tr>
<td>Commingled International Equity Funds</td>
<td>Various</td>
<td>36,468,416</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$37,782,321</strong></td>
</tr>
</tbody>
</table>

The Police and Fire Retiree Medical Trust's investment in commingled international equity funds exposes it to exchange risk in various foreign currencies. At December 31, 2016, this investment totaled $1,408,118 and represented 8 percent of the Trust's general funds.

The Police and Fire Retiree Medical Liability Fund’s investment in commingled international equity funds exposes it to exchange risk in various foreign currencies. At December 31, 2016, this investment totaled $8,749,174 and represented 26 percent of the Police and Fire Retiree Medical Liability Fund’s aggregate portfolio.

The Police and Fire Retirement Pension Trust’s investment in commingled international equity funds exposes it to exchange risk in various foreign currencies. At December 31, 2016, this investment totaled $60,811,019 and represented 19 percent of the Police and Fire Retirement Trust’s aggregate portfolio.

J. Fair Value Measurements

At December 31, 2016, the Municipality had the following cash and investments, valued as follows:

- Asset-backed securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Bank loan investments 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.
- Cash and short-term collective investments such as money market funds are valued at amortized cost.
- 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.
- Common stocks are valued at the closing price reported on the active market on which the individual securities traded.
- Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Commingled funds are valued at the daily closing price as reported by the fund. These funds publish their daily NAV and transact at that price. The commingled funds held are deemed to be actively traded.
- Domestic equity 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 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.
• U.S. Tips are valued at the closing price reported on the active market on which the individual securities traded.

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

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

The Municipality categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Municipality has the following recurring fair value measurements as of December 31, 2016:

<table>
<thead>
<tr>
<th>Investment Type:</th>
<th>December 31, 2016</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td></td>
<td>$73,366</td>
<td></td>
</tr>
<tr>
<td>Central Treasury- Unrestricted Investments Measured at Fair Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>$34,032,002</td>
<td>$</td>
<td>$34,032,002</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>3,515,419</td>
<td>-</td>
<td>3,515,419</td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>123,312,501</td>
<td>123,312,501</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>66,705,430</td>
<td>-</td>
<td>66,705,430</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>231,288</td>
<td>-</td>
<td>231,288</td>
</tr>
<tr>
<td>Asset-backed Securities</td>
<td>46,245,507</td>
<td>-</td>
<td>46,245,507</td>
</tr>
<tr>
<td>Corporate Securities</td>
<td>137,193,556</td>
<td>-</td>
<td>137,193,556</td>
</tr>
<tr>
<td>Total Central Treasury- Unrestricted Investments Measured at Amortized Cost</td>
<td>$411,235,703</td>
<td>123,312,501</td>
<td>287,923,202</td>
</tr>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>6,556,270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposits</td>
<td>2,824,520</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Central Treasury- Unrestricted Investments Measured at Amortized Cost</td>
<td>$9,380,790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Central Treasury- Unrestricted Investments Measured at Fair Value &amp; Amortized Cost</td>
<td>$420,616,493</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Investment Type:

#### Central Treasury- Restricted

<table>
<thead>
<tr>
<th>Investments Measured at Fair Value</th>
<th>December 31, 2016</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase Agreements</td>
<td>$ 2,902,556</td>
<td>$ 2,902,556</td>
<td></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>299,827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasuries</td>
<td>13,307,427</td>
<td>13,307,427</td>
<td></td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>39,384,533</td>
<td></td>
<td>39,384,533</td>
</tr>
<tr>
<td>Municipal Bonds</td>
<td>19,726</td>
<td></td>
<td>19,726</td>
</tr>
<tr>
<td>Asset-backed Securities</td>
<td>3,944,233</td>
<td></td>
<td>3,944,233</td>
</tr>
<tr>
<td>Corporate Securities</td>
<td>16,708,812</td>
<td></td>
<td>16,708,812</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 76,567,114</td>
<td>$ 13,307,427</td>
<td>63,259,687</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at Amortized Cost</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>47,692,839</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposits</td>
<td>240,900</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 47,933,739</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Central Treasury- Restricted**

$ 124,500,853

#### MOA Trust Fund

<table>
<thead>
<tr>
<th>Investments Measured at Fair Value</th>
<th>December 31, 2016</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equities &amp; Equity Funds</td>
<td>$ 49,460,080</td>
<td>$ 49,460,080</td>
<td></td>
</tr>
<tr>
<td>International Equities &amp; Equity Funds</td>
<td>37,782,321</td>
<td>37,782,321</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 87,242,401</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at Net Asset Value (NAV)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan Investments</td>
<td>4,725,662</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income Funds</td>
<td>39,921,998</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Estate Funds</td>
<td>13,285,430</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 57,933,090</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at Amortized Cost</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>2,492,668</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total MOA Trust Fund</strong></td>
<td>$ 147,668,159</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Police & Fire Retiree Medical Trust Fund

<table>
<thead>
<tr>
<th>Investments Measured at Fair Value</th>
<th>December 31, 2016</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasuries</td>
<td>$ 5,460,921</td>
<td>$ 5,460,921</td>
<td></td>
</tr>
<tr>
<td>U.S. Agencies</td>
<td>2,364,331</td>
<td></td>
<td>2,364,331</td>
</tr>
<tr>
<td>U.S. TIPS</td>
<td>238,947</td>
<td>238,947</td>
<td></td>
</tr>
<tr>
<td>Fixed Income Funds</td>
<td>1,187,935</td>
<td>1,187,935</td>
<td></td>
</tr>
<tr>
<td>Domestic Equity Funds</td>
<td>2,170,471</td>
<td>2,170,471</td>
<td></td>
</tr>
<tr>
<td>International Equity Funds</td>
<td>1,408,118</td>
<td>1,408,118</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 12,830,723</td>
<td></td>
<td>10,466,392</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at Amortized Cost</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Money Market Funds</td>
<td>1,056,174</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificates of Deposits</td>
<td>3,961,511</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Police &amp; Fire Retiree Medical Trust Fund</strong></td>
<td>$ 17,848,408</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Police & Fire Retiree Medical Liability Fund

<table>
<thead>
<tr>
<th>Investments Measured at Fair Value</th>
<th>December 31, 2016</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income Funds</td>
<td>$ 8,086,711</td>
<td>$ 8,086,711</td>
<td></td>
</tr>
<tr>
<td>Domestic Equities &amp; Equity Funds</td>
<td>13,338,256</td>
<td>13,338,256</td>
<td></td>
</tr>
<tr>
<td>International Equities &amp; Equity Funds</td>
<td>8,749,174</td>
<td>8,749,174</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 30,174,141</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments Measured at Net Asset Value (NAV)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Funds</td>
<td>3,782,809</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Police &amp; Fire Retiree Medical Liability Fund</strong></td>
<td>$ 34,263,360</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Investment Type:

Police & Fire Retirement Pension Trust Fund

Investments Measured at Fair Value

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Fixed Income Securities</td>
<td>$ 74,704,183</td>
<td>$ 10,051,360</td>
<td>$ 64,652,823</td>
</tr>
<tr>
<td>Domestic Equities &amp; Equity Funds</td>
<td>136,443,995</td>
<td>136,443,995</td>
<td>-</td>
</tr>
<tr>
<td>International Equities &amp; Equity Funds</td>
<td>60,811,019</td>
<td>60,811,019</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>271,959,197</td>
<td>207,306,374</td>
<td>64,652,823</td>
</tr>
</tbody>
</table>

Investments Measured at Net Asset Value (NAV)

<table>
<thead>
<tr>
<th>Real Estate Funds</th>
<th>39,770,170</th>
</tr>
</thead>
</table>

Investments Measured at Amortized Cost

<table>
<thead>
<tr>
<th>Cash &amp; Money Market Funds</th>
<th>6,222,514</th>
</tr>
</thead>
</table>

Total Police & Fire Retiree Pension Trust Fund: $317,951,881

HUD Section 108 Loan Program Investments

Investments Measured at Amortized Cost

<table>
<thead>
<tr>
<th>Cash &amp; Money Market Funds</th>
<th>$ 7</th>
</tr>
</thead>
</table>

Total HUD Section 108 Loan Program Investments: $7

CIVICVentures Component Unit

Investments Measured at Fair Value

<table>
<thead>
<tr>
<th>U.S. Agencies</th>
<th>$ 5,587,369</th>
<th>$ -</th>
<th>$ 5,587,369</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Fixed Income Securities</td>
<td>1,381,259</td>
<td>-</td>
<td>1,381,259</td>
</tr>
<tr>
<td>Total</td>
<td>$ 6,968,628</td>
<td></td>
<td>6,968,628</td>
</tr>
</tbody>
</table>

Investments Measured at Amortized Cost

<table>
<thead>
<tr>
<th>Cash &amp; Money Market Funds</th>
<th>196,155</th>
</tr>
</thead>
</table>

Total CIVICVentures Component Unit: $7,164,783

Total Cash and Investments: $1,070,087,310

Governmental Activities: $457,627,167

Business-Type Activities: $276,497,771

Fiduciary Funds: $335,962,372

Total: $1,070,087,310

The unfunded commitments and redemption information for the investments reported as NAV for December 31, 2016 are as follows:

<table>
<thead>
<tr>
<th>Net Asset Value (NAV) Investments</th>
<th>Fair Value</th>
<th>Unfunded Commitment</th>
<th>Redemption Frequency</th>
<th>Redemption Note Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOA Trust Fund:</td>
<td>$ 13,285,430</td>
<td>$ -</td>
<td>Quarterly</td>
<td>60 days</td>
</tr>
<tr>
<td>Trumbull Property Fund</td>
<td>39,921,998</td>
<td>-</td>
<td>Daily</td>
<td>5 Days</td>
</tr>
<tr>
<td>Western Asset Floating Rate High Income Fund</td>
<td>4,725,662</td>
<td>-</td>
<td>Daily</td>
<td>same day</td>
</tr>
<tr>
<td>Total</td>
<td>$ 57,933,090</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Police & Fire Retiree Medical Liability Fund:

| Trumbull Property Fund            | $ 3,782,809   | $ -                 | Quarterly           | 60 days               |

Police & Fire Retirement Pension Trust Fund:

| AgriVest Farmland Fund           | $ 14,922,895  | $ -                 | Quarterly           | 60 days               |
| Trumbull Property Fund           | 11,668,030    | -                   | Quarterly           | 60 days               |
| Trumbull Property Income Fund    | 13,179,245    | -                   | Quarterly           | 60 days               |
| Total                             | $ 39,770,170  |                     |                     |                       |
K. 49th State Angel Fund Investments

Determination of Fair Value using Net Asset Value (NAV)
The Municipality has been allocated $13.2 million by the U.S. Department of Treasury’s State Small Business Credit Initiative (SSBCI) to invest in Anchorage area businesses. The Municipality was the first city in the U.S. to receive the allocation. The Municipality established the 49th State Angel Fund (49SAF), with the purpose of providing a new source of capital to Anchorage area entrepreneurs that will help spur economic development and encourage the creation of a qualified network of Angel investors. The 49SAF makes equity investments in local start-ups and small businesses that need additional capital for growth.

Currently, the Municipality is investing in three main investing funds: 1) Alaska Opportunity Fund, 2) Alaska Accelerator Fund, and 3) 49th Angel Fund, who in turn, administer smaller distributions directly to the Anchorage area small businesses. The fair value of investments in these three funds are calculated using Net Asset Value (NAV) or its equivalent derived from various financial documents provided to the Municipality on an annual basis. The fair value using NAV or its equivalent for the year ended December 31, 2016 for the three investments is as follows:

Investments Measured at the Net Asset Value (NAV)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Opportunity Fund</td>
<td>$ 100,598</td>
</tr>
<tr>
<td>Alaska Accelerator Fund</td>
<td>677,638</td>
</tr>
<tr>
<td>49th Angel Fund</td>
<td>500,000</td>
</tr>
<tr>
<td>Total Investments Measured at NAV</td>
<td>$ 1,278,236</td>
</tr>
</tbody>
</table>

The fair value for the Alaska Accelerator Fund and the 49th Angel Fund was determined using the balance in the capital accounts from the Internal Revenue Service’s form K-1. The fair value for the Alaska Opportunity Fund was determined using the unaudited financial statements. Adjustments in fair value are recognized at year end as unrealized gains and losses, unless the change is a result of a liquidation of a particular investment. In 2016, the Alaska Opportunity Fund liquidated one of the investments, resulting in a realized gain of $105,523. Net unrealized gains and losses as a result of changes in the capital accounts and equity from the Alaska Opportunity Fund and Alaska Accelerator Fund of $54,389 were also recognized at year end. The 49th Angel Fund investment balance remained unchanged.

Unfunded Commitments and Redemptions
The Municipality has committed various levels of funding to these investing funds, some of which is remaining unfunded at year end. Due to the nature of the 49th State Angel Fund program, redemption periods for these investments are not determinable. The funds are invested in start-up and existing small businesses, and as long as the businesses are still operating, the investments will not be redeemed. At such time as the business either succeeds or fails, the redemption will either result in a return of original investment with a potential gain if the business is a success, or a write-off of the original investment as a loss if the business fails. The unfunded commitments and redemption information for the three investing funds for December 31, 2016 is as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Frequency (If Currently Eligible)</td>
</tr>
<tr>
<td>Alaska Opportunity Fund</td>
<td>$ 100,598</td>
<td>$ 1,561,000</td>
<td>nondeterminable</td>
</tr>
<tr>
<td>Alaska Accelerator Fund</td>
<td>677,638</td>
<td>429,875</td>
<td>nondeterminable</td>
</tr>
<tr>
<td>49th Angel Fund</td>
<td>500,000</td>
<td>1,500,000</td>
<td>nondeterminable</td>
</tr>
<tr>
<td>Total Investments Measured at NAV</td>
<td>$ 1,278,236</td>
<td>$ 3,490,875</td>
<td></td>
</tr>
</tbody>
</table>

NOTE 4 - RECEIVABLES (Including Loans and Leases Receivable)

The Municipality’s receivables including the applicable allowance for uncollectible accounts were reported as follows at December 31, 2016:
### Governmental Business-type Activities

<table>
<thead>
<tr>
<th></th>
<th>Current Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property taxes</td>
<td>$11,627,714</td>
<td>$</td>
<td>$11,627,714</td>
</tr>
<tr>
<td>Accomodations taxes</td>
<td>3,631,988</td>
<td>-</td>
<td>3,631,988</td>
</tr>
<tr>
<td>Unbilled reimbursable projects</td>
<td>-</td>
<td>954,274</td>
<td>954,274</td>
</tr>
<tr>
<td>Special assessments receivable</td>
<td>3,568,224</td>
<td>161,621</td>
<td>3,729,845</td>
</tr>
<tr>
<td>Trade accounts, including internal service funds</td>
<td>$11,951,422</td>
<td>$25,997,518</td>
<td>$37,948,940</td>
</tr>
<tr>
<td>Total accounts receivable</td>
<td>30,779,348</td>
<td>27,113,413</td>
<td>$57,892,761</td>
</tr>
<tr>
<td>Allowance for uncollectible accounts</td>
<td>(4,199,670)</td>
<td>$(428,679)</td>
<td>(4,628,349)</td>
</tr>
<tr>
<td>Total Accounts Receivable, net</td>
<td>$26,579,678</td>
<td>$26,684,734</td>
<td>$53,264,412</td>
</tr>
</tbody>
</table>

### Noncurrent

<table>
<thead>
<tr>
<th></th>
<th>Current Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD loans (including section 108)</td>
<td>3,371,663</td>
<td>-</td>
<td>3,371,663</td>
</tr>
<tr>
<td>Total Loans and Leases, net</td>
<td>$3,371,663</td>
<td>-</td>
<td>$3,371,663</td>
</tr>
</tbody>
</table>

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

### NOTE 5 - CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the year ended December 31, 2016, was as follows (in thousands):

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Beginning Balance</th>
<th>Increase</th>
<th>Decrease</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2015</td>
<td></td>
<td></td>
<td>December 31, 2016</td>
</tr>
<tr>
<td>Capital Assets, Not Being Depreciated</td>
<td>$1,248,154</td>
<td>$15,501</td>
<td>$(2,346)</td>
<td>$1,261,309</td>
</tr>
<tr>
<td>Land</td>
<td>19,974</td>
<td>150</td>
<td>-</td>
<td>20,124</td>
</tr>
<tr>
<td>Artwork</td>
<td>87,762</td>
<td>78,137</td>
<td>(61,501)</td>
<td>104,398</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,449,541</td>
<td>7,440</td>
<td>-</td>
<td>1,456,981</td>
</tr>
<tr>
<td>Total Capital Assets, Not Being Depreciated</td>
<td>$2,805,431</td>
<td>101,228</td>
<td>$(63,847)</td>
<td>$2,842,812</td>
</tr>
<tr>
<td>Capital Assets, Being Depreciated</td>
<td>675,302</td>
<td>24,062</td>
<td>(1,063)</td>
<td>698,301</td>
</tr>
<tr>
<td>Buildings &amp; Improvements</td>
<td>251,761</td>
<td>18,354</td>
<td>(6,555)</td>
<td>263,560</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>514,534</td>
<td>21,087</td>
<td>(546)</td>
<td>535,075</td>
</tr>
<tr>
<td>Total Capital Assets, Being Depreciated</td>
<td>$1,441,597</td>
<td>63,503</td>
<td>(8,164)</td>
<td>$1,496,936</td>
</tr>
<tr>
<td>Less Accumulated Depreciation for:</td>
<td>410,511</td>
<td>17,253</td>
<td>(941)</td>
<td>426,823</td>
</tr>
<tr>
<td>Buildings &amp; Improvements</td>
<td>201,122</td>
<td>16,555</td>
<td>(5,018)</td>
<td>212,659</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>282,740</td>
<td>10,137</td>
<td>(747)</td>
<td>292,342</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>894,373</td>
<td>43,945</td>
<td>(6,494)</td>
<td>931,824</td>
</tr>
<tr>
<td>Total Capital Assets, Being Depreciated, Net</td>
<td>$547,224</td>
<td>19,558</td>
<td>(1,670)</td>
<td>$565,112</td>
</tr>
<tr>
<td>Total Governmental Activities, Net</td>
<td>$3,352,655</td>
<td>$120,786</td>
<td>$(65,517)</td>
<td>$3,407,924</td>
</tr>
</tbody>
</table>

The Municipality has elected to use the modified approach for its paved road infrastructure network and to depreciate all other infrastructure assets.
### Business-Type Activities:

<table>
<thead>
<tr>
<th>Capital Assets, Not Being Depreciated:</th>
<th>Beginning Balance</th>
<th>Increase</th>
<th>Decrease</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Property held for future use</td>
<td>$67,488</td>
<td>$12</td>
<td>$-</td>
<td>$67,500</td>
</tr>
<tr>
<td>Construction Work-in-Progress</td>
<td>286,094</td>
<td>267,027</td>
<td>(494,640)</td>
<td>58,481</td>
</tr>
<tr>
<td>Total Capital Assets, Not Being Depreciated</td>
<td>353,582</td>
<td>267,039</td>
<td>(494,640)</td>
<td>125,981</td>
</tr>
</tbody>
</table>

| Capital Assets, Being Depreciated:                             |                   |          |          |                |
| Distribution and Collection Systems, Infrastructure             | 2,222,996         | 414,733  | (44,714) | 2,593,015      |
| Buildings and Improvements                                     | 592,751           | 86,243   | (8,313)  | 670,681        |
| Total Capital Assets, Being Depreciated                         | 2,815,747         | 500,976  | (53,027) | 3,263,696      |

Less Accumulated Depreciation for:

| Distribution and Collection Systems, Infrastructure             | 977,850           | 70,788   | (29,466) | 1,019,172      |
| Buildings and Improvements                                      | 202,390           | 19,475   | (8,034)  | 213,831        |
| Total Accumulated Depreciation                                  | 1,180,240         | 90,263   | (37,500) | 1,233,003      |

| Total Capital Assets, Being Depreciated, Net                   | 1,635,507         | 410,713  | (15,527) | 2,030,693      |

| Total Business-Type Activities, Net                            | $1,989,089        | $677,752 | $(510,167)| $2,156,674     |

1 Included in Construction Work-in-Progress are retirement assets as follows:

| Construction Work-in-Progress                                  | $39               | $487     | $(341)   | $185           |

In accordance with the requirements of FERC, disposals of retirement assets are not placed in service, rather they are reported as reductions from accumulated depreciation.

Depreciation expense was charged to the departments and functions of the primary government as follows (in thousands):

| Governmental Activities:                                      |                   |          |          |                |
| General Government                                            | $6,329            |          |          |                |
| Fire Services                                                 | 4,223             |          |          |                |
| Police Services                                               | 1,980             |          |          |                |
| Health and Human Services                                     | 1,091             |          |          |                |
| Economic & Community Development                              | 15,062            |          |          |                |
| Public Transportation                                         | 4,008             |          |          |                |
| Public Works                                                  | 10,050            |          |          |                |
| Maintenance and Operations                                    | 1,202             |          |          |                |
| Total Governmental Activities                                 | $43,945           |          |          |                |

| Business-Type Activities:                                     |                   |          |          |                |
| Electric                                                      | $31,635            |          |          |                |
| Water                                                         | 10,839             |          |          |                |
| Wastewater                                                    | 8,750              |          |          |                |
| Refuse                                                       | 958                |          |          |                |
| Solid Waste                                                   | 4,272              |          |          |                |
| Port                                                          | 7,715              |          |          |                |
| Municipal Airport                                             | 2,542              |          |          |                |
| Total Business-Type Activities                                | 66,711             |          |          |                |

| Depreciation offset by amortization of regulatory liability- contributed plant | 23,552 |
| Gross increase in accumulated depreciation                   | $90,263 |

The 2016 Utility construction budgets are $40,769, $32,226 and $34,200 for Electric, Water, and Wastewater, respectively (in thousands).
B.  Discretely Presented Component Units – Anchorage School District

Capital asset activity for the fiscal year ended June 30, 2016 is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Increase</th>
<th>Decrease</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>July 1, 2015</td>
<td></td>
<td></td>
<td>June 30, 2016</td>
</tr>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets, Not Being Depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$ 42,357</td>
<td>-$</td>
<td>-$</td>
<td>$ 42,357</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>845</td>
<td>78,694</td>
<td>(78,519)</td>
<td>1,020</td>
</tr>
<tr>
<td>Total Capital Assets not Being Depreciated</td>
<td>43,202</td>
<td>78,694</td>
<td>(78,519)</td>
<td>43,377</td>
</tr>
</tbody>
</table>

|                                | 66,690            | 3,452    | -         | 70,142         |
| Buildings and Equipment        | 1,701,619         | 76,315   | (2,888)   | 1,775,046      |
| Pupil Transportation           | 10,992            | 9,550    | (383)     | 20,159         |
| Total Capital Assets Being Depreciated | 1,779,301 | 89,317   | (3,271)   | 1,865,347      |

Less Accumulated Depreciation For:

| Land                           | 43,636            | 1,847    | -         | 45,483         |
| Buildings and Equipment        | 539,157           | 39,818   | (2,561)   | 576,414        |
| Pupil Transportation           | 8,815             | 266      | (383)     | 8,698          |
| Total Accumulated Depreciation | 591,608           | 41,931   | (2,944)   | 630,595        |
| Total Capital Assets, Being Depreciated, Net | 1,187,693 | 47,386   | (327)     | 1,234,752      |

Governmental Activities Capital Assets, Net $1,230,895 $126,080 $78,846 $1,278,129

C.  Discretely Presented Component Units – Anchorage Community Development Authority

Capital asset activity for the year ended December 31, 2016 is as follows (in thousands):

|                                | Beginning Balance | Increase | Decrease | Ending Balance |
|                                | December 31, 2015 |          |          | December 31, 2016 |
| Business Type Activities:      |                   |          |          |                |
| Capital Assets, Not Being Depreciated: |                 |          |          |                |
| Land                           | $ 11,059          | -$       | -$       | $ 11,059       |
| Total Capital Assets not Being Depreciated | 11,059    | -$       | -$       | 11,059         |

|                                | 42,951            | 2,330    | -         | 45,281         |
| Parking Garages                | 687               | -        | -         | 687            |
| Lot Improvements               | 100               | 3        | -         | 103            |
| Furniture and Fixtures         | 3,337             | 143      | (31)      | 3,449          |
| Equipment and Vehicles         | 1,261             | 103      | -         | 1,364          |
| Total Capital Assets Being Depreciated | 48,336     | 2,579    | (31)      | 50,884         |

Less Accumulated Depreciation For

| Parking Garages                | 29,082            | 2,033    | -         | 31,115         |
| Lot Improvements               | 661               | 17       | -         | 678            |
| Furniture and Fixtures         | 99                | 1        | -         | 100            |
| Equipment and Vehicles         | 3,021             | 148      | (22)      | 3,147          |
| Parking meters                 | 823               | 229      | -         | 1,052          |
| Total Accumulated Depreciation Net | 33,686    | 2,428    | (22)      | 36,092         |
| Total Capital Assets, Being Depreciated, Net | 14,650     | 151      | (9)       | 14,792         |

Business Type Activities Capital Assets, Net $25,709 $151 $9 $25,851

NOTE 6 - PORT OF ANCHORAGE MODERNIZATION PROJECT

The Port of Anchorage (the Port) serves 87 percent of the State of Alaska’s population and is one of only 23 designated Department of Defense Strategic Seaports. In an effort to ensure the continued and safe operations of all lines of business at the Port, the Municipality has embarked on a project to modernize the infrastructure at the Port. During 2016, the work on this project continued in the design phase. The existing marine terminals have reached the end of their design life and suffer from severe corrosion on the wharf piling. This project is slated to
replace two general cargo terminals and two petroleum terminals to ensure infrastructure resilience and to accommodate expected growth in core business lines over a 75 year life cycle. The project, upon completion, will enable the Port to accommodate larger ships by allowing for a harbor depth increase from 35 feet to 45 feet. In an effort to modernize the container business at the Port, three new container cranes with the ability to reach across vessels from 9 containers wide to 14 containers wide are being planned. During 2016, construction of a test-pile project was completed as well as continued design and permitting work for the first phase of the project to start construction in 2017. The current funding for this project is through reimbursable grants from the State of Alaska.

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

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

Interfund Payable to General Fund from:
- MOA Trust Fund $ 18,464
- Nonmajor Governmental Funds 2,162,277
- Nonmajor Enterprise Funds 2,211,527
- Internal Service Funds 7,512,161
  Total Interfund Payable to General Fund 11,904,429

Interfund Payable to Roads & Drainage Capital Projects Fund from Nonmajor Governmental Funds 3,678,430
Interfund Payable between Nonmajor Governmental Funds 5,911,847
Interfund Payable to Nonmajor Governmental Funds from Internal Service Funds 85,000
  Total Interfund Payable to Nonmajor Governmental Funds 9,675,277

Total Interfund Payables $ 21,579,706

All balances are expected to be settled within the next fiscal year, except for those interfund receivables and payables recorded as advances to/from other funds. Advances receivable at December 31, 2016 were as follows:

Advances from General Fund to Nonmajor Governmental Funds for Capital Assets $ 903,432
Advances from Internal Services Funds to Roads & Drainage Capital Projects Fund for Capital 311,782
Advances from Nonmajor Governmental Funds to General Fund for Capital Assets 286,199
Advances from Nonmajor Governmental Funds to Internal Service Funds for Capital Assets 1,360,000
  Total Nonmajor Governmental Funds Advances To 1,646,199
  Total Advances Receivable $ 2,861,413

B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Fund to:
- Capital Projects Roads and Drainage Fund for Capital Assets $ 4,345,379
- Nonmajor Governmental Funds for Debt Service 604,165
- Nonmajor Governmental Funds for Grant Matching 2,844,586
- Nonmajor Governmental Funds to Fund Pension Liability 969,532
- Nonmajor Governmental Funds for Capital Assets 6,616,518
  Total Transfers from General Fund 15,380,180

From MOA Trust Fund to:
- General Fund for Annual Operating Subsidy 5,400,000

From Capital Projects Roads and Drainage Fund to:
- General Fund for Debt Service 5,900

From Nonmajor Governmental Funds to:
- General Fund for Debt Service 258,170
- General Fund for Operating Subsidy 5,572
- Nonmajor Governmental Funds for Operating Subsidy 525
- Nonmajor Governmental Funds for Capital Assets 2,943,644
- Nonmajor Governmental Funds for Debt Service 5,946,847
  Total Transfers from Nonmajor Governmental Funds $ 9,154,758
From Electric Utility Fund to:
  General Fund for Annual Revenue Distribution $ 5,983,574
  Nonmajor Governmental Funds for Capital Assets 5,000
  Total Transfers from Electric Utility Fund 5,988,574

From Water Utility Fund to:
  General Fund for Annual Revenue Distribution 7,314,997

From Wastewater Utility Fund to:
  General Fund for Annual Revenue Distribution 2,114,268

From Port Fund to:
  General Fund for Annual Revenue Distribution 2,114,268

From Nonmajor Enterprise Funds to:
  General Fund for Annual Revenue Distribution 1,682,686

From Internal Service Funds to:
  General Fund for Capital Assets 21,009
  Electric Utility Fund for Capital Assets 13,456
  Total Transfers from Internal Service Funds 34,465
  Total Transfers $ 52,780,097

NOTE 8 - LEASE AGREEMENTS

A. Operating Leases (Municipality as lessee)

The Municipality has entered into several operating leases for the use of real estate. The annual rental payments of these lease commitments over their remaining terms are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years</th>
<th>Governmental Activities</th>
<th>Business Type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$ 5,114</td>
<td>$ 18</td>
</tr>
<tr>
<td>2018</td>
<td>4,570</td>
<td>18</td>
</tr>
<tr>
<td>2019</td>
<td>4,532</td>
<td>18</td>
</tr>
<tr>
<td>2020</td>
<td>4,158</td>
<td>18</td>
</tr>
<tr>
<td>2021</td>
<td>4,022</td>
<td>18</td>
</tr>
<tr>
<td>2022-2026</td>
<td>16,156</td>
<td>90</td>
</tr>
<tr>
<td>2027-2031</td>
<td>-</td>
<td>46</td>
</tr>
<tr>
<td>2032-2036</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>2037-2041</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>2042-2046</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>2047-2051</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>2052-2056</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 38,552</td>
<td>$ 258</td>
</tr>
</tbody>
</table>

B. Capital Leases (Municipality as lessee)

The Municipality has entered into revolving Master Tax-Exempt Lease/Purchase agreements with Key Bank and Sun Life Trust to finance various capital expenditures. The capitalized leases in place at year end have financed $47,955,982 of information technology equipment and software, all of which is currently in service or being installed. As of December 31, 2016, all of the outstanding principal balance is recorded in the internal service funds. The annual debt service to maturity for the outstanding capital leases at is as follows (in thousands):
Governmental Activities

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$5,416</td>
<td>$704</td>
<td>$6,120</td>
</tr>
<tr>
<td>2018</td>
<td>6,246</td>
<td>673</td>
<td>6,919</td>
</tr>
<tr>
<td>2019</td>
<td>6,403</td>
<td>516</td>
<td>6,919</td>
</tr>
<tr>
<td>2020</td>
<td>4,864</td>
<td>363</td>
<td>5,227</td>
</tr>
<tr>
<td>2021</td>
<td>3,834</td>
<td>244</td>
<td>4,078</td>
</tr>
<tr>
<td>2022-2024</td>
<td>6,422</td>
<td>211</td>
<td>6,633</td>
</tr>
<tr>
<td></td>
<td>$33,185</td>
<td>$2,711</td>
<td>$35,896</td>
</tr>
</tbody>
</table>

C. Operating Leases (Municipality as Lessor)

The Municipality has leased to third parties parcels of real estate at both the Port of Anchorage and Merrill Field Airport that generate recurring revenues. The lease agreements are long term and allow the lessee(s) to use the leased parcels for industrial purposes tied to the port or airport. Generally, the property leased is land only and improvements built on the leased parcels are done at the expense of the lessee(s). Future minimum rents scheduled for these agreements are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years:</th>
<th>Port of Anchorage</th>
<th>Merrill Field Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$4,366</td>
<td>$732</td>
</tr>
<tr>
<td>2018</td>
<td>4,360</td>
<td>732</td>
</tr>
<tr>
<td>2019</td>
<td>4,359</td>
<td>716</td>
</tr>
<tr>
<td>2020</td>
<td>2,748</td>
<td>695</td>
</tr>
<tr>
<td>2021</td>
<td>1,277</td>
<td>624</td>
</tr>
<tr>
<td>2022-2026</td>
<td>6,091</td>
<td>2,796</td>
</tr>
<tr>
<td>2027-2031</td>
<td>5,757</td>
<td>2,626</td>
</tr>
<tr>
<td>2032-2036</td>
<td>4,789</td>
<td>2,626</td>
</tr>
<tr>
<td>2037-2041</td>
<td>2,809</td>
<td>2,157</td>
</tr>
<tr>
<td>2042-2046</td>
<td>2,668</td>
<td>1,263</td>
</tr>
<tr>
<td>2047-2051</td>
<td>-</td>
<td>490</td>
</tr>
<tr>
<td>2052-2056</td>
<td>-</td>
<td>42</td>
</tr>
<tr>
<td>Totals</td>
<td>39,224</td>
<td>15,499</td>
</tr>
</tbody>
</table>

Lease revenue for 2016 4,326 665

Carrying value of leased assets:

<table>
<thead>
<tr>
<th></th>
<th>Port of Anchorage</th>
<th>Merrill Field Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original cost</td>
<td>15,879</td>
<td>2,600</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>5,315</td>
<td>-</td>
</tr>
<tr>
<td>Net Book Value</td>
<td>$10,564</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

NOTE 9 - SHORT-TERM OBLIGATIONS

A. Tax Anticipation Notes

On April 30, 2016, the Municipality issued tax anticipation notes in the General Fund with a face value of $90,000,000. The purpose of the issuance was to raise money to pay current expenditures in anticipation of the collection of property taxes.

Short-term debt activity for the year ended December 31, 2016 was as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Issued</th>
<th>Redeemed</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Anticipation Notes</td>
<td>$ -</td>
<td>$90,000,000</td>
<td>$90,000,000</td>
<td>$ -</td>
</tr>
</tbody>
</table>
B. Commercial Paper

Electric Utility Commercial Paper

In February 2012, the Assembly authorized the issuance of commercial paper in one or more series in the aggregate principal amount not to exceed $300 million. During January through March of 2015, the Electric Utility issued $56.7 million in commercial paper. In April 2015, the Electric Utility redeemed all outstanding commercial paper and entered into a short-term borrowing agreement with Wells Fargo Municipal Capital Strategies, LLC, herein referred to as the Direct Drawdown Purchase Program (DDPP). This borrowing program continues to fulfill the purpose of the Commercial Paper program, but at a lower aggregate fee and interest cost to the Electric Utility over the life of the program. The DDPP is being used by the Electric Utility to complete construction of Generation Plant 2A. At December 31, 2016 the outstanding balance of DDPP notes payable was $181 million. It is anticipated that the DDPP balance outstanding will be refunded by long term revenue bonds. The Electric Utility’s financial statements show DDPP notes as a current liability since the redemption date is less than one year from December 31, 2016.

NOTE 10 – LONG TERM OBLIGATIONS

A. Changes in Long-Term Liabilities

Long-term liability activity, net of related premium and discount amortizations, for the year ended December 31, 2016, was as follows (in thousands):

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance</th>
<th>Due Within</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$487,289</td>
<td>$27,543</td>
<td>$(40,164)</td>
<td>$474,668</td>
<td>$36,160</td>
</tr>
<tr>
<td>CIVIC Ventures Revenue Bonds</td>
<td>100,502</td>
<td>-</td>
<td>$(2,085)</td>
<td>98,417</td>
<td>1,935</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>19,154</td>
<td>17,291</td>
<td>$(3,260)</td>
<td>33,185</td>
<td>5,416</td>
</tr>
<tr>
<td>Long-Term Contracts</td>
<td>4,182</td>
<td>-</td>
<td>$(150)</td>
<td>4,032</td>
<td>120</td>
</tr>
<tr>
<td>HUD Section 108 Loan</td>
<td>1,350</td>
<td>-</td>
<td>$(1,350)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Debt Payable</td>
<td>612,477</td>
<td>44,834</td>
<td>$(47,009)</td>
<td>610,302</td>
<td>43,631</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>22,500</td>
<td>21,375</td>
<td>$(19,497)</td>
<td>24,378</td>
<td>18,973</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>334,573</td>
<td>117,124</td>
<td>$(5,201)</td>
<td>446,496</td>
<td>-</td>
</tr>
<tr>
<td>Pollution Remediation</td>
<td>3,335</td>
<td>27</td>
<td>$(82)</td>
<td>3,280</td>
<td>62</td>
</tr>
<tr>
<td>Claims Payable and IBNR</td>
<td>34,855</td>
<td>58,951</td>
<td>$(59,452)</td>
<td>34,354</td>
<td>27,625</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$1,007,740</td>
<td>$242,311</td>
<td>$(131,241)</td>
<td>$1,118,810</td>
<td>$90,291</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business-type Activities:</th>
<th>Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance</th>
<th>Due Within</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Bonds</td>
<td>$537,971</td>
<td>-</td>
<td>$(13,664)</td>
<td>$524,307</td>
<td>$12,215</td>
</tr>
<tr>
<td>Long-Term Contracts</td>
<td>228,935</td>
<td>28,313</td>
<td>$(12,671)</td>
<td>244,577</td>
<td>12,317</td>
</tr>
<tr>
<td>Port Note Payable</td>
<td>40,000</td>
<td>-</td>
<td>-</td>
<td>40,000</td>
<td>-</td>
</tr>
<tr>
<td>Port Road Obligation</td>
<td>1,830</td>
<td>-</td>
<td>$(15)</td>
<td>1,815</td>
<td>-</td>
</tr>
<tr>
<td>Total Debt Payable</td>
<td>808,736</td>
<td>28,313</td>
<td>$(26,350)</td>
<td>810,699</td>
<td>24,532</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>5,968</td>
<td>6,726</td>
<td>$(6,105)</td>
<td>6,589</td>
<td>5,769</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>44,957</td>
<td>17,926</td>
<td>-</td>
<td>62,883</td>
<td>-</td>
</tr>
<tr>
<td>Asset Retirement Obligation</td>
<td>8,536</td>
<td>6,599</td>
<td>-</td>
<td>15,135</td>
<td>-</td>
</tr>
<tr>
<td>Pollution Remediation</td>
<td>503</td>
<td>977</td>
<td>$(43)</td>
<td>1,437</td>
<td>830</td>
</tr>
<tr>
<td>Landfill Closure Liability</td>
<td>31,101</td>
<td>1,307</td>
<td>-</td>
<td>32,408</td>
<td>-</td>
</tr>
<tr>
<td>Total Business-type Activities</td>
<td>$899,801</td>
<td>$61,848</td>
<td>$(32,498)</td>
<td>$929,751</td>
<td>$31,131</td>
</tr>
</tbody>
</table>

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

B. General Obligation Bonds

The Municipality issues general obligation (GO) bonds to provide funds for capital acquisition and construction. GO bonds are direct obligations and pledge the full faith and credit of the government. They are generally issued as 20-year serial bonds with principal and interest payments due each year. As of December 31, 2016, the Municipality reported total outstanding general obligation bonds in the amount of $428,485,000.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$21,465,000 2004A General Obligation General Purpose Refunding Bonds</strong></td>
<td>$4,515</td>
</tr>
<tr>
<td>due in annual installments of $795,000 to $8,560,000 through 2017, interest rate from 3.00% to 5.25%. This issue is for refunding 1994A GO Bonds, 1997A GO Bonds, a portion of 2000A GO Bonds, and a portion of 2002A GO bonds.</td>
<td></td>
</tr>
<tr>
<td><strong>$32,245,000 2007A General Obligation General Purpose Refunding Bonds</strong></td>
<td>24,360</td>
</tr>
<tr>
<td>due in annual installments of $130,000 to $6,605,000 through 2023, interest rate from 4.00% to 4.25%. The issue is for the purpose of refunding a portion of 2002A and all of 2003A.</td>
<td></td>
</tr>
<tr>
<td><strong>$52,795,000 2007C General Obligation General Purpose Bonds</strong></td>
<td>2,550</td>
</tr>
<tr>
<td>due in annual installments of $1,745,000 to $4,150,000 through 2027, interest rate from 4.25% to 5.00%. The issue is for the purpose of general capital projects within the Municipality. This bond was partially refunded in 2015, with remaining annual installments due through 2017.</td>
<td></td>
</tr>
<tr>
<td><strong>$58,005,000 2008A General Obligation General Purpose Bonds</strong></td>
<td>5,555</td>
</tr>
<tr>
<td>due in annual installments of $1,245,000 to $4,600,000 through 2028, interest rate from 4.00% to 5.125%. The issue is for the purpose of general capital projects within the Municipality. This bond was partially refunded in 2015, with remaining annual installments due through 2018.</td>
<td></td>
</tr>
<tr>
<td><strong>$43,300,000 2010A-2 General Obligation General Purpose Bonds (Build America)</strong> due in annual installments of $2,505,000 to $3,845,000 through 2030, interest rate from 3.897% to 5.91%. The issue is for the purpose of general capital projects within the Municipality.</td>
<td>43,300</td>
</tr>
<tr>
<td><strong>$23,750,000 2010C General Obligation General Purpose Refunding Bonds</strong></td>
<td>4,660</td>
</tr>
<tr>
<td>due in annual installments of $155,000 to $4,830,000, interest rate from 2.00% to 4.00%. The issue is for the purpose of refunding a portion of 1999A, a portion of 2002A, a portion of 2007C, and a portion of 2008A.</td>
<td></td>
</tr>
<tr>
<td><strong>$28,390,000 2011A General Obligation General Purpose Bonds</strong></td>
<td>23,230</td>
</tr>
<tr>
<td>due in annual installments of $855,000 to $2,015,000 through 2031, interest rate from 2.00% to 4.125%. The issue is for the purpose of general capital projects within the Municipality.</td>
<td></td>
</tr>
<tr>
<td><strong>$23,570,000 2012A General Obligation General Purpose Bonds</strong></td>
<td>20,945</td>
</tr>
<tr>
<td>due in annual installments of $860,000 to $1,840,000 through 2032, interest rate from 2.00% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.</td>
<td></td>
</tr>
<tr>
<td><strong>$30,215,000 2012B General Obligation General Purpose Refunding Bonds</strong></td>
<td>6,865</td>
</tr>
<tr>
<td>due in annual installments of $1,925,000 to $8,425,000 through 2018, interest rate from 2.00% to 5.00%. The issue is for the purpose of refunding the remainder of 2002A.</td>
<td></td>
</tr>
<tr>
<td><strong>$40,435,000 2014A General Obligation General Purpose Bonds</strong></td>
<td>37,425</td>
</tr>
<tr>
<td>due in annual installments of $1,355,000 to $3,005,000 through 2034, interest rate from 1.25% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.</td>
<td></td>
</tr>
<tr>
<td><strong>$78,430,000 2014B General Obligation General Purpose Refunding Bonds</strong></td>
<td>71,245</td>
</tr>
<tr>
<td>due in annual installments of $1,510,000 to $10,390,000 through 2025, interest rate from 1.25% to 5.00%. The issue was for the purpose of refunding the remainder of 2004C and partially refunding 2005F.</td>
<td></td>
</tr>
<tr>
<td><strong>$47,840,000 2015A General Obligation General Purpose Refunding Bonds</strong></td>
<td>47,840</td>
</tr>
<tr>
<td>due in annual installments of $1,765,000 to $3,635,000 through 2035, interest rate from 2.00% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.</td>
<td></td>
</tr>
<tr>
<td><strong>$155,250,000 2015B General Obligation General Purpose Refunding Bonds</strong></td>
<td>111,125</td>
</tr>
<tr>
<td>due in annual installments of $4,125,000 to $20,140,000 through 2028, interest rate from 2.00% to 5.00%. The issue was for the purpose of refunding the remainder of 2005C and 2005D and partially refunding 2007C and 2008A.</td>
<td></td>
</tr>
<tr>
<td><strong>$24,870,000 2016A General Obligation General Purpose Bonds</strong></td>
<td>24,870</td>
</tr>
<tr>
<td>due in annual installments of $865,000 to $1,875,000 through 2036, interest rate from 3.00% to 5.00%. The issue was for the purpose of general capital projects within the Municipality.</td>
<td></td>
</tr>
<tr>
<td><strong>Total General Obligation Debt</strong></td>
<td>$428,485</td>
</tr>
</tbody>
</table>
ASD GO bonds are reported as obligations of the component unit since they are expected to be repaid from ASD revenues; such amounts total $581,075,000 at June 30, 2016. ASD GO bonds are discussed in detail in Section J. All other Municipality GO bonds are reported in the government-wide financial statements.

The Municipality did not issue new GO Refunding debt in 2016. Refunding debt is discussed in detail in Section G.

Annual debt service requirements to maturity for general obligation bonds are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years:</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>36,160</td>
<td>19,852</td>
<td>56,012</td>
</tr>
<tr>
<td>2018</td>
<td>38,655</td>
<td>18,481</td>
<td>57,136</td>
</tr>
<tr>
<td>2019</td>
<td>38,360</td>
<td>16,694</td>
<td>55,054</td>
</tr>
<tr>
<td>2020</td>
<td>39,715</td>
<td>14,928</td>
<td>54,643</td>
</tr>
<tr>
<td>2021</td>
<td>31,885</td>
<td>13,028</td>
<td>44,913</td>
</tr>
<tr>
<td>2022-2026</td>
<td>133,845</td>
<td>44,472</td>
<td>178,317</td>
</tr>
<tr>
<td>2027-2031</td>
<td>77,185</td>
<td>17,318</td>
<td>94,503</td>
</tr>
<tr>
<td>2032-2036</td>
<td>32,680</td>
<td>3,681</td>
<td>36,361</td>
</tr>
<tr>
<td>Subtotal</td>
<td>428,485</td>
<td>148,454</td>
<td>576,939</td>
</tr>
<tr>
<td>Add unamortized premiums/(discounts), net</td>
<td>46,183</td>
<td>-</td>
<td>46,183</td>
</tr>
<tr>
<td>Total</td>
<td>474,668</td>
<td>148,454</td>
<td>623,122</td>
</tr>
</tbody>
</table>

Governmental Activities

<table>
<thead>
<tr>
<th>Years:</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>36,160</td>
<td>19,852</td>
<td>56,012</td>
</tr>
<tr>
<td>2018</td>
<td>38,655</td>
<td>18,481</td>
<td>57,136</td>
</tr>
<tr>
<td>2019</td>
<td>38,360</td>
<td>16,694</td>
<td>55,054</td>
</tr>
<tr>
<td>2020</td>
<td>39,715</td>
<td>14,928</td>
<td>54,643</td>
</tr>
<tr>
<td>2021</td>
<td>31,885</td>
<td>13,028</td>
<td>44,913</td>
</tr>
<tr>
<td>2022-2026</td>
<td>133,845</td>
<td>44,472</td>
<td>178,317</td>
</tr>
<tr>
<td>2027-2031</td>
<td>77,185</td>
<td>17,318</td>
<td>94,503</td>
</tr>
<tr>
<td>2032-2036</td>
<td>32,680</td>
<td>3,681</td>
<td>36,361</td>
</tr>
<tr>
<td>Subtotal</td>
<td>428,485</td>
<td>148,454</td>
<td>576,939</td>
</tr>
<tr>
<td>Add unamortized premiums/(discounts), net</td>
<td>46,183</td>
<td>-</td>
<td>46,183</td>
</tr>
<tr>
<td>Total</td>
<td>474,668</td>
<td>148,454</td>
<td>623,122</td>
</tr>
</tbody>
</table>

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 Bond 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.

The bond payments are due in annual installments ranging annually from $1,790,000 to $6,715,000 through 2038, with interest rates ranging between 3.75 percent and 5 percent. As of December 31, 2016, the Municipality reported as blended total outstanding tax-exempt non-recourse Revenue Bonds in the amount of $92,000,000.

Annual debt service requirements to maturity for CIVICVentures revenue bonds are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years:</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,935</td>
<td>4,157</td>
<td>6,092</td>
</tr>
<tr>
<td>2018</td>
<td>2,080</td>
<td>4,098</td>
<td>6,178</td>
</tr>
<tr>
<td>2019</td>
<td>2,240</td>
<td>4,015</td>
<td>6,255</td>
</tr>
<tr>
<td>2020</td>
<td>2,405</td>
<td>3,926</td>
<td>6,331</td>
</tr>
<tr>
<td>2021</td>
<td>2,580</td>
<td>3,829</td>
<td>6,409</td>
</tr>
<tr>
<td>2022-2026</td>
<td>16,290</td>
<td>16,993</td>
<td>33,283</td>
</tr>
<tr>
<td>2027-2031</td>
<td>22,650</td>
<td>12,275</td>
<td>34,925</td>
</tr>
<tr>
<td>2032-2036</td>
<td>28,645</td>
<td>6,279</td>
<td>34,924</td>
</tr>
<tr>
<td>2037-2038</td>
<td>13,175</td>
<td>795</td>
<td>13,970</td>
</tr>
<tr>
<td>Total</td>
<td>92,000</td>
<td>56,367</td>
<td>148,367</td>
</tr>
<tr>
<td>Add unamortized premiums/(discounts), net</td>
<td>6,417</td>
<td>-</td>
<td>6,417</td>
</tr>
<tr>
<td>Total</td>
<td>98,417</td>
<td>56,367</td>
<td>154,784</td>
</tr>
</tbody>
</table>

Utility Revenue Bonds

Electric, Water, and Wastewater revenue bond covenants require establishment of certain cash reserves. Revenue bond covenants further stipulate that operating income, as defined in the covenants, will be at least equal to 1.35 times the debt service requirement for that year.
The proceeds of the bonds, together with other legally available funds, are used for the following purposes: (i) to provide for the cost of certain capital improvement projects; (ii) to reimburse the Utility for costs of such capital improvement projects; (iii) to pay costs of issuance; and (iv) to provide funds for deposit in the Reserve Account.

As of December 31, 2016, the Municipality reported total outstanding Utility Revenue bonds in the amount of $502,950,000. The details of those bonds are as follows (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electric Utility</strong></td>
<td></td>
</tr>
<tr>
<td>2005 Electric Senior Lien Revenue Bonds</td>
<td>$22,705</td>
</tr>
<tr>
<td>2009 Electric Senior Lien Revenue Bonds</td>
<td>15,240</td>
</tr>
<tr>
<td>(BABS) due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $105,000 and $1,265,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 3.00% to 5.13%</td>
<td></td>
</tr>
<tr>
<td>2009 Electric Senior Lien Revenue Bonds</td>
<td>114,760</td>
</tr>
<tr>
<td>(BABS) due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $105,000 and $1,265,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 3.00% to 5.00%</td>
<td></td>
</tr>
<tr>
<td>2014A Electric Senior Lien Revenue Bonds</td>
<td>178,185</td>
</tr>
<tr>
<td>due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $2,390,000 to $11,140,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 3.00% to 5.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Total Electric Utility Outstanding** 330,890

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Utility</strong></td>
<td></td>
</tr>
<tr>
<td>2004 Water Senior Lien Revenue Bonds</td>
<td>1,050</td>
</tr>
<tr>
<td>due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $20,000 and $2,075,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 2.00% to 4.80%</td>
<td></td>
</tr>
<tr>
<td>2007 Water Senior Lien Revenue Bonds</td>
<td>87,230</td>
</tr>
<tr>
<td>due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $105,000 and $8,010,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 4.00% to 5.00%</td>
<td></td>
</tr>
<tr>
<td>2009 Water Senior Lien Revenue Bonds</td>
<td>22,265</td>
</tr>
<tr>
<td>due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $2,625,000 and $4,730,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 1.50% to 5.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Total Water Utility Outstanding** 110,545

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wastewater Utility</strong></td>
<td></td>
</tr>
<tr>
<td>2004 Wastewater Senior Lien Revenue Bonds</td>
<td>3,100</td>
</tr>
<tr>
<td>due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $420,000 to $835,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 3.00% to 5.00%</td>
<td></td>
</tr>
<tr>
<td>2007 Wastewater Senior Lien Revenue Bonds</td>
<td>58,415</td>
</tr>
<tr>
<td>due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>between $40,000 to $5,405,000</td>
<td></td>
</tr>
<tr>
<td>interest rate from 4.00% to 5.00%</td>
<td></td>
</tr>
</tbody>
</table>

**Total Wastewater Utility Outstanding** 61,515

**Total Utility Revenue Bonds Outstanding** $ 502,950

Annual debt service requirements to maturity for revenue bonds are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years:</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$12,215</td>
<td>$25,723</td>
<td>$37,938</td>
</tr>
<tr>
<td>2018</td>
<td>$12,730</td>
<td>$24,631</td>
<td>$37,466</td>
</tr>
<tr>
<td>2019</td>
<td>$13,435</td>
<td>$24,052</td>
<td>$37,487</td>
</tr>
<tr>
<td>2020</td>
<td>$14,035</td>
<td>$23,478</td>
<td>$37,513</td>
</tr>
<tr>
<td>2021</td>
<td>$14,035</td>
<td>$23,478</td>
<td>$37,513</td>
</tr>
<tr>
<td>2022-2026</td>
<td>$79,160</td>
<td>$106,857</td>
<td>$186,017</td>
</tr>
<tr>
<td>2027-2031</td>
<td>$104,890</td>
<td>$83,842</td>
<td>$188,732</td>
</tr>
<tr>
<td>2032-2036</td>
<td>$134,095</td>
<td>$51,917</td>
<td>$186,012</td>
</tr>
<tr>
<td>2037-2041</td>
<td>$87,405</td>
<td>$17,595</td>
<td>$105,000</td>
</tr>
<tr>
<td>2042-2044</td>
<td>$32,150</td>
<td>$2,606</td>
<td>$34,756</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$502,950</td>
<td>$385,904</td>
<td>$888,854</td>
</tr>
<tr>
<td>Add: unamortized premiums/discounts, net</td>
<td>$21,357</td>
<td>$21,357</td>
<td>$21,357</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$524,307</td>
<td>$385,904</td>
<td>$910,211</td>
</tr>
</tbody>
</table>

**D. Notes and Contracts**

**PAC Roof Loan**

In 2004, the Municipality entered into a loan agreement with the Alaska Municipal Bond Bank Authority to provide funding for repairs to the Anchorage Center for the Performing Arts roof. This loan will be repaid with revenues
from an ACPA ticket surcharge. In 2014, the PAC Roof Note was refinanced in the amount of $3,735,000 with annual debt service payments ranging from $120,000 to $285,000, with an interest rate between 1.25 percent and 5.00 percent. As of December 31, 2016, the Municipality reported an outstanding balance on this loan of $3,495,000.

Annual debt service requirements to maturity are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$125</td>
<td>$172</td>
<td>$297</td>
</tr>
<tr>
<td>2018</td>
<td>130</td>
<td>167</td>
<td>297</td>
</tr>
<tr>
<td>2019</td>
<td>140</td>
<td>162</td>
<td>302</td>
</tr>
<tr>
<td>2020</td>
<td>145</td>
<td>155</td>
<td>300</td>
</tr>
<tr>
<td>2021</td>
<td>150</td>
<td>148</td>
<td>298</td>
</tr>
<tr>
<td>2022-2026</td>
<td>875</td>
<td>617</td>
<td>1,492</td>
</tr>
<tr>
<td>2027-2031</td>
<td>1,115</td>
<td>376</td>
<td>1,491</td>
</tr>
<tr>
<td>2032-2034</td>
<td>815</td>
<td>83</td>
<td>898</td>
</tr>
<tr>
<td>Subtotal</td>
<td>3,495</td>
<td>1,880</td>
<td>5,375</td>
</tr>
<tr>
<td>Add unamortized bond premiums net</td>
<td>537</td>
<td>-</td>
<td>537</td>
</tr>
<tr>
<td>Total</td>
<td>$4,032</td>
<td>$1,880</td>
<td>$5,912</td>
</tr>
</tbody>
</table>

**Water Utility Commercial Bank Loan Agreement**

In March 2013, the Water Utility entered into a Loan Agreement for up to $75,000,000 with a commercial bank. In May 2015, the Water Utility reduced the commitment under the Loan Agreement to $40,000,000. In 2017, the agreement was amended to extend the lending term for up to two additional years, expiring in March of 2019. The amendment also reduces the loan commitment to $28,625,600 effective March 31, 2017; and to $20,000,000 on September 29, 2017. The amount currently outstanding under the Loan Agreement will be refunded by the issuance of long term revenue bonds in 2017. The Water Utility’s financial statements show the amount borrowed under the Loan Agreement as a non-current liability. In 2016, the Water Utility obtained additional loans of $5,500,000 through this agreement to bring the loan balance to $28,625,600. Under the terms of the Loan Agreement, the Water Utility pays fees quarterly of 0.5 percent per annum based upon the amount of the authorized, but not drawn, loan amount calculated on a weekly basis. The interest rate on the loan varies. As of December 31, 2016, the interest rate for the loan was 1.22 percent; 0.72 percent plus a 0.5 percent lender margin.

**Wastewater Utility Commercial Bank Loan Agreement**

In March 2013, the Wastewater Utility entered into a Loan Agreement for up to $60,000,000 with a commercial bank. In 2017, the agreement was amended to extend the lending term for up to two additional years, maturing in March of 2019. The amendment also reduces the loan commitment to $36,651,000 effective March 31, 2017; and to $20,000,000 on September 29, 2017. The amount currently outstanding under the Loan Agreement will be refunded by the issuance of long term revenue bonds in 2017. The Wastewater Utility’s financial statements show the amount borrowed under the Loan Agreement as a non-current liability. In 2016, the Wastewater Utility obtained additional loans of $4,000,000 through this agreement to bring the loan balance to $36,651,000. Under the terms of the Loan Agreement, the Wastewater Utility pays fees quarterly of 0.5 percent per annum based upon the amount of the authorized, but not drawn, loan amount calculated on a weekly basis. The interest rate on the loan varies. As of December 31, 2016, the interest rate for the loan was 1.22 percent; 0.72 percent plus a 0.5 percent lender margin.

**Port Revolving Credit Agreement**

In June 2013, the Port entered into a $40,000,000 Revolving Credit Agreement (Agreement) with a commercial bank. A draw in the amount of $40,000,000 under the Agreement on June 24, 2013 was used to refinance the Port’s outstanding commercial paper notes. The original Agreement was for a three year term, coming due on June 30, 2016. On June 20, 2016, the Port entered into an extension to the Agreement, which extended the due date to June 30, 2019. The Port financial statements continue to show the Agreement as a non-current liability. The outstanding balance under the Agreement as of December 31, 2016 was $40,000,000.
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 $179,300,654 on December 31, 2016.

Annual debt service requirements to maturity for these notes and contracts are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years:</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$12,317</td>
<td>$3,147</td>
<td>$15,464</td>
</tr>
<tr>
<td>2018</td>
<td>14,073</td>
<td>2,961</td>
<td>17,034</td>
</tr>
<tr>
<td>2019</td>
<td>119,099</td>
<td>2,270</td>
<td>121,369</td>
</tr>
<tr>
<td>2020</td>
<td>13,670</td>
<td>2,036</td>
<td>15,706</td>
</tr>
<tr>
<td>2021</td>
<td>13,228</td>
<td>1,834</td>
<td>15,062</td>
</tr>
<tr>
<td>2022-2026</td>
<td>58,450</td>
<td>6,431</td>
<td>64,881</td>
</tr>
<tr>
<td>2027-2031</td>
<td>39,271</td>
<td>2,457</td>
<td>41,728</td>
</tr>
<tr>
<td>2032-2036</td>
<td>13,467</td>
<td>559</td>
<td>14,026</td>
</tr>
<tr>
<td>2037-2038</td>
<td>1,002</td>
<td>12</td>
<td>1,014</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>284,577</strong></td>
<td><strong>21,707</strong></td>
<td><strong>306,284</strong></td>
</tr>
</tbody>
</table>

E.  **HUD Section 108 Loan**

The Municipality entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) in August 2005 to borrow up to $5,000,000 in HUD Section 108 Loan funds. On September 21, 2009, the Municipality notified HUD that no additional funds would be utilized under this agreement. The total amount of funds that had been borrowed as of that date was $2,000,000. As of December 31, 2015, the outstanding loan balance was $1,350,000, which was due to be paid in full by 2025. In July 2016, the Municipality paid the remaining balance of the loan.

F.  **Bonds Authorized But Unissued**

At December 31, 2016, the Municipality has the following authorized but unissued general obligation bonds (in thousands):

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Ordinance Date</th>
<th>Interest Limitation</th>
<th>Amount Authorized</th>
<th>Amount Issued</th>
<th>Remaining Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage Parks &amp; Recreation</td>
<td>April 2016</td>
<td>None</td>
<td>$3,360</td>
<td>-</td>
<td>$3,360</td>
</tr>
<tr>
<td>Anchorage Roads &amp; Drainage</td>
<td>April 2015</td>
<td>None</td>
<td>17,030</td>
<td>4,750</td>
<td>12,280</td>
</tr>
<tr>
<td></td>
<td>April 2016</td>
<td>None</td>
<td>36,585</td>
<td>-</td>
<td>36,585</td>
</tr>
<tr>
<td>Area Wide Transportation Capital Improvement</td>
<td>April 2012</td>
<td>None</td>
<td>548</td>
<td>290</td>
<td>258</td>
</tr>
<tr>
<td></td>
<td>April 2014</td>
<td>None</td>
<td>573</td>
<td>15</td>
<td>558</td>
</tr>
<tr>
<td></td>
<td>April 2015</td>
<td>None</td>
<td>250</td>
<td>10</td>
<td>240</td>
</tr>
<tr>
<td>Public Safety- Areawide</td>
<td>April 2013</td>
<td>None</td>
<td>525</td>
<td>15</td>
<td>510</td>
</tr>
<tr>
<td>Public Safety- EMS</td>
<td>April 2013</td>
<td>None</td>
<td>2,095</td>
<td>920</td>
<td>1,175</td>
</tr>
<tr>
<td>Public Safety- Areawide</td>
<td>April 2014</td>
<td>None</td>
<td>700</td>
<td>115</td>
<td>585</td>
</tr>
<tr>
<td>Public Safety- Areawide</td>
<td>April 2015</td>
<td>None</td>
<td>5,990</td>
<td>1,620</td>
<td>4,370</td>
</tr>
<tr>
<td>Public Safety- EMS</td>
<td>April 2015</td>
<td>None</td>
<td>520</td>
<td>-</td>
<td>520</td>
</tr>
<tr>
<td>Public Safety- Areawide</td>
<td>April 2016</td>
<td>None</td>
<td>3,065</td>
<td>-</td>
<td>3,065</td>
</tr>
<tr>
<td>Anchorage Police</td>
<td>April 2016</td>
<td>None</td>
<td>3,800</td>
<td>-</td>
<td>3,800</td>
</tr>
<tr>
<td>Anchorage Fire</td>
<td>April 2016</td>
<td>None</td>
<td>1,050</td>
<td>-</td>
<td>1,050</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68,356</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In 2017, the Municipality voters approved the issuance of $44,625,000 in area wide, road and drainage, public-safety, fire protection, and parks and recreation bonds.
G. Refunded Bond Issues

The Municipality did not issue any General Purpose Refunding Bonds in 2016.

H. Defeasance of Debt

The Municipality defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the Municipality’s financial statements. At December 31, 2016, the defeased balance of general obligation and revenue bonds remaining to be paid by the escrow agent was $70,900,000 for the general government. ASD has defeased $120,395,000 of bonds at June 30, 2016.

I. Electric Utility Asset Retirement Obligation

The Electric Utility recognizes an asset retirement obligation (ARO) for its one-third interest in the Beluga River Gas Field (BRU) in accordance with Accounting Standards Codification (ASC) Topic No. 410-20, formerly Statement of Financial Accounting Standards No. 143, “Accounting for Asset Retirement Obligations” and 18 CFR 101 General Instructions No. 25, Accounting for Asset Retirement Obligations (Regulations of the Federal Energy Regulatory Commission, Department of Energy, or FERC). ASC 410-20 and FERC General Instruction No. 25 applies to the fair value of a liability for an ARO that is recorded when there is a legal obligation associated with the retirement of a tangible long-lived asset and the liability can be reasonably estimated.

Obligations associated with the retirement of these assets require recognition of: (1) the present value of a liability and offsetting asset for an ARO, (2) the subsequent accretion of that liability and depreciation of the asset, and (3) the periodic review of the ARO liability estimates and discount rates.

On April 22, 2016, the Electric Utility purchased 70 percent of CPAI’s one-third interest in the BRU. At that time a revised estimate was made of the life of the gas field. The Electric Utility’s obligation for an ARO was adjusted for the increased liability and changes in estimated life and discount rate. A schedule of changes in the ARO balance for the years ending December 31, 2016 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Asset Retirement Obligation</td>
<td>$ 8,535,928</td>
</tr>
<tr>
<td>Current year additions to the liability balance</td>
<td>5,996,423</td>
</tr>
<tr>
<td>Current year accretion</td>
<td>123,778</td>
</tr>
<tr>
<td>Change in assumptions or cash flow revisions</td>
<td>478,957</td>
</tr>
<tr>
<td>Ending Asset Retirement Obligation</td>
<td>$ 15,135,086</td>
</tr>
</tbody>
</table>

As of December 2016, the Electric Utility recognized total asset retirement obligation of $15,135,086. Because the Electric Utility follows regulated reporting for rate-making purposes, this increase in the liability was offset to a regulatory asset; therefore, having no effect on the current year operating expenses.

J. ASD Debt

The following is a summary of long-term ASD debt transactions for fiscal year ended June 30, 2016 (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance July 1, 2015</th>
<th>Additions</th>
<th>Reductions</th>
<th>Balance June 30, 2016</th>
<th>Amount Due within 1 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$ 577,500</td>
<td>$ 150,210</td>
<td>$ 146,635</td>
<td>$ 581,075</td>
<td>$ 56,445</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>11,053</td>
<td>13,788</td>
<td>13,655</td>
<td>11,186</td>
<td>6,182</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>13,848</td>
<td>3,293</td>
<td>4,333</td>
<td>12,808</td>
<td>4,549</td>
</tr>
<tr>
<td>Medical Claims</td>
<td>7,872</td>
<td>33,415</td>
<td>34,993</td>
<td>6,294</td>
<td>6,294</td>
</tr>
<tr>
<td>Total</td>
<td>$ 610,273</td>
<td>$ 200,706</td>
<td>$ 199,616</td>
<td>611,363</td>
<td>$ 73,470</td>
</tr>
</tbody>
</table>

Unamortized premium on GO Bonds
Total                                     | 43,937               | $ 655,300   |

76
Bonds payable at June 30, 2016 are comprised of the following individual issues (in thousands):

<table>
<thead>
<tr>
<th>General Obligation Bonds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80,735,000 2004 Series B School Construction Refunding Bonds due in annual installments of $3,000,000 to $27,390,000 through December 2017; interest at 3.80% to 5.25%.</td>
<td>$ 46,130</td>
</tr>
<tr>
<td>$48,495,000 2006 Series A School Construction Serial Bonds due in annual installments of $2,000,000 to $3,640,000 through October 2026; interest at 4.00% to 5.00%.</td>
<td>2,255</td>
</tr>
<tr>
<td>$28,885,000 2006 Series B School Construction Refunding Bonds due in annual installments of $5,890,000 to $6,185,000 through October 2020; interest at 5.00%.</td>
<td>8,890</td>
</tr>
<tr>
<td>$51,705,000 2006 Series C School Construction Refunding Bonds due in annual installments of $65,000 to $9,770,000 through July 2021; interest at 4.00% to 5.00%.</td>
<td>36,440</td>
</tr>
<tr>
<td>$171,155,000 2007 Series B School Construction Refunding Bonds due in annual installments of $60,000 to $29,530,000 through September 2024; interest at 4.00% to 5.00%.</td>
<td>163,270</td>
</tr>
<tr>
<td>$63,790,000 2007 Series D School Construction Serial Bonds due in annual installments of $2,450,000 to $4,885,000 through August 2027; interest at 4.25% to 5.00%.</td>
<td>5,815</td>
</tr>
<tr>
<td>$29,840,000 2008 Series B School Construction Serial Bonds due in annual installments of $1,105,000 to $2,285,000 through August 2028; interest at 4.00% to 5.25%.</td>
<td>3,965</td>
</tr>
<tr>
<td>$20,025,000 2010 Series B School Construction Serial Bonds due in annual installments of $830,000 to $1,345,000 through April 2030; interest at 2.00% to 5.91%.</td>
<td>15,205</td>
</tr>
<tr>
<td>$4,940,000 2011 Series B School Construction Serial Bonds due in annual installments of $460,000 to $550,000 through August 2021; interest at 2.00% to 3.00%.</td>
<td>3,090</td>
</tr>
<tr>
<td>$81,040,000 2015 Series D School Construction Serial Bonds due in annual installments of $1,260,000 to $15,090,000 through September 2026; interest at 2% to 5.0%.</td>
<td>81,040</td>
</tr>
<tr>
<td>Total</td>
<td>$ 581,075</td>
</tr>
</tbody>
</table>

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2016 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Anchorage School District</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Years:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$ 56,445</td>
<td>$ 26,814</td>
<td>$ 83,259</td>
</tr>
<tr>
<td>2018</td>
<td>55,900</td>
<td>24,064</td>
<td>79,964</td>
</tr>
<tr>
<td>2019</td>
<td>55,145</td>
<td>21,315</td>
<td>76,460</td>
</tr>
<tr>
<td>2020</td>
<td>53,615</td>
<td>18,634</td>
<td>72,249</td>
</tr>
<tr>
<td>2021</td>
<td>56,260</td>
<td>15,927</td>
<td>72,187</td>
</tr>
<tr>
<td>2022-2026</td>
<td>177,215</td>
<td>48,344</td>
<td>225,559</td>
</tr>
<tr>
<td>2027-2031</td>
<td>75,105</td>
<td>19,926</td>
<td>95,031</td>
</tr>
<tr>
<td>2032-2036</td>
<td>51,390</td>
<td>5,066</td>
<td>56,456</td>
</tr>
<tr>
<td>Total</td>
<td>$ 581,075</td>
<td>$ 180,090</td>
<td>$ 761,165</td>
</tr>
</tbody>
</table>

$77
The amount of long-term liability that is due within one year as of June 30, 2016 is $56,445,000. The Debt Service Fund has $4,020,159 available to service the general obligation bonds. There are a number of restrictions contained in the various bond indentures. ASD is in compliance with all significant restrictions.

NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

Municipality of Anchorage
On April 4, 2017, the Municipality issued $98,000,000 of General Obligation Tax Anticipation Notes. The interest rate on the notes is 2.0 percent with a maturity date of September 15, 2017.

Anchorage School District
In December 2016, Anchorage School District issued $20,270,000 in General Obligation School Bonds Series B and $41,960,000 in General Obligation Refunding School Bonds Series C. Due to ASD’s fiscal year end of June 30, 2016, these bonds are not presented in the financial statements.

Water Utility
In July 2017, the Water Utility issued $10 million in Water Revenue Refunding Bonds 2017 Series A to partially refund the Water Utility Commercial Bank Loans. These bonds have a variable interest rate and are set to mature in July 2027. The outstanding loan balance of the loans at December 31, 2016 was $28,625,600.

Wastewater Utility
In July 2017, the Wastewater Utility issued $20 million in Wastewater Revenue Refunding Bonds 2017 Series B to partially refund the Wastewater Utility Commercial Bank Loans. These bonds have a variable interest rate and are set to mature in July 2027. The outstanding loan balance of the loans at December 31, 2016 was $36,651,000.

NOTE 12 - CONDUIT DEBT OBLIGATIONS

A. Nonrecourse Revenue Bonds - United Way of Anchorage

On July 30, 2001, the Municipality sponsored $900,000 of Nonrecourse Revenue Bonds on behalf of the United Way of Anchorage. The Municipality has no direct involvement with the administration of the bonds except to allow the issuance under the name of the Municipality of Anchorage. The revenue bonds are issued under provisions of State and Federal law that provide that the bonds do not constitute an indebtedness of the Municipality. The bonds do not constitute a general obligation or pledge of the full faith and credit of the Municipality. Accordingly, the bonds and the related assets are not reflected in the accompanying financial statements.

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

<table>
<thead>
<tr>
<th>Years</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$61,712</td>
</tr>
<tr>
<td>2018</td>
<td>$65,840</td>
</tr>
<tr>
<td>2019</td>
<td>$70,180</td>
</tr>
<tr>
<td>2020</td>
<td>$62,117</td>
</tr>
<tr>
<td>2021</td>
<td>$57,536</td>
</tr>
<tr>
<td>Total</td>
<td>$317,385</td>
</tr>
</tbody>
</table>

NOTE 13 - PENSIONS

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

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

A. Defined Benefit Pension Plans

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

<table>
<thead>
<tr>
<th>Net Pension Liability</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police and Fire Pension System</td>
<td>75,382,894</td>
<td>-</td>
<td>75,382,894</td>
</tr>
<tr>
<td>Total</td>
<td>$446,495,821</td>
<td>$62,883,354</td>
<td>$509,379,175</td>
</tr>
</tbody>
</table>

Public Employees Retirement System (PERS I-III)

General Information About the Plan

The Municipality participates in the Alaska Public Employees' Retirement System (PERS I-III or the Plan). PERS I-III is a cost-sharing multiple employer plan which covers eligible State and local government employees, other than teachers. The Plan was established and is administered by the State of Alaska Department of Administration. Benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

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

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

The PERS I-III DB Plan was closed to new entrants effective June 30, 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 cost-sharing plan with an effective date of July 1, 2008. In connection with this conversion, the State of Alaska passed additional legislation which statutorily capped the employer contribution rate, established a state funded “on-behalf” contribution (subject to funding availability), and required that employer contributions be calculated against all PERS eligible wages, including wages paid to participants of the PERS Tier IV defined contribution plan described later in this note.

Alaska Statute requires the State of Alaska to contribute to the Plan an amount such that, when combined with the employer contribution, is sufficient to pay the Plan’s past service liability contribution rate as adopted by the Alaska Retirement Management Board.

Although current statutes call for the State of Alaska to contribute to the Plan, the Alaska Department of Law determined that the statute does not create a legal obligation to assume the liabilities of the Plan; rather it establishes a contribution mechanism to provide employer relief against the rising contribution rates. This relief payment is subject to funding availability, and therefore not legally mandated. As a result, the State initially
determined that the Plan is not in a special funding situation. Following much discussion with various stakeholders, participant communities, attorneys, auditors, and the GASB, itself the State has subsequently reversed its position on this matter, and as of June 30, 2015, the State did record the liability presuming that the current statute does constitute a special funding situation as the legislation is currently written. It is important to note that the Alaska Legislature has the power and authority to change the aforementioned statute through the legislative process, and it is likely that the State will pursue efforts to do so in a future legislative session.

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

**Employee Contribution Rates**
Regular employees are required to contribute 6.75 percent of their annual covered salary. Police and firefighters are required to contribute 7.5 percent of their annual covered salary.

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

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

**ARM Board Adopted Rate**
This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Prior to July 1, 2015, there were no constraints or restrictions on the actuarial cost method or other assumptions used in the ARM Board valuation. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039. This will result in lower ARM Board Rates in future years (as demonstrated in the contribution rate tables below).

**On-behalf Contribution Rate**
This is the rate paid in by the State as an on-behalf payment under the current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. However, in state fiscal year 2015, the State Legislature appropriated a one-time contribution to the Plan in the amount of $1 billion. As a result, the On-behalf Contribution Rate for State Fiscal Year 2015 (July 1, 2014 through June 30, 2015) significantly exceeds the statutory amount. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures during the calendar year 2016. On the proprietary fund and government-wide financial statements, the on-behalf amounts are included in revenue and expense only to the extent they are applicable to the measurement period, which is the same as the State’s fiscal year ending June 30, 2016.

**GASB Rate**
This is the Rate used to determine the long-term pension and healthcare liability for plan accounting purposes in accordance with generally accepted accounting principles as established by GASB. Certain actuarial methods and assumptions for this rate calculation are mandated by GASB. Additionally, the GASB Rate disregards all future Medicare Part D payments. For Fiscal Year 2016, the rate uses an 8.00 percent pension discount rate and a 4.55 percent healthcare discount rate.

The GASB Rate and the ARM Board Adopted Rate differ significantly as a direct result of variances in the actuarial methods and assumptions used.

Contribution rates for the years ended June 30, 2016 and June 30, 2017 were determined in the June 30, 2013 and June 30, 2014 actuarial valuations, respectively. Municipality contribution rates for the 2016 calendar year were as follows:
January 1, 2016 to June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Employer Effective Rate</th>
<th>ARM Board Adopted Rate</th>
<th>State Contribution Rate</th>
<th>GASB Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>13.25%</td>
<td>19.04%</td>
<td>3.63%</td>
<td>37.79%</td>
</tr>
<tr>
<td>Postemployment healthcare (see Note 14)</td>
<td>8.75%</td>
<td>8.15%</td>
<td>1.56%</td>
<td>58.73%</td>
</tr>
<tr>
<td>Total Contribution Rates</td>
<td>22.00%</td>
<td>27.19%</td>
<td>5.19%</td>
<td>96.52%</td>
</tr>
</tbody>
</table>

July 1, 2016 to December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Employer Effective Rate</th>
<th>ARM Board Adopted Rate</th>
<th>State Contribution Rate</th>
<th>GASB Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>14.96%</td>
<td>20.34%</td>
<td>4.14%</td>
<td>24.49%</td>
</tr>
<tr>
<td>Postemployment healthcare (see Note 14)</td>
<td>7.04%</td>
<td>5.80%</td>
<td>0.00%</td>
<td>56.64%</td>
</tr>
<tr>
<td>Total Contribution Rates</td>
<td>22.00%</td>
<td>26.14%</td>
<td>4.14%</td>
<td>81.13%</td>
</tr>
</tbody>
</table>

In 2016, the Municipality was credited with the following contributions into the pension plan.

In addition, employee contributions to the Plan totaled $9,135,197 during the Municipality’s calendar year.

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

At December 31, 2016, 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:

<table>
<thead>
<tr>
<th></th>
<th>Municipality proportionate share of NPL</th>
<th>State's proportionate share of NPL associated with the Municipality</th>
<th>Total Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 433,996,281</td>
<td>54,685,280</td>
<td>$ 488,681,561</td>
</tr>
</tbody>
</table>

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2016 measurement date, the Municipality’s proportion was 7.76 percent, which was an increase of 1.60 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Municipality recognized pension expense of $108,191,947. Of this amount, $7,371,634 was recorded as on-behalf revenue and expense for additional contributions paid by the State. At December 31, 2016, the reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<table>
<thead>
<tr>
<th></th>
<th>Measurement Period June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred Outflows of Resources</td>
<td>$ 39,903</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td></td>
</tr>
</tbody>
</table>

The $14,114,468 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:
### Net Amortization of Deferred Outflows and Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Year Ending December 31,</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>39,701,611</td>
</tr>
<tr>
<td>2018</td>
<td>9,962,016</td>
</tr>
<tr>
<td>2019</td>
<td>17,439,427</td>
</tr>
<tr>
<td>2020</td>
<td>11,261,235</td>
</tr>
<tr>
<td><strong>Total Amortization</strong></td>
<td><strong>$ 78,364,289</strong></td>
</tr>
</tbody>
</table>

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement period, and rolled forward to the measurement date of June 30, 2016. The actuarial valuation for the year ended June 30, 2016 (latest available) was prepared by Conduent HR Services. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013, resulting in changes in actuarial assumptions adopted by the Alaska Retirement Management Board to better reflect expected future experience.

<table>
<thead>
<tr>
<th>Inflation</th>
<th>3.12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Increases</td>
<td>Graded by service, from 9.66% to 4.92% for Peace Officers/Firefighters. Graded by age and service, from 8.55% to 4.34% for all others.</td>
</tr>
<tr>
<td>Investment Return / Discount Rate</td>
<td>8.00% net of pension plan investment expenses. This is based on an average inflation rate of 3.12% and real rate of return over 4.88%.</td>
</tr>
<tr>
<td>Mortality (Pre-termination)</td>
<td>Based upon 2010-2013 actual mortality experience, 60% of male rates and 65% of female rates of post-termination mortality rates. Deaths are assumed to be occupational 70% of the time for Peace Officers/Firefighters, 50% of the time for Others.</td>
</tr>
<tr>
<td>Mortality (Post-termination)</td>
<td>96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equity</td>
<td>5.35%</td>
</tr>
<tr>
<td>Global equity (non-US)</td>
<td>5.55%</td>
</tr>
<tr>
<td>Private equity</td>
<td>6.25%</td>
</tr>
<tr>
<td>Fixed income composite</td>
<td>0.80%</td>
</tr>
<tr>
<td>Real estate</td>
<td>3.65%</td>
</tr>
<tr>
<td>Alternative equity</td>
<td>4.70%</td>
</tr>
</tbody>
</table>

### Discount Rate

The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that Employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Discount Rate Sensitivity

The following presents the Municipality’s proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Municipality’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:
Municipality’s proportionate share of the net pension liability

<table>
<thead>
<tr>
<th>Proportional Share</th>
<th>1% Decrease (7.00%)</th>
<th>Current Discount Rate (8.00%)</th>
<th>1% Increase (9.00%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7.76436%</td>
<td>$558,965,219</td>
<td>$433,996,281</td>
<td>$328,590,724</td>
</tr>
</tbody>
</table>

**Pension Plan Fiduciary Net Position**

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

**Police and Fire Pension System Plans**

**General Information About the Plan**

Plans I, II and III are defined benefit single-employer plans established by Chapter 3.85 of the Code. The plans are administered by the Police and Fire Retirement Board (Retirement Board). The cost of administering the 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.

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 16, 1984, and July 18, 1994. Members of Plans I and II were also permitted to elect into Plan III at its inception.

This is a closed plan, which means that there are no new participants. As of December 31, 2016, the following employees were covered by the benefit terms:

<table>
<thead>
<tr>
<th>Inactive Plan Members or Beneficiaries Currently Receiving Benefits</th>
<th>Plan I</th>
<th>Plan II</th>
<th>Plan III</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>193</td>
<td>119</td>
<td>403</td>
<td>715</td>
</tr>
<tr>
<td>Inactive Plan Members Entitled to but not yet Receiving Benefits</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Active Plan Members</td>
<td>-</td>
<td>-</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Totals</td>
<td>193</td>
<td>119</td>
<td>421</td>
<td>733</td>
</tr>
</tbody>
</table>

**Employee Contribution Rates**

Members of Plan I, II, and III are required to contribute an amount not to exceed 6 percent of compensation if the assets to liabilities ratio falls below 100 percent.

**Employer Contribution Rates**

The Municipality is required to contribute a 2.5:1 Municipality/member contribution ratio and any additional contributions to ensure that 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, 2016 actuarial valuation recommended contribution rates for Plans I, II and III not to exceed 6 percent for the employee and $7.1 million for the Municipality for year-end December 31, 2016. All past contributions were made in accordance with actuarial recommendations.

**Net Pension Liability and Pension Expense**

At December 31, 2016, the Municipality reported a net pension liability (NPL) for Plans I, II, and III in the amount of $75,382,894 in the Governmental Activities Statement of Net Position. The NLP for each of the Plans were calculated as follows:

<table>
<thead>
<tr>
<th>Total Pension Liability</th>
<th>Plan I</th>
<th>Plan II</th>
<th>Plan III</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$83,859,817</td>
<td>$63,570,183</td>
<td>$246,026,955</td>
<td>$393,456,955</td>
</tr>
</tbody>
</table>

|-------------------------|--------------|--------------|--------------|--------------|

| Municipality Net Pension Liability | $17,180,289 | $12,122,990 | $46,079,615 | $75,382,894 |

Detailed information for the changes in NLP for each plan is presented in the following tables:
## Police & Fire Retirement Plan I

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a)-(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances as of December 31, 2015</strong></td>
<td>$86,282,317</td>
<td>$68,545,419</td>
<td>$17,736,898</td>
</tr>
<tr>
<td><strong>Changes for the year:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on total pension liability</td>
<td>6,317,389</td>
<td>-</td>
<td>6,317,389</td>
</tr>
<tr>
<td>Effect of plan changes</td>
<td>(263,269)</td>
<td>-</td>
<td>(263,269)</td>
</tr>
<tr>
<td>Effect of economic/demographic (gains) or losses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of assumptions changes or imputs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(8,476,620)</td>
<td>(141,852)</td>
<td>141,852</td>
</tr>
<tr>
<td>Member contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>5,206,406</td>
<td>5,206,406</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>-</td>
<td>1,546,175</td>
<td>1,546,175</td>
</tr>
<tr>
<td><strong>Balances as of December 31, 2016</strong></td>
<td>$83,859,817</td>
<td>$66,679,528</td>
<td>$17,180,289</td>
</tr>
</tbody>
</table>

## Police & Fire Retirement Plan II

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a)-(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances as of December 31, 2015</strong></td>
<td>$65,081,652</td>
<td>$52,369,027</td>
<td>$12,712,625</td>
</tr>
<tr>
<td><strong>Changes for the year:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on total pension liability</td>
<td>4,783,176</td>
<td>-</td>
<td>4,783,176</td>
</tr>
<tr>
<td>Effect of plan changes</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of economic/demographic (gains) or losses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of assumptions changes or imputs</td>
<td>(369,686)</td>
<td>-</td>
<td>(369,686)</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(5,924,959)</td>
<td>(5,925,180)</td>
<td>221</td>
</tr>
<tr>
<td>Member contributions</td>
<td>-</td>
<td>4,004,263</td>
<td>4,004,263</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>1,108,376</td>
<td>1,108,376</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balances as of December 31, 2016</strong></td>
<td>$63,570,183</td>
<td>$51,447,193</td>
<td>$12,122,990</td>
</tr>
</tbody>
</table>

## Police & Fire Retirement Plan III

<table>
<thead>
<tr>
<th></th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a)-(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances as of December 31, 2015</strong></td>
<td>$248,839,998</td>
<td>$198,705,792</td>
<td>$50,134,206</td>
</tr>
<tr>
<td><strong>Changes for the year:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>513,183</td>
<td>-</td>
<td>513,183</td>
</tr>
<tr>
<td>Interest on total pension liability</td>
<td>18,494,293</td>
<td>-</td>
<td>18,494,293</td>
</tr>
<tr>
<td>Effect of plan changes</td>
<td>(3,485,409)</td>
<td>-</td>
<td>(3,485,409)</td>
</tr>
<tr>
<td>Effect of economic/demographic (gains) or losses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of assumptions changes or imputs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit payments</td>
<td>(18,335,110)</td>
<td>(18,335,110)</td>
<td>-</td>
</tr>
<tr>
<td>Member contributions</td>
<td>-</td>
<td>126,119</td>
<td>126,119</td>
</tr>
<tr>
<td>Net investment income</td>
<td>-</td>
<td>15,433,835</td>
<td>15,433,835</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>-</td>
<td>4,439,969</td>
<td>4,439,969</td>
</tr>
<tr>
<td><strong>Balances as of December 31, 2016</strong></td>
<td>$246,026,955</td>
<td>$199,947,340</td>
<td>$46,079,615</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2016, the Municipality recognized total pension expense of ($5,200,835) for Plans I, II, and III.
**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2015 which was rolled forward to December 31, 2016, using the following actuarial assumptions, applied to all periods in the measurement. The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study performed in December 2011, resulting in changes in actuarial assumptions adopted by the Anchorage Police and Fire Retirement Board (APFRB) to better reflect expected future experience.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>3.00%</td>
</tr>
<tr>
<td>Salary Increases</td>
<td>3.50%</td>
</tr>
<tr>
<td>Investment Return</td>
<td>7.70%</td>
</tr>
<tr>
<td></td>
<td>net of pension plan investment expenses. This is based on an average inflation rate of 3.00% and a real rate of return of 4.66%</td>
</tr>
<tr>
<td>Mortality</td>
<td>Rates based on the RP 2000 Combined Healthy tables for males and females, projected to 2025 with Projected Scale AA. Disabled mortality was assumed to follow the RP 2000 Combined Healthy tables for males and females set forward two years.</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Long-term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equities</td>
<td>4.55%</td>
</tr>
<tr>
<td>International equities</td>
<td>6.35%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>1.00%</td>
</tr>
<tr>
<td>Real estate funds</td>
<td>3.75%</td>
</tr>
</tbody>
</table>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.70 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy which meets statutes. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Discount Rate Sensitivity**

The following presents the net pension liability calculated using the discount rate of 7.70 percent, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.70 percent) or 1-percentage-point higher (8.70 percent) than the current rate:

<table>
<thead>
<tr>
<th>Net Pension Liability:</th>
<th>1% Decrease (6.70%)</th>
<th>Current Discount Rate (7.70%)</th>
<th>1% Increase (8.70%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan I</td>
<td>$23,993,694</td>
<td>$17,180,289</td>
<td>$11,297,558</td>
</tr>
<tr>
<td>Plan II</td>
<td>17,811,911</td>
<td>12,122,990</td>
<td>7,261,312</td>
</tr>
<tr>
<td>Plan III</td>
<td>71,855,299</td>
<td>46,079,615</td>
<td>24,460,743</td>
</tr>
</tbody>
</table>

**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.

**IBEW Pension Plan**

**Plan Information**

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

**Plan Participation and Benefit Terms**
The Electric Utility has 172 and 173 employees covered by the plan as of December 31, 2016 and 2015, respectively. The 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 Electric Utility contributes to the Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the IBEW Local 1547. The Agreement in effect during 2015 and 2016 expired on December 31, 2016. A new agreement was approved subsequent to year end and is effective from February 28, 2017 to December 31, 2019 The Agreement automatically renewes 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 hours of work reported by participating employers and the contractual employer contribution rate in effect. The Electric Utility's required contribution to the plan for each hour for which compensation is paid to the employee for January 1, 2016 to December 31, 2016 was $7.75. The required contribution for January 1, 2015 to December 31, 2015 was $7.50. The Electric Utility's total employer contributions to the Plan for 2016 and 2015 were $3,396,484 and $3,059,562, respectively. The Electric Utility had $123,849 and $67,737 in required contributions to the Plan payable to AETF at December 31, 2016 and 2015, respectively. These amounts are paid during the normal course of business in the month following each year end. The Electric Utility is not subject to withdrawal penalties, nor are there any future minimum payments to the Plan required other than the contribution per hour compensated as required by the Agreement.

**Money Purchase Plan**
The Agreement requires employer contributions to be made in an amount of 1.8 percent of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Money Purchase Plan). The Electric Utility's employer and employee contributions to the Money Purchase Plan during 2016 were $412,473 and $85,362, respectively. The Electric Utility's employer and employee contributions to the Money Purchase Plan during 2015 were $389,491 and $106,925, respectively.

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

**Local 302 Pension 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 Plan). The Welfare and Pension Administration Services Inc. administers the Plan and has the authority to establish and amend benefit terms and approve changes in employer required contributions. The 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 Plan issues annual financial reports that can be obtained by writing the plan administrator, Welfare and Pension Administration Services Inc., P.O. Box 34203, Seattle, Washington, 98124.

**Plan Participation and Benefit Terms**
The Municipality has 137 employees covered by the plan as of December 31, 2016 and 2015. The 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 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 August 5, 2014 to December 31, 2016 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 $5.25 per hour worked by a covered employee in 2016 and 2015. Further, seasonal employees are provided for contributions at .75 cents per hour worked in 2016 and 2015. Total employer retirement contributions (covered and seasonal employees) for 2016 and 2015 were $1,619,742 and $1,673,864, respectively. One hundred percent of the Municipality's required contributions to the Local 302 plan have been made through these contributions to the Local 302 International Operating Engineers Employers Construction Industry Retirement Fund.

B. Defined Contribution Pension Plans

Public Employees Retirement System (PERS IV)

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

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

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

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.

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:

<table>
<thead>
<tr>
<th>Plan Participation and Benefit Terms</th>
<th>Police/Fire</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Contribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/1 - 6/30</td>
<td>8.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td>7/1 - 12/31</td>
<td>8.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td><strong>Employer Contribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Health Reimbursement Arrangement *</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
<tr>
<td>Retiree Medical Plan</td>
<td>1.68%</td>
<td>1.18%</td>
</tr>
<tr>
<td>Death &amp; Disability Benefit</td>
<td>1.05%</td>
<td>0.49%</td>
</tr>
<tr>
<td><strong>Total Employer Contribution</strong></td>
<td>10.73%</td>
<td>9.67%</td>
</tr>
<tr>
<td></td>
<td>9.90%</td>
<td>9.35%</td>
</tr>
</tbody>
</table>

*Health Reimbursement Arrangement
Alaska Statute 39.30.370 requires that the employer contribute “an amount equal to three percent of the employer’s average annual employee compensation.” For actual remittance, this amount is calculated as a flat rate per full time employee and a flat rate per hour for part time employees. Prior to July 1, 2016 a flat rate of approximately $2,005 per year for full time employees and $1.26 per part time hour worked was paid. For pay periods ending after July 1, 2016, a flat rate of approximately $2,049 per year for full time employees and $1.31 per part time hour worked were paid.

For the year ended December 31, 2016, the Municipality contributed $3,882,883 to PERS IV for retirement and retiree medical, and $2,021,451 to PERS IV for Health Reimbursement Arrangement on-behalf of its employees. Employee contributions to the plan totaled $6,212,200.
NOTE 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS

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

A. Gentile Group

Members of the Police & Fire Retirement Plan who retired prior to January 1, 1995, and command personnel who were employed prior to that date, but not retired at that date, participate in the “Gentile Group” Plan. The Municipality pays 100 percent of a defined benefit insurance premium including health for all eligible retirees as well as dental, audio and vision coverage for police retirees. Optional dental, audio and vision coverage is paid by the fire and command retirees. The plan is accounted for on a “pay as you go” method with costs recognized as expenditures as premiums are paid. At December 31, 2016, there were 240 retiree participants. For 2016, the monthly contribution for each member ranged between $2,751 and $3,349 per member depending on age and years of service. Benefit costs totaled $9,074,894 in 2016. There are no plans in place to terminate or discontinue this benefit for eligible members.

B. Police and Fire Retiree Medical Group & Associated Prefunding Arrangement

Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, as well as non-represented command personnel appointed after January 1, 1995 participate in the Police and Fire Retiree Medical Plan. Established with both defined benefit and defined contribution characteristics, the Municipality contributes a fixed dollar contribution to each member on a monthly basis. Those funds are placed into individual member accounts and can be used to fund any qualifying medical costs or health insurance premiums. Additionally, members have access to the Municipality’s health insurance program if they elect to pay the associated premium.

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

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

For 2016, the monthly contribution for each member ranges between $501 and $865 per member depending on age and years of service. The Municipality contributed $3,443,745 to the Police and Fire Retiree Medical Trust Fund in 2016.

Concurrent with the establishment of the plan, the Municipality initiated a “Prefunding” arrangement. The terms of the prefunding call for annual deposits through 2028 into a special revenue fund for the purpose of accumulating resources to pay the annual required contributions to the Police and Fire Retiree Medical Plan. Based on an actuarial report dated June 2015, the original payment schedule would not fully prefund the plan by 2021. The Municipality opted to continue contributions to the Trust through 2028 to fully prefund the plan. This change required an Amendment to the Anchorage Municipal Code, which was approved by the Assembly in December 2015. In accordance with the current prefunding arrangement, the Municipality is required to contribute $969,532 to the special revenue fund on an annual basis in order to fully fund the actuarially determined liability by 2028.

In 2016, the Municipality contributed the annual $969,532 to the fund. The Municipality will perform an actuarial funding study every two years and adjust the required annual contribution as needed and/or extend the final payment, as authorized in Anchorage Municipal Code 3.88.020.

Detailed information regarding rates and actuarial methods for the plan for the year ended 2016 are as follows:
Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subjected to continual revision, as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress immediately follows the notes to the financial statements presenting multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The components of annual postemployment healthcare costs for the year ended 2016 (in thousands) are as follows:

| Postemployment Healthcare Benefits (in thousands) |
|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Actuarial Valuation Year | Actuarial Value of Plan Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded Liability as Percentage of Covered Payroll |
| Gentile Group | 2016 | $16,332 | $50,120 | $33,788 | 33% | $2,169 | 1558% |
| | 2015 | 16,332 | 50,120 | 33,788 | 33% | 2,199 | 1537% |
| | 2014 | 12,948 | 41,275 | 28,327 | 31% | 4,817 | 588% |

**MOA Premium Discount**

In 2013, as authorized in Anchorage Municipal Code 3.87.050A, the Municipality provided a premium discount to all members of the Police and Fire Retiree Medical Trust that purchase municipal health insurance. At December 31, 2016 the Municipality contributed $1,166,306 for that plan.
State Public Employee Retirement Plan
Police officers and fire fighters hired after January 1, 1995 participate in the State Public Employee Retirement Plan, rather than the Police and Fire Retirement System Plan, thus, those individuals receive postemployment medical benefits as determined by that Plan.

Deferred Compensation Plan
The Municipality has determined that a fiduciary relationship does not exist between it and the Internal Revenue Code Section 457 deferred compensation plan. The deferred compensation plan is not reported in the Municipality’s financial statements in accordance with GASB Statement No. 32.

NOTE 15 - FUND BALANCE - GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

In 2011, the Assembly approved AR2011-345(S) which set the fund balance policy in accordance with GASB 54. In 2014, the Assembly approved AR2014-221 which revised the method of calculating certain components of the fund balance categories, to better aid in assessing the needs of the Municipality. Managements 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 AR2015-84 which amended the definition of expenditures used in the calculation of certain components of fund balance. As of December 31, 2016, there are no other amendments to the Fund Balance Policy.

Fund balance, reported in aggregate on the governmental funds balance sheet is subject to the following constraints:
General MOA Trust Projects Road & Drainage Other Governmental Funds Total

Nonspendable

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects Road &amp; Drainage</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>$1,358,986</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$1,358,986</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>33,340</td>
<td>-</td>
<td>-</td>
<td>605,039</td>
<td>638,379</td>
</tr>
<tr>
<td>Long-term Loans</td>
<td>903,432</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>903,432</td>
</tr>
<tr>
<td>Cemetery Perpetual Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Total Nonspendable</td>
<td>2,295,758</td>
<td>-</td>
<td>-</td>
<td>755,039</td>
<td>3,050,797</td>
</tr>
</tbody>
</table>

Restricted

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects Road &amp; Drainage</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Statute</td>
<td>11,468</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,468</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>-</td>
<td>-</td>
<td>17,231,749</td>
<td>6,951,461</td>
<td>24,183,210</td>
</tr>
<tr>
<td>MOA Trust Fund</td>
<td>-</td>
<td>147,548,268</td>
<td>-</td>
<td>-</td>
<td>147,548,268</td>
</tr>
<tr>
<td>Police &amp; Fire Retiree Medical Liability</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,284,534</td>
<td>34,284,534</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>-</td>
<td>-</td>
<td>2,040,521</td>
<td>2,040,521</td>
<td>2,040,521</td>
</tr>
<tr>
<td>State Grants</td>
<td>-</td>
<td>-</td>
<td>1,352,324</td>
<td>1,352,324</td>
<td>1,352,324</td>
</tr>
<tr>
<td>Federal/State Fines &amp; Forfeitures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,049,478</td>
<td>2,049,478</td>
</tr>
<tr>
<td>Misc Operations Grants</td>
<td>-</td>
<td>-</td>
<td>1,053,127</td>
<td>1,053,127</td>
<td>1,053,127</td>
</tr>
<tr>
<td>Convention Center Operating Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,711,845</td>
<td>14,711,845</td>
</tr>
<tr>
<td>49 State Angel Fund</td>
<td>-</td>
<td>-</td>
<td>12,658,237</td>
<td>12,658,237</td>
<td>12,658,237</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>13,868,255</td>
<td>13,868,255</td>
<td>13,868,255</td>
</tr>
<tr>
<td>Total Restricted</td>
<td>11,468</td>
<td>147,548,268</td>
<td>17,231,749</td>
<td>88,969,782</td>
<td>253,761,267</td>
</tr>
</tbody>
</table>

Committed

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects Road &amp; Drainage</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% Bond Rating</td>
<td>41,615,564</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41,615,564</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>-</td>
<td>-</td>
<td>984,651</td>
<td>13,656,067</td>
<td>14,640,718</td>
</tr>
<tr>
<td>Heritage Land Bank</td>
<td>-</td>
<td>-</td>
<td>5,388,261</td>
<td>5,388,261</td>
<td>5,388,261</td>
</tr>
<tr>
<td>Total Committed</td>
<td>41,615,564</td>
<td>-</td>
<td>984,651</td>
<td>19,044,328</td>
<td>61,644,543</td>
</tr>
</tbody>
</table>

Assigned

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects Road &amp; Drainage</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Budget Appropriations</td>
<td>7,242,461</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,242,461</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>-</td>
<td>-</td>
<td>287,039</td>
<td>287,039</td>
<td>287,039</td>
</tr>
<tr>
<td>Cemetery Perpetual Fund</td>
<td>-</td>
<td>-</td>
<td>356,026</td>
<td>356,026</td>
<td>356,026</td>
</tr>
<tr>
<td>State Grants</td>
<td>-</td>
<td>-</td>
<td>17,483,823</td>
<td>17,483,823</td>
<td>17,483,823</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>-</td>
<td>-</td>
<td>140,829</td>
<td>140,829</td>
<td>140,829</td>
</tr>
<tr>
<td>Federal/State Fines &amp; Forfeitures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>436,162</td>
<td>436,162</td>
</tr>
<tr>
<td>Convention Center Operating Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,214,300</td>
<td>3,214,300</td>
</tr>
<tr>
<td>Total Assigned</td>
<td>7,242,461</td>
<td>-</td>
<td>-</td>
<td>21,918,179</td>
<td>29,160,640</td>
</tr>
</tbody>
</table>

Unassigned

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
<th>MOA Trust</th>
<th>Projects Road &amp; Drainage</th>
<th>Other Governmental Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% Working Capital Reserve</td>
<td>9,245,380</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,245,380</td>
</tr>
<tr>
<td>Other Unassigned</td>
<td>4,648,196</td>
<td>-</td>
<td>-</td>
<td>(2,662,139)</td>
<td>1,986,057</td>
</tr>
<tr>
<td>Total Unassigned</td>
<td>13,893,576</td>
<td>-</td>
<td>-</td>
<td>(2,662,139)</td>
<td>11,231,437</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$65,058,827</td>
<td>$147,548,268</td>
<td>$18,216,400</td>
<td>$128,025,189</td>
<td>$358,848,684</td>
</tr>
</tbody>
</table>

Alaska State Statute 29.35.460 states that taxes levied within a differential tax zone that exceed the amount that would otherwise have been levied may only be used for the services provided in that zone. The Municipality has $11,468 of restricted fund balance in one of the sub funds of the General Fund. The Municipality, by resolution, established a bond rating that is included in committed fund balance and a Working Capital Reserve that is included in unassigned fund balance.

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

Bond Rating:

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed</td>
<td>$41,615,564</td>
</tr>
</tbody>
</table>

Working Capital Reserve:

<table>
<thead>
<tr>
<th>Item</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unassigned</td>
<td>$9,245,380</td>
</tr>
</tbody>
</table>
The Municipality has the following encumbrances outstanding at the end of the year:

**Major Funds:**
- Capital Projects Roads & Drainage Fund  $17,981,429

**Non Major Capital Project Funds:**
- Public Safety  2,227,102
- Parks & Recreation  3,058,374
- Areawide  12,615,055
- Public Transportation  440,622
- Heritage Land Bank  83,475
- Miscellaneous  2,666,122
- Total Non Major Capital Project Funds  $21,090,750

**Non Major Special Revenue Funds**
- State Grants  7,473,828
- Federal Grants  4,833,842
- Total Non Major Special Revenue Funds  $12,307,670

**NOTE 16 - RISK MANAGEMENT AND SELF-INSURANCE**

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

The Municipality provides coverage up to the maximum of $3,000,000 per occurrence for automobile and general liability claims and for each workers’ compensation claim. No settled claim exceeded this commercial coverage in 2016, 2015 or 2014.

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, 2016, is dependent upon future developments. At December 31, 2016, claims incurred but not reported included in the liability accounts are $16,040,708 in the General Liability/Workers’ Compensation Fund and Medical/Dental Self Insurance Fund.

Changes in the funds’ claim liability amounts in 2016 and 2015 are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability/Workers’ Compensation</td>
<td>$25,886,494</td>
<td>$10,308,057</td>
<td>(10,301,317)</td>
<td>$25,893,234</td>
</tr>
<tr>
<td>Medical/Dental</td>
<td>8,901,956</td>
<td>48,366,051</td>
<td>(48,883,245)</td>
<td>8,384,762</td>
</tr>
<tr>
<td>Unemployment</td>
<td>66,596</td>
<td>276,999</td>
<td>(267,515)</td>
<td>76,080</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$34,855,046</strong></td>
<td><strong>$58,951,107</strong></td>
<td><strong>(59,452,077)</strong></td>
<td><strong>$34,354,076</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability/Workers’ Compensation</td>
<td>$18,030,928</td>
<td>$14,931,121</td>
<td>(7,075,555)</td>
<td>$25,886,494</td>
</tr>
<tr>
<td>Medical/Dental</td>
<td>7,086,801</td>
<td>60,749,094</td>
<td>(58,933,939)</td>
<td>8,901,956</td>
</tr>
<tr>
<td>Unemployment</td>
<td>98,411</td>
<td>281,210</td>
<td>(313,025)</td>
<td>66,596</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,216,140</strong></td>
<td><strong>$75,961,425</strong></td>
<td><strong>(66,322,519)</strong></td>
<td><strong>$34,855,046</strong></td>
</tr>
</tbody>
</table>
At December 31, 2016, the Medical and Dental Self Insurance Fund had unrestricted net position of $528,796, a decrease of $737,017 from 2015. The decrease in net position is due to an increase in reserves for medical and dental claims by margin of 5 percent to the actuarial estimates.

At December 31, 2016, the General Liability and Worker’s Compensation Fund had a deficit of $5,113,340, an increase in the deficit of $1,908,247 from 2015. The deficit is due to an increased reserves for worker’s comp claims based on actuarial estimates.

NOTE 17 - MOA TRUST FUND

On April 2, 2002, the Municipality voters approved Proposition No. 4 which fundamentally changed distribution rules applicable to the MOA Trust Fund (the Trust). Key excerpts from Proposition No. 4 include:

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

Anchorage Municipal Code (the Code) was also revised to accompany the Anchorage Municipal Charter (the Charter) change. The changes made to AMC 6.50.060 further define and clarify the methodology to be used in paying out an annual dividend from the Trust each year.

Depending on the investment market conditions in any given year, the Trust may or may not generate sufficient realized and unrealized net earnings to cover the 5 percent dividend payout. Under the endowment model, however, up to 5 percent of the market value of the Trust for the twenty consecutive quarters ending on March 31 of each year is available for appropriation by the Assembly to help fund the general government budget. The endowment model is tied to an average market value, not to annual earnings, and it assumes a long-term investment return of 8 percent and inflation of 3 percent. 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 a 5 percent dividend by drawing from the fund’s corpus. Over time the Trust is also expected to benefit from positive years in the market (i.e., years in which the real rate of return exceeds 5 percent); however the Assembly must abide by the 5 percent cap on annual distributions. This means that any excess returns generated during positive years in the market effectively are converted to corpus. Additionally, the Municipal Treasurer is required by the Code to determine whether the Trust’s purchasing power is being maintained, by performing an analysis at least every five years beginning in year 2007.

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

In 2016, consistent with the policy limitations described above, $5,400,000 of the Trust fund balance was determined to be expendable and transferred to the General Fund.

NOTE 18 - REGULATORY AND OTHER MATTERS

A. Electric Utility

Beluga River Unit (BRU) Underlift Cash Settlement
Until April 2016, the Electric Utility owned a one-third interest in annual production of the BRU. Its field partners at that time, CPAI and Hilcorp Alaska, LLC, each also owned a one-third interest in BRU production. Every BRU owner has a right to take a portion of annually produced gas proportionate to its interest.

In 2005, the Electric Utility underlifted (i.e. took less than its interest in BRU’s annual output) and accepted a monetary settlement from its field partners. These funds were deposited in a Future Natural Gas Purchases
Account, and the Electric Utility recorded a deferred inflow of resources for future natural gas purchases. The balances of the Future Natural Gas Purchases Account, as of December 31, 2016 was $16,477,276.

In 2015, the Electric Utility petitioned the RCA for authorization to apply 2014 underlift settlement proceeds to reduce its GTP in effect from July 1, 2016 through June 30, 2017. The RCA approved the Electric Utility’s unopposed proposal in Order U-15-116(2), dated March 10, 2016.

In April 2016, the Electric Utility purchased 70 percent of CPAI’s one-third interest in the BRU. The RCA approved the Electric Utility’s request in Order U-16-012(14), dated April 21, 2016, to utilize a closing underlift settlement from CPAI of $13,177,726 towards financing this acquisition.

**Regulatory Debits/Credits**

The Electric Utility files a COPA rate quarterly with the RCA to recover cost of power expenses not recovered in base rates. The COPA calculation is based on the projected cost of fuel and purchased power for the applicable quarter, the projected kilowatt hour sales for the applicable quarter, and the over- or under- recovered balance in the cost of power clearing account. The Electric Utility records in the cost of power clearing account an asset with an offsetting credit to a contra revenue account for under-recovered costs or a liability and an offsetting debit to a contra revenue account for over recovered costs. The Electric Utility under-recovered as of December 31, 2016 in the amount of $1,358,355.

The Electric Utility annually sets the GTP with its third quarter COPA filings. Through the GTP, the Electric Utility recovers the Gas Fund’s annual revenue requirement associated with the Electric Utility’s ownership interest in the BRU and any over or under recovery from the prior year. The Electric Utility records in the cost of Gas Transfer Price Clearing Account an asset and a credit to an expense account for under-recovered costs or a liability and debit to a contra expense account for over-recovered costs. The Electric Utility over-recovered as of December 31, 2016 in the amount of $11,423,365.

**Deferred Regulatory Liability for Gas Sales**

Revenue from third party sales of natural gas produced at the BRU is excluded from the GTP calculation. These funds, net of royalties and the ARO surcharge, are recorded in the Electric Utility’s Future BRU Construction or Natural Gas Purchases account, referred to for regulatory purposes as the Deferred Regulatory Liability from Gas Sales (DRLGS) Account. These funds are to be used for future BRU construction or natural gas purchases. The balances of the DRLGS account, as of December 31, 2016, was $20,236,871.

**Asset Retirement Obligation Sinking Fund**

Asset Retirement Obligation (ARO) expenses associated with the future abandonment of the BRU are funded through a surcharge to the Electric Utility’s GTP and third party gas sales and are deposited into a sinking fund. As of December 31, 2016, the sinking fund account balance was $11,797,445.

**Revenue Requirement Study**

On September 9, 2013, the Electric Utility filed a petition with the RCA, based on a 2012 test year revenue requirement study, for interim and permanent across-the-board rate increases in energy and demand charges in order to recover costs associated with its purchase of a 30 percent interest in Southcentral Power Project. A hearing was held April 6 through 17, 2015. The RCA issued Order U-13-184(22) on July 16, 2015 establishing the Electric Utility’s revenue requirement, setting the 24.32 percent interim rate increase as the permanent rates, and ordering the Electric Utility to cease paying dividends to the Municipality.

On December 30, 2016, the Electric Utility filed a petition with the RCA, based on a 2015 test year revenue requirement study, for interim and permanent across-the-board rate increases in energy and demand charges in order to recover costs associated with its construction of Plant 2A. The Electric Utility requested a 29.49 percent interim and refundable rate increase, based on RCA-approval of the Electric Utility’s proposed rate stabilization plan (RSP). On February 13, 2017, the RCA granted the Electric Utility an interim and refundable rate increase of 37.3 percent, denied approval of the Electric Utility’s proposed RSP, and suspended the Electric Utility’s request into U-17-008 for further investigation. A hearing is set in this matter for November 20 through 22, 2017 and November 27 through December 22, 2017. The RCA shall issue a final order no later than March 25, 2018.

**Acquisition of CPAI’s Interest in the Beluga River Unit**

In Order U-16-012(14), dated April 21, 2016, the RCA granted a joint petition filed by the Electric Utility and CEA requesting approval of a purchase and sale agreement for the acquisition of CPAI’s one-third interest in the BRU. The total purchase price was $152 million, with the Electric Utility acquiring 70 percent of that interest for $106.4 million and CEA the remaining 30 percent for $45.6 million. The Electric Utility funded its share of the acquisition...
with DRLGS and Future Natural Gas Purchases Account funds, cumulative underlift proceeds owed to it by CPAI, and unrestricted gas fund cash. This purchase gives the Electric Utility a total 56.67 percent interest in the BRU, and it is seeking the RCA’s approval of accounting and ratemaking treatment for this interest.

Eklutna Hydroelectric Project
On October 2, 1997, the ownership of the Eklutna Hydroelectric Project was formally transferred from the Alaska Power Administration, a unit of the United States Department of Energy, to the three participating utilities: the Electric Utility, CEA and Matanuska Electric Association (MEA). The project is jointly owned and operated by the participating utilities and each contributes their proportionate share for operation, maintenance, and capital improvement costs, as well as maintenance of the transmission line between Anchorage and the hydroelectric plant. The Electric Utility has a 53.33% ownership interest in the project and recorded costs of $674,165 in 2016.

Bradley Lake Hydroelectric Project
The Electric Utility agreed to acquire a portion of the output of the Bradley Lake Hydroelectric Project (Project) pursuant to a Power Sales Agreement (Agreement). The Agreement specifies the Electric Utility acquire 25.9 percent of the output of the Project.

The Project went on line September 1, 1991. The Electric Utility made payments to the Alaska Energy Authority (AEA) of $5,101,368 in 2016 for its portion of costs, and received 90,390 megawatt hours of power from the Project. The Electric Utility received a budget surplus refund in the amount of $549,177 for 2016. The Electric Utility’s estimated cost of power from the Project for 2017 is $5,097,474.

AEA issued the Power Revenue bonds, First and Second Series in September 1989 and August 1990, respectively, for the long term financing of the construction costs of the Project. On July 1, 2010, AEA issued $28,800,000 principal amount of Power Revenue Bonds, Sixth Series. The Sixth Series Bonds were issued for the purpose of refunding the Power Revenue Bonds, Fifth Series Bonds to take advantage of lower interest rates. The total amount of debt outstanding as of December 31, 2016 is $54,138,709. The pro rata share of the debt service costs of the Project for which the Electric Utility is responsible, given its 25.9 percent share of the Project, is $14,021,926. In the event of payment defaults by other power purchasers, the Electric Utility’s share could be increased by up to 25 percent, which would then cause the Electric Utility’s pro rata share of Project debt service to be a total of $17,527,407. The Electric Utility does not now know of or anticipate any such defaults.

Southcentral Power Project
The Electric Utility entered into a participation agreement with CEA on August 28, 2008, to proceed with the joint development, construction and operation of Southcentral Power Plant (SPP). The SPP went into service on January 31, 2013. It has a capacity of 200.3 MW, of which the Electric Utility’s proportionate share is 60.1 MW, or 30 percent. The Electric Utility has recorded costs of $14,302,236 in 2016.

B. Water Utility

2012 Test Year / 2015-2016 Rates
The current Water Utility rates have been in effect since June 5, 2015. Based on a 2012 test year revenue requirement filing, the RCA accepted a stipulation between the Water Utility and the Office of the Attorney General, Regulatory Affairs and Public Advocacy section (RAPA) and approving a permanent rate increase of 2.26 percent effective June 5, 2015. The Water Utility has not submitted a rate filing since the 2015 rate increase.

Acquisitions
The Water Utility entered into a Purchase and Sale Agreement with Southcentral Utilities Inc (SUI) to acquire SUI’s distribution assets. The Water Utility filed a joint application to amend the Water Utility’s CPCN No. 122 to incorporate customers from Southcentral Utilities in the Water Utility’s service area and to allow SUI to discontinue service and cancel its Provisional CPCN No. 6088. The Water Utility received approval from the RCA to expand the service area on March 31, 2016 and began service to customers in the new service areas on July 18, 2016. As a result of the acquisition, the Water Utility gained 65 customers, resulting in an increase of annual revenues of approximately $40,000.

C. Wastewater Utility

2015 Test Year / 2016-2017 Rates
On November 16, 2016, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 9.5 percent. The Regulatory Commission of Alaska (RCA) approved the rate increase effective January 3, 2017 on a permanent basis without suspension into a docket for further investigation.
NOTE 19 – CONTINGENCIES

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

A. Litigation

Port Expansion

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

Investigative reports concluded the project design was flawed and significant aspects of the work were constructed incorrectly. In March 2013, the Port filed suit to recover damages. In 2016, the Municipality reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities and damages of the Municipality relative to work performed by MKB Constructors, Quality Asphalt Paving and Terracon Consultants for $5.5 million, $5.15 million and $1.95 million, respectively. In total, these settlements amount to $12.6 million recorded in 2016 as legal settlements shown on the Port’s statements of revenues, expenses and changes in net position as non-operating revenue. As required under two of the settlement agreements the Port restricted $2.3 million of the $12.6 million settlements to a Port litigation escrow account also recorded in 2016 as restricted assets “legal settlement set-aside”, of the Port’s statements of net position. The remaining defendants executed settlement agreements as follows: Integrated Concepts and Research Corporation (ICRC) for $3.75 million, PND Engineers Inc. for $750,000, GeoEngineers for $750,000 and CH2M Hill for $1.5 million. Each of these defendant’s settlements and payments are recorded in 2017. An order for dismissal in the US District Court for the District of Alaska was signed on February 22, 2017 closing the case filed in the State of Alaska. A separate action in the United States Court of Federal Claims against the U.S. Maritime Administration (MARAD) is ongoing. This case in federal court remains active and no claims have been asserted against the Municipality.

In the meantime, a new project, the Anchorage Port Modernization Program (APMP) is moving forward. CH2M, the project management team, continues to work on all aspects necessary to begin construction of Phase 1 of the updated project in 2018.

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 20 - ENVIRONMENTAL ISSUES

The Municipality has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present and future activity that may result in environmental impact. It is accounting policy to record a liability when the likelihood of responsibility for an environmental impact is probable and the cost of mitigating the impact is estimable within reasonable limits. At December 31, 2016, there are environmental issues that meet both of these criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

A. Solid Waste Landfill Sites

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

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

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and post-closure costs each year, Solid Waste Services Utility (SWS) records an operating expense based on landfill capacity. During 2015, the future closure and post-closure care costs were re-evaluated and adjusted to reflect current conditions. At December 31, 2016, SWS had a recorded liability of $32,408,184 associated with these future costs, based on the use of 38 percent of the landfill’s estimated capacity. Based upon the 2015 study, it is estimated SWS will recognize an additional $52,884,636 in liability expense between 2017 and 2043, the current estimated date the landfill is expected to reach full capacity. Future inflation costs and additional costs that might arise from changes in requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both. Activity in the long term liability for landfill closure and post-closure care cost was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Addition</th>
<th>Deletion</th>
<th>Due in One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future Landfill Closure Costs</td>
<td>$31,100,929</td>
<td>$1,307,255</td>
<td>$-</td>
<td>$32,408,184</td>
</tr>
</tbody>
</table>

State laws and federal regulations require the Municipality to provide financial assurances for future closure and post-closure costs by one of a number of allowable mechanisms available. The Municipality elected to use the “Local Government Test” financial assurance mechanism to comply with the regulation. Pursuant to AO 2008-46, the Municipal Assembly amended the Anchorage Municipal Code to establish a restricted account to fund the liability for landfill closure and post-closure purposes. At December 31, 2016, SWS reported $32,408,184 of restricted assets for payment of closure and post-closure care costs.

C. Fuel/Polychlorinated Biphenyl (PCB) Contaminated Site at Hank Nikkels Power Plant 1 and Operations.Dispatch Center

During the 1964 earthquake, approximately 250,000-400,000 gallons of diesel fuel spilled on the ground. Based on numerous environmental investigations, the spill impacted soil and groundwater at the Hank Nikkels Power Plant 1 and properties west/northwest of the plant. During the 2006-2007 subsurface investigation, in addition to diesel contamination known from the 1964 spill, PCBs were detected in the soil. All soil disturbing activities at the site are governed by the Risk-Based Disposal Plan (RBDP) administered by the Alaska Department of Environmental Conservation (ADEC) and the Environmental Protection Agency (EPA). The Electric Utility is planning to replace security fencing around the power plant and to pave the northwestern section of the yard. Pre-construction soil sampling conducted in 2016 identified higher levels of PCBs than previously recorded. The cleanup activities were conducted in May 2017. The PCB contaminated soil identified in 2016 was removed and disposed of in accordance with the 2008 RBDP approved by EPA and ADEC. The Electric Utility will pave the surface of the cleanup area as an institutional control measure under the 2008 RBDP. The Electric Utility recorded a liability for the estimated cleanup costs of $760,000 at December 31, 2016.

In 2009, PCB contaminated soil was discovered near the Operations/Dispatch building during excavation to install water lines for a fire suppression system. In 2010 and 2015, additional site investigations were conducted to determine a horizontal and vertical extent of PCB contamination. Following the soil investigations, the Electric Utility performed monitoring of groundwater at the site and in the vicinity during 2015 and 2016. Analytical results indicated no off-site migration of PCBs. The Electric Utility is waiting on EPA’s review of the site data and further decisions. The cost associated with any further actions cannot be determined at this time.

D. Electric Utility New Generation Permit Compliance at Plant Two

The Electric Utility’s Plant 2 Air Quality permit requires operation with post-combustion emission controls for criteria pollutants, NOx and CO, as well as maintaining continuous emission monitoring systems (CEMS) on two new turbines. EPA regulations require annual third party emissions testing to assure accuracy of the CEMS. Newly installed turbines have significant emissions reductions compare to the existing turbines, however maintaining emissions control equipment and performing all testing required by EPA will add to the overall environmental compliance cost. The Electric Utility will oversee environmental compliance and contract qualified
third-party experts to perform necessary services. Environmental permitting and compliance will continue to require a consultant’s expertise. The cost of compliance cannot be determined at this time.

E. Changes in Environmental Regulations Affecting Electric Utilities

The increasing scope and stringency of environmental regulations imposed by the Federal and State governments continues to pose technical and financial challenges to the electric utility industry. These challenges are strongly influencing the planning of new projects. Given the number of existing regulations to be implemented and the expected likelihood of additional new requirements in the coming years, environmental issues will continue to have a major impact on the planning and operation of the Electric Utility.

F. Pollution Remediation Obligation

Water Utility

In accordance with the State of Alaska Department of Environmental Conservation (ADEC) regulations, the Water Utility has removed three leaking, underground fuel storage tanks and the surrounding contaminated soils. Additional contamination was identified on the affected property (unrelated to the tank leakage) requiring additional removal of soils. In 2010, the Water Utility completed additional site characterization. With ADEC approval, the Water Utility has been conducting groundwater monitoring since 2011. The Water Utility plans to petition the ADEC to give the site a cleanup complete designation since average contaminant levels have been decreasing.

The Water Utility used the expected cash flow technique to measure the liability. The Water Utility estimated a reasonable range of potential outlays of $15,000 to $255,000 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $46,000. The potential for a material change in the estimate is possible depending upon the response received from ADEC.

Wastewater Utility

In accordance with the State of Alaska Department of Environmental Conservation (ADEC) regulations, the Wastewater Utility has removed four leaking, underground fuel storage tanks and the surrounding contaminated soils. With ADEC approval, the Wastewater Utility has been conducting groundwater monitoring of these sites since 2011. The Wastewater Utility received approval to close one of the sites in 2016 (Pump Station 31). The Wastewater Utility will continue groundwater monitoring at a second site. For a third site (Pump Station 12), the Wastewater Utility plans to petition ADEC to give the site a cleanup complete designation since average contaminant levels at the site have been decreasing. This same facility experienced an unrelated fuel spill in 2017 as discussed in Note 21- Subsequent Events. In 2016, the Wastewater Utility experienced a fuel spill for which preliminary actions removed surface and some subsurface contamination. A third party agreed through mediation to pay a portion of the preliminary cleanup costs. The Wastewater Utility is planning to make improvements at the site which will result in further cleanup and contamination mitigation.

The Wastewater Utility used the expected cash flow technique to measure the liability. The Wastewater Utility estimated a reasonable range of potential outlays of $15,000 to $443,000 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $630,750. The potential for a material change in the estimate is possible depending upon the response received from ADEC.

Port

In February 2012, the Port entered into an agreement with the Department of Defense to acquire 48 acres of undeveloped land (Tract J) for fair market value of $10,305,000. In exchange, the Port has committed to provide a permanent access road connecting Joint Base Elmendorf-Richardson to the Port and to accept responsibility for the environmental condition of the transferred land. This obligation is reflected on the Port's statement of net position as a non-current liability totaling $1,815,250 at December 31, 2016. In 2011, the Port recognized a capital contribution in the amount of $8,425,612.

Both Tract H and Tract J at the Port are ADEC designated contaminated sites. The Port is required to submit annual groundwater monitoring reports to ADEC for both tracts. In 2016, the monitoring and reporting costs for Tract J was $18,010 and $1,636 for Tract H.
Other Environmental Issues

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

Frank Jones Site
The presence of PCB and Hydrocarbons exceeding applicable clean up levels was discovered in the soils on the Tract 1A Fragment Lot 12, Mountain View parcel North entry to Frank Jones (Site). The Site was contaminated by a third party storing old heavy equipment on the parcel. Ownership was transferred to the Municipality in 2006. BGES through DOWL Engineering provided the Site Characterization report. The Municipality worked with the ADEC and the EPA on proper characterization and remediation of the site.

The Municipality used the expected cash flow technique to measure liability. The Municipality estimated a reasonable range of potential outlays of $50,000 to $100,000 for site assessment and characterization, which was the only part of the remediation process for which costs were reasonably estimable, and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $35,000.

The Municipality has received approval from ADEC in 2016 for a work plan to complete site characterization for the Site to be carried out during 2017. It is estimated that the work to be performed under the plan will cost approximately $35,000. While it is anticipated that additional remediation work will be required, the cost of that work cannot reasonably be estimated and no accrual of a liability for that work recorded until the site characterization work is completed and a response received from ADEC. Accordingly, the Municipality has adjusted the estimated liability accrued for the Site to $35,000 at December 31, 2016.

Transit Bus Barn Hydraulic Oil and Diesel Spills
The presence of soil contamination of subsurface hydraulic oil was discovered in 1990 at the Public Works Transit Facility (PWTF). Bus hydraulic lifts 4, 6, 9 and 10 were the source of leak. In November 2011, a work plan was proposed to repair existing monitoring of wells, measure product thickness, collect ground water samples for laboratory analysis and conduct a short-term product recovery assessment. New lifts were installed in 2014. The second year cost was $29,666. The estimated remaining costs is $366,778.

The Municipality is planning to request permission from ADEC to discontinue the work to recover the spilled hydraulic oil with the submission of the next report on the cleanup effort as the amount of recoverable product appears to be very small.

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. There is no estimate at this time of any additional cost for remediation at the PWTF of the recently discovered diesel contamination.

Shannon and Wilson- Various Sites
Shannon and Wilson has developed a remediation work plan for ADEC. This plan is to review, install, develop, and sample on an additional recovery well; install passive skimmer in 4 wells; and conduct product recovery for one year from the passive skimmers. Shannon and Wilson will conduct one groundwater sampling event, investigate derived waste disposal, provide updates after field events and prepare a summary report. Based on estimated recovery rates, the required total treatment time is expected to be approximately 9 years.

The presence of soil and groundwater contamination from diesel range and residual range organic chemicals (DROs and RROs) and lead was discovered in the 1990's at the former Second Avenue easement storage site at 1021 East Third Avenue. The source of the contamination was three bulk storage tanks believed to have been used to store used engine oil, used for dust suppression, which was collected from service stations in the area. Two of the tanks failed in the early 1970's and the last tank failed in 1994; the volume of material released by the tank failures is unknown.

During additional testing at the site in 2016, levels of lead exceeding Resource Conservation and Recovery Act (RCRA) toxicity characteristic criterion for a hazardous waste were found in one of the soil samples taken. If soil is removed from the site as part of remediation efforts, it may have to be disposed of as a RCRA-regulated hazardous waste. The Municipality has previously accrued a liability of $500,000 for environmental remediation at the site. There is no estimate at this time regarding any additional clean-up costs which may be incurred due to the higher level of lead detected in 2016.
The presence of contamination from gasoline range organic chemicals (GROs), DROs benzene, and toluene were discovered in 1994 at the location of the former Municipality of Anchorage Fire Station 7 at 3939 W 84th Avenue following removal of two storage tanks. Following remediation and subsequent monitoring through 2014, the Municipality received a determination of cleanup complete (with institutional controls) from ADEC in February of 2016. The property was subsequently sold. The Municipality believes it will have no further remediation liability for the site.

The presence of contamination from DROs, GROs, benzene, toluene, ethylbenzene, and xylene were detected at the Municipality of Anchorage Fire Station 4 site located at 4350 MacInness Street. The site is currently required by ADEC to have annual groundwater testing to monitor contamination levels. Estimated costs for the required testing in 2017 are $6,536. Accordingly, the Municipality has accrued a liability of $6,536 for the site at December 31, 2016.

The presence of contamination from DROs, GROs, benzene, toluene, ethylbenzene, and xylene were detected at the Municipality of Anchorage Fleet Maintenance Facility at 4333 Bering Street in the 1990s. The Municipality is planning on having additional testing of groundwater from monitoring wells performed in 2017 as part of ongoing monitoring. The estimated cost of the work to be performed in 2017 is $20,000. Accordingly, the Municipality has accrued a liability of $20,000 for the site at December 31, 2016.

**Peacock Cleaners**

The presence of diesel range organics, tetrachloroethylene and trichloroethylene chemicals exceeding applicable clean up levels were discovered on a parcel of land at 4501 Lake Otis Parkway owned by the Municipality. From 1996 through 2008, this property was operated as a dry cleaning facility. The Municipality foreclosed on the property in 1993 but leased it back to the former owner until 2008.

The Municipality used the expected cash flow technique to measure liability. The Municipality estimated a reasonable range of potential outlays of $922,344 to $3,844,297 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $2,351,775.

**NOTE 21 - SUBSEQUENT EVENTS**

**A. Port Subsequent Events**

**Tariff Rates**

Effective January 1, 2017, Port tariff rates will be increasing through the published Terminal Tariff No. 8, 2015 publication.

**Port of Anchorage Intermodal Expansion Litigation Settlement**

On January 25, 2017, the Municipality and Integrated Concepts and Research Corporation (ICRC) reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities and damages of the Municipality relative to work performed by ICRC on the PIEP. The agreement requires ICRC to make payment in the amount of $3.75 million within 30 calendar days of the effective date of the settlement agreement.

On January 26, 2017 the Municipality and CH2M Hill reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities, and damages of the Municipality related to the work performed by CH2M Hill on the PIEP. The agreement requires CH2M Hill to make payment in immediately available funds to the Municipality of $1.5 million within 30 calendar days of the effective date of the agreement.

On January 27, 2017, the Municipality and GeoEngineers Inc reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities and damages of the Municipality relative to work performed by GeoEngineers on the PIEP. The agreement requires GeoEngineers to make payment in immediately available funds to the Municipality of $750,000 within 30 calendar days of the effective date of the agreement.

On January 30, 2017, the Municipality and PND Engineers Inc reached an agreement to fully and finally settle, release and resolve any and all claims, liabilities and damages of the Municipality relative to work performed by PND Engineers Inc on the PIEP. The agreement requires PND Engineers Inc to make payment in the amount of $750,000 within 30 calendar days of the effective date of the settlement agreement.
B. Electric Utility Subsequent Events

Authorization of Electric Revenue Refunding Bonds
In May 2017, the Municipality authorized the issuance of Electric Revenue Refunding Bonds. These bonds, if issued, would refund all or a portion of the following issues: 2005 Electric Senior Lien Revenue Bonds with a remaining outstanding balance of $22.7 million, 2009 Electric Senior Lien Revenue Bonds with a remaining outstanding balance of $15.2 million, 2009 Electric Senior Lien Revenue Bonds (BABS) with a remaining outstanding balance of $114.8 million, and 2014A Electric Senior Lien Revenue Bonds with a remaining outstanding balance of $178.2 million. Details of the Electric Utility outstanding revenue bonds are disclosed in Note 10(C) - Long-term Obligations.

C. Water Utility Subsequent Events

Alaska Drinking Water Loans
In February 2017, the Municipality authorized the Water Utility to borrow from the Alaska Clean Water Fund in an amount not to exceed $13.5 million. Subsequent to December 31, 2016, the Water Utility entered into loan agreements for an additional $1.8 million from the Alaska Drinking Water Fund to be used for capital construction projects to be drawn as needed.

Authorization of Water Utility Revenue Refunding Bonds
In March 2017, the Municipality authorized the issuance of Water Revenue Refunding Bonds. These bonds, if issued, would refund all or a portion of the following issues: 2004 Water Senior Lien Revenue Bonds with a remaining outstanding balance of $1.1 million, 2007 Water Senior Lien Revenue Bonds with a remaining outstanding balance of $87.2 million, 2009 Water Senior Lien Revenue Bonds with a remaining outstanding balance of $22.3 million, and any or all outstanding Subordinate Lien Water Revenue Loans. Details of the Water Utility outstanding revenue bonds and loans are disclosed in Note 10(C) - Long-term Obligations. Details of debt issued subsequent to year end are disclosed in Note 11.

D. Wastewater Utility Subsequent Event

Fuel Spill at Pump Station 12 Facility
Subsequent to December 31, 2016, the Wastewater Utility experienced a diesel fuel spill at our Pump Station 12 Facility. The quantity of this fuel spill is currently estimated at less than 500 gallons. Preliminary actions have occurred to remove surface contamination, but subsurface contamination remains. The Wastewater Utility will be required to perform the cleanup in accordance with Alaska Department of Environmental Conservation regulations. It is reasonably possible that a liability has been incurred; however, it is not currently possible to estimate the amount of any potential liability so no liability has been recorded.

Alaska Clean Water Loans
In February 2017, the Municipality authorized the borrowing of Alaska Clean Water Loans in an amount not to exceed $5.2 million. Subsequent to December 31, 2016, the Wastewater Utility entered into loan agreements for an additional $5 million from the State of Alaska Clean Water Fund for capital construction projects to be drawn as needed.

Authorization of Wastewater Utility Revenue Refunding Bonds
In March 2017, the Municipality authorized the issuance of Wastewater Revenue Refunding Bonds. These bonds, if issued, would refund all or a portion of the following issues: 2004 Wastewater Senior Lien Revenue Bonds with a remaining outstanding balance of $3.1 million, 2007 Wastewater Senior Lien Revenue Bonds with a remaining outstanding balance of $58.4 million, and any or all outstanding Subordinate Lien Wastewater Revenue Loans. Details of the Wastewater Utility outstanding revenue bonds are disclosed in Note 10(C) - Long-term Obligations. Details of debt issued subsequent to year end are disclosed in Note 11.

E. Municipality Subsequent Events

Debt
See Note 10(F) - Bonds Authorized but Unissued for bonds authorized but not issued including approved after year end. See Note 11- Debt Issued Subsequent to Year End for debt issued subsequent to year end.

Master Lease Purchasing Agreement
The Municipality adopted an ordinance in April 2017 to authorize the use of Master Lease Purchasing Agreements not to exceed $100 million for financing various municipal capital assets. Currently, the SAP project
is partially financed under a Master Lease Purchasing Agreement with an outstanding balance at December 31, 2016 of $33.2 million (See Note 10(A) - Long-term Obligations). The increase would accommodate forecasted activity, which includes refinancing the SAP project once it goes live. ASD and the Electric Utility have also requested lease financing for capital projects.

Federal Transit Administration Section 5307 Grant FY2016
For fiscal year 2016, the Federal Transit Administration (FTA) apportioned $15,582,899 under the Section 5307 federal grant for the purpose of capital and operating assistance in urbanized areas and for transportation-related planning. The Municipality has entered into agreements with the Alaska Railroad Corp over several years to split this grant for use by both organizations. The Municipality requested a change in allocation from the Alaska Railroad for the fiscal year 2016 apportionment. The Municipality and the Railroad have been in negotiation regarding the allocation split, and to date have not reached an agreement.

Because no agreement has been reached, FTA has not officially awarded the fiscal year 2016 apportionment, which means that there is no expectation of reimbursement. Expenditures incurred in 2016 cannot be presented as federal grant expenditures, with the corresponding reimbursement receivable and revenue, until the grant has been awarded by FTA, which resulted in $3,066,677 of expenditures being reported in the general fund, using an appropriation of fund balance. So long as there is an agreement in place and FTA awards the grant before December 31, 2017, the Municipality will be able to seek reimbursement for the expenditures currently residing in the general fund and use a portion of the grant proceeds to replenish general fund’s fund balance. If no agreement and award is in place by December 31, 2017, the entire $15 million apportionment will become unavailable. The Municipality has budgeted approximately $2 million in expenditures in 2017 and has incurred approximately $203,706 of expenditures in 2017.

Eklutna Lawsuit Settlement
In 2013, Eklutna Inc filed a lawsuit against the Municipality claiming that they were entitled to 50 percent of the proceeds from the sale of landfill gas produced by the Anchorage Regional Landfill, since Eklutna Inc owned 50 percent of the land that the landfill sits on. On January 9, 2017, Eklutna Inc and the Municipality agreed on a settlement in which the Municipality would pay Eklutna Inc a one-time amount of $5.75 million. In exchange, the Municipality will be entitled to all the proceeds from the sale of the landfill gas going forward. The settlement amount was split between the general fund and solid waste services, with each fund paying $5 million and $750,000, respectively.

Kennedy and Feliciano v MOA
On May 22, 2017, the Alaska Supreme Court entered judgments against the Municipality on behalf of two ex-APD officers, who filed a lawsuit in June 2010, claiming hostile work environment, retaliation, and breach of the implied covenant of good faith and fair dealing. The total amount awarded to the two plaintiffs, including enhanced attorney’s fees, was $2,687,876.

NOTE 22 - NEW ACCOUNTING PRONOUNCEMENTS
The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the Municipality for 2016 reporting:

- GASB 72 – Fair Value Measurement and Application. The provisions of this Statement address accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this statement were applied to the investment balances present in the 2016 CAFR and additional disclosures as required by the statement were presented.

- GASB 77 – Tax Abatement Disclosures. The provisions of the Statement address accounting and reporting for tax abatements. Currently, the Municipality does not have any tax abatement agreements so the provisions of this statement were considered, but not applied. The Municipality will continue to review this statement each year to determine if it becomes applicable.
• GASB 79 – Certain External Investment Pools and Pool Participants. The provisions of this Statement address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Municipality participates in an internal investment pool, but does not participate in an external investment pool. This Statement was considered and determined to be not applicable.

The following standards are required to be implemented in the up and coming financial reporting periods.

• GASB 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. The provisions of this Statement are required to be implemented for the 2017 financial reporting period.
• GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The provisions of this Statement are required to be implemented for the 2018 financial reporting period.
• GASB 80 – Blending Requirements for Certain Component Units, an Amendment of GASB Statement No. 14. The provisions of this Statement are required to be implemented for the 2017 financial reporting period.
• GASB 81 – Irrevocable Split-interest Agreements. The provisions of this Statement are required to be implemented for the 2017 financial reporting period.
• GASB 83 – Certain Asset Retirement Obligations. The provisions of this Statement are required to be implemented for the 2019 financial reporting period.
• GASB 84 – Fiduciary Activities. The provisions of this Statement are required to be implemented for the 2019 financial reporting period.
• GASB 85 – Omnibus 2017. The provisions of this Statement are required to be implemented for the 2018 financial reporting period.
• GASB 86 – Certain Debt Extinguishment Issues. The provisions of this Statement are required to be implemented for the 2018 financial reporting period.
• GASB 87 – Leases. The provisions of this Statements are required to be implemented for the 2020 financial reporting period.
See notes to budgetary required supplementary information
In 2003, the Municipality implemented GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*. This statement, an amendment to GASB Statement No. 34, clarifies the budgetary presentation requirements for governments with significant budgetary perspective differences that result in not being able to present budgetary comparison information for their general fund and major special revenue funds. The estimated appropriations in the Municipality’s General Fund Budget do not correspond to the expenditures that are reported for the general fund on a GAAP basis. A reconciliation from GAAP to budgetary basis is provided to present the actual amounts on a budgetary basis for the budget to actual comparison.

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

The Assembly approved 2016 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 2016 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 expenditures and the department level for expenditures and other financing uses.

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

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

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

Annual budgets are adopted for the General Fund, Heritage Land Bank (a Special Revenue Fund), the Convention Center Operating Reserve (a Special Revenue Fund), Debt Service Funds except CIVICVentures Bond 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.
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.
<table>
<thead>
<tr>
<th>Percentage of Lane - Miles in Good or Better Condition</th>
<th>2014</th>
<th>2011</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage Road District</td>
<td>80.20%</td>
<td>72.81%</td>
<td>75.51%</td>
</tr>
<tr>
<td>Chugiak/Eagle River Road District</td>
<td>95.60%</td>
<td>93.79%</td>
<td>95.87%</td>
</tr>
<tr>
<td>Girdwood Road District</td>
<td>93.20%</td>
<td>88.01%</td>
<td>94.32%</td>
</tr>
<tr>
<td>Other Road Districts</td>
<td>79.00%</td>
<td>71.71%</td>
<td>74.46%</td>
</tr>
<tr>
<td>New Road District</td>
<td>87.10%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Overall System</td>
<td>83.60%</td>
<td>77.62%</td>
<td>80.18%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Lane - Miles in Fair Condition</th>
<th>2014</th>
<th>2011</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage Road District</td>
<td>19.80%</td>
<td>27.19%</td>
<td>24.49%</td>
</tr>
<tr>
<td>Chugiak/Eagle River Road District</td>
<td>4.40%</td>
<td>6.21%</td>
<td>4.13%</td>
</tr>
<tr>
<td>Girdwood Road District</td>
<td>6.80%</td>
<td>11.99%</td>
<td>5.68%</td>
</tr>
<tr>
<td>Other Road Districts</td>
<td>21.00%</td>
<td>28.29%</td>
<td>25.54%</td>
</tr>
<tr>
<td>New Road District</td>
<td>12.90%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Overall System</td>
<td>16.40%</td>
<td>22.38%</td>
<td>19.82%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Needed</td>
<td>$21,190</td>
<td>$11,226</td>
<td>$26,810</td>
<td>$25,145</td>
<td>$21,883</td>
</tr>
<tr>
<td>Actual</td>
<td>17,582</td>
<td>11,014</td>
<td>26,801</td>
<td>24,412</td>
<td>21,860</td>
</tr>
<tr>
<td>Needed</td>
<td>4,260</td>
<td>6,149</td>
<td>5,393</td>
<td>5,916</td>
<td>4,582</td>
</tr>
<tr>
<td>Actual</td>
<td>5,055</td>
<td>7,046</td>
<td>5,901</td>
<td>6,333</td>
<td>4,062</td>
</tr>
<tr>
<td>Needed</td>
<td>1,741</td>
<td>332</td>
<td>323</td>
<td>641</td>
<td>316</td>
</tr>
<tr>
<td>Actual</td>
<td>1,909</td>
<td>547</td>
<td>528</td>
<td>744</td>
<td>391</td>
</tr>
<tr>
<td>Other Road Districts:</td>
<td>2016</td>
<td>2015</td>
<td>2014</td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>Needed</td>
<td>3,381</td>
<td>4,234</td>
<td>7,917</td>
<td>2,439</td>
<td>1,015</td>
</tr>
<tr>
<td>Actual</td>
<td>4,154</td>
<td>4,797</td>
<td>8,738</td>
<td>3,566</td>
<td>1,758</td>
</tr>
<tr>
<td>Needed</td>
<td>30,572</td>
<td>21,942</td>
<td>40,443</td>
<td>34,141</td>
<td>27,796</td>
</tr>
<tr>
<td>Actual</td>
<td>28,700</td>
<td>23,405</td>
<td>41,968</td>
<td>35,055</td>
<td>28,071</td>
</tr>
<tr>
<td>Difference</td>
<td>1,872</td>
<td>1,463</td>
<td>1,525</td>
<td>914</td>
<td>275</td>
</tr>
</tbody>
</table>

Note: The condition of road pavement is measured based upon an assessment of the longitudinal profile (International Roughness Index) and rut depth provided by the Mandli Road Surface Profiler in 2014 and Dynasttest Road Surface Profiler in prior years. The measurement system is an algorithm that combines the international roughness index, rut depth, and road profile to determine a condition index from two for pavement in excellent condition to seven for pavement in fair condition. The condition index is used to classify paved roads in good or better condition (4 or less) and fair condition (5 or more). It is the Municipality’s policy to maintain 60% or more of the total paved road miles in good or better condition. Condition assessments are required to be updated every three years.
### Schedule of the Municipality's Information on the Net Pension Liability
#### Last Two Fiscal Years

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Municipality's Proportionate State of Alaska Municipality's Share of the Net Pension Liability</th>
<th>Municipality's Share of the Net Pension Liability</th>
<th>Total Net Pension Liability</th>
<th>Municipality's Covered Payroll as a Percentage of Payroll</th>
<th>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year Ended December 31,</td>
<td>Measurement Period Ended June 30,</td>
<td>Municipality's Proportionate Share of the Net Pension Liability</td>
<td>Municipality's Proportionate Share of the Net Pension Liability</td>
<td>Total Net Pension Liability</td>
</tr>
<tr>
<td>2016</td>
<td>2016</td>
<td>7.76436%</td>
<td>$ 433,996,281</td>
<td>$ 54,685,280</td>
<td>$ 488,681,561</td>
</tr>
<tr>
<td>2015</td>
<td>2015</td>
<td>6.16382%</td>
<td>$ 298,946,265</td>
<td>$ 80,071,590</td>
<td>$ 379,017,855</td>
</tr>
</tbody>
</table>

See notes to pension required supplementary information.
## Schedule of Municipality Contributions Last Two Calendar Years

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Measurement Period Ended</th>
<th>Contractually Required Contribution</th>
<th>Contractually Required Contribution</th>
<th>Contribution Deficiency</th>
<th>Municipality's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2015</td>
<td>June 30, 2015</td>
<td>$21,876,448</td>
<td>$21,876,448</td>
<td>-</td>
<td>$199,173,691</td>
<td>10.984%</td>
</tr>
</tbody>
</table>

See notes to pension required supplementary information.
## Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan I

### Last Two Calendar Years

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest</td>
<td>6,317,389</td>
<td>6,480,803</td>
</tr>
<tr>
<td>Differences between expected and actual experiences</td>
<td>(263,269)</td>
<td>334,288</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
<td>657,285</td>
</tr>
<tr>
<td>Benefits payments, including refunds of member contributions</td>
<td>(8,476,620)</td>
<td>(8,554,565)</td>
</tr>
<tr>
<td>Net changes in total pension liability</td>
<td>(2,422,500)</td>
<td>(1,082,189)</td>
</tr>
<tr>
<td><strong>Total pension liability - beginning</strong></td>
<td>86,282,317</td>
<td>87,364,506</td>
</tr>
<tr>
<td><strong>Total pension liability - ending (a)</strong></td>
<td>83,859,817</td>
<td>86,282,317</td>
</tr>
</tbody>
</table>

| **Plan fiduciary net position:** |               |               |
| Contributions- Employer- Municipality of Anchorage | 1,546,175     | 1,338,525     |
| Contributions- Plan members | -             | -             |
| Total net investment income | 5,206,406     | 416,540       |
| Benefits payments, including refunds of member contributions | (8,476,620)   | (8,554,565)   |
| Administrative expenses | (141,852)     | (148,501)     |
| Net change in plan fiduciary net position | (1,865,891)   | (6,948,001)   |
| **Plan fiduciary net position - beginning** | 68,545,419    | 75,493,420    |
| **Plan fiduciary net position - ending (b)** | 66,679,528    | 68,545,419    |
| **Plan's net pension liability (a) - (b)** | $17,180,289   | $17,736,898 |
| **Plan fiduciary net position as a percentage of the total pension liability** | 79.51%        | 79.44%        |
| Covered-employee payroll | $             | $             |
| **Net pension liability as a percentage of covered-employee payroll** | N/A           | N/A           |

**Notes:** This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.
## MUNICIPALITY OF ANCHORAGE, ALASKA

### Required Supplementary Information

**Police and Fire Retirement System - Defined Benefit**

**Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan II**

**Last Two Calendar Years**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Interest</td>
<td>4,783,176</td>
<td>4,879,585</td>
</tr>
<tr>
<td>Differences between expected and actual experiences</td>
<td>(369,686)</td>
<td>53,268</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td></td>
<td>542,944</td>
</tr>
<tr>
<td>Benefits payments, including refunds of member contributions</td>
<td>(5,924,959)</td>
<td>(5,905,860)</td>
</tr>
<tr>
<td>Net changes in total pension liability</td>
<td>(1,511,469)</td>
<td>(430,063)</td>
</tr>
<tr>
<td><strong>Total pension liability - beginning</strong></td>
<td>65,081,652</td>
<td>65,511,715</td>
</tr>
<tr>
<td><strong>Total pension liability - ending (a)</strong></td>
<td>63,570,183</td>
<td>65,081,652</td>
</tr>
</tbody>
</table>

### Plan fiduciary net position:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions- Employer- Municipality of Anchorage</td>
<td>1,108,376</td>
<td>964,863</td>
</tr>
<tr>
<td>Contributions- Plan members</td>
<td>-</td>
<td>3,114</td>
</tr>
<tr>
<td>Total net investment income</td>
<td>4,004,263</td>
<td>311,642</td>
</tr>
<tr>
<td>Benefits payments, including refunds of member contributions</td>
<td>(5,925,180)</td>
<td>(5,905,860)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(109,293)</td>
<td>(113,263)</td>
</tr>
<tr>
<td>Net change in plan fiduciary net position</td>
<td>(921,834)</td>
<td>(4,739,504)</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - beginning</strong></td>
<td>52,369,027</td>
<td>57,108,531</td>
</tr>
<tr>
<td><strong>Plan fiduciary net position - ending (b)</strong></td>
<td>51,447,193</td>
<td>52,369,027</td>
</tr>
<tr>
<td><strong>Plan's net pension liability (a) - (b)</strong></td>
<td>$12,122,990</td>
<td>$12,712,625</td>
</tr>
</tbody>
</table>

### Plan fiduciary net position as a percentage of the total pension liability

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered-employee payroll</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net pension liability as a percentage of covered-employee payroll</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Notes:** This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.
## MUNICIPALITY OF ANCHORAGE, ALASKA
### Required Supplementary Information
### Police and Fire Retirement System- Defined Benefit
### Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios- Plan III
### Last Two Calendar Years

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total pension liability:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$513,183</td>
<td>$783,360</td>
</tr>
<tr>
<td>Interest</td>
<td>18,494,293</td>
<td>18,458,939</td>
</tr>
<tr>
<td>Differences between expected and actual experiences</td>
<td>(3,485,409)</td>
<td>33,760</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>-</td>
<td>2,559,038</td>
</tr>
<tr>
<td>Benefits payments, including refunds of member contributions</td>
<td>(18,335,110)</td>
<td>(17,729,611)</td>
</tr>
<tr>
<td>Net changes in total pension liability</td>
<td>(2,813,043)</td>
<td>4,105,486</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total pension liability - beginning</td>
<td>248,839,998</td>
<td>244,734,512</td>
</tr>
<tr>
<td>Total pension liability - ending (a)</td>
<td>246,026,955</td>
<td>248,839,998</td>
</tr>
</tbody>
</table>

|                                |            |            |
| Plan fiduciary net position:   |            |            |
| Contributions- Employer- Municipality of Anchorage | 4,439,969 | 3,587,533  |
| Contributions- Plan members    | 126,119    | 186,947    |
| Total net investment income    | 15,433,835 | 1,123,661  |
| Benefits payments, including refunds of member contributions | (18,335,110) | (17,729,611) |
| Administrative expenses        | (423,265)  | (428,114)  |
| Net change in plan fiduciary net position | 1,241,548 | (13,259,584) |
|                                |            |            |
| Plan fiduciary net position - beginning | 198,705,792 | 211,965,376 |
| Plan fiduciary net position - ending (b) | 199,947,340 | 198,705,792 |
| Plan's net pension liability (a) - (b) | $46,079,615 | $50,134,206 |

| Plan fiduciary net position as a percentage of the total pension liability | 81.27% | 79.85% |
| Covered-employee payroll       | $2,168,836 | $2,199,063 |
| Net pension liability as a percentage of covered-employee payroll | 2124.62% | 2279.80% |

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

See notes to pension required supplementary information 113
MUNICIPALITY OF ANCHORAGE, ALASKA

Required Supplementary Information
Police and Fire Retirement System- Defined Benefit
Plans I, II, and III

Schedule of the Municipality Contributions
Last Two Calendar Years

### Plan I

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Contractually Required Contribution</th>
<th>Contractually Required Contribution</th>
<th>Contribution Deficiency</th>
<th>Municipality's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,546,000</td>
<td>$1,546,000</td>
<td>-</td>
<td>$-</td>
<td>0.000%</td>
</tr>
<tr>
<td>2015</td>
<td>$1,339,000</td>
<td>$1,339,000</td>
<td>-</td>
<td>-</td>
<td>0.000%</td>
</tr>
</tbody>
</table>

### Plan II

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Contractually Required Contribution</th>
<th>Contractually Required Contribution</th>
<th>Contribution Deficiency</th>
<th>Municipality's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,108,000</td>
<td>$1,108,000</td>
<td>-</td>
<td>$-</td>
<td>0.000%</td>
</tr>
<tr>
<td>2015</td>
<td>965,000</td>
<td>965,000</td>
<td>-</td>
<td>-</td>
<td>0.000%</td>
</tr>
</tbody>
</table>

### Plan III

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Contractually Required Contribution</th>
<th>Contractually Required Contribution</th>
<th>Contribution Deficiency</th>
<th>Municipality's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$4,440,000</td>
<td>$4,440,000</td>
<td>-</td>
<td>$2,168,836</td>
<td>204.718%</td>
</tr>
<tr>
<td>2015</td>
<td>3,588,000</td>
<td>3,588,000</td>
<td>-</td>
<td>2,199,063</td>
<td>163.160%</td>
</tr>
</tbody>
</table>

See notes to pension required supplementary information
<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Contractually Required Contribution</th>
<th>Contractually Required Contribution</th>
<th>Contribution Deficiency</th>
<th>Municipality's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31,</td>
<td>$3,396,484</td>
<td>$3,396,484</td>
<td>-</td>
<td>$21,965,741</td>
<td>15.46%</td>
</tr>
<tr>
<td>2015</td>
<td>$3,059,562</td>
<td>$3,059,562</td>
<td>-</td>
<td>$20,773,482</td>
<td>14.73%</td>
</tr>
<tr>
<td>2014</td>
<td>$2,642,768</td>
<td>$2,642,768</td>
<td>-</td>
<td>$19,554,891</td>
<td>13.51%</td>
</tr>
<tr>
<td>2013</td>
<td>$2,637,978</td>
<td>$2,637,978</td>
<td>-</td>
<td>$19,679,139</td>
<td>13.40%</td>
</tr>
<tr>
<td>2012</td>
<td>$2,778,451</td>
<td>$2,778,451</td>
<td>-</td>
<td>$19,988,244</td>
<td>13.90%</td>
</tr>
<tr>
<td>2011</td>
<td>$2,649,741</td>
<td>$2,649,741</td>
<td>-</td>
<td>$18,622,524</td>
<td>14.23%</td>
</tr>
<tr>
<td>2010</td>
<td>$2,560,129</td>
<td>$2,560,129</td>
<td>-</td>
<td>$17,589,819</td>
<td>14.55%</td>
</tr>
<tr>
<td>2009</td>
<td>$2,560,894</td>
<td>$2,560,894</td>
<td>-</td>
<td>$16,854,932</td>
<td>15.19%</td>
</tr>
<tr>
<td>2008</td>
<td>$2,324,707</td>
<td>$2,324,707</td>
<td>-</td>
<td>$15,402,081</td>
<td>15.09%</td>
</tr>
<tr>
<td>2007</td>
<td>$1,490,810</td>
<td>$1,490,810</td>
<td>-</td>
<td>$14,488,661</td>
<td>10.29%</td>
</tr>
</tbody>
</table>

See notes to pension required supplementary information 115
MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information
International Union of Operating Engineers (Local 302)- Defined Benefit
Schedule of Municipality Contributions
Last Three Calendar Years

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Contributions Required</th>
<th>Contribution</th>
<th>Contribution (Excess)</th>
<th>Municipality's Covered Payroll</th>
<th>Contributions as a Percentage of Covered Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31,</td>
<td>$1,619,742</td>
<td>$1,619,742</td>
<td>-</td>
<td>$8,304,334</td>
<td>19.50%</td>
</tr>
<tr>
<td>2015</td>
<td>$1,673,864</td>
<td>$1,673,864</td>
<td>-</td>
<td>$8,615,835</td>
<td>19.43%</td>
</tr>
<tr>
<td>2014</td>
<td>$1,519,659</td>
<td>$1,519,659</td>
<td>-</td>
<td>$8,336,369</td>
<td>18.23%</td>
</tr>
</tbody>
</table>

See notes to pension required supplementary information
Public Employees Retirement System- Defined Benefit

In accordance with GASB Statement No. 82, “Covered Payroll” is defined as payroll on which contributions to the pension plan are based. Because a portion of the Municipality’s contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Both pension tables are intended to present 10 years of information. Additional year’s information will be added to the schedules as it becomes available.

Schedule of Municipality’s Information on the Net Pension Liability
- This table is presented based on the Plan measurement date. For December 31, 2016, the Plan measurement date is June 30, 2016.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in assumptions from the prior measurement period.
- There were no changes in 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, 2016 allocated the net pension liability based on the present value of contributions for fiscal year 2018 through 2039, as determined by projections based on the June 30, 2015 actuarial valuation. This is the same allocation method used for the measurement period June 30, 2015.

Schedule of Municipality Contributions
- This table is based on the Municipality’s contributions during calendar year 2016. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow on the December 31, 2016 basic financial statements.

Police and Fire Retirement System- Defined Benefit

These schedules for the Police and Fire Retirement System are presented for Plans I, II, and III separately. Both pension tables are intended to present 10 years of information. Additional year’s information will be added to the schedules as it becomes available.

Schedule of Changes in the Municipality’s Net Pension Liability and Related Ratios
- This table is based on the Municipality’s contributions during calendar year 2016.
- In accordance with GASB Statement No. 82, “Covered Payroll” is defined as payroll on which contributions to the pension plan are based.

Schedule of Municipality Contributions
- This table is based on the Municipality’s contributions during calendar year 2016.

International Brotherhood of Electrical Workers (IBEW) - Defined Benefit

Schedule of Electric Utility Contributions
- This table presents the Electric Utility contributions for each of the last ten years based on calendar year contributions.
- In accordance with GASB Statement No. 78, “Covered Payroll” is defined as payroll on which contributions to the pension plan are based.
International Union of Operating Engineers (Local 302) - Defined Benefit

This pension table is intended to present 10 years of information. At this time, it is not practical to reconstruct more than 3 years of data. Additional year’s information will be added to the schedules as it becomes available.

Schedule of Municipality Contributions

- This table is based on the Municipality’s contributions during calendar year 2016.
- In accordance with GASB Statement No. 78, “Covered Payroll” is defined as payroll on which contributions to the pension plan are based.
## Schedule of Funding Progress

**Police and Fire Retirement Systems**
Valuation Years 2016 through 2014
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuarial valuation date</strong></td>
<td>January 1, 2016</td>
<td>January 1, 2015</td>
<td>January 1, 2014</td>
</tr>
<tr>
<td><strong>Actuarial value of plan assets</strong></td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td><strong>Actuarial accrued liability (AAL)</strong></td>
<td>99,485</td>
<td>99,485</td>
<td>87,466</td>
</tr>
<tr>
<td><strong>Unfunded actuarial accrued liability (UAAL)</strong></td>
<td>99,485</td>
<td>99,485</td>
<td>87,466</td>
</tr>
<tr>
<td><strong>Funded ratio</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

* Based on projected unit credit actuarial cost method.

## Postemployment Healthcare Benefits (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuarial valuation date</strong></td>
<td>January 1, 2016</td>
<td>January 1, 2015</td>
<td>January 1, 2014</td>
</tr>
<tr>
<td><strong>Actuarial value of plan assets</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Actuarial accrued liability (AAL)</strong></td>
<td>50,120</td>
<td>50,120</td>
<td>41,275</td>
</tr>
<tr>
<td><strong>Unfunded actuarial accrued liability (UAAL)</strong></td>
<td>33,788</td>
<td>33,788</td>
<td>28,327</td>
</tr>
<tr>
<td><strong>Funded ratio</strong></td>
<td>33%</td>
<td>33%</td>
<td>31%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Covered Payroll</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Unfunded Liability as Percentage of Covered Payroll</strong></td>
<td>100%</td>
<td>100%</td>
<td>73501%</td>
</tr>
</tbody>
</table>

### Gentile Group

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuarial Valuation Year</strong></td>
<td>$ -</td>
<td>$ 99,485</td>
<td>$ 99,485</td>
</tr>
<tr>
<td><strong>Actuarial Accrued Liability (AAL)</strong></td>
<td>$ 99,485</td>
<td>$ 99,485</td>
<td>$ 87,466</td>
</tr>
<tr>
<td><strong>Unfunded Actuarial Accrued Liability (UAAL)</strong></td>
<td>$ 0%</td>
<td>$ 0%</td>
<td>$ 0%</td>
</tr>
<tr>
<td><strong>Funded Ratio</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Covered Payroll</strong></td>
<td>-</td>
<td>-</td>
<td>119</td>
</tr>
<tr>
<td><strong>Unfunded Liability as Percentage of Covered Payroll</strong></td>
<td>100%</td>
<td>100%</td>
<td>73501%</td>
</tr>
</tbody>
</table>

### Police & Fire

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actuarial Valuation Year</strong></td>
<td>$ 16,332</td>
<td>$ 50,120</td>
<td>$ 33,788</td>
</tr>
<tr>
<td><strong>Actuarial Accrued Liability (AAL)</strong></td>
<td>$ 50,120</td>
<td>$ 33,788</td>
<td>$ 2,199</td>
</tr>
<tr>
<td><strong>Unfunded Actuarial Accrued Liability (UAAL)</strong></td>
<td>$ 33%</td>
<td>$ 31%</td>
<td>$ 588%</td>
</tr>
<tr>
<td><strong>Funded Ratio</strong></td>
<td>$ 33%</td>
<td>$ 33%</td>
<td>$ 31%</td>
</tr>
<tr>
<td><strong>Covered Payroll</strong></td>
<td>$ 2,169</td>
<td>$ 2,199</td>
<td>$ 4,817</td>
</tr>
<tr>
<td><strong>Unfunded Liability as Percentage of Covered Payroll</strong></td>
<td>1558%</td>
<td>1537%</td>
<td>588%</td>
</tr>
</tbody>
</table>

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SUPPLEMENTARY INFORMATION

Additional Budgetary Comparison Schedules

The General Fund and 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 and Sub-Funds 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.
Revenues & other financing sources:

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Original</th>
<th>Final</th>
<th>Budget to GAAP Basis Difference</th>
<th>Actual GAAP Basis</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Areaswide Service Area</td>
<td>$113,921,145</td>
<td>$366,362,874</td>
<td>$361,328,815</td>
<td>$-</td>
<td>$361,328,815</td>
</tr>
<tr>
<td>Former City Service Area</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
<td>$-</td>
<td>$30</td>
</tr>
<tr>
<td>Chugach Fire Service Area</td>
<td>41,174</td>
<td>1,278,533</td>
<td>1,541,938</td>
<td>-</td>
<td>1,541,938</td>
</tr>
<tr>
<td>Glen Alps Service Area</td>
<td>10,005</td>
<td>347,915</td>
<td>348,127</td>
<td>-</td>
<td>348,127</td>
</tr>
<tr>
<td>Girdwood Valley Service Area</td>
<td>66,537</td>
<td>2,612,287</td>
<td>2,606,287</td>
<td>-</td>
<td>2,606,287</td>
</tr>
<tr>
<td>Former Borough Roads &amp; Drainage Service Area</td>
<td>-</td>
<td>1,737</td>
<td>-</td>
<td>1,737</td>
<td>1,737</td>
</tr>
<tr>
<td>Parks &amp; Recreation Service Area</td>
<td>2,793,231</td>
<td>78,175,377</td>
<td>77,720,591</td>
<td>-</td>
<td>77,720,591</td>
</tr>
<tr>
<td>Roads &amp; Drainage Service Area</td>
<td>3,789,669</td>
<td>72,767,904</td>
<td>72,345,539</td>
<td>-</td>
<td>72,345,539</td>
</tr>
<tr>
<td>Limited Service Areas</td>
<td>299,172</td>
<td>10,338,679</td>
<td>10,346,688</td>
<td>-</td>
<td>10,346,688</td>
</tr>
<tr>
<td>Anchororage Metropolitan Police Service Area</td>
<td>3,736,189</td>
<td>111,393,435</td>
<td>107,357,735</td>
<td>-</td>
<td>107,357,735</td>
</tr>
<tr>
<td>Police Service Area</td>
<td>12,356,189</td>
<td>78,175,377</td>
<td>77,720,591</td>
<td>-</td>
<td>77,720,591</td>
</tr>
<tr>
<td>Police Service Area</td>
<td>-</td>
<td>1,278,533</td>
<td>1,541,938</td>
<td>-</td>
<td>1,541,938</td>
</tr>
<tr>
<td>Anchorage Metropolitan Police Service Area</td>
<td>1,278,533</td>
<td>34,461,777</td>
<td>4,631,125</td>
<td>-</td>
<td>4,631,125</td>
</tr>
<tr>
<td>Building Safety Service Area</td>
<td>1,811,479</td>
<td>1,875,759</td>
<td>1,835,475</td>
<td>-</td>
<td>1,835,475</td>
</tr>
<tr>
<td>Police/Fire Retiree Medical Defined</td>
<td>-</td>
<td>-</td>
<td>(1,580)</td>
<td>-</td>
<td>(1,580)</td>
</tr>
<tr>
<td>Total revenues &amp; other financing sources</td>
<td>145,208,243</td>
<td>676,497,730</td>
<td>665,551,658</td>
<td>8,793,544</td>
<td>674,345,202</td>
</tr>
</tbody>
</table>

Expenditures & other financing uses:

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Original</th>
<th>Final</th>
<th>Budget to GAAP Basis Difference</th>
<th>Actual GAAP Basis</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Areaswide Service Area</td>
<td>120,400,436</td>
<td>371,644,689</td>
<td>374,053,507</td>
<td>-</td>
<td>374,053,507</td>
</tr>
<tr>
<td>Former City Service Area</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chugach Fire Service Area</td>
<td>1,404,521</td>
<td>1,278,533</td>
<td>1,212,763</td>
<td>-</td>
<td>1,212,763</td>
</tr>
<tr>
<td>Glen Alps Service Area</td>
<td>335,250</td>
<td>347,915</td>
<td>329,410</td>
<td>-</td>
<td>329,410</td>
</tr>
<tr>
<td>Girdwood Valley Service Area</td>
<td>2,208,885</td>
<td>3,066,787</td>
<td>2,764,130</td>
<td>-</td>
<td>2,764,130</td>
</tr>
<tr>
<td>Former Borough Roads &amp; Drainage Service Area</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Parks &amp; Recreation Service Area</td>
<td>78,157,275</td>
<td>79,159,254</td>
<td>79,142,882</td>
<td>-</td>
<td>79,142,882</td>
</tr>
<tr>
<td>Roads &amp; Drainage Service Area</td>
<td>72,215,172</td>
<td>73,077,166</td>
<td>70,936,455</td>
<td>-</td>
<td>70,936,455</td>
</tr>
<tr>
<td>Limited Service Areas</td>
<td>10,172,708</td>
<td>11,309,179</td>
<td>9,998,959</td>
<td>-</td>
<td>9,998,959</td>
</tr>
<tr>
<td>Anchorage Metropolitan Police Service Area</td>
<td>111,727,119</td>
<td>111,929,419</td>
<td>112,190,034</td>
<td>-</td>
<td>112,190,034</td>
</tr>
<tr>
<td>Police Service Area</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Police Service Area</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Police Service Area</td>
<td>19,700,479</td>
<td>20,020,970</td>
<td>20,039,084</td>
<td>-</td>
<td>20,039,084</td>
</tr>
<tr>
<td>Police Service Area</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fire Service Area</td>
<td>8,793,544</td>
<td>8,793,544</td>
<td>8,793,544</td>
<td>-</td>
<td>8,793,544</td>
</tr>
<tr>
<td>Roads &amp; Drainage Service Area</td>
<td>8,793,544</td>
<td>8,793,544</td>
<td>8,793,544</td>
<td>-</td>
<td>8,793,544</td>
</tr>
<tr>
<td>Limited Service Areas</td>
<td>8,793,544</td>
<td>8,793,544</td>
<td>8,793,544</td>
<td>-</td>
<td>8,793,544</td>
</tr>
<tr>
<td>Total expenditures &amp; other financing uses</td>
<td>430,516,817</td>
<td>686,474,204</td>
<td>684,120,516</td>
<td>8,793,544</td>
<td>692,914,060</td>
</tr>
</tbody>
</table>

Net change in fund balance:

(1)

<table>
<thead>
<tr>
<th>Fund balance, beginning of year</th>
<th>Original</th>
<th>Final</th>
<th>Budget to GAAP Basis Difference</th>
<th>Actual GAAP Basis</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$201,680,889</td>
<td>$73,051,211</td>
<td>$65,058,827</td>
<td>$-</td>
<td>$65,058,827</td>
<td>$8,592,384</td>
</tr>
</tbody>
</table>

Explanation of differences:

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

(1)
### Expenditures & other financing uses:

<table>
<thead>
<tr>
<th>Department</th>
<th>Original Budget</th>
<th>Actual Budget</th>
<th>GAAP Basis</th>
<th>Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assembly</strong></td>
<td>$3,381,235</td>
<td>$4,768,323</td>
<td>$4,666,543</td>
<td>($1) $88,789</td>
</tr>
<tr>
<td><strong>Chief Fiscal Officer</strong></td>
<td>660,543</td>
<td>475,240</td>
<td>396,837</td>
<td>($1) 7,551</td>
</tr>
<tr>
<td><strong>Development Services</strong></td>
<td>9,938,947</td>
<td>10,033,083</td>
<td>9,659,249</td>
<td>($1) 288,192</td>
</tr>
<tr>
<td><strong>Economic &amp; Community Development</strong></td>
<td>23,107,535</td>
<td>23,872,213</td>
<td>23,968,236</td>
<td>($1) 262,782</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>242,707,116</td>
<td>242,707,116</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Employee Relations</strong></td>
<td>3,811,287</td>
<td>3,811,287</td>
<td>3,456,801</td>
<td>($1) 65,772</td>
</tr>
<tr>
<td><strong>Office of Equal Opportunity</strong></td>
<td>197,602</td>
<td>197,602</td>
<td>190,614</td>
<td>($1) 3,627</td>
</tr>
<tr>
<td><strong>Equal Rights Commission</strong></td>
<td>775,779</td>
<td>775,779</td>
<td>693,525</td>
<td>($1) 13,196</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td>14,102,996</td>
<td>14,364,540</td>
<td>14,306,519</td>
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<tr>
<td><strong>Fire</strong></td>
<td>93,907,677</td>
<td>95,712,843</td>
<td>95,591,729</td>
<td>($1) 2,121,114</td>
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<tr>
<td><strong>Health &amp; Human Services</strong></td>
<td>11,472,082</td>
<td>11,918,056</td>
<td>11,744,651</td>
<td>($1) 307,233</td>
</tr>
<tr>
<td><strong>Heritage Land Bank/Real Estate Services</strong></td>
<td>7,251,994</td>
<td>9,024,518</td>
<td>8,764,940</td>
<td>($1) 267,572</td>
</tr>
<tr>
<td><strong>Information Technology</strong></td>
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<td>1,195,940</td>
<td>1,154,304</td>
<td>($1) 21,636</td>
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<tr>
<td><strong>Internal Audit</strong></td>
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<td>734,921</td>
<td>569,058</td>
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</tr>
<tr>
<td><strong>Management &amp; Budget</strong></td>
<td>1,099,866</td>
<td>1,249,666</td>
<td>1,137,646</td>
<td>($1) 21,646</td>
</tr>
<tr>
<td><strong>Mayor</strong></td>
<td>1,980,527</td>
<td>2,555,527</td>
<td>2,475,888</td>
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</tr>
<tr>
<td><strong>Municipal Attorney</strong></td>
<td>7,557,281</td>
<td>7,490,255</td>
<td>7,490,255</td>
<td>($1) 142,526</td>
</tr>
<tr>
<td><strong>Municipal Manager</strong></td>
<td>2,741,084</td>
<td>2,990,139</td>
<td>2,896,470</td>
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<tr>
<td><strong>Non Departmental - TANS</strong></td>
<td>263,013</td>
<td>263,013</td>
<td>210,163</td>
<td>-</td>
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<tr>
<td><strong>Parks &amp; Recreation</strong></td>
<td>17,120,499</td>
<td>18,085,551</td>
<td>17,118,115</td>
<td>($1) 192,407</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td>3,680,906</td>
<td>3,727,432</td>
<td>3,692,539</td>
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<tr>
<td><strong>Police</strong></td>
<td>100,677,458</td>
<td>102,220,229</td>
<td>101,672,184</td>
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<tr>
<td><strong>Police/Fire Retiree Medical</strong></td>
<td>205,146</td>
<td>237,126</td>
<td>194,687</td>
<td>-</td>
</tr>
<tr>
<td><strong>Project Management &amp; Engineering</strong></td>
<td>8,756,003</td>
<td>9,260,102</td>
<td>9,249,767</td>
<td>($1) 275,340</td>
</tr>
<tr>
<td><strong>Public Transportation</strong></td>
<td>23,364,040</td>
<td>23,362,097</td>
<td>23,181,949</td>
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</tr>
<tr>
<td><strong>Purchasing</strong></td>
<td>1,811,040</td>
<td>1,811,040</td>
<td>1,713,315</td>
<td>($1) 32,599</td>
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<tr>
<td><strong>Traffic</strong></td>
<td>7,912,806</td>
<td>7,370,452</td>
<td>7,163,253</td>
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</tr>
<tr>
<td><strong>Total expenditures &amp; other financing uses</strong></td>
<td>442,830,848</td>
<td>698,912,338</td>
<td>690,636,035</td>
<td>($1) 8,793,544</td>
</tr>
<tr>
<td><strong>Less: net intragovernmental costs &amp; billings</strong></td>
<td>(12,314,031)</td>
<td>(12,438,247)</td>
<td>(6,515,519)</td>
<td>($1) (6,515,519)</td>
</tr>
<tr>
<td><strong>Total expenditures &amp; other financing uses</strong></td>
<td>$430,516,817</td>
<td>$586,474,091</td>
<td>$624,120,516</td>
<td>($1) $8,793,544</td>
</tr>
</tbody>
</table>

**Explanation of differences:**

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

**Note:** This schedule does not provide detail by departments for revenues and other financing sources. This is because the legal level of budgetary control is adopted only for expenditures and other financing uses at the department level. Intragovernmental Costs and Billings are not budgeted by the assembly. They are presented for comparison purposes for total expenditures only.
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The Heritage Land Bank Fund accounts for Municipal-owned real estate.

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

The Convention Center Operating Reserve Fund accounts for the dedicated bed tax collections and transfers associated with the construction of the new convention and civic center and related tourism activities.

The E911 Surcharge Fund accounts for financial resources for acquisition, implementation and maintenance of the enhanced 911 emergency system.

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

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

The 49th State Angel Fund accounts for financial resources which may be used only in accordance with all provisions and requirements of the Small Business Jobs Act and the policy guidelines from the U.S. Department of Treasury’s State Small Business Credit Initiative (SSBCI).

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

The Miscellaneous Operational Grants Fund accounts for the use of miscellaneous restricted contributions and donations.

The Other Restricted Resources Fund accounts for the use of other specific revenues that are legally restricted for specified purposes.

Debt Service Funds

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

The ACPA Surcharge Revenue Bond Fund accounts for the performing arts center surcharge revenue and debt service on the roof repair loan.

The CIVICVentures Bond Fund accounts for the accumulation of lodging revenue transfers and investment earnings and debt service on the convention and civic revenue bonds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Areawide Capital Projects Fund accounts for general government construction projects not accounted for in other funds.
The **Public Safety Capital Projects Fund** accounts for capital improvement projects in support of police, fire and rescue operations.

The **Public Transportation Capital Projects Fund** accounts for capital improvement projects for transit facilities and equipment.

The **Miscellaneous Capital Projects Fund** accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

The **Parks and Recreation Capital Projects Fund** accounts for parks and recreation capital improvement projects in the taxing districts which receive parks and recreation services.

The **Historic Preservation Capital Projects Fund** accounts for the preservation of historic structures.

The **Heritage Land Bank Capital Projects Fund** accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

### Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government’s programs.

The **Cemetery Perpetual Maintenance Permanent Fund** accounts for contributions, revenues and expenditures for perpetual maintenance of the Anchorage Memorial Park Cemetery.
### MUNICIPALITY OF ANCHORAGE, ALASKA

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**December 31, 2016**

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>Heritage Land Bank</th>
<th>Federal/State Fines and Forfeitures</th>
<th>Convention Center Operating Reserve</th>
<th>E911 Surcharge</th>
<th>State Grants</th>
<th>Federal Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>$47,015</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Cash in central treasury</strong></td>
<td>$3,685,379</td>
<td>$2,442,314</td>
<td>$22,865,658</td>
<td>$15,417,122</td>
<td>$1,656,149</td>
<td>$1,656,149</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>7</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Due from other funds</strong></td>
<td>$85,000</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Receivables (net of allowance for uncollectibles)</strong></td>
<td>-$</td>
<td>$1,988,068</td>
<td>$1,176,013</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Intergovernmental receivables</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$5,521,210</td>
<td>$2,516,398</td>
<td>$2,516,398</td>
</tr>
<tr>
<td><strong>Special assessments receivable</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Prepaid items and deposits</strong></td>
<td>77</td>
<td>$375,000</td>
<td>-$</td>
<td>$16,266</td>
<td>$3,371,663</td>
<td>$3,371,663</td>
</tr>
<tr>
<td><strong>Loans receivable</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$3,840,174</td>
<td>$3,840,174</td>
</tr>
<tr>
<td><strong>Advances to other funds</strong></td>
<td>1,646,199</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$3,371,663</td>
<td>$3,371,663</td>
</tr>
<tr>
<td><strong>Investments in Angel Fund program</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$5,416,578</td>
<td>$2,489,406</td>
<td>$25,228,726</td>
<td>$1,176,013</td>
<td>$20,954,598</td>
<td>$7,544,217</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Convention Center Operating Reserve</th>
<th>E911 Surcharge</th>
<th>State Grants</th>
<th>Federal Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accounts payable and retainages</strong></td>
<td>$14,850</td>
<td>$3,689</td>
<td>$1,015,734</td>
<td>$1,549,415</td>
</tr>
<tr>
<td><strong>Accrued payroll liabilities</strong></td>
<td>$13,467</td>
<td>$1,015,734</td>
<td>$1,549,415</td>
<td>$403,701</td>
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<tr>
<td><strong>Due to other funds</strong></td>
<td>$1,646,199</td>
<td>$5,911,847</td>
<td>$2,004,629</td>
<td>$3,840,174</td>
</tr>
<tr>
<td><strong>Unearned revenue and deposits</strong></td>
<td>$218,579</td>
<td>$3,840,174</td>
<td>$2,004,629</td>
<td>$3,840,174</td>
</tr>
<tr>
<td><strong>Advances from other funds</strong></td>
<td>$3,371,663</td>
<td>$6,927,581</td>
<td>$2,004,629</td>
<td>$3,840,174</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$28,317</td>
<td>$3,689</td>
<td>$6,927,581</td>
<td>$2,004,629</td>
</tr>
</tbody>
</table>

#### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th></th>
<th>Convention Center Operating Reserve</th>
<th>E911 Surcharge</th>
<th>State Grants</th>
<th>Federal Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unavailable revenue-intergovernmental revenues</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Unavailable revenue-special assessments</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
</tbody>
</table>

#### Fund Balances (Deficits)

<table>
<thead>
<tr>
<th></th>
<th>Convention Center Operating Reserve</th>
<th>E911 Surcharge</th>
<th>State Grants</th>
<th>Federal Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nonspendable</strong></td>
<td>77</td>
<td>$375,000</td>
<td>$16,266</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
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<td>$14,711,845</td>
<td>$1,352,324</td>
<td>$2,040,521</td>
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<tr>
<td><strong>Committed</strong></td>
<td>$5,388,261</td>
<td>$436,162</td>
<td>$3,214,300</td>
<td>$17,483,823</td>
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<tr>
<td><strong>Assigned</strong></td>
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<td>$436,162</td>
<td>$3,214,300</td>
<td>$17,483,823</td>
</tr>
<tr>
<td><strong>Unassigned</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
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<tr>
<td><strong>Total fund balances (deficits)</strong></td>
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<td>$18,852,413</td>
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<tr>
<td><strong>Total liabilities, deferred inflows of resources and fund balances (deficits)</strong></td>
<td>$5,416,578</td>
<td>$2,489,406</td>
<td>$25,228,726</td>
<td>$1,176,013</td>
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<tr>
<td>Assets</td>
<td>49th State</td>
<td>Police/Fire</td>
<td>Miscellaneous</td>
<td>Other</td>
</tr>
<tr>
<td>----------------------------</td>
<td>------------</td>
<td>-------------</td>
<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>Cash</td>
<td>$</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>- $ 11,380,006</td>
<td>21,174</td>
<td>1,076,162</td>
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<tr>
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<tr>
<td>Due from other funds</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>- $</td>
<td>- $ 18,674</td>
<td>- $</td>
<td>-</td>
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<tr>
<td>Intergovernmental receivables</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Special assessments receivable</td>
<td>- $</td>
<td>- $</td>
<td>- $ 105,103</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Investments in Angel Fund program</td>
<td>- $ 1,278,236</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>- $ 12,658,242</td>
<td>- $ 34,284,534</td>
<td>- $ 1,094,836</td>
<td>- $ 105,103</td>
</tr>
<tr>
<td>Liabilities</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable and retainages</td>
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<tr>
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</tr>
<tr>
<td>Due to other funds</td>
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<td>- $ 67,738</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td>- $</td>
<td>- $ 18,674</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>- $ 5</td>
<td>- $</td>
<td>- $ 41,709</td>
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</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>- $</td>
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<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Unavailable revenue-intergovernmental revenues</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Unavailable revenue-special assessments</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Fund Balances (Deficits)</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Nonspendable</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>- $ 12,658,237</td>
<td>- $ 34,284,534</td>
<td>- $ 1,053,127</td>
<td>-</td>
</tr>
<tr>
<td>Committed</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Assigned</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>- $</td>
<td>- $</td>
<td>- $ (46,130)</td>
<td>-</td>
</tr>
<tr>
<td>Total fund balances (deficits)</td>
<td>- $ 12,658,237</td>
<td>- $ 34,284,534</td>
<td>- $ 1,053,127</td>
<td>(46,130)</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows of resources and fund balances (deficits)</td>
<td>- $ 12,658,242</td>
<td>- $ 34,284,534</td>
<td>- $ 1,094,836</td>
<td>- $ 105,103</td>
</tr>
</tbody>
</table>
## MUNICIPALITY OF ANCHORAGE, ALASKA

### Combining Balance Sheet

#### Nonmajor Governmental Funds

**December 31, 2016**

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Jail Revenue Bond</th>
<th>ACPA Surcharge Revenue Bond</th>
<th>CIVIC Ventures</th>
<th>Total Debt Service</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>-</td>
<td>669,615</td>
<td>-</td>
<td>669,615</td>
<td>1,926,170</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>5,911,847</td>
<td>5,911,847</td>
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</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>-</td>
<td>122,010</td>
<td>-</td>
<td>122,010</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,859,397</td>
</tr>
<tr>
<td>Special assessments receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>213,696</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>7,164,783</td>
<td>7,164,783</td>
<td>-</td>
</tr>
<tr>
<td>Investments in Angel Fund program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total assets** | - | 791,625 | 13,076,630 | 13,868,255 | 8,999,263 |

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Jail Revenue Bond</th>
<th>ACPA Surcharge Revenue Bond</th>
<th>CIVIC Ventures</th>
<th>Total Debt Service</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and retainages</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,853,407</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89,910</td>
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<tr>
<td>Unearned revenue and deposits</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Advances from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>903,432</td>
</tr>
</tbody>
</table>

**Total liabilities** | - | - | - | - | 2,846,749 |

### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Jail Revenue Bond</th>
<th>ACPA Surcharge Revenue Bond</th>
<th>CIVIC Ventures</th>
<th>Total Debt Service</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue-intergovernmental revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unavailable revenue-special assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total deferred inflows of resources** | - | - | - | - | - |

### Fund Balances (Deficits)

<table>
<thead>
<tr>
<th>Description</th>
<th>Jail Revenue Bond</th>
<th>ACPA Surcharge Revenue Bond</th>
<th>CIVIC Ventures</th>
<th>Total Debt Service</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>213,696</td>
</tr>
<tr>
<td>Restricted</td>
<td>-</td>
<td>791,625</td>
<td>13,076,630</td>
<td>13,868,255</td>
<td>-</td>
</tr>
<tr>
<td>Committed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,938,818</td>
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<tr>
<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total fund balances (deficits)** | - | 791,625 | 13,076,630 | 13,868,255 | 6,152,514 |

**Total liabilities, deferred inflows of resources and fund balances (deficits)** | $ | 791,625 | $13,076,630 | $13,868,255 | $8,999,263 |
### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Public Safety</th>
<th>Public Transportation</th>
<th>Miscellaneous</th>
<th>Parks and Recreation</th>
<th>Historic Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$296,357</td>
<td>$211,908</td>
<td>$1,544,708</td>
<td>$8,758,807</td>
<td>$68,844</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>$3,865,719</td>
<td>$390,476</td>
<td>$2,135,442</td>
<td>$1,677,893</td>
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<tr>
<td>Special assessments receivable</td>
<td>-</td>
<td>-</td>
<td>149</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investments in Angel Fund program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>4,162,076</strong></td>
<td><strong>602,384</strong></td>
<td><strong>3,680,299</strong></td>
<td><strong>10,436,700</strong></td>
<td><strong>68,844</strong></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Public Safety</th>
<th>Public Transportation</th>
<th>Miscellaneous</th>
<th>Parks and Recreation</th>
<th>Historic Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and retainages</td>
<td>$408,336</td>
<td>$79,039</td>
<td>$1,531,970</td>
<td>$989,488</td>
<td>-</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>1,215</td>
<td>32</td>
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<td>-</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>$3,678,430</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td>-</td>
<td>12,551</td>
<td>1,211,783</td>
<td>3,416</td>
<td>-</td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>4,086,766</strong></td>
<td><strong>92,805</strong></td>
<td><strong>2,743,785</strong></td>
<td><strong>992,904</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Public Safety</th>
<th>Public Transportation</th>
<th>Miscellaneous</th>
<th>Parks and Recreation</th>
<th>Historic Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue-intergovernmental revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unavailable revenue-special assessments</td>
<td>-</td>
<td>-</td>
<td>2,904</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>-</td>
<td>-</td>
<td>2,904</td>
<td>-</td>
<td>-</td>
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</table>

### Fund Balances (Deficits)

<table>
<thead>
<tr>
<th>Description</th>
<th>Public Safety</th>
<th>Public Transportation</th>
<th>Miscellaneous</th>
<th>Parks and Recreation</th>
<th>Historic Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted</td>
<td>$1,697,696</td>
<td>$509,579</td>
<td>$908,373</td>
<td>$3,835,813</td>
<td>-</td>
</tr>
<tr>
<td>Committed</td>
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<td>25,237</td>
<td>5,389,788</td>
<td>-</td>
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<td>Assigned</td>
<td>-</td>
<td>-</td>
<td>218,195</td>
<td>68,844</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total fund balances (deficits)</strong></td>
<td><strong>75,310</strong></td>
<td><strong>509,579</strong></td>
<td><strong>933,610</strong></td>
<td><strong>9,443,796</strong></td>
<td><strong>68,844</strong></td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources and fund balances (deficits)</strong></td>
<td><strong>$4,162,076</strong></td>
<td><strong>$602,384</strong></td>
<td><strong>$3,680,299</strong></td>
<td><strong>$10,436,700</strong></td>
<td><strong>$68,844</strong></td>
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</table>
### Capital Projects (Continued)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Permanent Fund</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>Heritage Fund</td>
<td>Cemetery Fund</td>
</tr>
<tr>
<td></td>
<td>Land Bank</td>
<td>Capital Projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Perpetual Fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance Fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Governmental Fund</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td><strong>Land Bank</strong></td>
<td><strong>Capital Projects</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Nonmajor Fund</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Governmental Fund</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Nonmajor Fund</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Governmental Fund</strong></td>
</tr>
</tbody>
</table>

#### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Land Bank</th>
<th>Capital Projects</th>
<th>Nonmajor Fund</th>
<th>Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,155,409</td>
<td>14,962,203</td>
<td>$506,026</td>
<td>$74,681,808</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from other funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td></td>
<td>14,928,927</td>
<td></td>
<td>22,966,535</td>
</tr>
<tr>
<td>Special assessments receivable</td>
<td></td>
<td>149</td>
<td></td>
<td>105,252</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td></td>
<td>213,696</td>
<td></td>
<td>605,039</td>
</tr>
<tr>
<td>Loans receivable</td>
<td></td>
<td></td>
<td></td>
<td>3,371,663</td>
</tr>
<tr>
<td>Advances to other funds</td>
<td></td>
<td></td>
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<td>1,646,199</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
<td>7,164,783</td>
</tr>
<tr>
<td>Investments in Angel Fund program</td>
<td></td>
<td></td>
<td></td>
<td>1,278,236</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2,155,409</td>
<td>30,104,975</td>
<td>506,026</td>
<td>155,431,509</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Land Bank</th>
<th>Capital Projects</th>
<th>Nonmajor Fund</th>
<th>Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and retainages</td>
<td></td>
<td></td>
<td>7,974,351</td>
<td></td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td></td>
<td>1,247</td>
<td></td>
<td>380,118</td>
</tr>
<tr>
<td>Due to other funds</td>
<td></td>
<td>3,768,340</td>
<td></td>
<td>1,752,554</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td></td>
<td>1,227,750</td>
<td></td>
<td>5,305,177</td>
</tr>
<tr>
<td>Advances from other funds</td>
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<td></td>
<td>903,432</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>18,192</td>
<td>10,781,201</td>
<td></td>
<td>26,325,632</td>
</tr>
</tbody>
</table>

#### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Land Bank</th>
<th>Capital Projects</th>
<th>Nonmajor Fund</th>
<th>Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unavailable revenue-intergovernmental revenues</td>
<td></td>
<td></td>
<td></td>
<td>1,077,784</td>
</tr>
<tr>
<td>Unavailable revenue-special assessments</td>
<td></td>
<td>2,904</td>
<td></td>
<td>2,904</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td>1,080,688</td>
</tr>
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</table>

#### Fund Balances (Deficits)

<table>
<thead>
<tr>
<th>Description</th>
<th>Land Bank</th>
<th>Capital Projects</th>
<th>Nonmajor Fund</th>
<th>Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td></td>
<td>213,696</td>
<td>150,000</td>
<td>765,039</td>
</tr>
<tr>
<td>Restricted</td>
<td></td>
<td>6,651,461</td>
<td></td>
<td>88,969,782</td>
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<tr>
<td>Committed</td>
<td></td>
<td>13,656,067</td>
<td></td>
<td>19,044,328</td>
</tr>
<tr>
<td>Assigned</td>
<td></td>
<td>287,039</td>
<td>356,026</td>
<td>21,918,179</td>
</tr>
<tr>
<td>Unassigned</td>
<td></td>
<td>(1,787,393)</td>
<td></td>
<td>(2,662,139)</td>
</tr>
<tr>
<td><strong>Total fund balances (deficits)</strong></td>
<td>2,137,217</td>
<td>19,320,870</td>
<td>506,026</td>
<td>128,025,189</td>
</tr>
<tr>
<td><strong>Total liabilities, deferred inflows of resources and fund balances (deficits)</strong></td>
<td>$2,155,409</td>
<td>$30,104,975</td>
<td>$506,026</td>
<td>$155,431,509</td>
</tr>
</tbody>
</table>
MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Special Revenue</th>
<th>Convention</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Heritage Land</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
</tr>
<tr>
<td>Hotel and motel taxes</td>
<td>$</td>
</tr>
<tr>
<td>Special assessments</td>
<td>$</td>
</tr>
<tr>
<td>Intergovernmental charges for services</td>
<td>11,685</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>$ 0</td>
</tr>
<tr>
<td>E911 surcharges</td>
<td>$ 0</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>$ 190,799</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>$ 0</td>
</tr>
<tr>
<td>Other</td>
<td>$ 7,436</td>
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<tr>
<td>Total revenues</td>
<td>$ 1,093,140</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$ 952,055</td>
</tr>
<tr>
<td>Fire services</td>
<td>$ 0</td>
</tr>
<tr>
<td>Police services</td>
<td>$ 0</td>
</tr>
<tr>
<td>Health and human services</td>
<td>$ 0</td>
</tr>
<tr>
<td>Economic and community development</td>
<td>$ 0</td>
</tr>
<tr>
<td>Public transportation</td>
<td>$ 0</td>
</tr>
<tr>
<td>Public works</td>
<td>$ 0</td>
</tr>
<tr>
<td>Education</td>
<td>$ 0</td>
</tr>
<tr>
<td>Debt service:</td>
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</tr>
<tr>
<td>Principal</td>
<td>$ 0</td>
</tr>
<tr>
<td>Interest</td>
<td>$ 0</td>
</tr>
<tr>
<td>Bond issuance costs</td>
<td>$ 0</td>
</tr>
<tr>
<td>Capital projects</td>
<td>$ 0</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$ 952,055</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>$ 141,085</td>
</tr>
<tr>
<td>Other financing sources (uses)</td>
<td></td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>$ 94,514</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>$ (1,216,633)</td>
</tr>
<tr>
<td>General obligation bonds issued</td>
<td>$ 0</td>
</tr>
<tr>
<td>Premium on bond sale</td>
<td>$ 0</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>$ 41,252</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>$ (1,080,867)</td>
</tr>
<tr>
<td>Net change in fund balances</td>
<td>$ (939,782)</td>
</tr>
<tr>
<td>Fund balances (deficits), beginning of year</td>
<td>$ 6,328,043</td>
</tr>
<tr>
<td>Fund balances (deficits), end of year</td>
<td>$ 5,388,261</td>
</tr>
</tbody>
</table>
### Special Revenue (Continued)

#### Revenues

<table>
<thead>
<tr>
<th>49th State</th>
<th>Police/Fire</th>
<th>Miscellaneous</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angel Fund</td>
<td>Retiree Medical</td>
<td>Operational</td>
<td>Restricted</td>
<td>Special</td>
</tr>
<tr>
<td>Liability</td>
<td>Grants</td>
<td>Resources</td>
<td>Revenue</td>
<td>Revenue</td>
</tr>
<tr>
<td>$12,611,490</td>
<td>$34,404,140</td>
<td>$957,761</td>
<td>$(45,918)</td>
<td>$96,085,928</td>
</tr>
<tr>
<td>$12,658,237</td>
<td>$34,284,534</td>
<td>$1,053,127</td>
<td>$(46,130)</td>
<td>$94,330,038</td>
</tr>
</tbody>
</table>

| 46,747 | 1,823,754 | 644,641 |
| 16,983 | 3,509,190 | 690,394 |
| 46,747 | (258,181) | 946 |
| 946 | 1,755,652 | 946 |
| 369,532 | 56,897 | 1,755,652 |
| 369,532 | (201,284) | 946 |

#### Expenditures

Current:

| General government | 16,983 | 48,557 | 16,741 | 1,166,085 | 4,032,778 |
| Fire services | 1,638,879 | 121,368 | - | 3,343,535 |
| Police services | 1,823,754 | - | - | 9,856,325 |
| Health and human services | - | 946 | - | 9,988,371 |
| Economic and community development | - | 268,962 | - | 11,213,066 |
| Public transportation | - | - | - | 2,482,085 |
| Public works | - | - | - | 5,479,673 |
| Education | - | - | - | 1,134,516 |

Debt service:

| Principal | - | - | - | 1,350,000 |
| Interest | - | - | - | 74,686 |
| Bond issuance costs | - | - | - | - |
| Capital projects | - | - | - | - |

Total expenditures: 16,983, 3,509,190, 408,017, 1,166,085, 48,365,035

Excess (deficiency) of revenues over expenditures: 46,747, (1,089,138), 296,650, (212), 2,868,009

Other financing sources (uses):

| Transfers from other funds | - | 969,532 | 56,897 | - | 4,458,808 |
| Transfers to other funds | - | - | (258,181) | - | (9,117,909) |
| General obligation bonds issued | - | - | - | - | - |
| Premium on bond sale | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | 35,202 |

Total other financing sources (uses): - 969,532 (201,284) - (4,623,899) |

Net change in fund balances: 46,747, (119,606), 95,366, (212), (1,755,890) |

Fund balances (deficits), beginning of year: 13,611,490, 34,404,140, 957,761, (45,918), 98,085,928 |

Fund balances (deficits), end of year: 12,658,237 $ 34,284,534 $ 1,053,127 $ (46,130) $ 94,330,038 $
Fund balances (deficits), end of year
Fund balances (deficits), beginning of year
Net change in fund balances
Total other financing sources (uses)
Sale of capital assets
Premium on bond sale
Sale of capital assets
Other financing sources (uses)
Excess (deficiency) of revenues over expenditures
Debt service:
Capital projects
Net change in fund balances
Fund balances (deficits), beginning of year
Fund balances (deficits), end of year

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Jail</th>
<th>ACPA</th>
<th>CIVICVentures</th>
<th>Total</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel and motel taxes</td>
<td>$</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Special assessments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,301,064</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,664</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>E911 surcharges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(3)</td>
<td>11,351</td>
<td>64,436</td>
<td>75,784</td>
<td>129,420</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>313,049</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>378,747</td>
<td>-</td>
<td>378,747</td>
<td>125,489</td>
</tr>
<tr>
<td>Total revenues</td>
<td>(3)</td>
<td>390,098</td>
<td>64,436</td>
<td>454,531</td>
<td>16,884,686</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Jail</th>
<th>ACPA</th>
<th>CIVICVentures</th>
<th>Total</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,790,897</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>-</td>
<td>293,700</td>
<td>6,017,236</td>
<td>6,310,936</td>
<td>24,790,897</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>(3)</td>
<td>96,398</td>
<td>(5,952,800)</td>
<td>(5,856,405)</td>
<td>(7,906,211)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses)</th>
<th>Jail</th>
<th>ACPA</th>
<th>CIVICVentures</th>
<th>Total</th>
<th>Areawide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from other funds</td>
<td>-</td>
<td>-</td>
<td>5,911,847</td>
<td>5,911,847</td>
<td>5,094,065</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General obligation bonds issued</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium on bond sale</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total other financing sources (uses)</td>
<td>-</td>
<td>-</td>
<td>5,911,847</td>
<td>5,911,847</td>
<td>5,094,065</td>
</tr>
</tbody>
</table>

| Net change in fund balances    | (3)              | 96,398           | (40,953)      | 55,442          | (2,812,146)  |
| Fund balances (deficits), beginning of year | 3              | 696,227          | 13,117,583    | 13,813,813      | 8,964,660    |
| Fund balances (deficits), end of year | $               | 791,625          | 13,076,630    | 13,868,255      | 6,152,514    |
## MUNICIPALITY OF ANCHORAGE, ALASKA

### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

#### Nonmajor Governmental Funds

For the year ended December 31, 2016

### Revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Public Safety</th>
<th>Public Transportation</th>
<th>Miscellaneous</th>
<th>Parks and Recreation</th>
<th>Historic Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel and motel taxes</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Special assessments</td>
<td>-</td>
<td>-</td>
<td>556</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>10,673,405</td>
<td>1,693,961</td>
<td>4,107,118</td>
<td>3,224,062</td>
<td>-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>E911 surcharges</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>(913)</td>
<td>-</td>
<td>-</td>
<td>125,652</td>
<td>3,223</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>170,274</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>10,672,492</td>
<td>1,693,961</td>
<td>4,107,674</td>
<td>3,519,988</td>
<td>3,223</td>
</tr>
</tbody>
</table>

### Expenditures

**Current:**

- General government
- Fire services
- Police services
- Health and human services
- Economic and community development
- Public transportation
- Public works
- Education
- Debt service:
  - Principal
  - Interest
- Bond issuance costs | 2,561 | - | - | 11,013 | - |
- Capital projects | 15,908,419 | 1,862,256 | 4,192,866 | 8,058,321 | - |
| **Total expenditures** | 15,910,980 | 1,862,256 | 4,192,866 | 8,069,334 | - |

**Excess (deficiency) of revenues over expenditures** | (5,238,488) | (168,295) | (85,192) | (4,549,346) | 3,223 |

### Other financing sources (uses)

- Transfers from other funds | 608,745 | - | 40,000 | 2,550,750 | 11 |
- Transfers to other funds | (636) | (525) | - | (688) | (35,000) |
- General obligation bonds issued | 589,379 | - | - | 2,534,332 | - |
- Premium on bond sale | 63,342 | - | - | 272,369 | - |
- Sale of capital assets | - | - | - | - | - |
| **Total other financing sources (uses)** | 1,260,830 | (525) | 40,000 | 5,356,763 | (34,989) |

### Net change in fund balances

- (3,977,668) | (168,820) | (45,192) | 807,417 | (31,766) |

### Fund balances (deficits), beginning of year

- 4,052,966 | 678,390 | 978,802 | 6,636,379 | 100,610 |

### Fund balances (deficits), end of year

| $ | 75,310 | 509,579 | 933,610 | 9,443,766 | 88,844 |

---

**Capital Projects (Continued)**
# MUNICIPALITY OF ANCHORAGE, ALASKA
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
### Nonmajor Governmental Funds
#### For the year ended December 31, 2016

### Revenues

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Permanent Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Heritage Land Bank</td>
</tr>
<tr>
<td>Hotel and motel taxes</td>
<td>$14,414,037</td>
</tr>
<tr>
<td>Special assessments</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
</tr>
<tr>
<td>Charges for services</td>
<td>-</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>-</td>
</tr>
<tr>
<td>E911 surcharges</td>
<td>-</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>-</td>
</tr>
<tr>
<td>Restricted contributions</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$36,882,024</td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Permanent Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>Heritage Land Bank</td>
</tr>
<tr>
<td>General government</td>
<td>$4,032,778</td>
</tr>
<tr>
<td>Fire services</td>
<td>$3,343,535</td>
</tr>
<tr>
<td>Police services</td>
<td>$9,856,325</td>
</tr>
<tr>
<td>Health and human services</td>
<td>$9,398,371</td>
</tr>
<tr>
<td>Economic and community development</td>
<td>$11,213,066</td>
</tr>
<tr>
<td>Public transportation</td>
<td>$2,482,085</td>
</tr>
<tr>
<td>Public works</td>
<td>$5,479,673</td>
</tr>
<tr>
<td>Education</td>
<td>$1,134,516</td>
</tr>
<tr>
<td>Principal</td>
<td>$3,260,000</td>
</tr>
<tr>
<td>Interest</td>
<td>$4,475,622</td>
</tr>
<tr>
<td>Bond issuance costs</td>
<td>$13,574</td>
</tr>
<tr>
<td>Capital projects</td>
<td>$55,278,699</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$109,968,244</td>
</tr>
</tbody>
</table>

### Excess (deficiency) of revenues over expenditures

<table>
<thead>
<tr>
<th>Excess (deficiency) of revenues over expenditures</th>
<th>Permanent Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>(465,940)</td>
<td>(21,379,353)</td>
</tr>
</tbody>
</table>

### Other financing sources (uses)

<table>
<thead>
<tr>
<th>Other financing sources (uses)</th>
<th>Permanent Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers from other funds</td>
<td>$19,930,817</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(9,154,758)</td>
</tr>
<tr>
<td>General obligation bonds issued</td>
<td>$3,123,711</td>
</tr>
<tr>
<td>Premium on bond sale</td>
<td>$335,711</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>$35,202</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>$14,270,683</td>
</tr>
</tbody>
</table>

### Net change in fund balances

<table>
<thead>
<tr>
<th>Net change in fund balances</th>
<th>Permanent Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>800,651</td>
<td>(7,108,670)</td>
</tr>
<tr>
<td>Fund balances (deficits), beginning of year</td>
<td>$135,133,859</td>
</tr>
<tr>
<td>Fund balances (deficits), end of year</td>
<td>$128,025,189</td>
</tr>
</tbody>
</table>
## Budgetary Comparison Schedule

**MUNICIPALITY OF ANCHORAGE, ALASKA**  
Heritage Land Bank  
Special Revenue Fund  
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental</td>
<td>$</td>
<td>- $</td>
<td>- $</td>
<td>11,685 $</td>
</tr>
<tr>
<td>Charges for services</td>
<td>291,633</td>
<td>877,636</td>
<td>883,220</td>
<td>5,584 $</td>
</tr>
<tr>
<td>Investment income</td>
<td>101,894</td>
<td>101,894</td>
<td>190,799</td>
<td>88,905 $</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>380,634</td>
<td>7,436</td>
<td>(373,198) $</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>393,527</td>
<td>1,360,164</td>
<td>1,093,140</td>
<td>(267,024) $</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government</td>
<td>992,510</td>
<td>1,197,378</td>
<td>952,055</td>
<td>245,323 $</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>992,510</td>
<td>1,197,378</td>
<td>952,055</td>
<td>245,323 $</td>
</tr>
</tbody>
</table>

| Deficiency of revenues over expenditures | (598,983) | 162,786 | 141,085 | (21,701) $ |

<table>
<thead>
<tr>
<th>Other financing sources (uses)</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers to other funds</td>
<td>(80,000)</td>
<td>(1,554,093)</td>
<td>(1,216,633)</td>
<td>337,460 $</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>-</td>
<td>94,514</td>
<td>94,514</td>
<td>- $</td>
</tr>
<tr>
<td>Sale of capital assets</td>
<td>-</td>
<td>-</td>
<td>41,252</td>
<td>41,252 $</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>(80,000)</td>
<td>(1,459,579)</td>
<td>(1,080,867)</td>
<td>378,712 $</td>
</tr>
</tbody>
</table>

| Net change in fund balance   | (678,983) | (1,296,793) | (939,782) | 357,011 $    |
| Fund balance, beginning of year | (3,105,705) | (2,044,415) | 6,328,043 | 8,372,458 $ |
| Fund balance, end of year    | $ (3,784,688) | $ (3,341,208) | $ 5,388,261 | $ 8,729,469 |

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### Budgetary Comparison Schedule

**Convention Center Operating Reserve**

Special Revenue Fund  
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel and motel taxes</td>
<td>$15,556,111</td>
<td>$15,664,173</td>
<td>$14,414,037</td>
<td>$(1,250,136)</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
<td>259,783</td>
<td>259,783</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>294,139</td>
<td>294,139</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>15,556,111</td>
<td>15,664,173</td>
<td>14,967,959</td>
<td>$(696,214)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Budget</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic and community development</td>
<td>7,382,009</td>
<td>7,425,071</td>
<td>6,716,875</td>
<td>708,196</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>7,382,009</td>
<td>7,425,071</td>
<td>6,716,875</td>
<td>708,196</td>
</tr>
<tr>
<td>Excess of revenues over expenditures</td>
<td>8,174,102</td>
<td>8,239,102</td>
<td>8,251,084</td>
<td>11,982</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other financing sources (uses)</th>
<th>Budget</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers to other funds</td>
<td>$(5,911,847)</td>
<td>$(7,638,847)</td>
<td>$(7,638,847)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>586,264</td>
<td>586,264</td>
<td>604,165</td>
<td>17,901</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>$(5,325,583)</td>
<td>$(7,052,583)</td>
<td>$(7,034,682)</td>
<td>17,901</td>
</tr>
</tbody>
</table>

| Net change in fund balance        | 2,848,519       | 1,186,519 | 1,216,402  | 29,883                     |
| Fund balance, beginning of year   | 12,196,480      | 12,113,954 | 17,084,743 | 4,970,789                 |
| Fund balance, end of year         | $15,044,999     | $13,300,473 | $18,301,145 | $5,000,672                |
## MUNICIPALITY OF ANCHORAGE, ALASKA
### Budgetary Comparison Schedule
#### E911 Surcharge
##### Special Revenue Fund

For the year ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E911 surcharges</td>
<td>$6,475,000</td>
<td>$6,475,000</td>
<td>$6,558,506</td>
<td>$83,506</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$6,475,000</td>
<td>$6,475,000</td>
<td>$6,558,506</td>
<td>$83,506</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire services</td>
<td>1,472,180</td>
<td>1,472,180</td>
<td>1,439,237</td>
<td>32,943</td>
</tr>
<tr>
<td>Police services</td>
<td>5,002,820</td>
<td>5,002,820</td>
<td>5,947,885</td>
<td>(945,065)</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$6,475,000</td>
<td>$6,475,000</td>
<td>$7,387,122</td>
<td>(912,122)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>-</td>
<td>-</td>
<td>(828,616)</td>
<td>(828,616)</td>
</tr>
<tr>
<td><strong>Fund balance, beginning of year</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balance, end of year</strong></td>
<td>$</td>
<td>-</td>
<td>$ (828,616)</td>
<td>$ (828,616)</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Variance With Final Budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------</td>
<td>-----------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$90,000</td>
<td>$90,000</td>
<td>$2,420,052</td>
<td>$2,330,052</td>
</tr>
<tr>
<td>Total revenues</td>
<td>90,000</td>
<td>90,000</td>
<td>2,420,052</td>
<td>2,330,052</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$88,000</td>
<td>$88,000</td>
<td>$48,557</td>
<td>$39,443</td>
</tr>
<tr>
<td>Fire services</td>
<td>$1,613,964</td>
<td>$1,654,531</td>
<td>$1,636,879</td>
<td>$17,652</td>
</tr>
<tr>
<td>Police services</td>
<td>$1,798,222</td>
<td>$1,843,421</td>
<td>$1,823,754</td>
<td>$19,667</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>$3,500,186</td>
<td>$3,585,952</td>
<td>$3,509,190</td>
<td>$76,762</td>
</tr>
<tr>
<td><strong>Deficiency of revenues over expenditures</strong></td>
<td>$(3,410,186)</td>
<td>$(3,495,952)</td>
<td>$(1,089,138)</td>
<td>$2,406,814</td>
</tr>
<tr>
<td><strong>Other financing sources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers from other funds</td>
<td>$1,704,380</td>
<td>$1,704,380</td>
<td>$969,532</td>
<td>$(734,848)</td>
</tr>
<tr>
<td>Total other financing sources</td>
<td>$1,704,380</td>
<td>$1,704,380</td>
<td>$969,532</td>
<td>$(734,848)</td>
</tr>
<tr>
<td><strong>Net change in fund balance</strong></td>
<td>$(1,705,806)</td>
<td>$(1,791,572)</td>
<td>$(119,606)</td>
<td>$1,671,966</td>
</tr>
<tr>
<td>Fund balance, beginning of year</td>
<td>$23,079,700</td>
<td>$22,813,315</td>
<td>$34,404,140</td>
<td>$11,590,825</td>
</tr>
<tr>
<td>Fund balance, end of year</td>
<td>$21,373,894</td>
<td>$21,021,743</td>
<td>$34,284,534</td>
<td>$13,262,791</td>
</tr>
</tbody>
</table>
## MUNICIPALITY OF ANCHORAGE, ALASKA
### Budgetary Comparison Schedule
#### Jail Revenue Bond
##### Debt Service Fund
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
</tr>
<tr>
<td>Charges for services</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt service:</td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

| Net change in fund balance | - | - | (3) | (3) |
| Fund balance, beginning of year | 8,639 | (200) | 3 | 203 |
| Fund balance, end of year | $ | 8,639 | $ | (200) | $ | - | $ | 200 |
MUNICIPALITY OF ANCHORAGE, ALASKA  
Budgetary Comparison Schedule  
ACPA Surcharge Revenue Bond  
Debt Service Fund  
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Variance With</th>
<th>Variances With</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original</td>
<td>Final</td>
<td>Actual</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>293,700</td>
<td>293,700</td>
<td>378,747</td>
</tr>
<tr>
<td>Total revenues</td>
<td>293,700</td>
<td>293,700</td>
<td>390,098</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Interest</td>
<td>173,700</td>
<td>173,700</td>
<td>173,700</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>293,700</td>
<td>293,700</td>
<td>293,700</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>-</td>
<td>-</td>
<td>96,398</td>
</tr>
<tr>
<td>Fund balance, beginning of year</td>
<td>458,165</td>
<td>265,288</td>
<td>695,227</td>
</tr>
<tr>
<td>Fund balance, end of year</td>
<td>$458,165</td>
<td>$265,288</td>
<td>$791,625</td>
</tr>
</tbody>
</table>
Enterprise funds are used to account for activities for which a fee is charged to external users for goods or services received.

The **Refuse Utility Fund** accounts for the Municipal-owned refuse collection services.

The **Solid Waste Fund** accounts for the Municipal-owned landfill and transfer station operations.

The **Municipal Airport Fund** accounts for the operations of Merrill Field, a Municipal-owned airport.
# MUNICIPALITY OF ANCHORAGE, ALASKA

## Combining Statement of Net Position

### Nonmajor Enterprise Funds

#### December 31, 2016

### Assets

<table>
<thead>
<tr>
<th>Current assets:</th>
<th>Refuse</th>
<th>Solid</th>
<th>Municipal</th>
<th>Total Nonmajor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash $</td>
<td>700</td>
<td>2,775</td>
<td>200</td>
<td>3,675</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>8,177,115</td>
<td>8,153,254</td>
<td>-</td>
<td>16,330,369</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts</td>
<td>1,453,797</td>
<td>1,898,482</td>
<td>-</td>
<td>3,352,279</td>
</tr>
<tr>
<td>Accrued interest on investments</td>
<td>171,063</td>
<td>-</td>
<td>-</td>
<td>171,063</td>
</tr>
<tr>
<td>Intergovernmental receivables</td>
<td>-</td>
<td>-</td>
<td>171,426</td>
<td>171,426</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>1,147,762</td>
<td>783,844</td>
<td>1,060</td>
<td>1,932,666</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>367</td>
<td>3,439</td>
<td>4,347</td>
<td>8,153</td>
</tr>
</tbody>
</table>

### Restricted assets:

<table>
<thead>
<tr>
<th>Landfill post closure cash reserve</th>
<th>32,408,184</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total current assets</strong></td>
<td>10,950,804</td>
</tr>
</tbody>
</table>

### Noncurrent assets:

<table>
<thead>
<tr>
<th>Intergovernmental receivables</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net</td>
<td>3,755,194</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>3,755,194</td>
</tr>
</tbody>
</table>

| **Total assets** | 14,705,998 | 109,758,785 | 75,933,556 | 200,398,339 |

### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Deferred outflow related to net pension liability</th>
<th>617,640</th>
<th>623,880</th>
<th>330,135</th>
<th>1,571,655</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>617,640</td>
<td>623,880</td>
<td>330,135</td>
<td>1,571,655</td>
</tr>
</tbody>
</table>

| **Total assets and deferred outflows of resources** | 15,323,638 | 110,382,665 | 76,263,691 | 201,969,994 |

### Liabilities

<table>
<thead>
<tr>
<th>Current liabilities:</th>
<th>Refuse</th>
<th>Solid</th>
<th>Municipal</th>
<th>Total Nonmajor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and retainages</td>
<td>175,566</td>
<td>639,684</td>
<td>44,371</td>
<td>859,621</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>-</td>
<td>84,983</td>
<td>-</td>
<td>84,983</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>92,706</td>
<td>389,032</td>
<td>55,919</td>
<td>537,657</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts and retainage payable</td>
<td>149,715</td>
<td>2,054</td>
<td>200,872</td>
<td>352,641</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>152,968</td>
<td>557,385</td>
<td>88,468</td>
<td>798,821</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>2,211,527</td>
<td>2,211,527</td>
</tr>
<tr>
<td>Long-term obligations maturing within one year</td>
<td>-</td>
<td>1,486,613</td>
<td>-</td>
<td>1,486,613</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>197,113</td>
<td>9,807</td>
<td>90,829</td>
<td>297,749</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>768,068</td>
<td>3,169,558</td>
<td>2,691,986</td>
<td>6,629,612</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent liabilities:</th>
<th>Refuse</th>
<th>Solid</th>
<th>Municipal</th>
<th>Total Nonmajor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska clean water loans payable</td>
<td>-</td>
<td>14,255,886</td>
<td>-</td>
<td>14,255,886</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>-</td>
<td>-</td>
<td>5,686</td>
<td>5,686</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>2,784,195</td>
<td>2,812,326</td>
<td>1,488,183</td>
<td>7,084,704</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>2,784,195</td>
<td>17,068,212</td>
<td>1,494,051</td>
<td>21,346,458</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other liabilities:</th>
<th>Refuse</th>
<th>Solid</th>
<th>Municipal</th>
<th>Total Nonmajor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future landfill closure costs</td>
<td>-</td>
<td>32,408,184</td>
<td>-</td>
<td>32,408,184</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>3,552,283</td>
<td>52,645,954</td>
<td>4,186,037</td>
<td>60,384,254</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Deferred inflow related to net pension liability</th>
<th>31,035</th>
<th>31,348</th>
<th>16,588</th>
<th>78,971</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>31,035</td>
<td>31,348</td>
<td>16,588</td>
<td>78,971</td>
</tr>
</tbody>
</table>

### Net Position

<p>| Net investment in capital assets | 3,755,194 | 66,508,807 | 66,653,541 | 123,175,043 |
| Restricted for capital construction | - | - | 7,102,982 | 7,102,982 |
| <strong>Unrestricted</strong> | 7,985,146 | 6,939,055 | (3,695,457) | 11,228,744 |
| <strong>Total net position</strong> | 11,740,340 | 57,705,363 | 72,061,086 | 141,506,769 |
| <strong>Total liabilities, deferred inflows of resources and net position</strong> | 15,323,638 | 110,382,665 | 76,263,691 | 201,969,994 | 144 |</p>
<table>
<thead>
<tr>
<th></th>
<th>Refuse Utility</th>
<th>Solid Waste</th>
<th>Municipal Airport</th>
<th>Total Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>$11,062,317</td>
<td>$20,920,727</td>
<td>$1,512,527</td>
<td>$33,495,571</td>
</tr>
<tr>
<td>Other</td>
<td>50,270</td>
<td>1,957,938</td>
<td></td>
<td>2,008,208</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>11,112,587</td>
<td>22,878,665</td>
<td>1,512,527</td>
<td>35,503,779</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>8,949,285</td>
<td>13,943,857</td>
<td>2,083,060</td>
<td>24,976,202</td>
</tr>
<tr>
<td>Amortization of future landfill closure costs</td>
<td>-</td>
<td>1,307,255</td>
<td>-</td>
<td>1,307,255</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>958,156</td>
<td>4,271,662</td>
<td>2,542,398</td>
<td>7,772,216</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>9,907,441</td>
<td>19,522,774</td>
<td>4,625,458</td>
<td>34,055,673</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>1,205,146</td>
<td>3,355,891</td>
<td>(3,112,931)</td>
<td>1,448,106</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>215,240</td>
<td>701,370</td>
<td></td>
<td>976,973</td>
</tr>
<tr>
<td>Intergovernmental revenue- non-capital</td>
<td>59,168</td>
<td>59,508</td>
<td>385,230</td>
<td>503,906</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>(258,033)</td>
<td></td>
<td>(258,033)</td>
</tr>
<tr>
<td>Gain (loss) on sale of capital assets</td>
<td>(37,968)</td>
<td>19,672</td>
<td>-</td>
<td>(18,296)</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues (expenses)</strong></td>
<td>236,440</td>
<td>522,517</td>
<td>445,593</td>
<td>1,204,550</td>
</tr>
<tr>
<td><strong>Income (loss) before capital contributions and transfers</strong></td>
<td>1,441,586</td>
<td>3,878,408</td>
<td>(2,667,338)</td>
<td>2,652,856</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
<td>-</td>
<td>9,711,315</td>
<td>9,711,315</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(539,785)</td>
<td>(1,105,279)</td>
<td>(37,622)</td>
<td>(1,682,686)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>901,801</td>
<td>2,773,129</td>
<td>7,006,355</td>
<td>10,681,285</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>10,838,539</td>
<td>54,932,234</td>
<td>65,054,711</td>
<td>130,825,484</td>
</tr>
<tr>
<td><strong>Net position, end of year</strong></td>
<td>$11,740,340</td>
<td>$57,705,363</td>
<td>$72,061,066</td>
<td>$141,506,769</td>
</tr>
</tbody>
</table>

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2016
MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Cash flows from (for) operating activities</th>
<th>Refuse Utility</th>
<th>Solid Waste</th>
<th>Municipal Airport</th>
<th>Nonmajor Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from customers</td>
<td>11,034,016 $</td>
<td>23,584,015 $</td>
<td>1,500,489 $</td>
<td>36,118,520 $</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(2,984,904)</td>
<td>(8,205,315)</td>
<td>(1,265,142)</td>
<td>(12,455,361)</td>
</tr>
<tr>
<td>Payments to vendors</td>
<td>(3,866,928)</td>
<td>(4,642,806)</td>
<td>(646,596)</td>
<td>(9,156,330)</td>
</tr>
<tr>
<td>Payments to interfund services used</td>
<td>(1,435,300)</td>
<td>(433,307)</td>
<td>193,453</td>
<td>(1,675,154)</td>
</tr>
<tr>
<td>Net cash from (for) operating activities</td>
<td>2,746,884</td>
<td>10,302,587</td>
<td>(217,796)</td>
<td>12,831,675</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from (for) non-capital financing activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental revenue</td>
<td>-</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(539,785)</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>2,211,527</td>
</tr>
<tr>
<td>Net cash from (for) non-capital financing activities</td>
<td>(539,785)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from (for) capital and related financing activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal payments on long-term obligations</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on long-term obligations</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(1,713,861)</td>
</tr>
<tr>
<td>Landfill post closure cash reserve</td>
<td>(1,307,255)</td>
</tr>
<tr>
<td>Proceeds (loss) from the sale or disposition of capital assets</td>
<td>57,683</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from (for) capital and related financing activities</td>
<td>(1,656,178)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>151,046</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>151,046</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in cash</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase (decrease) in cash</td>
<td>701,967</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>8,929,645</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>9,631,612</td>
</tr>
<tr>
<td>Cash</td>
<td>700</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>8,177,115</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts</td>
<td>1,453,797</td>
</tr>
<tr>
<td>Cash, December 31</td>
<td>9,631,612</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of change in net position to net cash provided by operating activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>1,205,146</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Amortization of landfill closure costs</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>958,156</td>
</tr>
<tr>
<td>PERS relief-noncash expense</td>
<td>59,168</td>
</tr>
<tr>
<td>Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(91,995)</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>17</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>(368,836)</td>
</tr>
<tr>
<td>Accounts payable and retainages</td>
<td>64,274</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>5,767</td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>8,615</td>
</tr>
<tr>
<td>Unearned revenue and deposits</td>
<td>13,424</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>898,418</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>(5,270)</td>
</tr>
<tr>
<td>Total cash provided (used) by operating activities</td>
<td>2,746,884</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncash investing, capital, and financing activities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital purchases on account</td>
<td>149,715</td>
</tr>
<tr>
<td>Contributed capital and equipment</td>
<td>-</td>
</tr>
<tr>
<td>Total noncash investing, capital, and financing activities</td>
<td>149,715</td>
</tr>
</tbody>
</table>
INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis.

Three Risk Management Funds account for money received from other Municipal funds to pay for the costs of self-insurance claims in the following categories:

- General liability, automobile liability, workers’ compensation
- Medical/Dental
- Unemployment compensation

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

The Information Technology Fund accounts for management information services.
# Combining Statement of Net Position

## Internal Service Funds

### December 31, 2016

#### General Liability/
Workers' Medical/ Unemployment
Compensation Dental Compensation

<table>
<thead>
<tr>
<th>Assets</th>
<th>General</th>
<th>Liability/ Workers' Medical/ Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Compensation</td>
<td>Dental</td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>$20,559,734</td>
<td>$8,924,992</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>15,248</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>312,858</td>
<td>-</td>
</tr>
<tr>
<td>Total current assets</td>
<td>20,887,840</td>
<td>8,924,992</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>311,782</td>
<td>-</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>311,782</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>21,199,622</td>
<td>8,924,992</td>
</tr>
</tbody>
</table>

#### Deferred Outflows of Resources

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflow related to net pension liability</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets and deferred outflows of resources</td>
<td>21,199,622</td>
<td>8,924,992</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Current liabilities:</th>
<th>Noncurrent liabilities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and retainages</td>
<td>381,352</td>
<td>4,468</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>15,367</td>
<td>1,304</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts and retainage payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>13,811</td>
<td>3,891</td>
</tr>
<tr>
<td>Claims payable</td>
<td>15,965,122</td>
<td>2,272,166</td>
</tr>
<tr>
<td>Claims incurred but not reported</td>
<td>3,198,889</td>
<td>6,112,596</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>-</td>
<td>1,771</td>
</tr>
<tr>
<td>Long-term obligations maturing within one year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>19,574,541</td>
<td>8,396,196</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>9,198</td>
<td>-</td>
</tr>
<tr>
<td>Capital leases payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims incurred but not reported</td>
<td>6,729,223</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>6,738,421</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>26,312,962</td>
<td>8,396,196</td>
</tr>
</tbody>
</table>

#### Deferred Inflows of Resources

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Deferred inflow related to net pension liability</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total deferred inflows of resources</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Net Position

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Net investment in capital assets</th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(5,113,340)</td>
<td>528,796</td>
</tr>
<tr>
<td>Total net position</td>
<td>(5,113,340)</td>
<td>528,796</td>
</tr>
<tr>
<td>Total liabilities, deferred inflows of resources and net position</td>
<td>$21,199,622</td>
<td>$8,924,992</td>
</tr>
</tbody>
</table>

---

**Risk Management**

- 148
## MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Internal Service Funds
December 31, 2016

### Assets

<table>
<thead>
<tr>
<th></th>
<th>Equipment Maintenance</th>
<th>Information Technology</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>5,141,617</td>
<td>-</td>
<td>36,132,592</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts</td>
<td>2,283,499</td>
<td>-</td>
<td>2,283,499</td>
</tr>
<tr>
<td>Receivables (net of allowance for uncollectibles)</td>
<td>192,099</td>
<td>-</td>
<td>207,347</td>
</tr>
<tr>
<td>Inventories</td>
<td>235,765</td>
<td>-</td>
<td>235,765</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>-</td>
<td>690,643</td>
<td>1,003,501</td>
</tr>
<tr>
<td>Total current assets</td>
<td>7,852,980</td>
<td>690,643</td>
<td>39,862,704</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to other funds</td>
<td>-</td>
<td>-</td>
<td>311,782</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>20,278,680</td>
<td>64,524,753</td>
<td>84,803,433</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>20,278,680</td>
<td>64,524,753</td>
<td>85,115,215</td>
</tr>
<tr>
<td>Total assets</td>
<td>28,131,660</td>
<td>65,215,396</td>
<td>124,977,919</td>
</tr>
</tbody>
</table>

### Deferred Outflows of Resources

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred outflow related to net pension liability</td>
<td>801,148</td>
<td>2,501,779</td>
<td>3,302,927</td>
</tr>
<tr>
<td>Total deferred outflows of resources</td>
<td>801,148</td>
<td>2,501,779</td>
<td>3,302,927</td>
</tr>
<tr>
<td>Total assets and deferred outflows of resources</td>
<td>28,932,808</td>
<td>67,717,175</td>
<td>128,280,846</td>
</tr>
</tbody>
</table>

### Liabilities

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and retainages</td>
<td>168,586</td>
<td>1,474,767</td>
<td>2,029,316</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>143,334</td>
<td>347,845</td>
<td>507,850</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts and retainage payable</td>
<td>273,194</td>
<td>7,386,674</td>
<td>7,659,868</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>223,770</td>
<td>547,639</td>
<td>789,111</td>
</tr>
<tr>
<td>Claims payable</td>
<td>-</td>
<td>-</td>
<td>18,313,225</td>
</tr>
<tr>
<td>Claims incurred but not reported</td>
<td>-</td>
<td>-</td>
<td>9,311,465</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>85,000</td>
<td>7,512,161</td>
<td>7,597,161</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>-</td>
<td>95,594</td>
<td>95,594</td>
</tr>
<tr>
<td>Unearned revenues</td>
<td>-</td>
<td>-</td>
<td>1,771</td>
</tr>
<tr>
<td>Long-term obligations maturing within one year</td>
<td>-</td>
<td>5,416,373</td>
<td>5,416,373</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>893,884</td>
<td>22,781,053</td>
<td>51,721,754</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances from other funds</td>
<td>1,360,000</td>
<td>-</td>
<td>1,360,000</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>-</td>
<td>-</td>
<td>9,198</td>
</tr>
<tr>
<td>Capital leases payable</td>
<td>-</td>
<td>27,768,629</td>
<td>27,768,629</td>
</tr>
<tr>
<td>Claims incurred but not reported</td>
<td>-</td>
<td>-</td>
<td>6,729,223</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>3,611,413</td>
<td>11,277,510</td>
<td>14,888,923</td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>4,971,413</td>
<td>39,046,139</td>
<td>50,755,973</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>5,865,297</td>
<td>61,827,192</td>
<td>102,477,727</td>
</tr>
</tbody>
</table>

### Deferred Inflows of Resources

|                                |                       |                        |                             |
| Deferred inflow related to net pension liability | 40,255                 | 125,707                | 165,962                     |
| Total deferred inflows of resources | 40,255                 | 125,707                | 165,962                     |

### Net Position

|                                |                       |                        |                             |
| Net investment in capital assets | 20,278,680             | 31,339,751             | 51,618,431                  |
| Unrestricted | 2,748,576             | (25,575,475)           | (25,811,274)                |
| Total net position | 23,027,256             | 5,764,276              | 25,637,157                  |
| Total liabilities, deferred inflows of resources and net position | 28,932,808             | 67,717,175             | 128,280,846                 |
MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Risk Management</th>
<th>General</th>
<th>Liability/Workers’ Medical/Unemployment Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>$11,113,391</td>
<td>$49,371,076</td>
</tr>
<tr>
<td>Other</td>
<td>1,409</td>
<td>129,448</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$11,114,800</td>
<td>$49,500,524</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$13,409,229</td>
<td>$50,400,627</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$13,409,229</td>
<td>$50,400,627</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$(2,294,429)</td>
<td>$(900,103)</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>386,182</td>
<td>163,086</td>
</tr>
<tr>
<td>Other revenues</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain (loss) on sale of capital assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net nonoperating revenues (expenses)</td>
<td>386,182</td>
<td>163,086</td>
</tr>
<tr>
<td>Income (loss) before capital contributions and transfers</td>
<td>$(1,908,247)</td>
<td>$(737,017)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$(1,908,247)</td>
<td>$(737,017)</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>(3,205,093)</td>
<td>1,265,813</td>
</tr>
<tr>
<td>Net position, end of year</td>
<td>$(5,113,340)</td>
<td>$528,796</td>
</tr>
</tbody>
</table>
### Internal Service Funds

#### For the year ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Equipment Maintenance</th>
<th>Information Technology</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for sales and services</td>
<td>$9,757,597</td>
<td>$16,178,553</td>
<td>$86,935,224</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>131,360</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$9,757,597</td>
<td>$16,178,553</td>
<td>$87,066,584</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>7,737,932</td>
<td>16,073,883</td>
<td>87,898,670</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,270,707</td>
<td>1,440,173</td>
<td>5,710,880</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>12,008,639</td>
<td>17,514,056</td>
<td>93,609,550</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(2,251,042)</td>
<td>(1,335,503)</td>
<td>(3,586,545)</td>
</tr>
<tr>
<td><strong>Nonoperating revenues (expenses)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental revenue</td>
<td>75,385</td>
<td>237,960</td>
<td>313,345</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>163,754</td>
<td>(369,410)</td>
<td>364,006</td>
</tr>
<tr>
<td>Other revenues</td>
<td>43,871</td>
<td>(164)</td>
<td>43,707</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-</td>
<td>(25,799)</td>
<td>(25,799)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(44,554)</td>
<td>(411,697)</td>
<td>(456,251)</td>
</tr>
<tr>
<td>Gain (loss) on sale of capital assets</td>
<td>(35,273)</td>
<td>(11,432)</td>
<td>(46,705)</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues (expenses)</strong></td>
<td>203,183</td>
<td>(580,542)</td>
<td>192,303</td>
</tr>
<tr>
<td><strong>Income (loss) before capital contributions and transfers</strong></td>
<td>(2,047,859)</td>
<td>(1,916,045)</td>
<td>(6,350,663)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>2,060,163</td>
<td>-</td>
<td>2,060,163</td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(13,456)</td>
<td>(21,009)</td>
<td>(34,465)</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>(1,152)</td>
<td>(1,937,054)</td>
<td>(4,324,965)</td>
</tr>
<tr>
<td>Net position, beginning of year</td>
<td>23,028,408</td>
<td>7,701,330</td>
<td>29,962,122</td>
</tr>
<tr>
<td>Net position, end of year</td>
<td>$23,027,256</td>
<td>$5,764,276</td>
<td>$25,637,157</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equipment Maintenance</th>
<th>Information Technology</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>9,757,597</td>
<td>16,178,553</td>
</tr>
<tr>
<td>Maintenance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Internal Service Funds</strong></td>
<td>9,757,597</td>
<td>16,178,553</td>
</tr>
</tbody>
</table>
## MUNICIPALITY OF ANCHORAGE, ALASKA

Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Risk Management</th>
<th>General Compensation</th>
<th>Medical/ Dental Compensation</th>
<th>Unemployment Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from (for) operating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts for interfund services provided</td>
<td>$11,099,552</td>
<td>$49,502,295</td>
<td>$515,110</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(429,111)</td>
<td>(308,736)</td>
<td>-</td>
</tr>
<tr>
<td>Payments to vendors</td>
<td>(11,434,314)</td>
<td>(50,632,091)</td>
<td>(287,515)</td>
</tr>
<tr>
<td>Payments for interfund services used</td>
<td>(1,341,618)</td>
<td>(1,422)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash from (for) operating activities</strong></td>
<td>(2,105,491)</td>
<td>(1,439,954)</td>
<td>247,595</td>
</tr>
</tbody>
</table>

| **Cash flows from (for) non-capital financing activities** | | | |
| Transfers to other funds | - | - | - |
| Loan payments received on interfund loans | 62,688 | - | - |
| Due to other funds | - | - | - |
| Non-operating cash receipts | - | - | - |
| Advance to other funds | 149,514 | - | - |
| **Net cash from (for) non-capital financing activities** | 212,202 | - | - |

| **Cash flows (for) capital and related financing activities** | | | |
| Principal payments on long-term obligations | - | - | - |
| Interest payments on long-term obligations | - | - | - |
| Acquisition and construction of capital assets | - | - | - |
| Principal payments on interfund loans | - | - | - |
| Interest payments on interfund loans | - | - | - |
| Proceeds from issuance of debt | - | - | - |
| Proceeds (loss) from the sale or disposition of capital assets | - | - | - |
| **Net cash (for) capital and related financing activities** | - | - | - |

| **Cash flows from investing activities** | | | |
| Investment income (loss) | 386,182 | 163,086 | 20,394 |
| **Net cash from investing activities** | 386,182 | 163,086 | 20,394 |
| Net increase (decrease) in cash | (1,507,107) | (1,276,868) | 267,989 |
| Cash, beginning of year | 22,066,841 | 10,201,860 | 1,238,260 |
| Cash, end of year | 20,559,734 | 8,924,992 | 1,506,249 |

| **Cash in central treasury** | 20,559,734 | 8,924,992 | 1,506,249 |
| **Capital acquisition and construction accounts** | - | - | - |
| **Cash, December 31** | $20,559,734 | $8,924,992 | $1,506,249 |

| **Reconciliation of change in net position to net cash provided (used) by operating activities:** | | | |
| Operating income (loss) | $(2,294,429) | $(900,103) | $238,111 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | - | - | - |
| PERS relief-noncash expense | - | - | - |
| Other revenues | - | - | - |
| Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash: | | | |
| Accounts receivable, net | (15,248) | - | - |
| Prepaid items and deposits | 49,627 | - | - |
| Inventories | - | - | - |
| Deferred outflows of resources | - | - | - |
| Accounts payable and retainerages | 150,968 | (8,232) | - |
| Accrued payroll liabilities | (2,515) | (8,040) | - |
| Compensated absences payable | (834) | (8,156) | - |
| Claims payable | 6,740 | (517,194) | 9,484 |
| Unearned revenue | - | 1,771 | - |
| Net pension liability | - | - | - |
| Deferred inflows of resources | - | - | - |
| **Total cash provided (used) by operating activities** | (2,105,491) | (1,439,954) | 247,595 |

| **Noncash investing, capital, and financing activities:** | | | |
| Capital purchases on account | - | - | - |
| Contributed capital and equipment | - | - | - |
| **Total noncash investing, capital, and financing activities** | $ | $ | $ |
MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Equipment Maintenance</th>
<th>Information Technology</th>
<th>Total Internal Service Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flows from (for) operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts for interfund services provided</td>
<td>$ 9,609,369</td>
<td>$ 16,178,553</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(4,289,076)</td>
<td>(8,140,030)</td>
</tr>
<tr>
<td>Payments to vendors</td>
<td>(1,562,466)</td>
<td>(4,383,997)</td>
</tr>
<tr>
<td>Payments for interfund services used</td>
<td>(1,561,200)</td>
<td>(781,512)</td>
</tr>
<tr>
<td>Net cash from (for) operating activities</td>
<td>2,196,627</td>
<td>2,873,014</td>
</tr>
<tr>
<td>Cash flows from (for) non-capital financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers to other funds</td>
<td>(13,456)</td>
<td>(21,009)</td>
</tr>
<tr>
<td>Loan payments received on interfund loans</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>2,984,843</td>
</tr>
<tr>
<td>Non-operating cash receipts</td>
<td>-</td>
<td>(164)</td>
</tr>
<tr>
<td>Advance to other funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net cash from (for) non-capital financing activities</td>
<td>(13,456)</td>
<td>2,963,670</td>
</tr>
<tr>
<td>Cash flows (for) capital and related financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal payments on long-term obligations</td>
<td>-</td>
<td>(3,260,168)</td>
</tr>
<tr>
<td>Interest payments on long-term obligations</td>
<td>-</td>
<td>(417,469)</td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(1,668,416)</td>
<td>(19,081,137)</td>
</tr>
<tr>
<td>Principal payments on interfund loans</td>
<td>(85,000)</td>
<td>-</td>
</tr>
<tr>
<td>Interest payments on interfund loans</td>
<td>(44,554)</td>
<td>-</td>
</tr>
<tr>
<td>Proceeds from issuance of debt</td>
<td>-</td>
<td>17,291,500</td>
</tr>
<tr>
<td>Proceeds (loss) from the sale or disposition of capital assets</td>
<td>(35,273)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash (for) capital and related financing activities</td>
<td>(1,833,243)</td>
<td>(5,467,274)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>163,754</td>
<td>(369,410)</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>163,754</td>
<td>(369,410)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>513,682</td>
<td>-</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>6,911,434</td>
<td>-</td>
</tr>
<tr>
<td>Cash, end of year</td>
<td>7,425,116</td>
<td>-</td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>5,141,617</td>
<td>-</td>
</tr>
<tr>
<td>Capital acquisition and construction accounts</td>
<td>2,283,499</td>
<td>-</td>
</tr>
<tr>
<td>Cash, December 31</td>
<td>$ 7,425,116</td>
<td>-</td>
</tr>
<tr>
<td>Reconciliation of change in net position to net cash provided (used) by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$ (2,251,042)</td>
<td>$ (1,335,503)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>4,270,707</td>
<td>1,440,173</td>
</tr>
<tr>
<td>PERS relief-noncash expense</td>
<td>75,385</td>
<td>237,960</td>
</tr>
<tr>
<td>Other revenues</td>
<td>43,871</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assets, deferred outflows and inflows of resources, and liabilities which increase (decrease) cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(192,099)</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>-</td>
<td>11,551</td>
</tr>
<tr>
<td>Inventories</td>
<td>70,376</td>
<td>-</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>(408,220)</td>
<td>(1,399,985)</td>
</tr>
<tr>
<td>Accounts payable and retainages</td>
<td>(31,419)</td>
<td>1,031,310</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>2,169</td>
<td>35,719</td>
</tr>
<tr>
<td>Compensated absences payable</td>
<td>713</td>
<td>(39,762)</td>
</tr>
<tr>
<td>Claims payable</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>633,267</td>
<td>2,926,616</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td>(17,081)</td>
<td>(35,065)</td>
</tr>
<tr>
<td>Total cash provided (used) by operating activities</td>
<td>2,196,627</td>
<td>2,873,014</td>
</tr>
<tr>
<td>Noncash investing, capital, and financing activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital purchases on account</td>
<td>273,194</td>
<td>7,386,674</td>
</tr>
<tr>
<td>Contributed capital and equipment</td>
<td>2,060,163</td>
<td>-</td>
</tr>
<tr>
<td>Total noncash investing, capital, and financing activities</td>
<td>$ 2,333,357</td>
<td>$ 7,386,674</td>
</tr>
</tbody>
</table>
FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government’s own programs.

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

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

<table>
<thead>
<tr>
<th></th>
<th>Police/Fire Retirement</th>
<th>Police/Fire Retirement</th>
<th>Police/Fire Retirement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>System Plan I</td>
<td>System Plan II</td>
<td>System Plan III</td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in central treasury</td>
<td>$33,456</td>
<td>$25,814</td>
<td>$100,323</td>
<td>$159,593</td>
</tr>
<tr>
<td>Cash, cash equivalents held under securities lending program</td>
<td>1,042,744</td>
<td>804,446</td>
<td>3,127,736</td>
<td>4,974,926</td>
</tr>
<tr>
<td><strong>Investments, at fair value:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and money market funds</td>
<td>$1,304,458</td>
<td>$1,006,466</td>
<td>$3,911,590</td>
<td>$6,222,514</td>
</tr>
<tr>
<td>U.S. treasuries</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>U.S. TIPS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>U.S. agencies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate fixed income securities</td>
<td>$15,660,628</td>
<td>$12,083,099</td>
<td>$46,960,456</td>
<td>$74,704,183</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Domestic equity securities</td>
<td>$28,603,468</td>
<td>$22,069,264</td>
<td>$65,771,263</td>
<td>$136,443,995</td>
</tr>
<tr>
<td>International equity securities</td>
<td>$12,748,132</td>
<td>$9,835,936</td>
<td>$38,226,951</td>
<td>$60,811,019</td>
</tr>
<tr>
<td>Real estate funds</td>
<td>$8,337,229</td>
<td>$6,432,664</td>
<td>$25,000,277</td>
<td>$39,770,170</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$66,653,915</td>
<td>$51,427,429</td>
<td>$199,870,537</td>
<td>$317,951,881</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$67,730,115</td>
<td>$52,257,689</td>
<td>$203,098,596</td>
<td>$323,086,400</td>
</tr>
</tbody>
</table>

| **Liabilities**        |                        |                        |                        |             |
| Accounts payable        | $7,843                 | $6,050                 | $23,520                | $37,413     |
| Payable under securities lending program | $1,042,744           | $804,446               | $3,127,736             | $4,974,926  |
| **Total liabilities**   | $1,050,587             | $810,496               | $3,151,256             | $5,012,339  |

| **Net Position**        |                        |                        |                        |             |
| Restricted for pensions:|                        |                        |                        |             |
| Employees' pension benefits | $66,679,528           | $51,447,193            | $199,947,340           | $318,074,061 |
| Employees' postemployment healthcare benefits | -                     | -                      | -                      | -           |
| **Total net position restricted for pension benefits** | $66,679,528           | $51,447,193            | $199,947,340           | $318,074,061 |
| **Total liabilities and net position restricted for pension benefits** | $67,730,115           | $52,257,689            | $203,098,596           | $323,086,400 |
## Combining Statement of Net Position

### Fiduciary Funds

**MUNICIPALITY OF ANCHORAGE, ALASKA**

**Combining Statement of Net Position**

*Fiduciary Funds*

**December 31, 2016**

### Assets

<table>
<thead>
<tr>
<th>Investments, at fair value:</th>
<th>Police/Fire</th>
<th>Medical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in central treasury</td>
<td>$</td>
<td>2,490</td>
<td>$162,083</td>
</tr>
<tr>
<td>Cash, cash equivalents held under securities lending program</td>
<td>4,974,926</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, at fair value:</td>
<td>1,056,174</td>
<td>7,278,688</td>
<td></td>
</tr>
<tr>
<td>U.S. treasuries</td>
<td>5,460,921</td>
<td>5,460,921</td>
<td></td>
</tr>
<tr>
<td>U.S. TIPS</td>
<td>238,947</td>
<td>238,947</td>
<td></td>
</tr>
<tr>
<td>U.S. agencies</td>
<td>2,364,331</td>
<td>2,364,331</td>
<td></td>
</tr>
<tr>
<td>Corporate fixed income securities</td>
<td>-</td>
<td>74,704,183</td>
<td></td>
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<tr>
<td>Fixed income funds</td>
<td>1,187,935</td>
<td>1,187,935</td>
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</tr>
<tr>
<td>Certificate of deposit</td>
<td>3,961,511</td>
<td>3,961,511</td>
<td></td>
</tr>
<tr>
<td>Domestic equity securities</td>
<td>2,170,471</td>
<td>138,614,466</td>
<td></td>
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<tr>
<td>International equity securities</td>
<td>1,408,118</td>
<td>62,219,137</td>
<td></td>
</tr>
<tr>
<td>Real estate funds</td>
<td>-</td>
<td>39,770,170</td>
<td></td>
</tr>
<tr>
<td>Total investments</td>
<td>17,848,408</td>
<td>335,800,289</td>
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</tr>
<tr>
<td>Total assets</td>
<td>17,850,988</td>
<td>340,937,298</td>
<td></td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Accounts payable</th>
<th>Police/Fire</th>
<th>Medical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>-</td>
<td>37,413</td>
<td></td>
</tr>
<tr>
<td>Payable under securities lending program</td>
<td>-</td>
<td>4,974,926</td>
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<tr>
<td>Total liabilities</td>
<td>-</td>
<td>5,012,339</td>
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</table>

### Net Position

- **Restricted for pensions:**
  - Employees' pension benefits: $318,074,061
  - Employees' postemployment healthcare benefits: $17,850,898
  - Total net position restricted for pension benefits: $17,850,898

- **Total liabilities and net position restricted for pension benefits:** $340,937,298
### Police/Fire Retirement Pension Trust Funds

<table>
<thead>
<tr>
<th>Additions</th>
<th>Police/Fire Retirement</th>
<th>Police/Fire Retirement</th>
<th>Police/Fire Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions from other funds</td>
<td>$1,546,175</td>
<td>$1,108,376</td>
<td>$4,439,969</td>
</tr>
<tr>
<td>Contributions from employees</td>
<td>-</td>
<td>-</td>
<td>126,119</td>
</tr>
<tr>
<td>Interest</td>
<td>650,801</td>
<td>502,132</td>
<td>1,951,513</td>
</tr>
<tr>
<td>Dividends</td>
<td>523,275</td>
<td>403,737</td>
<td>1,569,119</td>
</tr>
<tr>
<td>Net increase in fair value of investments</td>
<td>4,358,778</td>
<td>3,349,158</td>
<td>12,877,062</td>
</tr>
<tr>
<td>Less: investment expense</td>
<td>(326,448)</td>
<td>(250,764)</td>
<td>(963,848)</td>
</tr>
<tr>
<td>Total additions</td>
<td>6,752,581</td>
<td>5,112,639</td>
<td>19,999,923</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th>Police/Fire Retirement</th>
<th>Police/Fire Retirement</th>
<th>Police/Fire Retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular benefit payments</td>
<td>8,476,620</td>
<td>5,925,180</td>
<td>18,335,110</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>141,852</td>
<td>109,293</td>
<td>423,265</td>
</tr>
<tr>
<td>Total deductions</td>
<td>8,618,472</td>
<td>6,034,473</td>
<td>18,758,375</td>
</tr>
</tbody>
</table>

| Change in net position                        | (1,865,891)             | (921,834)               | 1,241,548               | (1,546,177)             |
| Net position, beginning of year               | 68,545,419              | 52,369,027              | 198,705,792             | 319,620,238             |
| Net position, end of year                     | $66,679,528             | $51,447,193             | $199,947,340            | $318,074,061            |

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*MUNICIPALITY OF ANCHORAGE, ALASKA*

Combining Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2016
## MUNICIPALITY OF ANCHORAGE, ALASKA
### Combining Statement of Changes in Net Position
#### Fiduciary Funds
#### For the year ended December 31, 2016

<table>
<thead>
<tr>
<th>Additions</th>
<th>Police/Fire</th>
<th>Fire</th>
<th>Medical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions from other funds</td>
<td>$3,443,745</td>
<td>$10,538,265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions from employees</td>
<td>-</td>
<td>126,119</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>99,359</td>
<td>3,203,805</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>245,582</td>
<td>2,741,702</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase in fair value of investments</td>
<td>196,773</td>
<td>20,781,771</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: investment expense</td>
<td>-</td>
<td>(1,541,060)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total additions</td>
<td>3,985,459</td>
<td>35,850,602</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deductions</th>
<th>Police/Fire</th>
<th>Fire</th>
<th>Medical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular benefit payments</td>
<td>2,910,099</td>
<td>35,647,009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>34,317</td>
<td>708,727</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total deductions</td>
<td>2,944,416</td>
<td>36,355,736</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Change in net position                                                  | 1,041,043   | (505,134)     |         |       |
| Net position, beginning of year                                         | 16,809,855  | 336,430,093   |         |       |
| Net position, end of year                                               | $17,850,898 | $335,924,959  |         |       |
The **Financial Trend Data** presented in Tables 1-6 is provided to help understand and assess how our financial position has changed over the past five years.

The **Revenue Capacity Data** presented in Tables 7-12 is provided to help understand and assess our ability to generate own-source revenues, such as property taxes.

The **Debt Capacity Data** presented in Tables 13-17 is provided to help understand and assess our debt burden and ability to issue additional debt in the future.

The **Demographic and Economic Information** presented in Tables 18-19 is provided to help understand our demographic and economic environment and facilitate comparisons of financial statement information over time.

The **Operating Information** presented in Tables 20-21 is provided to help understand our operations and resources as well as provide a context for understanding and assessing our economic condition.
# MUNICIPALITY OF ANCHORAGE, ALASKA

## Net Position by Component

### Last Ten Fiscal Years

(accrual basis of accounting)

### Table 1

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$2,809,346,703</td>
<td>$2,753,762,553</td>
<td>$2,712,415,165</td>
<td>$2,645,081,616</td>
<td>$2,637,488,499</td>
<td>$2,690,946,874</td>
<td>$2,689,939,470</td>
<td>$2,620,279,025</td>
<td>$2,549,539,076</td>
</tr>
<tr>
<td>Restricted</td>
<td>246,631,274</td>
<td>252,408,288</td>
<td>226,230,204</td>
<td>221,075,432</td>
<td>206,054,655</td>
<td>184,705,421</td>
<td>175,099,975</td>
<td>165,637,114</td>
<td>168,742,562</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(273,896,524)</td>
<td>(185,258,144)</td>
<td>135,703,277</td>
<td>123,707,347</td>
<td>105,856,844</td>
<td>58,377,890</td>
<td>18,194,337</td>
<td>35,463,284</td>
<td>(103,725,438)</td>
</tr>
<tr>
<td>Total governmental activities net position</td>
<td>2,782,081,453</td>
<td>2,820,912,697</td>
<td>3,074,348,646</td>
<td>3,041,224,261</td>
<td>2,974,843,618</td>
<td>2,928,060,764</td>
<td>2,924,424,739</td>
<td>2,873,770,921</td>
<td>2,824,484,871</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$639,217,895</td>
<td>$613,548,627</td>
<td>$629,847,882</td>
<td>$493,665,151</td>
<td>$525,892,917</td>
<td>$499,643,067</td>
<td>$453,327,512</td>
<td>$419,148,666</td>
<td>$430,705,921</td>
</tr>
<tr>
<td>Restricted</td>
<td>30,709,991</td>
<td>24,846,151</td>
<td>22,000,520</td>
<td>77,596,655</td>
<td>184,402,233</td>
<td>182,771,686</td>
<td>166,914,727</td>
<td>136,376,232</td>
<td>113,883,731</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>105,289,700</td>
<td>90,520,085</td>
<td>153,743,558</td>
<td>48,518,667</td>
<td>42,089,727</td>
<td>76,809,449</td>
<td>80,917,057</td>
<td>61,571,494</td>
<td>54,823,246</td>
</tr>
<tr>
<td>Total business-type activities net position</td>
<td>775,217,586</td>
<td>728,914,863</td>
<td>755,656,716</td>
<td>725,005,364</td>
<td>758,813,837</td>
<td>724,504,480</td>
<td>697,051,688</td>
<td>636,441,955</td>
<td>596,161,146</td>
</tr>
<tr>
<td><strong>Total primary government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

- In 2015, we implemented GASB 68 "Accounting and Reporting for Pension Plans", which added significant liabilities to the Statement of Net Position. These liabilities caused a large swing in Unrestricted Net Position for Governmental Activities.

- In 2007, Anchorage Community Development Authority (ACDA) and Alaska Center for the Performing Arts (ACPA) were reclassified from blended component units to discretely presented component units. As a result, the ACDA and ACPA net position will not be included as part of the totals for 2007 and subsequent years.

- In 2007, the Cooperative Services Authority was reclassified from a discretely presented component unit to a blended component unit.

- Net position for 2007 Business-type activities have been restated for a prior period adjustment to the Port.

Source: Municipality of Anchorage, Finance Department
### Table 2

#### Change in Net Position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public works</td>
<td>91,116,000</td>
<td>90,595,542</td>
<td>111,694,564</td>
<td>99,892,660</td>
<td>85,163,740</td>
<td>80,989,860</td>
<td>56,127,232</td>
<td>107,527,253</td>
<td>78,337,320</td>
<td>80,368,055</td>
</tr>
<tr>
<td><strong>Interest on long-term debt</strong></td>
<td>22,793,843</td>
<td>19,782,373</td>
<td>24,517,693</td>
<td>25,530,454</td>
<td>26,120,599</td>
<td>29,132,941</td>
<td>28,201,071</td>
<td>29,600,473</td>
<td>29,822,096</td>
<td>29,613,108</td>
</tr>
<tr>
<td><strong>Total governmental activities expenses</strong></td>
<td>843,722,737</td>
<td>830,648,954</td>
<td>826,542,686</td>
<td>787,246,416</td>
<td>772,105,201</td>
<td>765,765,210</td>
<td>709,492,121</td>
<td>760,831,764</td>
<td>699,389,837</td>
<td>663,877,339</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>171,654,101</td>
<td>152,868,514</td>
<td>123,896,740</td>
<td>109,982,575</td>
<td>110,603,719</td>
<td>126,040,240</td>
<td>122,331,031</td>
<td>105,530,769</td>
<td>90,760,462</td>
<td>78,901,165</td>
</tr>
<tr>
<td>Port</td>
<td>21,755,534</td>
<td>26,544,273</td>
<td>16,657,324</td>
<td>12,346,924</td>
<td>11,840,713</td>
<td>11,489,233</td>
<td>10,518,074</td>
<td>11,105,399</td>
<td>11,533,424</td>
<td>10,710,625</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>9,997,351</td>
<td>9,109,248</td>
<td>18,124,824</td>
<td>18,285,807</td>
<td>18,973,897</td>
<td>17,233,393</td>
<td>16,177,197</td>
<td>16,326,313</td>
<td>15,555,914</td>
<td>17,261,224</td>
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<tr>
<td>Refuse</td>
<td>19,913,585</td>
<td>21,710,342</td>
<td>8,566,651</td>
<td>8,649,190</td>
<td>8,202,213</td>
<td>8,179,402</td>
<td>7,816,221</td>
<td>7,367,979</td>
<td>6,548,379</td>
<td>6,548,379</td>
</tr>
<tr>
<td><strong>Cooperative Services Authority -</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,314,503</td>
</tr>
<tr>
<td><strong>Total primary government expenses</strong></td>
<td>1,163,363,312</td>
<td>1,133,605,032</td>
<td>1,074,893,537</td>
<td>1,004,132,508</td>
<td>974,027,244</td>
<td>944,968,656</td>
<td>899,905,353</td>
<td>964,864,753</td>
<td>904,934,975</td>
<td>846,592,759</td>
</tr>
<tr>
<td><strong>Business-type activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>344,715,199</td>
<td>329,065,077</td>
<td>303,954,145</td>
<td>274,433,389</td>
<td>270,360,439</td>
<td>272,433,943</td>
<td>270,360,439</td>
<td>272,754,831</td>
<td>218,856,258</td>
<td></td>
</tr>
</tbody>
</table>

### Notes
- Table 3 provides more detailed information on the revenue and expenses.
## General Revenues and Other Changes in Net Position:

### Governmental Activities:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>528,814,024</td>
<td>507,725,344</td>
<td>497,351,213</td>
<td>493,148,928</td>
</tr>
<tr>
<td>2015</td>
<td>490,581,658</td>
<td>479,409,921</td>
<td>461,906,542</td>
<td>435,202,824</td>
</tr>
<tr>
<td>2014</td>
<td>381,995,766</td>
<td>368,532,684</td>
<td>358,523,684</td>
<td>345,523,684</td>
</tr>
<tr>
<td>2013</td>
<td>558,693,419</td>
<td>557,960,519</td>
<td>557,960,519</td>
<td>557,960,519</td>
</tr>
<tr>
<td>2010</td>
<td>483,866,021</td>
<td>483,866,021</td>
<td>483,866,021</td>
<td>483,866,021</td>
</tr>
<tr>
<td>2009</td>
<td>489,866,021</td>
<td>489,866,021</td>
<td>489,866,021</td>
<td>489,866,021</td>
</tr>
<tr>
<td>2008</td>
<td>37,081,529</td>
<td>37,081,529</td>
<td>37,081,529</td>
<td>37,081,529</td>
</tr>
</tbody>
</table>

### Business-type Activities:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5,724,649</td>
<td>4,067,761</td>
<td>4,539,450</td>
<td>2,089,947</td>
</tr>
<tr>
<td>2015</td>
<td>5,662,131</td>
<td>6,071,914</td>
<td>8,457,540</td>
<td>5,928,490</td>
</tr>
<tr>
<td>2014</td>
<td>1,796,671</td>
<td>2,934,595</td>
<td>2,581,621</td>
<td>1,716,012</td>
</tr>
<tr>
<td>2013</td>
<td>6,157,625</td>
<td>4,097,662</td>
<td>4,097,662</td>
<td>4,097,662</td>
</tr>
<tr>
<td>2012</td>
<td>2,042,141</td>
<td>2,573,196</td>
<td>2,573,196</td>
<td>2,573,196</td>
</tr>
<tr>
<td>2011</td>
<td>2,581,621</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
</tr>
<tr>
<td>2010</td>
<td>2,934,595</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
</tr>
<tr>
<td>2009</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
</tr>
<tr>
<td>2008</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
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<tr>
<td>2007</td>
<td>6,071,914</td>
<td>6,071,914</td>
<td>6,071,914</td>
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</tr>
</tbody>
</table>

### Change in Net Position:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
<th>As Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7,477,417</td>
<td>12,303,055</td>
<td>69,487,400</td>
<td>32,572,170</td>
</tr>
<tr>
<td>2015</td>
<td>88,136,733</td>
<td>30,206,542</td>
<td>311,203,055</td>
<td>79,566,859</td>
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<tr>
<td>2014</td>
<td>25,293,405</td>
<td>37,081,529</td>
<td>37,081,529</td>
<td>37,081,529</td>
</tr>
</tbody>
</table>

### Notes:

In 2007, Alaska Community Development Authority (ACDA) and Alaska Center for the Performing Arts (ACPA) were reclassified from blended component units to discretely presented component units. As a result, the ACDA and ACPA expenses, revenues, and net position will be presented separately.

In 2007, the Cooperative Services Authority was reclassified from a discretely presented component unit to a blended component unit.

Source: Municipality of Anchorage, Finance Department.
### Program revenues - charges for services:

#### Governmental activities:

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<tbody>
<tr>
<td>General government</td>
<td>$7,397,112</td>
<td>$7,085,977</td>
<td>$7,264,871</td>
<td>$7,901,979</td>
<td>$7,306,404</td>
<td>$9,497,748</td>
<td>$7,565,683</td>
<td>$6,519,429</td>
<td>$8,176,803</td>
<td>$13,310,411</td>
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<td>Fire services</td>
<td>11,218,269</td>
<td>12,282,488</td>
<td>11,174,742</td>
<td>8,547,852</td>
<td>8,347,086</td>
<td>8,224,213</td>
<td>7,494,561</td>
<td>7,511,666</td>
<td>8,864,033</td>
<td>8,267,074</td>
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<td>Police services</td>
<td>11,883,107</td>
<td>13,601,445</td>
<td>14,623,458</td>
<td>14,481,855</td>
<td>14,227,236</td>
<td>22,021,740</td>
<td>18,521,825</td>
<td>17,866,612</td>
<td>18,649,891</td>
<td>21,147,627</td>
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<td>Health and human services</td>
<td>2,606,170</td>
<td>2,798,396</td>
<td>2,803,642</td>
<td>2,411,024</td>
<td>2,932,137</td>
<td>4,022,702</td>
<td>3,680,732</td>
<td>3,748,435</td>
<td>3,669,266</td>
<td>3,715,952</td>
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<tr>
<td>Economic &amp; community development</td>
<td>2,566,183</td>
<td>4,200,935</td>
<td>4,689,244</td>
<td>4,998,090</td>
<td>5,036,711</td>
<td>4,369,182</td>
<td>5,875,611</td>
<td>5,875,077</td>
<td>5,406,449</td>
<td>7,666,960</td>
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<tr>
<td>Public transportation</td>
<td>4,387,796</td>
<td>4,804,523</td>
<td>5,243,968</td>
<td>5,227,218</td>
<td>5,140,290</td>
<td>4,659,923</td>
<td>5,875,611</td>
<td>5,875,077</td>
<td>5,406,449</td>
<td>7,666,960</td>
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<tr>
<td>Public works</td>
<td>9,421,991</td>
<td>12,821,050</td>
<td>14,389,898</td>
<td>14,426,299</td>
<td>10,423,089</td>
<td>8,669,482</td>
<td>9,202,667</td>
<td>8,256,833</td>
<td>15,136,381</td>
<td>15,136,381</td>
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<tr>
<td>Maintenance and operations of roads and facilities</td>
<td>318,988</td>
<td>233,380</td>
<td>645,552</td>
<td>367,072</td>
<td>170,343</td>
<td>191,729</td>
<td>191,534</td>
<td>319,034</td>
<td>202,171</td>
<td>744,928</td>
</tr>
<tr>
<td>Total governmental activities</td>
<td>49,799,616</td>
<td>57,828,194</td>
<td>60,835,375</td>
<td>56,205,544</td>
<td>57,586,506</td>
<td>55,518,183</td>
<td>57,770,833</td>
<td>73,976,441</td>
<td>73,976,441</td>
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</table>

#### Business-type activities:

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>179,751,959</td>
<td>164,910,039</td>
<td>142,382,804</td>
<td>120,158,837</td>
<td>139,609,558</td>
<td>131,520,920</td>
<td>120,008,455</td>
<td>108,272,636</td>
<td>100,603,033</td>
<td>100,603,033</td>
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<td>Port</td>
<td>13,975,856</td>
<td>13,861,999</td>
<td>12,099,083</td>
<td>11,701,746</td>
<td>11,819,075</td>
<td>11,452,966</td>
<td>11,140,822</td>
<td>12,574,534</td>
<td>11,768,704</td>
<td>11,768,704</td>
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<tr>
<td>Solid waste</td>
<td>11,112,587</td>
<td>10,996,962</td>
<td>9,957,169</td>
<td>8,298,137</td>
<td>9,549,697</td>
<td>8,197,151</td>
<td>9,007,456</td>
<td>18,197,048</td>
<td>15,493,404</td>
<td>15,493,404</td>
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<tr>
<td>Refuse</td>
<td>22,898,337</td>
<td>22,601,619</td>
<td>10,754,905</td>
<td>8,807,046</td>
<td>8,787,550</td>
<td>8,209,754</td>
<td>8,744,034</td>
<td>8,515,349</td>
<td>8,013,803</td>
<td>7,177,811</td>
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<tr>
<td>Municipal airport</td>
<td>1,512,527</td>
<td>1,507,979</td>
<td>1,449,228</td>
<td>1,406,032</td>
<td>6,051,859</td>
<td>1,340,577</td>
<td>1,227,073</td>
<td>1,236,229</td>
<td>1,289,585</td>
<td>1,235,026</td>
</tr>
<tr>
<td>Cooperative Services Authority</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>642,496</td>
<td>549,480</td>
</tr>
<tr>
<td>Total business-type activities</td>
<td>344,715,159</td>
<td>329,065,077</td>
<td>303,945,154</td>
<td>274,454,359</td>
<td>279,360,413</td>
<td>275,133,149</td>
<td>260,970,568</td>
<td>245,176,485</td>
<td>227,754,831</td>
<td>215,868,228</td>
</tr>
</tbody>
</table>

**Notes:**

In 2007, the Anchorage Community Development Authority and the Alaska Center for the Performing Arts were reclassified from blended component units to discretely presented component units.

In 2007, the Cooperative Services Authority was reclassified from a discretely presented component unit to a blended component unit. In 2008, the Cooperative Services Authority was dissolved.

Source: Municipality of Anchorage, Finance Department.
### Table 4

#### Fund Balances - Governmental Funds

**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Resated 2010</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserved</strong></td>
<td>$3,861,505</td>
<td>$1,297,581</td>
<td>$1,210,130</td>
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</tr>
<tr>
<td><strong>Unreserved - designated</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Unreserved - undesignated</strong></td>
<td>8,256,412</td>
<td>4,988,645</td>
<td>12,529,965</td>
<td></td>
</tr>
<tr>
<td><strong>Total general funds</strong></td>
<td>45,197,068</td>
<td>26,068,390</td>
<td>42,393,363</td>
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</tr>
<tr>
<td><strong>Reserved</strong></td>
<td>-</td>
<td>210,745,488</td>
<td>228,973,762</td>
<td></td>
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<tr>
<td><strong>Unreserved - designated</strong></td>
<td>-</td>
<td>23,300,577</td>
<td>20,655,423</td>
<td></td>
</tr>
<tr>
<td><strong>Unreserved - undesignated, reported in:</strong></td>
<td>964,232</td>
<td>752,158</td>
<td>837,020</td>
<td></td>
</tr>
<tr>
<td><strong>Special revenue funds</strong></td>
<td>-</td>
<td>554,232</td>
<td>752,158</td>
<td></td>
</tr>
<tr>
<td><strong>Capital project funds</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total all other governmental funds</strong></td>
<td>203,388,473</td>
<td>228,760,745</td>
<td>349,021,071</td>
<td></td>
</tr>
<tr>
<td><strong>Unreserved - undesignated, reported in:</strong></td>
<td>8,256,412</td>
<td>4,988,645</td>
<td>12,529,965</td>
<td></td>
</tr>
<tr>
<td><strong>General fund</strong></td>
<td>8,256,412</td>
<td>4,988,645</td>
<td>12,529,965</td>
<td></td>
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<tr>
<td><strong>Special revenue funds</strong></td>
<td>554,232</td>
<td>752,158</td>
<td>837,020</td>
<td></td>
</tr>
<tr>
<td><strong>Total governmental funds fund balance</strong></td>
<td>$248,585,541</td>
<td>$254,829,135</td>
<td>$351,374,334</td>
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</tbody>
</table>

### Post GASB 54 Presentation

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>As Resated 2010</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nonspendable</strong></td>
<td>$2,295,758</td>
<td>$2,651,599</td>
<td>$3,530,115</td>
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<tr>
<td><strong>Restricted</strong></td>
<td>11,468</td>
<td>11,818</td>
<td>189,145</td>
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<tr>
<td><strong>Committed</strong></td>
<td>41,615,564</td>
<td>40,024,969</td>
<td>40,811,180</td>
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<tr>
<td><strong>Assigned</strong></td>
<td>7,242,461</td>
<td>9,162,796</td>
<td>12,733,971</td>
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</tr>
<tr>
<td><strong>Unassigned</strong></td>
<td>203,388,473</td>
<td>228,760,745</td>
<td>349,021,071</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
<td>147,548,268</td>
<td>144,484,348</td>
<td>148,990,379</td>
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<tr>
<td><strong>Total MDA trust fund</strong></td>
<td>144,181,374</td>
<td>127,632,976</td>
<td>116,757,912</td>
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</tr>
<tr>
<td><strong>Restricted</strong></td>
<td>17,231,749</td>
<td>21,374,727</td>
<td>3,126,957</td>
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</tr>
<tr>
<td><strong>Committed</strong></td>
<td>984,651</td>
<td>261,385</td>
<td>301,187</td>
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</tr>
<tr>
<td><strong>Assigned</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Unassigned (deficit)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total capital projects roads &amp; drainage fund</strong></td>
<td>18,216,400</td>
<td>21,636,112</td>
<td>3,428,144</td>
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<tr>
<td><strong>Nonspendable</strong></td>
<td>755,039</td>
<td>1,048,604</td>
<td>1,180,030</td>
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<tr>
<td><strong>Restricted</strong></td>
<td>88,969,782</td>
<td>90,917,166</td>
<td>83,244,307</td>
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<tr>
<td><strong>Committed</strong></td>
<td>19,044,328</td>
<td>18,575,285</td>
<td>18,444,025</td>
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<tr>
<td><strong>Assigned</strong></td>
<td>21,918,179</td>
<td>24,638,722</td>
<td>25,659,464</td>
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</tr>
<tr>
<td><strong>Unassigned (deficit)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total other governmental funds</strong></td>
<td>126,025,189</td>
<td>135,123,889</td>
<td>123,470,858</td>
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<tr>
<td><strong>Nonspendable</strong></td>
<td>3,050,797</td>
<td>3,700,203</td>
<td>4,710,145</td>
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<tr>
<td><strong>Restricted</strong></td>
<td>253,761,267</td>
<td>256,788,122</td>
<td>235,550,788</td>
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<tr>
<td><strong>Committed</strong></td>
<td>61,644,543</td>
<td>58,861,639</td>
<td>59,556,392</td>
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<tr>
<td><strong>Assigned</strong></td>
<td>29,160,640</td>
<td>33,801,508</td>
<td>38,393,435</td>
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<tr>
<td><strong>Unassigned</strong></td>
<td>11,231,437</td>
<td>31,730,532</td>
<td>18,393,489</td>
<td></td>
</tr>
<tr>
<td><strong>Total governmental funds fund balance</strong></td>
<td>$356,864,084</td>
<td>$354,282,074</td>
<td>$356,004,249</td>
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</tr>
</tbody>
</table>

**Notes:**
In 2011, the Municipality adopted a fund balance designation policy to support the municipal bond rating. This designation is 10.0% of prior year revenues.

In 2011, the Municipality adopted a fund balance designation policy to mitigate the risk of funding shortfalls, stabilize tax rates, and to facilitate long-range planning. The "working capital reserve" is within a range of 2% to 3% of prior year revenues and is calculated after the 10.0% bond rating designation.

In 2011, the Municipality implemented GASB 54 - Fund Balance Reporting and Governmental Fund Type Definitions. This changed the presentation of fund balance for Governmental Funds. Fund Balance for 2010 was restated using the new presentation in order to accurately present the 2011 fund balance.

Source: Municipality of Anchorage, Finance Department.
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>766,146,601</td>
<td>817,266,590</td>
<td>818,126,279</td>
<td>806,572,945</td>
<td>787,795,058</td>
<td>726,283,136</td>
<td>730,395,055</td>
<td>771,152,338</td>
<td>626,778,032</td>
<td>625,345,689</td>
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<tr>
<td><strong>Expenditures</strong></td>
<td>845,091,194</td>
<td>874,765,606</td>
<td>869,826,826</td>
<td>833,303,363</td>
<td>811,609,357</td>
<td>780,555,197</td>
<td>759,822,638</td>
<td>801,245,648</td>
<td>821,838,129</td>
<td>750,485,309</td>
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<tr>
<td><strong>Deficiencies of revenues over expenditures</strong></td>
<td>(78,944,593)</td>
<td>(57,499,016)</td>
<td>(51,700,547)</td>
<td>(28,227,348)</td>
<td>(23,814,229)</td>
<td>(14,472,853)</td>
<td>(17,380,201)</td>
<td>(19,977,361)</td>
<td>(19,047,500)</td>
<td>(125,139,020)</td>
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<td><strong>Transfers in</strong></td>
<td>52,766,641</td>
<td>56,880,063</td>
<td>52,648,722</td>
<td>56,375,764</td>
<td>52,186,974</td>
<td>52,622,964</td>
<td>47,683,059</td>
<td>56,159,016</td>
<td>71,752,640</td>
<td>54,830,000</td>
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<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
<td>47,630,377</td>
</tr>
<tr>
<td><strong>Bonds issued</strong></td>
<td>24,870,000</td>
<td>256,880,000</td>
<td>122,600,001</td>
<td>-</td>
<td>53,785,000</td>
<td>52,298,250</td>
<td>78,610,000</td>
<td>-</td>
<td>60,000,000</td>
<td>54,630,000</td>
</tr>
<tr>
<td><strong>Premium on bonds</strong></td>
<td>2,672,823</td>
<td>31,361,323</td>
<td>21,857,443</td>
<td>-</td>
<td>7,875,284</td>
<td>796,626</td>
<td>945,968</td>
<td>-</td>
<td>788,975</td>
<td>1,681,507</td>
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<tr>
<td><strong>Payment to bond escrow agent</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>235,296,377</td>
<td>97,023,536</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Loan Proceeds</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>507,250</td>
<td>-</td>
<td>175,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Insurance recoveries</strong></td>
<td>253,654</td>
<td>404,235</td>
<td>349,533</td>
<td>133,596</td>
<td>194,229</td>
<td>96,076</td>
<td>-</td>
<td>133,334</td>
<td>38,720</td>
<td>22,316</td>
</tr>
<tr>
<td><strong>Sale of capital assets</strong></td>
<td>2,288,993</td>
<td>282,180</td>
<td>718,971</td>
<td>6,386,450</td>
<td>3,431,355</td>
<td>193,831</td>
<td>98,627</td>
<td>990,835</td>
<td>1,152,346</td>
<td>1,071,446</td>
</tr>
<tr>
<td><strong>Net change in fund balances</strong></td>
<td>-</td>
<td>24,870,000</td>
<td>122,600,000</td>
<td>-</td>
<td>53,785,000</td>
<td>52,298,250</td>
<td>78,610,000</td>
<td>-</td>
<td>60,000,000</td>
<td>54,630,000</td>
</tr>
</tbody>
</table>
| **Source**: Municipality of Anchorage, Finance Department
## Table 6: Debt Service as a Percentage of Noncapital Expenditures Last Ten Fiscal Years (modified accrual basis of accounting)

<table>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>General government</td>
<td>$26,997,386</td>
<td>$28,141,406</td>
<td>$29,547,245</td>
<td>$22,490,280</td>
<td>$20,596,164</td>
<td>$21,982,842</td>
<td>$17,931,545</td>
<td>$21,529,868</td>
<td>$25,049,556</td>
<td>$25,927,198</td>
</tr>
<tr>
<td>Fire services</td>
<td>$106,657,739</td>
<td>$111,060,154</td>
<td>$111,777,871</td>
<td>$103,203,797</td>
<td>$95,195,623</td>
<td>$90,765,653</td>
<td>$83,670,491</td>
<td>$76,265,286</td>
<td>$76,322,626</td>
<td>$69,692,211</td>
</tr>
<tr>
<td>Police services</td>
<td>$124,352,080</td>
<td>$130,875,103</td>
<td>$132,839,308</td>
<td>$129,813,796</td>
<td>$115,967,228</td>
<td>$111,510,172</td>
<td>$102,926,771</td>
<td>$99,974,274</td>
<td>$101,537,582</td>
<td>$90,424,063</td>
</tr>
<tr>
<td>Health and human services</td>
<td>$22,596,193</td>
<td>$24,669,526</td>
<td>$25,650,935</td>
<td>$23,742,769</td>
<td>$24,115,392</td>
<td>$26,823,415</td>
<td>$25,144,569</td>
<td>$26,589,623</td>
<td>$25,953,139</td>
<td>$25,043,484</td>
</tr>
<tr>
<td>Economic and community development</td>
<td>$55,273,949</td>
<td>$54,666,205</td>
<td>$53,875,368</td>
<td>$46,870,085</td>
<td>$58,099,851</td>
<td>$60,986,155</td>
<td>$63,627,692</td>
<td>$62,988,984</td>
<td>$61,635,730</td>
<td>$54,158,211</td>
</tr>
<tr>
<td>Public transportation</td>
<td>$28,817,286</td>
<td>$30,758,931</td>
<td>$31,549,000</td>
<td>$30,396,121</td>
<td>$30,241,731</td>
<td>$28,169,896</td>
<td>$21,556,120</td>
<td>$22,220,628</td>
<td>$24,625,761</td>
<td>$21,512,366</td>
</tr>
<tr>
<td>Education</td>
<td>$243,841,632</td>
<td>$240,239,749</td>
<td>$240,752,791</td>
<td>$241,279,103</td>
<td>$238,519,174</td>
<td>$240,834,968</td>
<td>$235,125,354</td>
<td>$231,378,123</td>
<td>$212,266,737</td>
<td>$200,028,978</td>
</tr>
<tr>
<td>Maintenance and operations of roads and facilities</td>
<td>$32,812,383</td>
<td>$31,942,531</td>
<td>$34,338,414</td>
<td>$32,977,338</td>
<td>$35,482,336</td>
<td>$33,805,423</td>
<td>$34,484,210</td>
<td>$32,752,300</td>
<td>$35,830,185</td>
<td>$29,719,944</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>$111,904,034</td>
<td>$126,268,390</td>
<td>$105,785,105</td>
<td>$108,418,035</td>
<td>$98,660,248</td>
<td>$98,860,368</td>
<td>$98,460,368</td>
<td>$99,554,216</td>
<td>$104,733,796</td>
<td>$104,733,796</td>
</tr>
</tbody>
</table>

| Total expenditures | $845,091,194 | $874,858,500 | $860,206,293 | $833,303,393 | $783,935,933 | $759,339,313 | $707,835,937 | $748,839,313 | $798,839,313 | $770,320,937 |

| Less: | | | | | | | | | | |

| Amounts capitalized | $61,107,861 | $66,945,373 | $88,101,829 | $94,876,893 | $72,281,715 | $75,492,017 | $63,431,917 | $69,431,917 | $69,400,017 | $69,400,017 |


| Debt service as a percentage of non-capital expenditures | 8.09% | 8.38% | 7.72% | 7.72% | 8.51% | 8.22% | 8.51% | 8.05% | 8.96% | 9.10% |

Source: Municipality of Anchorage, Finance Department
### Table 7: Tax Revenue by Source- Governmental Funds (modified accrual basis of accounting)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Motor Real Property</th>
<th>Motor Personal Property</th>
<th>Motor Vehicle</th>
<th>Hotel - Rental</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>478,505,375</td>
<td>45,722,887</td>
<td>11,485,431</td>
<td>6,054,818</td>
<td>591,770,791</td>
</tr>
<tr>
<td>2015</td>
<td>458,731,864</td>
<td>48,522,246</td>
<td>11,712,417</td>
<td>5,800,051</td>
<td>577,857,260</td>
</tr>
<tr>
<td>2014</td>
<td>446,813,325</td>
<td>48,181,620</td>
<td>11,818,369</td>
<td>5,637,102</td>
<td>562,361,176</td>
</tr>
<tr>
<td>2013</td>
<td>443,778,926</td>
<td>46,571,533</td>
<td>11,448,632</td>
<td>5,265,282</td>
<td>555,942,305</td>
</tr>
<tr>
<td>2012</td>
<td>437,675,314</td>
<td>48,684,789</td>
<td>11,303,053</td>
<td>4,817,450</td>
<td>552,001,283</td>
</tr>
<tr>
<td>2011</td>
<td>436,812,135</td>
<td>42,069,391</td>
<td>11,448,632</td>
<td>4,700,829</td>
<td>532,492,105</td>
</tr>
<tr>
<td>2010</td>
<td>426,969,356</td>
<td>47,371,702</td>
<td>4,881,941</td>
<td>4,704,001</td>
<td>525,472,332</td>
</tr>
<tr>
<td>2009</td>
<td>414,139,893</td>
<td>43,437,488</td>
<td>4,700,829</td>
<td>4,075,828</td>
<td>504,375,926</td>
</tr>
<tr>
<td>2008</td>
<td>393,226,611</td>
<td>37,984,281</td>
<td>5,183,112</td>
<td>4,388,142</td>
<td>484,207,338</td>
</tr>
<tr>
<td>2007</td>
<td>342,486,565</td>
<td>35,067,327</td>
<td>5,156,698</td>
<td>3,075,828</td>
<td>427,597,302</td>
</tr>
</tbody>
</table>

**Notes:**

1) Excise tax on marijuana revenue created in 2016

**Source:** Municipality of Anchorage, Finance Department.
Use of Property Taxes  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>242,707,116</td>
<td>47,756</td>
<td>5,082</td>
<td>284,581,494</td>
<td>299,037</td>
<td>952</td>
<td>527,288,610</td>
</tr>
<tr>
<td>2015</td>
<td>239,410,965</td>
<td>47,562</td>
<td>5,034</td>
<td>267,221,678</td>
<td>298,908</td>
<td>894</td>
<td>506,632,643</td>
</tr>
<tr>
<td>2014</td>
<td>236,498,047</td>
<td>47,770</td>
<td>4,951</td>
<td>267,464,583</td>
<td>300,549</td>
<td>890</td>
<td>503,962,630</td>
</tr>
<tr>
<td>2013</td>
<td>236,691,495</td>
<td>48,493</td>
<td>4,881</td>
<td>253,218,733</td>
<td>301,134</td>
<td>841</td>
<td>489,910,228</td>
</tr>
<tr>
<td>2012</td>
<td>238,775,383</td>
<td>48,422</td>
<td>4,931</td>
<td>247,584,720</td>
<td>298,842</td>
<td>828</td>
<td>486,360,103</td>
</tr>
<tr>
<td>2011</td>
<td>236,173,709</td>
<td>48,613</td>
<td>4,858</td>
<td>242,707,817</td>
<td>296,197</td>
<td>819</td>
<td>478,881,526</td>
</tr>
<tr>
<td>2009</td>
<td>225,459,645</td>
<td>48,227</td>
<td>4,675</td>
<td>232,117,736</td>
<td>290,588</td>
<td>799</td>
<td>457,577,381</td>
</tr>
<tr>
<td>2008</td>
<td>212,165,785</td>
<td>48,144</td>
<td>4,407</td>
<td>219,045,107</td>
<td>284,994</td>
<td>769</td>
<td>431,210,892</td>
</tr>
<tr>
<td>2007</td>
<td>198,981,074</td>
<td>48,707</td>
<td>4,085</td>
<td>178,572,818</td>
<td>283,823</td>
<td>629</td>
<td>377,553,892</td>
</tr>
</tbody>
</table>

Notes:  
(1) Anchorage School District Enrollment includes half-day kindergarten program reported as one-half time.

Source: Municipality of Anchorage Finance Department; Anchorage School District Annual Financial Reports; and the U.S. Census Bureau.
## Table 9
MUNICIPALITY OF ANCHORAGE, ALASKA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Residential Property</th>
<th>Commercial Property</th>
<th>Total Real Property</th>
<th>Personal Real Property</th>
<th>Taxable Assessed Value</th>
<th>Tax Rate (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>21,626,494,295</td>
<td>10,109,822,456</td>
<td>31,736,316,751</td>
<td>3,302,128,224</td>
<td>35,038,444,975</td>
<td>6.70</td>
</tr>
<tr>
<td>2013</td>
<td>19,844,447,084</td>
<td>9,394,322,157</td>
<td>29,238,769,241</td>
<td>3,072,941,642</td>
<td>32,311,710,883</td>
<td>6.92</td>
</tr>
<tr>
<td>2012</td>
<td>19,617,776,607</td>
<td>9,152,490,728</td>
<td>28,770,267,335</td>
<td>2,944,070,041</td>
<td>31,714,337,376</td>
<td>7.28</td>
</tr>
<tr>
<td>2011</td>
<td>19,734,533,714</td>
<td>9,095,615,110</td>
<td>28,830,148,824</td>
<td>2,766,391,727</td>
<td>31,596,540,551</td>
<td>7.61</td>
</tr>
<tr>
<td>2010</td>
<td>19,538,749,838</td>
<td>8,982,605,974</td>
<td>28,521,355,812</td>
<td>2,942,321,080</td>
<td>31,463,676,892</td>
<td>7.89</td>
</tr>
<tr>
<td>2009</td>
<td>19,669,462,275</td>
<td>8,964,468,173</td>
<td>28,633,930,448</td>
<td>2,819,418,266</td>
<td>31,453,348,714</td>
<td>7.10</td>
</tr>
<tr>
<td>2008</td>
<td>19,467,058,556</td>
<td>8,706,338,583</td>
<td>28,173,397,139</td>
<td>2,407,424,007</td>
<td>30,580,821,146</td>
<td>6.80</td>
</tr>
<tr>
<td>2007</td>
<td>18,938,470,451</td>
<td>7,771,561,687</td>
<td>26,710,032,138</td>
<td>2,559,073,381</td>
<td>29,269,105,519</td>
<td>7.02</td>
</tr>
</tbody>
</table>

Notes: Municipality of Anchorage assesses properties at 100% of estimated actual value.

Source: Municipality of Anchorage, Property Appraisal Division.
## MUNICIPALITY OF ANCHORAGE, ALASKA

**Property Tax Rates**  
Last Ten Fiscal Years  
(rate per $1,000 assessed value)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Areawide:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>0.15</td>
<td>(0.14)</td>
<td>(0.35)</td>
<td>(0.43)</td>
<td>(0.29)</td>
<td>0.09</td>
<td>0.45</td>
<td>0.49</td>
<td>0.37</td>
<td>0.23</td>
</tr>
<tr>
<td>Schools</td>
<td>6.73</td>
<td>6.84</td>
<td>7.06</td>
<td>7.35</td>
<td>7.57</td>
<td>7.52</td>
<td>7.44</td>
<td>7.18</td>
<td>6.94</td>
<td>6.79</td>
</tr>
<tr>
<td>Property Tax Credit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.57)</td>
<td>(0.51)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Areawide</strong></td>
<td>6.88</td>
<td>6.70</td>
<td>6.71</td>
<td>6.92</td>
<td>7.28</td>
<td>7.61</td>
<td>7.89</td>
<td>7.10</td>
<td>6.80</td>
<td>7.02</td>
</tr>
<tr>
<td><strong>Former City Service Area</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chugiak Service Area</td>
<td>1.00</td>
<td>1.00</td>
<td>0.95</td>
<td>1.00</td>
<td>1.00</td>
<td>0.97</td>
<td>0.96</td>
<td>0.97</td>
<td>0.99</td>
<td>1.00</td>
</tr>
<tr>
<td>Glen Alps Service Area</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
<td>2.75</td>
</tr>
<tr>
<td>Girdwood Service Area</td>
<td>4.70</td>
<td>4.08</td>
<td>3.97</td>
<td>4.29</td>
<td>4.14</td>
<td>3.68</td>
<td>3.87</td>
<td>3.83</td>
<td>3.03</td>
<td>4.00</td>
</tr>
<tr>
<td><strong>Former Borough Roads and Drainage Service Area</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.02</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fire Service Area</td>
<td>2.21</td>
<td>2.22</td>
<td>2.44</td>
<td>2.21</td>
<td>2.13</td>
<td>2.09</td>
<td>1.83</td>
<td>1.75</td>
<td>1.77</td>
<td>1.73</td>
</tr>
<tr>
<td>Roads and Drainage Service Area</td>
<td>2.43</td>
<td>2.31</td>
<td>2.36</td>
<td>2.60</td>
<td>2.78</td>
<td>2.46</td>
<td>2.13</td>
<td>2.77</td>
<td>2.60</td>
<td>2.59</td>
</tr>
<tr>
<td><strong>Limited Service Areas</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>1.30</td>
<td>1.30</td>
<td>1.29</td>
<td>1.29</td>
<td>1.29</td>
<td>1.31</td>
<td>1.33</td>
<td>1.33</td>
<td>1.32</td>
<td>1.30</td>
</tr>
<tr>
<td>Anchorage Metropolitan Police Service Area</td>
<td>2.82</td>
<td>2.93</td>
<td>2.95</td>
<td>3.23</td>
<td>2.76</td>
<td>2.70</td>
<td>2.67</td>
<td>2.61</td>
<td>2.56</td>
<td>2.60</td>
</tr>
<tr>
<td>Parks and Recreation Service Area</td>
<td>0.55</td>
<td>0.54</td>
<td>0.59</td>
<td>0.60</td>
<td>0.62</td>
<td>0.62</td>
<td>0.66</td>
<td>0.70</td>
<td>0.85</td>
<td>0.60</td>
</tr>
<tr>
<td>Building Safety Service Area</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Eagle River/Chugiak Parks &amp; Recreation Service Area</td>
<td>0.98</td>
<td>1.03</td>
<td>0.97</td>
<td>0.95</td>
<td>1.00</td>
<td>0.90</td>
<td>0.91</td>
<td>1.05</td>
<td>1.08</td>
<td>1.11</td>
</tr>
</tbody>
</table>

**Notes:**

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

**Source:** Municipality of Anchorage, Assembly Ordinances.
### Table 11

#### MUNICIPALITY OF ANCHORAGE, ALASKA

**Principle Property Tax Payers**  
**Current Year and Nine Years Ago**

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Assessed Value</th>
<th>Percentage of Total Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GCI Communication Corp</td>
<td>$202,364,172</td>
<td>0.56%</td>
</tr>
<tr>
<td>Calais Co Inc</td>
<td>187,609,488</td>
<td>0.52%</td>
</tr>
<tr>
<td>ACS Of Anchorage Inc</td>
<td>169,762,127</td>
<td>0.47%</td>
</tr>
<tr>
<td>Galen Hospital Alaska Inc</td>
<td>144,905,484</td>
<td>0.40%</td>
</tr>
<tr>
<td>Fred Meyer Stores Inc</td>
<td>141,231,772</td>
<td>0.39%</td>
</tr>
<tr>
<td>WEC 2000A-Alaska LLLC</td>
<td>139,492,920</td>
<td>0.39%</td>
</tr>
<tr>
<td>Enstar Natural Gas Company</td>
<td>120,167,915</td>
<td>0.33%</td>
</tr>
<tr>
<td>BP Exploration (Alaska) Inc</td>
<td>115,297,556</td>
<td>0.32%</td>
</tr>
<tr>
<td>Hickel Investment Co</td>
<td>104,038,078</td>
<td>0.29%</td>
</tr>
<tr>
<td>North Anchorage Real Estate</td>
<td>101,971,524</td>
<td>0.28%</td>
</tr>
</tbody>
</table>

$1,426,841,036  3.95%

#### 2007

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Assessed Value</th>
<th>Percentage of Total Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS Of Anchorage Inc</td>
<td>$235,792,781</td>
<td>0.81%</td>
</tr>
<tr>
<td>Fred Meyer Stores Inc</td>
<td>130,784,635</td>
<td>0.45%</td>
</tr>
<tr>
<td>GCI Communication Corp</td>
<td>122,018,289</td>
<td>0.42%</td>
</tr>
<tr>
<td>Calais Company Inc</td>
<td>118,145,504</td>
<td>0.40%</td>
</tr>
<tr>
<td>Galen Hospital Alaska Inc</td>
<td>111,219,490</td>
<td>0.38%</td>
</tr>
<tr>
<td>WEC 2000A-Alaska LLC</td>
<td>96,329,216</td>
<td>0.33%</td>
</tr>
<tr>
<td>BP Exploration (Alaska) Inc</td>
<td>94,672,735</td>
<td>0.32%</td>
</tr>
<tr>
<td>Hickel Investment Co</td>
<td>90,874,907</td>
<td>0.31%</td>
</tr>
<tr>
<td>Enstar Natural Gas Company</td>
<td>89,881,836</td>
<td>0.31%</td>
</tr>
<tr>
<td>Anchorage Fueling &amp; Svc Co</td>
<td>83,151,505</td>
<td>0.28%</td>
</tr>
</tbody>
</table>

$1,172,870,898  4.01%

**Notes:** Assessed values include both real and personal property.

**Source:** Municipality of Anchorage, Property Appraisal Division.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Taxes Levied for the Fiscal Year of the Levy</th>
<th>Amount of Levy</th>
<th>Percentage in Subsequent Years</th>
<th>Total Collections to Date</th>
<th>Amount of Levy</th>
<th>Percentage of Levy</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$527,288,610</td>
<td>$526,731,338</td>
<td>99.89%</td>
<td>$526,081,848</td>
<td>$526,731,338</td>
<td>99.77%</td>
<td>$1,206,762</td>
</tr>
<tr>
<td>2015</td>
<td>$506,632,643</td>
<td>$503,919,262</td>
<td>99.46%</td>
<td>$500,183,519</td>
<td>$503,919,262</td>
<td>98.73%</td>
<td>$6,449,124</td>
</tr>
<tr>
<td>2014</td>
<td>$503,962,630</td>
<td>$500,381,108</td>
<td>99.29%</td>
<td>$493,968,157</td>
<td>$500,381,108</td>
<td>98.02%</td>
<td>$9,994,473</td>
</tr>
<tr>
<td>2013</td>
<td>$480,422,072</td>
<td>$480,393,854</td>
<td>99.99%</td>
<td>$473,028,228</td>
<td>$480,393,854</td>
<td>98.46%</td>
<td>$7,393,844</td>
</tr>
<tr>
<td>2012</td>
<td>$477,009,470</td>
<td>$477,142,831</td>
<td>100.03%</td>
<td>$474,633,139</td>
<td>$477,142,831</td>
<td>99.50%</td>
<td>$2,376,331</td>
</tr>
<tr>
<td>2011</td>
<td>$475,771,921</td>
<td>$470,361,847</td>
<td>98.86%</td>
<td>$475,573,825</td>
<td>$470,361,847</td>
<td>99.96%</td>
<td>$198,096</td>
</tr>
<tr>
<td>2010</td>
<td>$463,732,284</td>
<td>$454,799,895</td>
<td>98.07%</td>
<td>$463,434,402</td>
<td>$454,799,895</td>
<td>99.94%</td>
<td>$297,882</td>
</tr>
<tr>
<td>2009</td>
<td>$438,158,786</td>
<td>$430,346,262</td>
<td>98.22%</td>
<td>$437,867,797</td>
<td>$430,346,262</td>
<td>99.93%</td>
<td>$290,989</td>
</tr>
<tr>
<td>2008</td>
<td>$386,615,505</td>
<td>$378,829,566</td>
<td>97.99%</td>
<td>$386,459,450</td>
<td>$378,829,566</td>
<td>99.96%</td>
<td>$156,055</td>
</tr>
<tr>
<td>2007</td>
<td>$398,955,490</td>
<td>$389,483,559</td>
<td>97.63%</td>
<td>$389,952,479</td>
<td>$389,483,559</td>
<td>100.00%</td>
<td>$3,011</td>
</tr>
</tbody>
</table>

Source: Municipality of Anchorage, Treasury Division.
MUNICIPALITY OF ANCHORAGE, ALASKA

Outstanding Debt by Type

Last Ten Fiscal Years

Table 13

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation Bonds (1)</th>
<th>Revenue Bonds (1)</th>
<th>Assessment and Loans</th>
<th>Capital Lease</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$474,667,962</td>
<td>$98,416,838</td>
<td>$-</td>
<td>$4,032,452</td>
<td>$33,185,002</td>
</tr>
<tr>
<td></td>
<td>$610,302,254</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>487,288,591</td>
<td>100,501,865</td>
<td>-</td>
<td>5,532,310</td>
<td>19,153,669</td>
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<tr>
<td></td>
<td>612,476,435</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>464,818,361</td>
<td>108,884,128</td>
<td>-</td>
<td>5,780,168</td>
<td>15,310,257</td>
</tr>
<tr>
<td></td>
<td>594,792,914</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>451,264,548</td>
<td>114,205,696</td>
<td>-</td>
<td>5,973,442</td>
<td>9,613,451</td>
</tr>
<tr>
<td></td>
<td>581,057,137</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>482,046,822</td>
<td>119,212,265</td>
<td>-</td>
<td>6,188,701</td>
<td>11,634,331</td>
</tr>
<tr>
<td></td>
<td>619,082,119</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>488,862,810</td>
<td>123,923,833</td>
<td>-</td>
<td>6,393,960</td>
<td>3,794,941</td>
</tr>
<tr>
<td></td>
<td>622,975,544</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>487,341,763</td>
<td>148,375,000</td>
<td>-</td>
<td>6,535,000</td>
<td>3,642,532</td>
</tr>
<tr>
<td></td>
<td>645,894,295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>448,590,369</td>
<td>152,430,000</td>
<td>-</td>
<td>6,719,000</td>
<td>3,143,291</td>
</tr>
<tr>
<td></td>
<td>610,882,660</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>475,781,420</td>
<td>156,180,000</td>
<td>-</td>
<td>6,894,000</td>
<td>4,088,564</td>
</tr>
<tr>
<td></td>
<td>642,943,984</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>441,657,000</td>
<td>159,175,000</td>
<td>335,000</td>
<td>7,060,000</td>
<td>1,558,751</td>
</tr>
<tr>
<td></td>
<td>609,785,751</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

Details regarding the Municipality of Anchorage's outstanding debt can be found in the notes to the financial statements. The Municipality of Anchorage routinely issues debt on an annual basis to finance new construction and refund prior existing debt for lower cost.

This schedule excludes debt related to the Anchorage School District, the Municipality of Anchorage's largest component unit.

(1) Includes CIVICVentures revenue bonds issued in 2016.

Source: Municipality of Anchorage, Finance Department.
### Ratio of General Bonded Debt Outstanding
#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population (Table 18)</th>
<th>Assessed Value</th>
<th>General Obligation Bonds (Table 13)</th>
<th>Less: Available Resources</th>
<th>Net General Obligation Bonds</th>
<th>Ratio of GO Debt to Assessed Value of Property</th>
<th>Net GO Debt Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>299,037</td>
<td>$ 35,956,000,268</td>
<td>$ 474,667,962</td>
<td>$ 3,082,996</td>
<td>$ 471,584,966</td>
<td>1.31%</td>
<td>$ 1,577</td>
</tr>
<tr>
<td>2015</td>
<td>298,908</td>
<td>35,038,444,975</td>
<td>487,288,591</td>
<td>3,730,810</td>
<td>483,557,781</td>
<td>1.38%</td>
<td>1,618</td>
</tr>
<tr>
<td>2014</td>
<td>300,549</td>
<td>33,304,523,825</td>
<td>464,818,361</td>
<td>3,603,206</td>
<td>461,215,155</td>
<td>1.38%</td>
<td>1,535</td>
</tr>
<tr>
<td>2013</td>
<td>301,134</td>
<td>32,599,587,241</td>
<td>451,264,548</td>
<td>3,535,603</td>
<td>447,728,945</td>
<td>1.37%</td>
<td>1,487</td>
</tr>
<tr>
<td>2012</td>
<td>298,576</td>
<td>31,714,337,376</td>
<td>482,046,822</td>
<td>3,789,823</td>
<td>478,256,999</td>
<td>1.51%</td>
<td>1,602</td>
</tr>
<tr>
<td>2011</td>
<td>296,197</td>
<td>31,596,540,551</td>
<td>488,862,809</td>
<td>774,548</td>
<td>488,088,261</td>
<td>1.54%</td>
<td>1,648</td>
</tr>
<tr>
<td>2010</td>
<td>291,826</td>
<td>31,463,676,892</td>
<td>487,341,763</td>
<td>1,070,990</td>
<td>486,270,773</td>
<td>1.55%</td>
<td>1,666</td>
</tr>
<tr>
<td>2009</td>
<td>290,588</td>
<td>31,453,348,714</td>
<td>449,094,042</td>
<td>814,460</td>
<td>448,279,582</td>
<td>1.43%</td>
<td>1,543</td>
</tr>
<tr>
<td>2008</td>
<td>284,994</td>
<td>30,580,821,146</td>
<td>476,751,597</td>
<td>1,007,077</td>
<td>475,744,520</td>
<td>1.56%</td>
<td>1,669</td>
</tr>
<tr>
<td>2007</td>
<td>283,823</td>
<td>29,269,105,519</td>
<td>443,058,428</td>
<td>1,139,219</td>
<td>441,919,209</td>
<td>1.51%</td>
<td>1,557</td>
</tr>
</tbody>
</table>

**Notes:**
This schedule includes all general obligation bonds of the Municipality of Anchorage including both governmental activities and business-type activities.

This schedule excludes the general obligation debt of the Anchorage School District. That debt is reported in Table 15, direct and overlapping debt.

**Source:** Municipality of Anchorage, Treasury Division and Finance Division
### Table 15

<table>
<thead>
<tr>
<th>Share of Direct and Overlapping Debt</th>
<th>Debt Outstanding</th>
<th>Percentage Overlap</th>
<th>Anchorage School District overlapping debt</th>
<th>$ 581,075,000</th>
<th>100%</th>
<th>$ 581,075,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage's direct debt (Table 13)</td>
<td></td>
<td></td>
<td></td>
<td>610,302,254</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total direct and overlapping debt</td>
<td></td>
<td></td>
<td></td>
<td>$ 1,191,377,254</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- Anchorage School District overlapping debt includes general obligation school bonds. The Municipality of Anchorage's direct debt includes all debt reported for governmental activities (see Table 13).
- Percentage of overlap is based on assessed property values.

**Source:** Debt outstanding balance obtained from Anchorage School District fiscal year 2016 CAFR.
Legal Debt Margin
The Municipality of Anchorage has no legal debt limit mandated by the Municipal Charter, Municipal Code or state law.

Source: Municipality of Anchorage, Finance Department.
## MUNICIPALITY OF ANCHORAGE, ALASKA

### Pledged- Revenue Coverage

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue(1)(2)</th>
<th>Operating Expenses(3)</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirement (accrual basis)</th>
<th>Coverage(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>2016</td>
<td>$168,290,963</td>
<td>$117,813,701</td>
<td>$50,477,262</td>
<td>$7,465,000</td>
<td>23,026,997</td>
</tr>
<tr>
<td>2015</td>
<td>164,652,279</td>
<td>111,475,302</td>
<td>53,176,977</td>
<td>7,440,000</td>
<td>23,308,460</td>
</tr>
<tr>
<td>2014</td>
<td>140,578,329</td>
<td>85,614,254</td>
<td>54,964,075</td>
<td>17,910,000</td>
<td>28,629,674</td>
</tr>
<tr>
<td>2013</td>
<td>116,439,242</td>
<td>69,979,738</td>
<td>46,459,504</td>
<td>17,085,000</td>
<td>27,769,851</td>
</tr>
<tr>
<td>2012</td>
<td>122,973,354</td>
<td>73,853,642</td>
<td>49,119,712</td>
<td>16,915,000</td>
<td>30,868,484</td>
</tr>
<tr>
<td>2011</td>
<td>138,326,743</td>
<td>88,336,864</td>
<td>49,989,879</td>
<td>16,945,000</td>
<td>31,914,376</td>
</tr>
<tr>
<td>2010</td>
<td>134,571,665</td>
<td>82,342,389</td>
<td>52,229,276</td>
<td>16,995,000</td>
<td>32,969,962</td>
</tr>
<tr>
<td>2009</td>
<td>120,484,857</td>
<td>71,496,092</td>
<td>49,988,500</td>
<td>17,270,000</td>
<td>26,730,410</td>
</tr>
<tr>
<td>2008</td>
<td>108,120,323</td>
<td>56,737,791</td>
<td>51,382,532</td>
<td>17,295,000</td>
<td>27,070,653</td>
</tr>
<tr>
<td>2007</td>
<td>103,846,120</td>
<td>42,968,092</td>
<td>60,878,028</td>
<td>17,725,000</td>
<td>28,439,687</td>
</tr>
</tbody>
</table>

(1) Excludes interest charged to construction and interest restricted for construction.  
(2) Excludes Federal subsidy for 2015 and 2016.  
(3) Includes Municipal Utility Service Assessment per Municipal Ordinance AO 83-58 and excludes depreciation.  
(4) The required minimum revenue bond coverage is 1.35 and the all-debt minimum coverage is 1.10. Commercial paper is not reflected on this schedule. If it were included, all-debt coverage for fiscal years 2014 and 2013 would be 1.53 and 1.33, respectively.

---

## Electric Utility

### Debt Service Requirement (accrual basis)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
<th>Operating Expenses</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirement (accrual basis)</th>
<th>Coverage(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$168,290,963</td>
<td>$117,813,701</td>
<td>$50,477,262</td>
<td>$7,465,000</td>
<td>23,026,997</td>
</tr>
<tr>
<td>2015</td>
<td>164,652,279</td>
<td>111,475,302</td>
<td>53,176,977</td>
<td>7,440,000</td>
<td>23,308,460</td>
</tr>
<tr>
<td>2014</td>
<td>140,578,329</td>
<td>85,614,254</td>
<td>54,964,075</td>
<td>17,910,000</td>
<td>28,629,674</td>
</tr>
<tr>
<td>2013</td>
<td>116,439,242</td>
<td>69,979,738</td>
<td>46,459,504</td>
<td>17,085,000</td>
<td>27,769,851</td>
</tr>
<tr>
<td>2012</td>
<td>122,973,354</td>
<td>73,853,642</td>
<td>49,119,712</td>
<td>16,915,000</td>
<td>30,868,484</td>
</tr>
<tr>
<td>2011</td>
<td>138,326,743</td>
<td>88,336,864</td>
<td>49,989,879</td>
<td>16,945,000</td>
<td>31,914,376</td>
</tr>
<tr>
<td>2010</td>
<td>134,571,665</td>
<td>82,342,389</td>
<td>52,229,276</td>
<td>16,995,000</td>
<td>32,969,962</td>
</tr>
<tr>
<td>2009</td>
<td>120,484,857</td>
<td>71,496,092</td>
<td>49,988,500</td>
<td>17,270,000</td>
<td>26,730,410</td>
</tr>
<tr>
<td>2008</td>
<td>108,120,323</td>
<td>56,737,791</td>
<td>51,382,532</td>
<td>17,295,000</td>
<td>27,070,653</td>
</tr>
<tr>
<td>2007</td>
<td>103,846,120</td>
<td>42,968,092</td>
<td>60,878,028</td>
<td>17,725,000</td>
<td>28,439,687</td>
</tr>
</tbody>
</table>

---

## Solid Waste

### Debt Service Requirement (accrual basis)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue(1)</th>
<th>Operating Expenses(2)</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirement (accrual basis)</th>
<th>Coverage(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$23,639,543</td>
<td>$15,251,112</td>
<td>$8,388,431</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>22,864,028</td>
<td>17,435,075</td>
<td>5,428,953</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>23,329,004</td>
<td>14,536,455</td>
<td>8,792,549</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>22,622,652</td>
<td>14,986,951</td>
<td>7,635,701</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>20,668,046</td>
<td>14,207,765</td>
<td>6,460,281</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>19,015,890</td>
<td>12,893,218</td>
<td>6,122,672</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>19,384,938</td>
<td>12,150,796</td>
<td>7,234,142</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>20,094,151</td>
<td>12,546,222</td>
<td>7,547,929</td>
<td>360,000</td>
<td>364,837</td>
</tr>
<tr>
<td>2008</td>
<td>18,319,902</td>
<td>12,310,770</td>
<td>6,009,132</td>
<td>340,000</td>
<td>363,919</td>
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<tr>
<td>2007</td>
<td>16,638,808</td>
<td>14,320,344</td>
<td>2,318,464</td>
<td>320,000</td>
<td>361,925</td>
</tr>
</tbody>
</table>

(1) Excludes interest charged to construction.  
(2) Excludes depreciation and Municipal Utility Service Assessment.  
(3) Required minimum coverage 1.25.
### MUNICIPALITY OF ANCHORAGE, ALASKA

#### Pledged- Revenue Coverage

#### Last Ten Fiscal Years

#### Table 17 (continued)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirement (accrual basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2016</td>
<td>$26,964,376</td>
<td>$14,013,332</td>
</tr>
<tr>
<td>2015</td>
<td>14,224,677</td>
<td>16,691,332</td>
</tr>
<tr>
<td>2014</td>
<td>12,310,089</td>
<td>7,451,830</td>
</tr>
<tr>
<td>2013</td>
<td>12,062,773</td>
<td>7,863,295</td>
</tr>
<tr>
<td>2012</td>
<td>12,252,134</td>
<td>6,158,691</td>
</tr>
<tr>
<td>2011</td>
<td>12,427,622</td>
<td>5,818,956</td>
</tr>
<tr>
<td>2010</td>
<td>12,543,838</td>
<td>6,900,782</td>
</tr>
<tr>
<td>2009</td>
<td>12,981,129</td>
<td>6,212,308</td>
</tr>
</tbody>
</table>

#### Notes:

1. Excludes interest charged to construction.
2. Excludes $832,477 revenue in 2016 associated with prior years.
3. Assessment collections represent payments made by benefited property owners.
4. Does not include Mini-Bonds of $1,956,000 repaid in 2014 as they have no debt service coverage requirements.
5. Required minimum coverage is 1.15.

---

#### Water Utility

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue(1)</th>
<th>Assessment Collections(2)</th>
<th>Operating Expenses(3)</th>
<th>Net Revenue Available for Debt Service</th>
<th>Debt Service Requirement (accrual basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
<td>Coverage</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$61,126,530</td>
<td>$532,065</td>
<td>$32,848,108</td>
<td>$28,810,487</td>
<td>$3,710,000 $5,243,236 $8,953,236 $3.22</td>
</tr>
<tr>
<td>2015</td>
<td>61,488,680</td>
<td>282,443</td>
<td>33,931,324</td>
<td>27,839,799</td>
<td>3,570,000 $5,393,402 $8,963,402 $3.11</td>
</tr>
<tr>
<td>2014</td>
<td>62,165,080</td>
<td>471,667</td>
<td>30,728,442</td>
<td>31,908,305</td>
<td>4,880,000 $5,588,355 $10,468,355 $3.05</td>
</tr>
<tr>
<td>2013</td>
<td>59,140,595</td>
<td>248,752</td>
<td>29,916,083</td>
<td>29,473,264</td>
<td>6,015,000 $5,785,568 $11,800,568 $2.50</td>
</tr>
<tr>
<td>2012</td>
<td>55,900,765</td>
<td>241,708</td>
<td>31,362,002</td>
<td>24,780,471</td>
<td>5,810,000 $6,000,111 $11,810,111 $2.10</td>
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<tr>
<td>2011</td>
<td>52,238,591</td>
<td>351,036</td>
<td>30,811,206</td>
<td>21,778,421</td>
<td>4,760,000 $6,206,089 $10,966,089 $1.99</td>
</tr>
<tr>
<td>2010</td>
<td>50,860,139</td>
<td>312,253</td>
<td>29,456,391</td>
<td>21,716,001</td>
<td>5,255,000 $6,094,343 $11,349,343 $1.91</td>
</tr>
<tr>
<td>2009</td>
<td>50,391,141</td>
<td>301,479</td>
<td>28,054,018</td>
<td>22,638,602</td>
<td>4,095,000 $7,632,687 $11,727,687 $1.93</td>
</tr>
<tr>
<td>2008</td>
<td>44,264,376</td>
<td>280,645</td>
<td>27,725,271</td>
<td>16,865,925</td>
<td>4,250,000 $7,836,288 $12,086,288 $1.40</td>
</tr>
<tr>
<td>2007</td>
<td>44,455,119</td>
<td>292,321</td>
<td>26,714,777</td>
<td>18,332,663</td>
<td>3,960,000 $5,549,972 $9,509,972 $1.93</td>
</tr>
<tr>
<td>2006</td>
<td>39,480,462</td>
<td>605,444</td>
<td>18,964,994</td>
<td>21,120,912</td>
<td>5,375,000 $5,174,576 $10,549,576 $2.00</td>
</tr>
</tbody>
</table>

#### Notes:

1. Excludes allowance for funds used during construction, includes non-operating revenue except for payments received for PERS on-behalf from State of Alaska. Excludes $332,477 revenue in 2016 associated with prior years.
2. Excludes depreciation, for years 2007 and 2008 PERS on-behalf, for years 2015 and 2016 PERS on-behalf and pension expense; but includes special items and transfers to other funds.
3. Does not include Mini-Bonds of $1,956,000 repaid in 2014 as they have no debt service coverage requirements.
4. Required minimum coverage is 1.15.
### Wastewater Utility

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Revenue</th>
<th>Debt Service Requirement (accrual basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Available for Debt Service</td>
<td>Principal</td>
</tr>
<tr>
<td>2016</td>
<td>$32,974,054</td>
<td>$19,191,905</td>
</tr>
<tr>
<td>2015</td>
<td>$34,440,700</td>
<td>$17,594,628</td>
</tr>
<tr>
<td>2014</td>
<td>$31,018,722</td>
<td>$21,044,277</td>
</tr>
<tr>
<td>2013</td>
<td>$29,856,569</td>
<td>$20,004,786</td>
</tr>
<tr>
<td>2012</td>
<td>$29,383,573</td>
<td>$18,298,997</td>
</tr>
<tr>
<td>2011</td>
<td>$29,018,722</td>
<td>$21,044,277</td>
</tr>
<tr>
<td>2010</td>
<td>$27,872,010</td>
<td>$10,482,771</td>
</tr>
<tr>
<td>2009</td>
<td>$26,417,348</td>
<td>$11,349,689</td>
</tr>
<tr>
<td>2008</td>
<td>$24,844,546</td>
<td>$10,952,640</td>
</tr>
</tbody>
</table>

### Roads and Drainage Special Assessments

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Revenue</th>
<th>Debt Service Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Available for Debt Service</td>
<td>Principal</td>
</tr>
<tr>
<td>2016</td>
<td>$639,251</td>
<td>-</td>
</tr>
<tr>
<td>2015</td>
<td>$792,579</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>$305,744</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>$114,125</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>$226,889</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>$297,055</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>$652,751</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>$193,337</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>$195,300</td>
<td>145,000</td>
</tr>
<tr>
<td>2007</td>
<td>$172,235</td>
<td>35,000</td>
</tr>
</tbody>
</table>

### CIVICVentures

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Revenue</th>
<th>Debt Service Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Available for Debt Service</td>
<td>Principal</td>
</tr>
<tr>
<td>2016</td>
<td>$5,911,847</td>
<td>$1,790,000</td>
</tr>
<tr>
<td>2015</td>
<td>$5,992,742</td>
<td>$1,690,000</td>
</tr>
<tr>
<td>2014</td>
<td>$6,461,469</td>
<td>$1,555,000</td>
</tr>
<tr>
<td>2013</td>
<td>$6,373,713</td>
<td>$1,425,000</td>
</tr>
<tr>
<td>2012</td>
<td>$6,322,010</td>
<td>$1,300,000</td>
</tr>
<tr>
<td>2011</td>
<td>$6,198,549</td>
<td>$1,180,000</td>
</tr>
<tr>
<td>2010</td>
<td>$6,125,400</td>
<td>$1,070,000</td>
</tr>
<tr>
<td>2009</td>
<td>$5,448,157</td>
<td>$920,000</td>
</tr>
<tr>
<td>2008</td>
<td>$5,827,392</td>
<td>$305,000</td>
</tr>
<tr>
<td>2007</td>
<td>$5,241,006</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Municipality of Anchorage Finance Department; Municipal Light & Power Finance Department, Anchorage Water & Wastewater Finance Department, and Port of Anchorage Finance Department.
## Demographic Statistics
### Last Ten Fiscal Years

**Table 18**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Population</th>
<th>Per Capita Personal Income(1)</th>
<th>Total Personal Income (in thousands)</th>
<th>School Enrollment</th>
<th>Unemployment Rate(2)</th>
<th>Registered Voters</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>299,037</td>
<td>$59,558</td>
<td>$17,810,046</td>
<td>47,756</td>
<td>5.3</td>
<td>209,909</td>
</tr>
<tr>
<td>2015</td>
<td>298,908</td>
<td>60,822</td>
<td>18,180,182</td>
<td>47,562</td>
<td>5.0</td>
<td>208,759</td>
</tr>
<tr>
<td>2014</td>
<td>300,549</td>
<td>56,140</td>
<td>16,872,821</td>
<td>47,770</td>
<td>5.1</td>
<td>199,606</td>
</tr>
<tr>
<td>2013</td>
<td>301,134</td>
<td>59,158</td>
<td>17,814,485</td>
<td>48,493</td>
<td>4.9</td>
<td>204,360</td>
</tr>
<tr>
<td>2012</td>
<td>298,842</td>
<td>54,196</td>
<td>16,196,041</td>
<td>48,422</td>
<td>5.6</td>
<td>211,989</td>
</tr>
<tr>
<td>2011</td>
<td>296,197</td>
<td>50,540</td>
<td>14,969,796</td>
<td>48,613</td>
<td>6.1</td>
<td>261,121</td>
</tr>
<tr>
<td>2010</td>
<td>291,826</td>
<td>49,629</td>
<td>14,483,033</td>
<td>49,061</td>
<td>6.9</td>
<td>262,792</td>
</tr>
<tr>
<td>2009</td>
<td>290,588</td>
<td>47,381</td>
<td>13,768,350</td>
<td>48,227</td>
<td>6.6</td>
<td>257,334</td>
</tr>
<tr>
<td>2008</td>
<td>284,994</td>
<td>50,755</td>
<td>14,464,870</td>
<td>48,144</td>
<td>5.9</td>
<td>264,880</td>
</tr>
<tr>
<td>2007</td>
<td>283,823</td>
<td>46,243</td>
<td>13,124,827</td>
<td>48,707</td>
<td>6.0</td>
<td>244,452</td>
</tr>
</tbody>
</table>

Notes:

(1) The Alaska Department of Labor and Workforce Development (ADLWD) has not published 2015 or 2016 Per Capita Personal Income for the Anchorage Municipal Area yet. Per capita income was estimated using the five previous years average increase for 2015 and 2016.

(2) The Alaska Department of Labor and Workforce Development amends every month the unemployment rate data for the previous month and again at the end of every calendar year. We change the prior fiscal year to match updated statistical information reported. For some consistency, other prior years remain unchanged.

Source:
Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Census Bureau; and the Anchorage School District, Annual Financial Report; Bureau of Economic Analysis.

Information on per capita personal income in the Anchorage Municipal area is not available from the Alaska Department of Labor and Workforce Department.
<table>
<thead>
<tr>
<th>Industry</th>
<th>2016 (*)</th>
<th>2007</th>
<th>Difference</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salespersons</td>
<td>6,566</td>
<td>6,581</td>
<td>15</td>
<td>0.2%</td>
</tr>
<tr>
<td>Registered Nurses (1)</td>
<td>3,293</td>
<td>3,711</td>
<td>418</td>
<td>11.4%</td>
</tr>
<tr>
<td>Personal Care Aides</td>
<td>3,279</td>
<td>3,532</td>
<td>253</td>
<td>8.7%</td>
</tr>
<tr>
<td>Cashiers</td>
<td>3,261</td>
<td>3,209</td>
<td>52</td>
<td>1.7%</td>
</tr>
<tr>
<td>Office and Admin Support Workers, All Other (2)</td>
<td>3,223</td>
<td>2,884</td>
<td>-339</td>
<td>-12.1%</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>3,102</td>
<td>2,808</td>
<td>-294</td>
<td>-9.5%</td>
</tr>
<tr>
<td>Combined Food Preparation and Serving Workers, Including Fast Food</td>
<td>2,676</td>
<td>2,625</td>
<td>-51</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Office Clerks, General</td>
<td>2,634</td>
<td>2,534</td>
<td>-100</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
<td>2,589</td>
<td>2,374</td>
<td>-215</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Food Preparation Workers</td>
<td>2,421</td>
<td>2,238</td>
<td>-183</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Total Employment</td>
<td>32,954</td>
<td>32,496</td>
<td>408</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

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

(*) The 2016 Average Quarterly Worker count utilized 2015 fourth quarter worker counts due to insufficient 2016 fourth quarter data.
(1) The Registered Nurses occupation for 2016 includes the worker counts for Nurse Anesthetists, Nurse Midwives, and Nurse Practitioners.
(2) The Office and Admin Support Workers, All Other occupation for 2016 includes Financial Clerks, All Other.

Source: State of Alaska Department of Labor Workforce and Development, Research and Analysis Section.
### Full-time Equivalent Employees

Last Ten Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire services</td>
<td>371</td>
<td>371</td>
<td>376</td>
<td>372</td>
<td>383</td>
<td>355</td>
<td>377</td>
<td>395</td>
<td>403</td>
<td>401</td>
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<tr>
<td>Police services</td>
<td>512</td>
<td>502</td>
<td>484</td>
<td>505</td>
<td>529</td>
<td>522</td>
<td>537</td>
<td>572</td>
<td>552</td>
<td>532</td>
</tr>
<tr>
<td><strong>Subtotal - public safety</strong></td>
<td>883</td>
<td>873</td>
<td>860</td>
<td>877</td>
<td>912</td>
<td>877</td>
<td>914</td>
<td>967</td>
<td>955</td>
<td>933</td>
</tr>
<tr>
<td><strong>General government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and human services</td>
<td>334</td>
<td>317</td>
<td>315</td>
<td>318</td>
<td>309</td>
<td>299</td>
<td>324</td>
<td>365</td>
<td>345</td>
<td>369</td>
</tr>
<tr>
<td>Economic and community delivery</td>
<td>176</td>
<td>237</td>
<td>238</td>
<td>218</td>
<td>226</td>
<td>200</td>
<td>219</td>
<td>230</td>
<td>202</td>
<td>259</td>
</tr>
<tr>
<td>Public transportation</td>
<td>154</td>
<td>150</td>
<td>152</td>
<td>147</td>
<td>142</td>
<td>152</td>
<td>158</td>
<td>158</td>
<td>159</td>
<td>158</td>
</tr>
<tr>
<td><strong>Public works</strong></td>
<td>345</td>
<td>275</td>
<td>287</td>
<td>278</td>
<td>285</td>
<td>358</td>
<td>379</td>
<td>412</td>
<td>405</td>
<td>430</td>
</tr>
<tr>
<td><strong>Subtotal - other</strong></td>
<td>1,100</td>
<td>1,082</td>
<td>1,095</td>
<td>1,059</td>
<td>1,082</td>
<td>1,137</td>
<td>1,221</td>
<td>1,313</td>
<td>1,252</td>
<td>1,382</td>
</tr>
<tr>
<td><strong>Total - general government</strong></td>
<td>1,983</td>
<td>1,955</td>
<td>1,955</td>
<td>1,936</td>
<td>1,994</td>
<td>2,014</td>
<td>2,135</td>
<td>2,280</td>
<td>2,207</td>
<td>2,315</td>
</tr>
</tbody>
</table>

| **Enterprise Funds**          |      |      |      |      |      |      |      |      |      |      |
| Water                         | 129  | 129  | 122  | 127  | 133  | 131  | 129  | 138  | 133  | 129  |
| Wastewater                    | 128  | 128  | 122  | 127  | 133  | 131  | 129  | 139  | 134  | 129  |
| Electric                      | 231  | 232  | 215  | 230  | 228  | 236  | 245  | 244  | 240  | 240  |
| Port                          | 29   | 20   | 19   | 22   | 21   | 21   | 22   | 21   | 21   | 21   |
| Municipal airport             | 9    | 9    | 9    | 8    | 9    | 9    | 8    | 9    | 9    | 10   |
| Solid waste                   | 69   | 69   | 68   | 66   | 72   | 73   | 75   | 72   | 72   | 76   |
| Refuse                        | 25   | 23   | 27   | 27   | 21   | 21   | 21   | 20   | 20   | 20   |
| **Total - enterprise funds**  | 620  | 610  | 582  | 607  | 617  | 622  | 629  | 644  | 629  | 629  |
| **Total**                     | 2,603| 2,565| 2,537| 2,543| 2,611| 2,636| 2,764| 2,924| 2,836| 2,944|

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

**Source:** Municipality of Anchorage, Employee Relations Department.
### MUNICIPALITY OF ANCHORAGE, ALASKA

**Table 21**

Miscellaneous Statistical Data by Function

Last Ten Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fire services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of stations</td>
<td></td>
<td>13</td>
<td>13</td>
<td>13</td>
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<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Fire incidents, other (*)</td>
<td></td>
<td>11,074</td>
<td>10,804</td>
<td>10,426</td>
<td>11,323</td>
<td>10,845</td>
<td>10,252</td>
<td>10,463</td>
<td>9,645</td>
<td>9,936</td>
<td></td>
</tr>
<tr>
<td>Emergency medical service incidents</td>
<td></td>
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<td>Events (**)</td>
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<td>412</td>
<td>422</td>
<td>425</td>
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### MUNICIPALITY OF ANCHORAGE, ALASKA

#### Table 21 (continued)

**Miscellaneous Statistical Data by Function**

**Last Ten Fiscal Years**

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#### Alaska Center for the Performing Arts:
- **Events**: 481, 502, 497, 532, 602, 505, 524, 607, 597, 542
- **Attendance**: 226,769, 224,361, 228,705, 220,391, 266,205, 226,799, 231,556, 300,293, 251,258, 230,436

#### George Sullivan Sports Arena:
- **Events**: 107, 129, 136, 130, 105, 140, 150, 167, 163, 169
- **Attendance (8)**: 155,933, 218,934, 296,296, 267,404, 269,981, 290,380, 310,219, 347,993, 385,738

#### Anchorage Golf Course:

#### Department of Neighborhoods:
- **Weatherization clients**
  - **Total dwellings upgraded**: -
  - **Number of people served**: -

#### Public Transportation
- **Average daily ridership**
  - **Weekdays**: 11,632, 12,334, 13,079, 13,511, 14,027, 14,100, 14,294, 14,297, 13,564
  - **Saturdays**: 5,729, 6,022, 6,351, 6,640, 6,797, 6,821, 6,821, 7,062, 6,864
  - **Sundays**: 3,308, 3,457, 3,753, 3,777, 3,848, 3,881, 3,816, 3,670, 3,486
- **Annual mileage**: 2,166,286, 2,160,517, 1,906,241, 1,882,191, 1,955,591, 2,131,576, 2,216,276, 2,458,195, 2,578,229, 2,318,543
- **Timetable revenue hours**: 125,878, 125,020, 124,826, 123,303, 122,673, 123,734, 126,655, 131,125, 132,120, 130,184

#### Public Works
- **Miles of streets and alleys**
  - **Anchorage Road Service Area**: Unpaved 6, 6, 6, 7, 7, 7, 9, 12, 12
  - **Paved**: 663, 663, 663, 617, 614, 613, 608, 606, 600, 596
  - **Limited Road Service Area**: 315, 315, 315, 313, 316, 313, 307, 298, 298, 298
  - **Alleys**: 42, 42, 42, 44, 44, 44, 44, 44, 44, 44

#### Water
- **Number of customers**: 56,294, 56,501, 55,854, 55,557, 55,362, 55,185, 54,976, 54,835, 54,697, 54,525
- **Average treatment plant production (9) (gallons/day)**: 22,700,000, 23,600,000, 22,183,241, 22,900,000, 14,027, 14,100, 14,294, 14,297, 13,564
- **Treatment plant capacity (gallons/day) (10)**: 62,000,000, 67,000,000, 64,000,000, 65,000,000, 75,000,000, 75,000,000, 75,000,000, 75,000,000, 75,000,000
- **Average well production (gallons/day) (11)**: 2,700,000, 3,000,000, 2,078,812, 1,523,288, 728,767, 1,611,233, 8,394,000, 1,400,000, 1,400,000, 2,540,000
- **Miles of water mains**: 845, 843, 839, 838, 836, 834, 834, 829, 828, 828
- **Public fire hydrants**: 6,027, 5,999, 5,949, 5,917, 5,897, 5,887, 5,874, 5,851, 5,817, 5,786
- **Private fire hydrants**
  - **Interceptors**: -
  - **Trunks**: 84, 84, 84, 83, 83, 83, 83, 82, 82, 82
  - **Laterals**: 629, 628, 625, 622, 634, 624, 623, 623, 616, 596

#### Wastewater
- **Number of customers**: 57,163, 57,086, 56,711, 56,432, 56,251, 56,107, 55,898, 55,783, 55,635, 55,470
- **Average treatment (gallons/day) (12)**: 27,710,000, 27,000,000, 28,700,000, 30,800,000, 29,500,000, 26,800,000, 28,500,000, 29,900,000, 31,210,000, 29,400,000
- **Treatment plant capacity (gallons/day)**: 61,100,000, 61,100,000, 61,100,000, 61,100,000, 61,270,000, 61,270,000, 61,270,000, 61,270,000, 61,270,000, 61,270,000
- **Miles of wastewater lines**
  - **Interceptors**: 45, 45, 45, 45, 45, 45, 45, 45, 45
  - **Trunks**: 84, 84, 84, 83, 83, 83, 83, 82, 82
  - **Laterals**: 629, 628, 625, 622, 634, 624, 623, 623, 616, 596
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<td>9,947</td>
<td>9,974</td>
<td>10,002</td>
<td>10,020</td>
<td>10,000</td>
<td>9,994</td>
<td>9,912</td>
<td>9,879</td>
<td>10,102</td>
</tr>
<tr>
<td>Residential tons collected</td>
<td>9,566</td>
<td>9,358</td>
<td>8,723</td>
<td>9,516</td>
<td>9,644</td>
<td>9,810</td>
<td>10,673</td>
<td>11,824</td>
<td>12,528</td>
<td>13,246</td>
</tr>
<tr>
<td>Average commercial billed customers</td>
<td>1,902</td>
<td>1,862</td>
<td>1,855</td>
<td>1,847</td>
<td>1,880</td>
<td>1,898</td>
<td>1,878</td>
<td>1,884</td>
<td>1,889</td>
<td>1,895</td>
</tr>
<tr>
<td>Commercial tons collected</td>
<td>27,267</td>
<td>21,023</td>
<td>24,802</td>
<td>26,985</td>
<td>26,922</td>
<td>26,896</td>
<td>26,749</td>
<td>26,818</td>
<td>27,100</td>
<td>27,958</td>
</tr>
</tbody>
</table>

Note:

(*) In order to report fire data more accurately, the Deputy Chief requested wording of "Fire suppression incidents" be changed to "Fire incidents, other" in 2016. This change would not impact the data reported for the past 10 years but would be a more appropriate representation of the numbers provided.

(**) Dena'ina Civic and Convention Center first opened for operation in September 2008. The first available information for events and attendance was in the fiscal year 2009.

(1) A discrepancy was found in how the predecessors of the new 2016 WIC Management team arrived at the annual visit total. The formula used by the new 2016 Management team is derived by taking the average annual caseload of WIC participants multiplied by 4 (participants are seen 4 times a year). To be consistent, 2007-2015 was recalculated using this formula.

(2) Staffing levels have been reduced so the customer service counter service has declined.

(3) The I/M Program made up the vast majority of customers counted in 2011. This statistic is no longer tracked due to the termination of the program.

(4) The Daycare Assistance family program no longer exist.

(5) In 2016, the "Number of Visitors" is lower due to the closure of the Alaska Gallery (as it was under expansion) during the summer tourism months.

(6) In 2016, the "Items circulated" were reduced because fewer people are coming to Loussac to check out materials due to the renovation.

(7) In 2016, the "Reference responses" decreased because customers have greater access to information via the internet.

(8) In 2016 the Sullivan Arena experienced less events. In addition, Alaska Aces Hockey attendance experienced a 16,000 decrease in attendance, while UAA hockey attendance dropped by 6,000.

(9) The decreased difference in treatment plant production from 2013 is the weather was cooler in 2014 than 2013. Also 2013 average treatment plant was changed from 22.9 million to 23.3 million due to the average did not include Girdwood wells.

(10) In 2016, the "Number of Visitors" is lower due to the closure of the Alaska Gallery (as it was under expansion) during the summer tourism months.

(11) In 2016 the Sullivan Arena experienced less events. In addition, Alaska Aces Hockey attendance experienced a 16,000 decrease in attendance, while UAA hockey attendance dropped by 6,000.

(12) In 2016, the "Items circulated" were reduced because fewer people are coming to Loussac to check out materials due to the renovation.

(13) In 2016, newer efficient generation was added; hence, increasing the Plant generation capacity.

Source: Municipality of Anchorage, Various Departments.
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