

MUNICIPALITY OF ANCHORAGE, ALASKA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2022

MUNICIPALITY OF ANCHORAGE, ALASKA
Annual Comprehensive Financial Report

December 31, 2022

Table of Contents

	Page(s)
Introductory Section:	
Letter of Transmittal	i – iv
Organizational Chart	v
Principal Officials	vi
Municipality of Anchorage Vicinity Map	vii
Financial Section:	
Independent Auditor's Report	1-4
Basic Financial Statements:	
Government-wide Financial Statements:	<u>BFS</u>
Statement of Net Position (Exhibit A-1)	1-4
Statement of Activities (Exhibit A-2)	5-6
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet (Exhibit B-1)	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit B-2)	8
Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit B-3)	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit B-4)	10
Proprietary Funds:	
Statement of Net Position (Exhibit C-1)	11-14
Statement of Revenues, Expenses, and Changes in Net Position (Exhibit C-2)	15-16
Statement of Cash Flows (Exhibit C-3)	17-20
Fiduciary Funds	
Statement of Net Position (Exhibit D-1)	21
Statement of Changes in Net Position (Exhibit D-2)	22
Notes to Basic Financial Statements – Index	23
Notes to Basic Financial Statements	24-131
Required Supplementary Information:	
Budgetary Comparison Schedule – with Expenditures by Function for the General Fund (Exhibit E-1)	<u>RSI</u> 1
Notes to Required Supplementary Information – Budgetary Data	2-3
Required Supplementary Information - Condition Rating of Anchorage's Road Network (Exhibit E-2)	4
Pension Plans (Exhibits E-3 through E-10)	5-12
Notes to Required Supplementary Information – Pension Plans	13-14
Required Supplementary Information – OPEB Plans (Exhibits E 11-E18)	15-23
Notes to Required Supplementary Information – OPEB Plan	24
Additional Required Information:	
Budgetary Comparison Schedule – General Fund by Sub-Fund (Exhibit E-19)	<u>ARI</u> 2
Budgetary Comparison Schedule – General Fund by Department (Exhibit E-20)	3

MUNICIPALITY OF ANCHORAGE, ALASKA
Annual Comprehensive Financial Report

December 31, 2022

Table of Contents

	Page(s)
Non-Major Governmental Funds	<u>NMGF</u>
Combining Balance Sheet (Exhibit F-1)	3-7
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) (Exhibit F-2)	8-11
Budgetary Comparison Schedules:	
MOA Trust Fund (Exhibit G-1)	12
Heritage Land Bank (Exhibit G-2)	13
Convention Center Operating Reserve (Exhibit G-3)	14
E911 Surcharge (Exhibit G-4)	15
Police and Fire Retiree Medical Liability (Exhibit G-5)	16
Alcoholic Beverages Retail Sales Tax (Exhibit G-6)	17
Nuisance Property Abatement (Exhibit G-7)	18
Other Restricted Resources (Exhibit G-8)	19
Alaska Center for the Performing Arts, Inc. Surcharge Revenue Bond (Exhibit G-9)	20
Police and Fire Retirement Certificate of Participation Bond (Exhibit G-10)	21
Nonmajor Enterprise Funds:	<u>NMEF</u>
Combining Statement of Net Position (Exhibit H-1)	2-3
Combining Statement of Revenues, Expenses, and Changes in Net Position (Exhibit H-2)	4-5
Combining Statement of Cash Flows (Exhibit H-3)	6
Internal Service Funds:	<u>ISF</u>
Combining Statement of Net Position (Deficit) (Exhibit I-1)	2-3
Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit) (Exhibit I-2)	4-5
Combining Statement of Cash Flows (Exhibit I-3)	6-7
Fiduciary Funds:	<u>FF</u>
Combining Statement of Net Position (Exhibit J-1)	2
Combining Statement of Changes in Net Position (Exhibit J-2)	3



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Municipality of Anchorage

Office of the Chief Fiscal Officer

July 12, 2024

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

Transmittal of the Annual Comprehensive Financial Report.

The Annual Comprehensive Financial Report (ACFR) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2022, is hereby submitted. The Anchorage Home Rule Charter and Anchorage Municipal Code require an annual report on financial and administrative activities with an independent audit of all municipal accounts by a certified public accountant. BDO USA, P.C. performed the independent audit in accordance with generally accepted auditing standards. Management is responsible for the accuracy, completeness and fairness of the presentation including all disclosures.

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

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

BDO USA, P.C. was retained to perform both the financial and the compliance audits of Federal and State financial assistance programs for the year ended December 31, 2022. BDO USA, P.C. audited all 2022 financial records. BDO USA, P.C. reports are included in the financial section of the ACFR and in both financial assistance reports.

Profile of the Municipality of Anchorage

The City of Anchorage was originally incorporated in 1920 and unified with the Greater Anchorage Area Borough in 1975 to create the Municipality of Anchorage. The Municipality is located in the southcentral part of the State of Alaska. It encompasses a geographic area of approximately 1,958 square miles and in 2022 served a population of an estimated 287,145 people.

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

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

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

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

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

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

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

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

Local Economy and Outlook

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the Municipality operates. The Municipality had an approximate population of 287,145 in 2022 which represents a decrease of less than 1 percent from the prior year. As the largest Alaskan city, the Municipality is home to approximately 40 percent of the State's residents. The Anchorage School District had 43,086 students enrolled for the 2021-2022 academic year, a decrease of less than 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 tribal university.

Unemployment in the Municipality decreased in 2022. The average unemployment rate in 2022 was 3.6 percent, a decrease from 5.7 percent in 2021. The 2022 rate was equivalent to the national average of 3.6 percent and was slightly lower than the 4 percent average for the State of Alaska in 2022. In May 2022, Anchorage saw an increase of 5,100 jobs over May 2021. According to the U.S. Labor Department, national inflation was unprecedented varying between 6.5 to 9.1 percent in 2022 with Anchorage inflation reaching 8.1 percent.

Anchorage continued to show a strong recovery from the pandemic in 2022 with an increase in jobs of over 3,500 when compared to 2021 year-end. Although Anchorage is gaining more jobs, the Municipality has not caught up with pre-pandemic numbers yet with 145,500 total jobs as of December 2022, 4,500 short of December 2019.

The majority of 2022 Alaska job postings were related to governmental agencies, healthcare, and educational fields. Included but not limited to Municipality of Anchorage and the State of Alaska, medical providers Providence and Southcentral Foundation, as well as the educational institutions of the University of Alaska and the Anchorage School District.

The tourism sector is a 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.

According to Visit Anchorage, 2022 scarcely came short of all-time highs in people passing through the Anchorage International Airport, with hotel demands increasing 6% and room taxes surpassing \$41 million. This resulted in the leisure and hospitality industry seeing the highest employment increase of all industries in 2022 of 10.3 percent.

The Port of Alaska (the Port) is ice free year-round and is served by two major maritime carriers, TOTE, Inc. and Matson, Inc., and petroleum and cement operators. The Port serves 90 percent of the State of Alaska's population and handles 75 percent of Alaska's inbound cargo, driving \$14 billion in statewide economic activity annually. It is one of 23 strategic Ports nationwide deploying equipment and supplies internationally to and from five military installations. The Port brought in 5.2 million tons of fuel and freight in 2022, 200,000 more than 2021. The Port is currently undergoing a modernization project to replace aging terminals with new, state of the art terminals. Phase 1, the construction of a new petroleum and cement terminal, was completed in 2022. 2022 also saw ground-breaking activities for an administration building replacement, which is scheduled in 2024. In addition, the North Extension Stabilization phase was awarded the largest Ports and Infrastructure Development Grant in 2022 at \$68.7 million and is also set to be completed in 2024.

Construction employment within the Municipality increased in 2022 by approximately 3.2 percent or 600 jobs over July of last year being one of the few industries to show positive growth from 2019 pre-pandemic job numbers. The Municipality showed an increase of \$193.3 million in total new construction assessed value composed of an increase of \$148.4 million for residential properties and \$44.8 million in commercial during 2022. Total assessed value of all properties including new construction presented an increase of 4.5 percent.

Professional and business services saw an increase of 700 jobs, an increase of 2.5 percent over last year. The federal Infrastructure and Jobs Act signed in November 2021 is increasing demand for engineering, architecture, environmental and other professional services. The Act is expected to inject \$5 billion in infrastructure funding into the economy over five years.

Health care employment continues to be an important part of the service producing industry for 2022, even though this sector lost 500 jobs in the Municipality during 2021, we saw 0% net change in 2022 and the total job count surpasses pre-pandemic levels. The health care sector in the Municipality accounted for approximately 39,300 jobs, in July 2022.

Within the state, the Municipality has some of the most advanced medical facilities making it the healthcare hub of Alaska. With improvements in new technologies here, residents do not have to travel out of state for care. Rather they can access services locally. It is anticipated that health care services will continue to expand as the Municipality's senior population has been growing for decades. The population of people in Anchorage above the age of 65 is 33,541 or 11.46% of the population.

Relevant Financial Policies

The Municipality's Assembly-approved Fund Balance Policy was established by Resolution No. 2015-84. The Municipality's general fund is comprised of five major sub-funds and forty nonmajor sub-funds. The Fund Balance Policy consists of three policies.

First, it is the Municipality's policy to prepare and manage five major general fund sub-fund budgets to maintain an unrestricted general fund balance in an amount equal to 10 percent of current year expenditures as a bond rating set aside designation that will become committed fund balance. Second, it is the Municipality's policy to prepare and manage its nonmajor general fund operating sub-fund (limited service areas and rural service areas) budgets to maintain an unrestricted fund balance of 8.25 percent of current year expenditures as a bond rating set aside designation that will become committed fund balance. Third, it is the Municipality's policy to prepare and manage budgets to maintain unrestricted fund balances in its five major sub-funds in an amount between 2 percent and 3 percent of current year expenditures as a working capital reserve set aside that will become part of the unassigned fund balance. The limited service areas and rural service areas have additional working capital reserve set aside percentages that also become part of the unassigned fund balance.

Regarding expenditures, they are defined as total expenditures reported in the ACFR'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.

Long-term Financial Planning

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

In April 2022, Municipal voters were asked to approve the issuance of \$45,625,000 in general obligation bonds. The bonds were for various projects including roads and drainage, public safety, fire protection, transit and parks and recreation. As of December 31, 2022, the Municipality reported total outstanding GO bonds in the amount of \$466,620,000. Additional information on prior bonds that have been authorized but not issued, can be found in the notes to the financial statements.

Acknowledgements

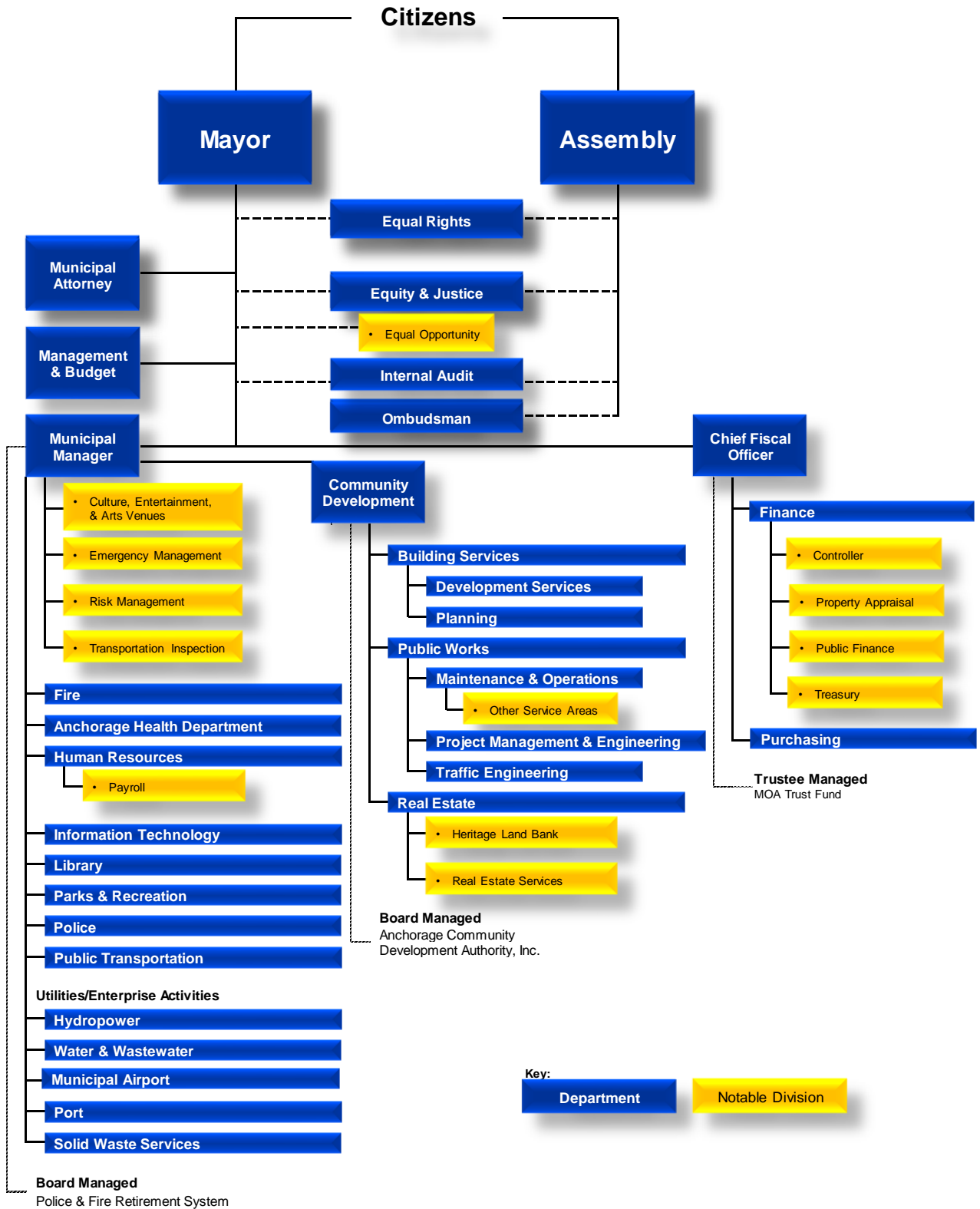
This report would not have been accomplished without the dedicated efforts of the entire staff of the Controller Division and employees' cooperation from throughout the Municipality who provided detailed information, other support, and assistance in this effort. To all of you, we are grateful.

Respectfully submitted,



Alden Thern
Chief Fiscal Officer

Municipality of Anchorage



MUNICIPALITY OF ANCHORAGE

PRINCIPAL OFFICIALS

ASSEMBLY

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

Christopher Constant, Chair

Meg Zaletel, Vice Chair

Anna Brawley	Karen Bronga
Zac Johnson	Mark Littlefield
George Martinez	Scott Meyers
Kameron Perez-Verdia	Felix Rivera
Randy Sulte	Daniel Volland

Jamie Heinz, Municipal Clerk

ADMINISTRATION

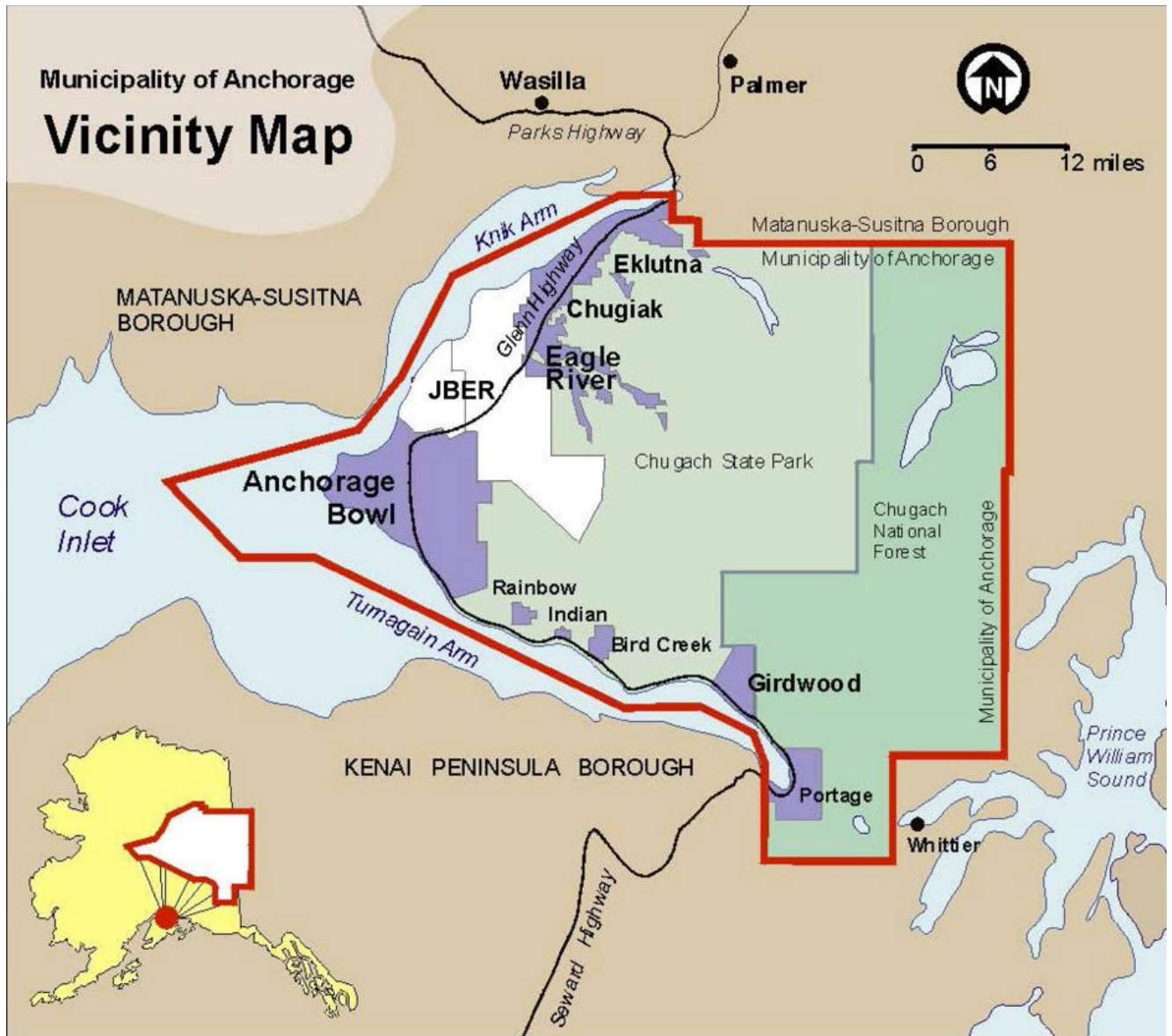
Suzanne LaFrance, Mayor

Katie Scovic, Chief of Staff

Kent Kohlhase, P. E., Municipal Manager

Eva Gardner, Acting Municipal Attorney

Alden Thern, Chief Fiscal Officer





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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Municipality of Anchorage's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, as of December 31, 2022, 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.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 8 to the financial statements, the Municipality of Anchorage adopted the provisions of Governmental Accounting Standards Board Statement Number 87, *Leases*. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2024 on our consideration of the Municipality of Anchorage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality of Anchorage's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipality of Anchorage's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
July 12, 2024

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-1

Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash	\$ 83,283	\$ 6,375	\$ 89,658
Cash and investments in central treasury	340,385,293	110,110,495	450,495,788
Equity in bond and grant capital acquisition and construction pool	9,087,149	12,482,471	21,569,620
Investments	-	-	-
Accrued interest on investments	2,469,950	1,133,977	3,603,927
Interest receivable, other	-	339,521	339,521
Receivables (net of allowance for uncollectibles)	35,660,448	17,107,183	52,767,631
Reserved for equity in general cash pool - bond and loan obligations	-	16,608,774	16,608,774
Due from component unit	99,766	-	99,766
Intergovernmental receivables	60,526,948	2,256,997	62,783,945
Inventories	1,620,967	3,991,802	5,612,769
Prepaid items and deposits	5,215,560	543,747	5,759,307
Leases receivable	383,705	1,072,184	1,455,889
Assets held for resale	-	-	-
Restricted assets:			
Escrow for LED lighting project	-	-	-
Investments	427,819,852	-	427,819,852
Investments in Angel Fund programs	4,472,962	-	4,472,962
Intergovernmental receivables	-	7,024	7,024
Interim rate escrow investment	-	2,846,140	2,846,140
Equity in bond and grant capital acquisition and construction pool	-	30,287,184	30,287,184
Total current assets	<u>887,825,883</u>	<u>198,793,874</u>	<u>1,086,619,757</u>
Noncurrent assets:			
Receivable - installment sale of Electric Utility	-	99,406,418	99,406,418
Receivables (net of allowance for uncollectibles)	-	404,816	404,816
Leases receivable	3,623,567	68,284,856	71,908,423
Unamortized debt expense	-	767,069	767,069
Unbilled special assessments	-	1,915,787	1,915,787
Regulatory and other assets	-	4,797,521	4,797,521
Assets held for resale	4,888,761	242,093	5,130,854
Net OPEB assets	137,090,222	17,833,099	154,923,321
Internal balances	(822,715)	822,715	-
Loans receivable, net	3,612,570	-	3,612,570
Restricted assets:			
Restricted equity in general cash pool - customer deposits	-	521,061	521,061
Cash legal settlement set aside	-	1,950,000	1,950,000
Landfill postclosure cash reserve	-	16,885,645	16,885,645
Endowment fund	-	-	-
Debt service investments	-	11,356	11,356
Investments for operations	-	3,000,000	3,000,000
Investments held for debt service	-	4,986,136	4,986,136
Intergovernmental receivables	-	7,713,021	7,713,021
Capital assets, not being depreciated	2,804,156,792	265,019,007	3,069,175,799
Capital assets, being depreciated, net	674,320,301	1,415,848,079	2,090,168,380
Total noncurrent assets	<u>3,626,869,498</u>	<u>1,910,408,679</u>	<u>5,537,278,177</u>
Total assets	<u>4,514,695,381</u>	<u>2,109,202,553</u>	<u>6,623,897,934</u>
Deferred Outflows of Resources			
Deferred charge on refunding	12,207,045	2,648,478	14,855,523
Grant match advancement	102,569	-	102,569
Related to pension	49,027,485	3,494,351	52,521,836
Related to OPEB	12,934,110	1,682,506	14,616,616
Total deferred outflows of resources	<u>74,271,209</u>	<u>7,825,335</u>	<u>82,096,544</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,588,966,590</u>	<u>\$ 2,117,027,888</u>	<u>\$ 6,705,994,478</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-1

Statement of Net Position

December 31, 2022

	Component Units			Total Reporting Entity
	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.	
Assets				
Current assets:				
Cash	\$ -	\$ 1,773,083	\$ 5,117,510	\$ 6,980,251
Cash and investments in central treasury	-	-	-	450,495,788
Equity in bond and grant capital acquisition and construction pool	-	-	-	21,569,620
Investments	161,853,308	-	-	161,853,308
Accrued interest on investments	-	-	-	3,603,927
Interest receivable, other	-	-	-	339,521
Receivables (net of allowance for uncollectibles)	273,666,913	472,356	136,921	327,043,821
Reserved for equity in general cash pool - bond and loan obligations	-	-	-	16,608,774
Due from component unit	-	-	-	99,766
Intergovernmental receivables	-	-	-	62,783,945
Inventories	4,230,822	-	-	9,843,591
Prepaid items and deposits	3,226,183	68,252	44,788	9,098,530
Leases receivable	-	24,829,484	-	26,285,373
Assets held for resale	-	58,850	-	58,850
Restricted assets:				
Escrow for LED lighting project	-	474,230	-	474,230
Investments	-	-	-	427,819,852
Investments in Angel Fund programs	-	-	-	4,472,962
Intergovernmental receivables	-	-	-	7,024
Interim rate escrow investment	-	-	-	2,846,140
Equity in bond and grant capital acquisition and construction pool	-	-	-	30,287,184
Total current assets	442,977,226	27,676,255	5,299,219	1,562,572,457
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	-	99,406,418
Receivables (net of allowance for uncollectibles)	-	-	-	404,816
Leases receivable	-	-	-	71,908,423
Unamortized debt expense	-	-	-	767,069
Unbilled special assessments	-	-	-	1,915,787
Regulatory and other assets	-	-	-	4,797,521
Assets held for resale	-	-	-	5,130,854
Net OPEB assets	339,243,597	991,652	-	495,158,570
Internal balances	-	-	-	-
Loans receivable, net	-	-	-	3,612,570
Restricted assets:				
Restricted equity in general cash pool - customer deposits	-	-	735,177	1,256,238
Cash legal settlement set aside	-	-	-	1,950,000
Landfill postclosure cash reserve	-	-	-	16,885,645
Endowment fund	-	-	268,589	268,589
Debt service investments	-	-	-	11,356
Investments for operations	-	-	-	3,000,000
Investments held for debt service	-	-	-	4,986,136
Intergovernmental receivables	-	-	-	7,713,021
Capital assets, not being depreciated	43,035,813	15,956,795	-	3,128,168,407
Capital assets, being depreciated, net	1,279,194,180	18,627,351	20,928	3,388,010,839
Total noncurrent assets	1,661,473,590	35,575,798	1,024,694	7,235,352,259
Total assets	2,104,450,816	63,252,053	6,323,913	8,797,924,716
Deferred Outflows of Resources				
Deferred charge on refunding	6,593,090	-	-	21,448,613
Grant match advancement	-	-	-	102,569
Related to pension	51,515,751	190,699	-	104,228,286
Related to OPEB	15,066,864	101,443	-	29,784,923
Total deferred outflows of resources	73,175,705	292,142	-	155,564,391
Total Assets and Deferred Outflows of Resources	\$ 2,177,626,521	\$ 63,544,195	\$ 6,323,913	\$ 8,953,489,107

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-1

Statement of Net Position
December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 28,443,020	\$ 5,626,906	\$ 34,069,926
Accrued payroll liabilities	13,561,810	1,985,599	15,547,409
Capital acquisition and construction accounts and retainage payable	3,324,339	7,849,630	11,173,969
Accrued interest payable	7,126,084	4,867,005	11,993,089
Due to primary government	-	-	-
Due to component unit	102,501,617	-	102,501,617
Unearned revenue and deposits	33,951,008	671,435	34,622,443
Liabilities payable from restricted assets	-	3,283,583	3,283,583
Noncurrent liabilities:			
Due within one year: Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	116,390,713	31,412,313	147,803,026
Due within more than one year:			
Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	685,691,187	661,306,696	1,346,997,883
Liabilities payable from restricted assets - customer deposits	-	521,061	521,061
Net pension liability - actuarially funded	432,584,140	44,204,763	476,788,903
Net OPEB liability	144,761,726	-	144,761,726
Total liabilities	<u>1,568,335,644</u>	<u>761,728,991</u>	<u>2,330,064,635</u>
Deferred Inflows of Resources			
Contributions in aid of construction (net of amortization)	-	340,028,891	340,028,891
Related to leases	4,017,648	68,130,816	72,148,464
Time restricted health permit receipts	478,375	-	478,375
Related to land sales	1,243,352	-	1,243,352
Related to pension	-	-	-
Related to OPEB	12,779,639	1,533,012	14,312,651
Related to installment sale of Electric Utility	-	99,406,418	99,406,418
General property tax receipts	-	-	-
Debt service tax receipts	-	-	-
Total deferred inflows of resources	<u>18,519,014</u>	<u>509,099,137</u>	<u>527,618,151</u>
Total liabilities and deferred inflows of resources	<u>1,586,854,658</u>	<u>1,270,828,128</u>	<u>2,857,682,786</u>
Net Position			
Net investment in capital assets	2,882,868,063	719,391,059	3,602,259,122
Restricted for:			
Debt service	14,177,491	4,986,136	19,163,627
Interim rate escrow requirement	-	11,115,787	11,115,787
Maintenance and operations	-	-	-
Acquisition and construction	43,252,883	1,400,398	44,653,281
Operations	2,173,665	3,000,000	5,173,665
Alcoholic beverages retail sales taxes	10,643,379	-	10,643,379
Convention center operating reserve	28,406,315	-	28,406,315
E911 surcharge	3,371,954	-	3,371,954
Nuisance abatement	249,130	-	249,130
Legal settlement (opioid)	898,367	-	898,367
Police and fire retiree medical liability	33,035,399	-	33,035,399
Grant activity	10,890,192	-	10,890,192
Perpetual care:			
Nonexpendable	150,000	-	150,000
MOA Trust	380,958,148	-	380,958,148
Broadway Alaska	-	-	-
Endowment	-	-	-
Individual contributions	-	-	-
Bond rating	-	-	-
Federal Impact Aid 8003(d)	-	-	-
Pupil transportation	-	-	-
Student allotment	-	-	-
Unrestricted net position (deficit)	<u>(408,963,054)</u>	<u>106,306,380</u>	<u>(302,656,674)</u>
Total net position	<u>3,002,111,932</u>	<u>846,199,760</u>	<u>3,848,311,692</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$4,588,966,590</u>	<u>\$2,117,027,888</u>	<u>\$6,705,994,478</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-1

Statement of Net Position
December 31, 2022

	Component Units			Total Reporting Entity
	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.	
Liabilities				
Current liabilities:				
Accounts payable and retainages	\$ 8,150,792	\$ 338,327	\$ 654,969	\$ 43,214,014
Accrued payroll liabilities	15,356,101	-	-	30,903,510
Capital acquisition and construction accounts and retainage payable	-	-	-	11,173,969
Accrued interest payable	5,899,965	301,730	-	18,194,784
Due to primary government	-	122,756	193,739	316,495
Due to component unit	-	-	-	102,501,617
Unearned revenue and deposits	2,411,951	390,440	2,076,189	39,501,023
Liabilities payable from restricted assets	-	-	-	3,283,583
Noncurrent liabilities:				
Due within one year: Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	82,659,439	703,238	-	231,165,703
Due within more than one year:				
Bonds, leases, compensated absences, pollution remediation, claims, IBNR, obligations, direct financing agreements, and closure liabilities	485,503,681	13,006,980	20,928	1,845,529,472
Liabilities payable from restricted assets - customer deposits	-	-	-	521,061
Net pension liability - actuarially funded	292,302,073	2,440,808	-	771,531,784
Net OPEB liability	-	-	-	144,761,726
Total liabilities	<u>892,284,002</u>	<u>17,304,279</u>	<u>2,945,825</u>	<u>3,242,598,741</u>
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	-	-	-	340,028,891
Related to leases	-	23,985,096	-	96,133,560
Time restricted health permit receipts	-	-	-	478,375
Related to land sales	-	-	-	1,243,352
Related to pension	213,516,661	-	-	213,516,661
Related to OPEB	163,509,639	100,945	-	177,923,235
Related to installment sale of Electric Utility	-	-	-	99,406,418
General property tax receipts	109,014,553	-	-	109,014,553
Debt service tax receipts	19,330,961	-	-	19,330,961
Total deferred inflows of resources	<u>505,371,814</u>	<u>24,086,041</u>	<u>-</u>	<u>1,057,076,006</u>
Total liabilities and deferred inflows of resources	<u>1,397,655,816</u>	<u>41,390,320</u>	<u>2,945,825</u>	<u>4,299,674,747</u>
Net Position				
Net investment in capital assets	815,192,499	20,936,509	-	4,438,388,130
Restricted for:				
Debt service	90,535,492	-	-	109,699,119
Interim rate escrow requirement	-	-	-	11,115,787
Maintenance and operations	-	-	735,177	735,177
Acquisition and construction	-	-	-	44,653,281
Operations	-	-	-	5,173,665
Alcoholic beverages retail sales taxes	-	-	-	10,643,379
Convention center operating reserve	-	-	-	28,406,315
E911 surcharge	-	-	-	3,371,954
Nuisance abatement	-	-	-	249,130
Legal settlement (opioid)	-	-	-	898,367
Police and fire retiree medical liability	-	-	-	33,035,399
Grant activity	-	-	-	10,890,192
Perpetual care:				
Nonexpendable	-	-	-	150,000
MOA Trust	-	-	-	380,958,148
Broadway Alaska	-	-	127,457	127,457
Endowment	-	-	268,589	268,589
Individual contributions	-	-	268,588	268,588
Bond rating	25,669,103	-	-	25,669,103
Federal Impact Aid 8003(d)	157,805	-	-	157,805
Pupil transportation	3,106,531	-	-	3,106,531
Student allotment	2,202,833	-	-	2,202,833
Unrestricted net position (deficit)	<u>(156,893,558)</u>	<u>1,217,366</u>	<u>1,978,277</u>	<u>(456,354,589)</u>
Total net position	<u>779,970,705</u>	<u>22,153,875</u>	<u>3,378,088</u>	<u>4,653,814,360</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$2,177,626,521</u>	<u>\$63,544,195</u>	<u>\$6,323,913</u>	<u>\$8,953,489,107</u>

See accompanying notes to the financial statements.



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MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-2

Statement of Activities
Year ended December 31, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 45,762,630	\$ 7,237,117	\$ 46,954,176	\$ -
Fire services	95,257,639	13,142,676	22,442,489	-
Police services	123,935,578	17,266,567	1,095,898	400,000
Health and human services	79,927,151	2,745,687	51,508,565	800,000
Economic and community development	103,632,118	13,211,860	19,352,779	512,885
Public transportation	38,613,434	3,522,837	8,145,123	4,224,676
Public works	50,989,611	845,606	4,052,831	6,815,922
Maintenance and operations of roads and facilities	39,681,613	57,209	3,078,926	-
Education	274,069,093	-	-	-
Interest and fiscal agent charges on long-term debt	18,708,764	-	-	-
Total governmental activities	870,577,631	58,029,559	156,630,787	12,753,483
Business-type Activities:				
Water	41,714,609	69,013,941	(380,294)	-
Wastewater	45,986,939	68,078,899	(351,041)	-
Port	20,111,515	18,981,737	(27,621)	6,520,399
Municipal Airport	6,097,545	2,189,790	2,379,330	3,011,888
Disposal	27,019,719	27,678,294	(13,812)	6,074,682
Refuse	11,749,125	13,169,714	(55,033)	-
Anchorage Hydropower	540,856	5,052,791	-	-
Total business-type activities	153,220,308	204,165,166	1,551,529	15,606,969
Total primary government	\$ 1,023,797,939	\$ 262,194,725	\$ 158,182,316	\$ 28,360,452
Component Units:				
Anchorage School District	\$ 671,760,280	\$ 5,442,651	\$ 136,706,412	\$ 102,940,624
Anchorage Community Development Authority	9,673,978	7,554,012	-	-
Alaska Center for the Performing Arts, Inc.	3,506,233	2,850,542	851,646	-
Total Component Units	\$ 684,940,491	\$ 15,847,205	\$ 137,558,058	\$ 102,940,624

General Revenues:

Property taxes
 Motor vehicle taxes
 Hotel and motel taxes
 Alcoholic beverages taxes
 Tobacco taxes
 Marijuana taxes
 Fuel products taxes
 Assessments in lieu of taxes
 Grants and entitlements not restricted to specific programs
 Appropriation from Municipality of Anchorage
 Investment income (loss)
 Other

Transfers:

Total general revenues and transfers
 Change in net position
 Net position, beginning of year
 Net position, end of year

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit A-2

Statement of Activities
Year ended December 31, 2022

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

Primary Government			Component Units				Total Reporting Entity
Governmental Activities	Business-Type Activities	Total	Anchorage School District	Anchorage Community Development Authority	Alaska Center for the Performing Arts, Inc.		
\$ 8,428,663	\$ -	\$ 8,428,663	\$ -	\$ -	\$ -	\$ -	\$ 8,428,663
(59,672,474)	-	(59,672,474)	-	-	-	-	(59,672,474)
(105,173,113)	-	(105,173,113)	-	-	-	-	(105,173,113)
(24,872,899)	-	(24,872,899)	-	-	-	-	(24,872,899)
(70,554,594)	-	(70,554,594)	-	-	-	-	(70,554,594)
(22,720,798)	-	(22,720,798)	-	-	-	-	(22,720,798)
(39,275,252)	-	(39,275,252)	-	-	-	-	(39,275,252)
(36,545,478)	-	(36,545,478)	-	-	-	-	(36,545,478)
(274,069,093)	-	(274,069,093)	-	-	-	-	(274,069,093)
(18,708,764)	-	(18,708,764)	-	-	-	-	(18,708,764)
(643,163,802)	-	(643,163,802)	-	-	-	-	(643,163,802)
-	26,919,038	26,919,038	-	-	-	-	26,919,038
-	21,740,919	21,740,919	-	-	-	-	21,740,919
-	5,363,000	5,363,000	-	-	-	-	5,363,000
-	1,483,463	1,483,463	-	-	-	-	1,483,463
-	6,719,445	6,719,445	-	-	-	-	6,719,445
-	1,365,556	1,365,556	-	-	-	-	1,365,556
-	4,511,935	4,511,935	-	-	-	-	4,511,935
-	68,103,356	68,103,356	-	-	-	-	68,103,356
(643,163,802)	68,103,356	(575,060,446)	-	-	-	-	(575,060,446)
			(426,670,593)	-	-	-	(426,670,593)
			-	(2,119,966)	-	-	(2,119,966)
			-	-	195,955	-	195,955
			(426,670,593)	(2,119,966)	195,955	-	(428,594,604)
602,724,203	-	602,724,203	-	-	-	-	602,724,203
23,719,877	-	23,719,877	-	-	-	-	23,719,877
39,914,050	-	39,914,050	-	-	-	-	39,914,050
16,154,168	-	16,154,168	-	-	-	-	16,154,168
20,986,095	-	20,986,095	-	-	-	-	20,986,095
5,798,413	-	5,798,413	-	-	-	-	5,798,413
11,986,348	-	11,986,348	-	-	-	-	11,986,348
13,329,694	-	13,329,694	-	-	-	-	13,329,694
-	-	-	330,387,051	-	-	-	330,387,051
-	-	-	273,426,787	-	-	-	273,426,787
(62,585,366)	(5,331,955)	(67,917,321)	947,845	583,461	(45,451)	-	(66,431,466)
-	-	-	9,866,102	-	-	-	9,866,102
41,933,175	(41,933,175)	-	16,745	-	-	-	16,745
713,960,657	(47,265,130)	666,695,527	614,644,530	583,461	(45,451)	-	1,281,878,067
70,796,855	20,838,226	91,635,081	187,973,937	(1,536,505)	150,504	-	278,223,017
2,931,315,077	825,361,534	3,756,676,611	591,996,768	23,690,380	3,227,584	-	4,375,591,343
\$ 3,002,111,932	\$ 846,199,760	\$ 3,848,311,692	\$ 779,970,705	\$ 22,153,875	\$ 3,378,088	\$ -	\$ 4,653,814,360

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit B-1

Governmental Funds

Balance Sheet

December 31, 2022

	General	MOA Trust	Roads and Drainage Capital Project	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 10,520	\$ -	\$ -	\$ 72,763	\$ 83,283
Cash and investments in central treasury	107,909,645	66,925	24,739,674	155,811,799	288,528,043
Investments	-	380,488,593	-	47,331,259	427,819,852
Accrued interest on investments	1,818,344	626,530	-	25,076	2,469,950
Receivables (net of allowance for uncollectibles)	26,971,748	-	-	5,635,810	32,607,558
Intergovernmental receivables	1,267,390	-	246,889	59,012,669	60,526,948
Special assessments receivable, net	1,695,855	-	100,963	147,748	1,944,566
Leases receivable	1,121,494	-	-	2,885,778	4,007,272
Due from component units	2,585	-	-	97,181	99,766
Due from other funds	1,195,312	-	-	2,109,059	3,304,371
Inventories	1,201,159	-	-	-	1,201,159
Prepaid items and deposits	152,667	-	-	2,320,504	2,473,171
Assets held for resale	4,888,761	-	-	-	4,888,761
Advances to other funds	53,412,833	-	-	850,000	54,262,833
Investments in Angel Fund program	-	-	-	4,472,962	4,472,962
Loans receivable, net	-	-	-	3,612,570	3,612,570
Total assets	201,648,313	381,182,048	25,087,526	284,385,178	892,303,065
Deferred Outflows of Resources					
Deferred grant advancement	-	-	-	102,569	102,569
Deferred outflow of resources	-	-	-	102,569	102,569
Total assets and deferred outflows of resources	\$ 201,648,313	\$ 381,182,048	\$ 25,087,526	\$ 284,487,747	\$ 892,405,634
Liabilities					
Accounts payable and retainages	\$ 10,597,396	\$ 223,900	\$ 2,969,180	\$ 14,495,861	\$ 28,286,337
Accrued payroll liabilities	12,691,238	-	47,706	281,611	13,020,555
Due to other funds	-	-	-	3,219,371	3,219,371
Due to component unit	102,501,617	-	-	-	102,501,617
Unearned revenue and deposits	2,565,716	-	-	31,385,292	33,951,008
Advances from other funds	6,204,562	-	-	26,195,050	32,399,612
Total liabilities	134,560,529	223,900	3,016,886	75,577,185	213,378,500
Deferred Inflows of Resources					
Time restricted health permit receipts	478,375	-	-	-	478,375
Unavailable revenues:					
Intergovernmental revenues	-	-	-	2,793,898	2,793,898
Property taxes	10,433,263	-	-	-	10,433,263
Risk management claims	540,888	-	-	-	540,888
Special assessments	1,728,766	-	99,571	2,904	1,831,241
Leases	1,113,384	-	-	2,904,264	4,017,648
Land sales	-	-	-	1,243,352	1,243,352
Total deferred inflows of resources	14,294,676	-	99,571	6,944,418	21,338,665
Fund Balances					
Nonspendable	59,655,420	-	-	2,521,499	62,176,919
Restricted	2,173,665	380,958,148	20,097,894	124,827,216	528,056,923
Committed	50,568,684	-	1,873,175	46,079,136	98,520,995
Assigned	-	-	-	28,733,183	28,733,183
Unassigned (deficit)	(59,604,661)	-	-	(194,890)	(59,799,551)
Total fund balances	52,793,108	380,958,148	21,971,069	201,966,144	657,688,469
Total liabilities, deferred inflows of resources, and fund balances	\$ 201,648,313	\$ 381,182,048	\$ 25,087,526	\$ 284,487,747	\$ 892,405,634

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 December 31, 2022

Exhibit B-2

Total net position reported for governmental activities in the statement of net position is different because:			
Total fund balances - governmental funds		\$	657,688,469
The PERS ARHCT, RMP and ODD OPEB plans have been funded in excess of required contributions. This asset is not a financial resource and therefore it is not reported in the funds.			137,090,222
Capital assets used in government are not financial resources and therefore, are not reported in the funds:			3,478,477,093
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:			
Property taxes	\$	10,433,263	
Intergovernmental revenues		1,791,758	
Risk management claims		540,888	
Special assessments		1,831,241	
HUD Rehab Long-term loan receivable, net activity		<u>1,002,140</u>	
			15,599,290
Deferred outflows of resources represent costs applicable to future periods, and therefore are not reported in governmental funds:			
Deferred charges on bond refunding		12,207,045	
Deferred outflows of resources related to pension		49,027,485	
Deferred outflows of resources related to OPEB		<u>12,934,110</u>	
			74,168,640
Internal service funds charge the costs of fleet management, insurance, and information technology to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position:			
Total internal service funds equity related to governmental activities		37,614,074	
Net of amounts included in:			
Capital assets, net of depreciation and amortization		(60,869,225)	
Accrued interest payable		100,577	
Compensated absences		1,086,973	
Internal balances		(822,715)	
Deferred inflows of resources related to OPEB		507,480	
Deferred outflows of resources related to pension		(1,156,751)	
Deferred outflows of resources related to OPEB		(556,967)	
Net pension obligation		14,633,311	
Net OPEB asset		<u>(5,903,376)</u>	
			(15,366,619)
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in governmental funds:			
General obligation bonds, including premium and discount		(514,498,592)	
Certificates of participation bonds		(45,030,000)	
Alaska Center for the Performing Arts, Inc. bonds		(2,909,803)	
Direct financing agreements		(5,248,300)	
Pollution remediation		(3,833,945)	
CIVICventures revenue bonds		(81,585,609)	
Compensated absences		(28,782,402)	
Leases payable		(66,404,923)	
Net pension liability		(432,584,140)	
Net OPEB liability		(144,761,726)	
Accrued interest payable		<u>(7,126,084)</u>	
			(1,332,765,524)
Deferred inflows of resources represent resources or benefits applicable to future periods and therefore are not reported in governmental funds:			
Deferred inflows of resources related to OPEB		<u>(12,779,639)</u>	
			(12,779,639)
Net position of governmental activities			<u>\$ 3,002,111,932</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit B-3

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year ended December 31, 2022

	General	MOA Trust	Roads and Drainage Capital Project	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 681,237,330	\$ -	\$ -	\$ 40,225,518	\$ 721,462,848
Assessments in lieu of taxes	13,329,694	-	-	-	13,329,694
Special assessments	174,500	-	36,135	890,547	1,101,182
Licenses and permits	10,946,309	-	-	-	10,946,309
Intergovernmental	44,627,819	-	743,692	137,774,552	183,146,063
Charges for services	23,595,214	-	-	712,121	24,307,335
Fines and forfeitures	8,759,733	-	-	132,487	8,892,220
E911 surcharges	-	-	-	8,015,895	8,015,895
Investment loss	(3,320,902)	(50,144,845)	-	(7,215,682)	(60,681,429)
Restricted contributions	105,560	-	-	1,140,969	1,246,529
Other	3,560,746	-	-	543,680	4,104,426
Total revenues	783,016,003	(50,144,845)	779,827	182,220,087	915,871,072
Expenditures					
Current:					
General government	20,789,936	2,218,649	-	24,736,464	47,745,049
Fire services	115,182,730	-	-	4,068,074	119,250,804
Police services	138,553,709	-	-	12,327,999	150,881,708
Health and human services	14,779,144	-	-	64,133,453	78,912,597
Economic and community development	65,367,740	-	-	32,038,266	97,406,006
Public transportation	28,280,370	-	-	8,679,702	36,960,072
Public works	7,745,771	-	-	1,626,659	9,372,430
Maintenance and operations of roads and facilities	38,029,156	-	-	2,654,478	40,683,634
Education	274,069,093	-	-	-	274,069,093
Debt service:					
Principal	39,015,064	-	-	6,760,098	45,775,162
Interest and fiscal agent charges	18,462,864	-	-	5,486,702	23,949,566
Bond issuance costs	208,651	-	505,351	210,623	924,625
Debt service - Leases:					
Principal	7,003,262	-	-	-	7,003,262
Interest	1,398,000	-	-	-	1,398,000
Capital outlay	242,520	-	44,820,460	31,047,298	76,110,278
Total expenditures	769,128,010	2,218,649	45,325,811	193,769,816	1,010,442,286
Excess (deficiency) of revenues over expenditures	13,887,993	(52,363,494)	(44,545,984)	(11,549,729)	(94,571,214)
Other Financing Sources (Uses)					
Transfers from other funds	57,139,437	2,326,125	4,216,230	36,845,331	100,527,123
Transfers to other funds	(32,673,382)	(17,100,000)	(8,169)	(10,117,865)	(59,899,416)
General obligation bonds issued	-	-	53,889,589	22,460,411	76,350,000
Premium on bonds	-	-	5,423,931	2,260,616	7,684,547
Premium on Tax Anticipation Notes	816,000	-	-	-	816,000
Draws on Direct Financing Agreements	1,395,814	-	-	-	1,395,814
Insurance recoveries	218,231	-	-	24,006	242,237
Proceeds from sale of capital assets	403,433	-	-	1,252,054	1,655,487
Total other financing sources (uses)	27,299,533	(14,773,875)	63,521,581	52,724,553	128,771,792
Net change in fund balances	41,187,526	(67,137,369)	18,975,597	41,174,824	34,200,578
Fund balances, beginning of year	11,605,582	448,095,517	2,995,472	160,791,320	623,487,891
Fund balances, end of year	\$ 52,793,108	\$ 380,958,148	\$ 21,971,069	\$ 201,966,144	\$ 657,688,469

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit B-4

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
Year ended December 31, 2022

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

Net change in fund balance – total governmental funds	\$	34,200,578
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense:		
Capital outlay and equipment purchases	\$	28,483,971
Contributed assets		5,818,857
Depreciation and amortization expense		<u>(40,288,826)</u>
		(5,985,998)
The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) increases /(decreases) net position:		
Other gain/(loss) on capital assets		(2,672,729)
Revenues in the statement of activities that do not provide current financial resources are deferred in the funds. This is the increase (decrease) in:		
Intergovernmental revenues		(2,011)
Property taxes		(179,692)
Special assessments		(140,989)
Risk management claims		<u>342,647</u>
		19,955
The issuance of long-term debt provides current financial resources to governmental funds, while long-term debt principal repayments consume current financial government fund resources. Neither transaction, however, affects net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
New issuance of general obligation bonds		(76,350,000)
Premium on bond sales and Tax Anticipation Notes		(8,500,547)
Principal repayment on bonds		45,775,162
Direct Financing Agreement loan proceeds		(1,395,814)
Principal repayments on leases		7,003,262
Net change in premiums, discounts, and deferred charges - bonds		<u>7,387,479</u>
		(26,080,458)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as government fund expenditures. These are the (increase) decrease in:		
Compensated absences		1,805,776
Pollution remediation		(62,542)
Changes in pension liabilities and related deferred outflows and inflows of resources		53,610,046
Changes in OPEB assets and liabilities and related deferred outflows and inflows of resources		26,910,586
Accrued interest payable		<u>(468,139)</u>
		81,795,727
Internal service funds charge insurance, fleet management, and information technology costs to individual funds. The net revenue (expenses) of certain internal service fund activities is reported with governmental activities.		
Change in net position of governmental activities		<u>(10,480,220)</u>
	\$	<u><u>70,796,855</u></u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-1

Proprietary Funds
Statement of Net Position
December 31, 2022

Business-Type Activities - Enterprise Funds

Assets	Water Utility	Wastewater Utility	Port	Disposal Utility
Current assets:				
Cash	\$ -	\$ 2,200	\$ 500	\$ 2,424
Cash and investments in central treasury	34,010,628	24,818,740	10,730,244	30,551,430
Equity in bond and grant capital acquisition and construction pool	-	-	-	8,160,731
Accrued interest on investments	389,954	283,943	82,239	536
Interest receivable	28,571	40,305	-	-
Receivables (net of allowance for uncollectibles)	5,686,453	6,417,825	1,045,610	2,372,057
Reserved for equity in general cash pool - bond and loan obligations	8,393,982	8,214,792	-	-
Intergovernmental receivables	-	-	-	-
Inventories	2,866,741	748,341	329,025	47,695
Prepaid items and deposits	224,639	194,436	109,233	7,697
Special assessments receivable	58,610	58,950	-	-
Leases receivable, current portion	143,393	13,279	718,645	-
Interest receivable leases	4,672	463	216,472	-
Unbilled reimbursable projects	28,908	103,180	-	-
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	17,433,361	12,853,823	-	-
Intergovernmental receivables	-	-	-	-
Interim rate escrow investment	896,335	1,949,805	-	-
Total current assets	70,166,247	55,700,082	13,231,968	41,142,570
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	-	-
Leases receivable	1,652,951	140,499	52,803,922	-
Assets held for resale	-	-	242,093	-
Advances to other funds	-	-	-	-
Receivables (net of allowance for uncollectibles)	404,816	-	-	-
Net OPEB asset	8,012,512	7,396,165	581,959	291,025
Unamortized debt expense	444,805	322,264	-	-
Unbilled special assessments	964,668	951,119	-	-
Regulatory and other assets	2,344,789	1,100,836	-	-
Restricted assets:				
Restricted equity in general cash pool - customer deposits	420,158	100,903	-	-
Cash legal settlement set aside	-	-	1,950,000	-
Landfill postclosure cash reserve	-	-	-	16,885,645
Debt service investments	-	-	-	7,268
Intergovernmental receivables	-	-	6,319,647	-
Investments for operations	-	-	-	-
Investments held for debt service	-	-	4,986,136	-
Capital assets, net	568,052,787	440,676,389	371,820,933	155,431,871
Total noncurrent assets	582,297,486	450,688,175	438,704,690	172,615,809
Total assets	652,463,733	506,388,257	451,936,658	213,758,379
Deferred Outflows of Resources				
Deferred charge on refunding	1,682,642	965,836	-	-
Related to pension	1,570,032	1,449,260	114,033	57,026
Related to OPEB	755,960	697,809	54,906	27,457
Total deferred outflows of resources	4,008,634	3,112,905	168,939	84,483
Total assets and deferred outflows of resources	\$ 656,472,367	\$ 509,501,162	\$ 452,105,597	\$ 213,842,862

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-1

Proprietary Funds
Statement of Net Position
December 31, 2022

	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Assets				
Current assets:				
Cash	\$ 1,251	\$ 6,375	\$ -	\$ 6,375
Cash and investments in central treasury	9,999,453	110,110,495	51,857,250	161,967,745
Equity in bond and grant capital acquisition and construction pool	4,321,740	12,482,471	9,087,149	21,569,620
Accrued interest on investments	377,305	1,133,977	-	1,133,977
Interest receivable	-	68,876	-	68,876
Receivables (net of allowance for uncollectibles)	1,335,590	16,857,535	1,108,324	17,965,859
Reserved for equity in general cash pool - bond and loan obligations	-	16,608,774	-	16,608,774
Intergovernmental receivables	2,256,997	2,256,997	-	2,256,997
Inventories	-	3,991,802	419,808	4,411,610
Prepaid items and deposits	7,742	543,747	2,742,389	3,286,136
Special assessments receivable	-	117,560	-	117,560
Leases receivable, current portion	196,867	1,072,184	-	1,072,184
Interest receivable leases	49,038	270,645	-	270,645
Unbilled reimbursable projects	-	132,088	-	132,088
Restricted assets:				
Equity in bond and grant capital acquisition and construction pool	-	30,287,184	-	30,287,184
Intergovernmental receivables	7,024	7,024	-	7,024
Interim rate escrow investment	-	2,846,140	-	2,846,140
Total current assets	18,553,007	198,793,874	65,214,920	264,008,794
Noncurrent assets:				
Receivable - installment sale of Electric Utility	99,406,418	99,406,418	-	99,406,418
Leases receivable	13,687,484	68,284,856	-	68,284,856
Assets held for resale	-	242,093	-	242,093
Advances to other funds	-	-	6,204,562	6,204,562
Receivables (net of allowance for uncollectibles)	-	404,816	-	404,816
Net OPEB asset	1,551,438	17,833,099	5,903,376	23,736,475
Unamortized debt expense	-	767,069	-	767,069
Unbilled special assessments	-	1,915,787	-	1,915,787
Regulatory and other assets	1,351,896	4,797,521	-	4,797,521
Restricted assets:				
Restricted equity in general cash pool - customer deposits	-	521,061	-	521,061
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Landfill postclosure cash reserve	-	16,885,645	-	16,885,645
Debt service investments	4,088	11,356	-	11,356
Intergovernmental receivables	1,393,374	7,713,021	-	7,713,021
Investments for operations	3,000,000	3,000,000	-	3,000,000
Investments held for debt service	-	4,986,136	-	4,986,136
Capital assets, net	144,885,106	1,680,867,086	60,869,225	1,741,736,311
Total noncurrent assets	265,279,804	1,909,585,964	72,977,163	1,982,563,127
Total assets	283,832,811	2,108,379,838	138,192,083	2,246,571,921
Deferred Outflows of Resources				
Deferred charge on refunding	-	2,648,478	-	2,648,478
Related to pension	304,000	3,494,351	1,156,751	4,651,102
Related to OPEB	146,374	1,682,506	556,967	2,239,473
Total deferred outflows of resources	450,374	7,825,335	1,713,718	9,539,053
Total assets and deferred outflows of resources	\$ 284,283,185	\$ 2,116,205,173	\$ 139,905,801	\$ 2,256,110,974

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

C-1, Continued

Proprietary Funds
Statement of Net Position
December 31, 2022

Business-Type Activities - Enterprise Funds

Liabilities	Water Utility	Wastewater Utility	Port	Disposal Utility
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 1,183,048	\$ 968,459	\$ 417,174	\$ 2,827,096
Accrued payroll liabilities	798,658	648,763	84,697	252,632
Capital acquisition and construction accounts and retainage payable	-	-	3,319,437	2,507,757
Compensated absences	997,761	1,066,143	172,420	528,512
Claims payable and incurred but not reported	-	-	-	-
Due to other funds	-	-	-	-
Accrued interest payable	2,039,633	2,329,750	318,229	131,016
Accrued interest on leases	-	-	777	2,195
Pollution remediation obligation	1,100	20,000	-	-
Long-term obligations maturing within one year	14,432,934	12,086,565	715,000	1,038,590
Unearned revenue and deposits	499,383	1,452	-	-
Leases payable, current portion	3,811	3,208	41,953	28,874
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	26	131	-	-
Capital acquisition and construction accounts and retainage payable	1,606,136	1,677,290	-	-
Total current liabilities	21,562,490	18,801,761	5,069,687	7,316,672
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	-	91,768,337	-	-
Advances from other funds	-	-	-	-
Alaska Clean Water and Drinking Water loans payable	90,671,355	82,571,921	-	6,680,275
Direct Financing Agreements	-	-	-	-
Claims payable and incurred but not reported	-	-	-	-
Compensated absences	767,631	441,520	103,916	63,205
Bonds payable	116,130,628	-	68,183,340	68,860,935
Notes payable	1,000	1,000	40,000,000	6,740,311
Net pension liability	19,861,449	18,333,644	1,442,563	721,393
Leases payable, net current portion	94,038	59,451	466,204	972,483
Liabilities payable from restricted assets:				
Customer deposits	420,158	100,903	-	-
Other liabilities:				
Pollution remediation obligation	-	676,000	-	-
Future landfill closure costs	-	-	-	42,621,511
Other long-term obligations	-	-	1,734,106	-
Total noncurrent liabilities	227,946,259	193,952,776	111,930,129	126,660,113
Total liabilities	249,508,749	212,754,537	116,999,816	133,976,785
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	188,508,210	151,520,681	-	-
Related to OPEB	688,791	635,807	50,028	25,018
Related to leases	1,761,296	149,766	52,492,410	-
Related to installment sale of Electric Utility	-	-	-	-
Total deferred inflows of resources	190,958,297	152,306,254	52,542,438	25,018
Net Position				
Net investment in capital assets	175,720,678	114,807,595	259,094,999	68,602,646
Restricted for:				
Debt service	-	-	4,986,136	-
Interim rate escrow requirement	896,335	1,949,805	8,269,647	-
Acquisition and construction	-	-	-	-
Operations	-	-	-	-
Unrestricted net position (deficit)	39,388,308	27,682,971	10,212,561	11,238,413
Total net position	216,005,321	144,440,371	282,563,343	79,841,059
Total liabilities, deferred inflows of resources, and net position	\$ 656,472,367	\$ 509,501,162	\$ 452,105,597	\$ 213,842,862

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

C-1, Continued

Proprietary Funds
Statement of Net Position
December 31, 2022

Liabilities	Business-Type Activities – Enterprise Funds (Continued)		Governmental Activities –	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	\$ 231,129	\$ 5,626,906	\$ 2,502,020	\$ 8,128,926
Accrued payroll liabilities	200,849	1,985,599	541,255	2,526,854
Capital acquisition and construction accounts and retainage payable	2,022,436	7,849,630	979,002	8,828,632
Compensated absences	275,442	3,040,278	795,717	3,835,995
Claims payable and incurred but not reported	-	-	30,558,647	30,558,647
Due to other funds	-	-	85,000	85,000
Accrued interest payable	45,405	4,864,033	100,577	4,964,610
Accrued interest on leases	-	2,972	-	2,972
Pollution remediation obligation	-	21,100	-	21,100
Long-term obligations maturing within one year	-	28,273,089	7,399,580	35,672,669
Unearned revenue and deposits	170,600	671,435	-	671,435
Leases payable, current portion	-	77,846	-	77,846
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	-	157	-	157
Capital acquisition and construction accounts and retainage payable	-	3,283,426	-	3,283,426
Total current liabilities	2,945,861	55,696,471	42,961,798	98,658,269
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	-	91,768,337	-	91,768,337
Advances from other funds	-	-	28,067,783	28,067,783
Alaska Clean Water and Drinking Water loans payable	-	179,923,551	-	179,923,551
Direct Financing Agreements	-	-	7,521,027	7,521,027
Claims payable and incurred but not reported	-	-	8,309,072	8,309,072
Compensated absences	-	1,376,272	291,256	1,667,528
Bonds payable	38,734,275	291,909,178	-	291,909,178
Notes payable	2,963,254	49,705,565	-	49,705,565
Net pension liability	3,845,714	44,204,763	14,633,311	58,838,074
Leases payable, net current portion	-	1,592,176	-	1,592,176
Liabilities payable from restricted assets:				
Customer deposits	-	521,061	-	521,061
Other liabilities:				
Pollution remediation obligation	-	676,000	-	676,000
Future landfill closure costs	-	42,621,511	-	42,621,511
Other long-term obligations	-	1,734,106	-	1,734,106
Total noncurrent liabilities	45,543,243	706,032,520	58,822,449	764,854,969
Total liabilities	48,489,104	761,728,991	101,784,247	863,513,238
Deferred Inflows of Resources				
Contributions in aid of construction (net of amortization)	-	340,028,891	-	340,028,891
Related to OPEB	133,368	1,533,012	507,480	2,040,492
Related to leases	13,727,344	68,130,816	-	68,130,816
Related to installment sale of Electric Utility	99,406,418	99,406,418	-	99,406,418
Total deferred inflows of resources	113,267,130	509,099,137	507,480	509,606,617
Net Position				
Net investment in capital assets	101,165,141	719,391,059	44,969,616	764,360,675
Restricted for:				
Debt service	-	4,986,136	-	4,986,136
Interim rate escrow requirement	-	11,115,787	-	11,115,787
Acquisition and construction	1,400,398	1,400,398	-	1,400,398
Operations	3,000,000	3,000,000	-	3,000,000
Unrestricted net position (deficit)	16,961,412	105,483,665	(7,355,542)	98,128,123
Total net position	122,526,951	845,377,045	37,614,074	882,991,119
Total liabilities, deferred inflows of resources, and net position	\$ 284,283,185	\$ 2,116,205,173	\$ 139,905,801	\$ 2,256,110,974

Adjustment to reflect the consolidation
822,715 of internal service fund activities related
\$ 846,199,760 Net position of business-type activities

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-2

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2022

	Water Utility	Wastewater Utility	Port	Disposal Utility
Operating Revenues				
Charges for sales and services	\$ 66,700,083	\$ 66,295,847	\$ 10,630,117	\$ 27,532,613
Lease revenues	185,904	16,050	-	-
Other	1,204,798	958,405	3,987,964	172,338
Total operating revenues	68,090,785	67,270,302	14,618,081	27,704,951
Operating Expenses				
Operations	22,975,470	28,121,311	8,251,774	17,620,475
Change in landfill closure liability	-	-	-	3,356,019
Depreciation and amortization	12,527,462	12,794,663	7,083,726	4,575,932
Total operating expenses	35,502,932	40,915,974	15,335,500	25,552,426
Operating income (loss)	32,587,853	26,354,328	(717,419)	2,152,525
Nonoperating Revenues (Expenses)				
Investment loss	(849,826)	(446,807)	(279,805)	(615,873)
Investment loss on landfill postclosure cash reserve	-	-	-	(2,913,635)
Installment sale	-	-	-	-
Other revenues	12,322	4,225	1,756,842	-
Intergovernmental revenue (expense)	(380,294)	(351,041)	(27,621)	(13,812)
Lease interest income	59,689	5,755	2,606,814	(26,657)
Interest expense	(5,497,376)	(4,368,748)	(2,958,989)	(1,277,890)
Interest expense on leases	-	-	(9,601)	-
Allowance for funds used during construction (AFUDC)	665,241	782,567	-	-
Gain (loss) on sale of capital assets	-	-	19,431	-
Long-term debt issuance expenses	-	-	(7,500)	-
Other expenses	(263,726)	(467,722)	(1,710,822)	-
Net nonoperating revenues (expenses)	(6,253,970)	(4,841,771)	(611,251)	(4,847,867)
Income (loss) before capital contributions and transfers	26,333,883	21,512,557	(1,328,670)	(2,695,342)
Capital contributions	-	-	6,520,399	6,074,682
Transfers of capital assets to governmental activities	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	(9,500,923)	(7,034,578)	(2,126,920)	(1,908,888)
Change in net position	16,832,960	14,477,979	3,064,809	1,470,452
Net position, beginning of year	199,172,361	129,962,392	279,498,534	78,370,607
Net position, end of year	\$ 216,005,321	\$ 144,440,371	\$ 282,563,343	\$ 79,841,059

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-2

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position
Year ended December 31, 2022

	<u>Business-Type Activities – Enterprise Funds (Continued)</u>		<u>Governmental Activities –</u>	
	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total Proprietary Funds</u>
Operating Revenues				
Charges for sales and services	\$ 16,460,274	\$ 187,618,934	\$ 102,376,789	\$ 289,995,723
Lease revenues	409,493	611,447	-	611,447
Other	390,451	6,713,956	162,383	6,876,339
Total operating revenues	<u>17,260,218</u>	<u>194,944,337</u>	<u>102,539,172</u>	<u>297,483,509</u>
Operating Expenses				
Operations	12,665,965	89,634,995	96,275,061	185,910,056
Change in landfill closure liability	-	3,356,019	-	3,356,019
Depreciation and amortization	4,966,693	41,948,476	13,393,516	55,341,992
Total operating expenses	<u>17,632,658</u>	<u>134,939,490</u>	<u>109,668,577</u>	<u>244,608,067</u>
Operating income (loss)	<u>(372,440)</u>	<u>60,004,847</u>	<u>(7,129,405)</u>	<u>52,875,442</u>
Nonoperating Revenues (Expenses)				
Investment loss	(226,009)	(2,418,320)	(1,903,937)	(4,322,257)
Investment loss on landfill postclosure cash reserve	-	(2,913,635)	-	(2,913,635)
Installment sale	2,539,706	2,539,706	-	2,539,706
Other revenues	10	1,773,399	204,061	1,977,460
Intergovernmental revenue (expense)	2,324,297	1,551,529	(280,190)	1,271,339
Lease interest income	612,361	3,257,962	-	3,257,962
Interest expense	(633,115)	(14,736,118)	(518,502)	(15,254,620)
Interest expense on leases	-	(9,601)	-	(9,601)
Allowance for funds used during construction (AFUDC)	-	1,447,808	-	1,447,808
Gain (loss) on sale of capital assets	(13,130)	6,301	(453,735)	(447,434)
Long-term debt issuance expenses	-	(7,500)	-	(7,500)
Other expenses	-	(2,442,270)	(11,000)	(2,453,270)
Net nonoperating revenues (expenses)	<u>4,604,120</u>	<u>(11,950,739)</u>	<u>(2,963,303)</u>	<u>(14,914,042)</u>
Income (loss) before capital contributions and transfers	4,231,680	48,054,108	(10,092,708)	37,961,400
Capital contributions	3,011,888	15,606,969	3,029,031	18,636,000
Transfers of capital assets to governmental activities	-	-	(5,611,685)	(5,611,685)
Transfers from other funds	-	-	1,395,814	1,395,814
Transfers to other funds	(21,361,866)	(41,933,175)	(90,348)	(42,023,523)
Change in net position	<u>(14,118,298)</u>	<u>21,727,902</u>	<u>(11,369,896)</u>	<u>10,358,006</u>
Net position, beginning of year	136,645,249		48,983,970	872,633,113
Net position, end of year	<u>\$ 122,526,951</u>		<u>\$ 37,614,074</u>	<u>\$ 882,991,119</u>

Adjustments to reflect the consolidation
of internal service fund activities related
(889,676) to enterprise funds

\$ 20,838,226 Change in net position of business-type
activities

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2022

Business-Type Activities - Enterprise Funds

	Water Utility	Wastewater Utility	Port	Disposal Utility
Cash Flows From Operating Activities				
Receipts from customers	\$ 65,996,708	\$ 66,512,732	\$ 13,428,725	\$ 27,153,372
Other operating cash receipts	-	-	-	-
Receipts for interfund services provided	-	-	-	-
Payments to employees	(19,439,182)	(18,654,809)	(2,773,287)	(8,627,419)
Payments to vendors	(4,992,420)	(12,444,057)	(4,946,948)	(7,758,942)
Payments for interfund services used	(1,775,687)	(1,746,666)	(1,215,444)	(1,639,255)
Net cash from operating activities	<u>39,789,419</u>	<u>33,667,200</u>	<u>4,493,046</u>	<u>9,127,756</u>
Cash Flows From Non-capital Financing Activities				
Transfers to other funds	(9,500,923)	(7,034,578)	(2,126,920)	(1,908,888)
Transfers from other funds	-	-	-	-
Security contract	-	-	(1,710,822)	-
Right of way and security fees	-	-	1,756,842	-
Due to other funds	-	-	-	(5,108,069)
Due from other funds	-	-	-	-
Proceeds from installment sale	-	-	-	-
Advance to other funds	-	-	-	-
Net cash from non-capital financing activities	<u>(9,500,923)</u>	<u>(7,034,578)</u>	<u>(2,080,900)</u>	<u>(7,016,957)</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from issuance of long-term obligations	20,268,887	19,504,505	-	117,115,378
Principal payments on long-term obligations	(13,337,601)	(10,942,941)	-	(86,633,686)
Retirements from long-term obligations	(20,268,887)	(19,504,506)	-	-
Financing costs on long-term obligations	-	-	(7,500)	-
Interest payments on long-term obligations	(6,363,818)	(5,178,239)	(2,977,722)	(1,254,020)
Proceeds from issuance of Direct Financing Agreements	-	-	-	-
Capital grant proceeds	-	-	-	11,220,861
Acquisition and construction of capital assets	(10,425,479)	(7,234,981)	(29,588,823)	(40,789,787)
Interest payments on leases	3,811	3,208	(8,824)	(24,463)
Principal payments on leases	94,038	59,451	(44,074)	(28,804)
Proceeds from leases	-	-	2,390,342	-
Proceeds from the sale or disposition of capital assets	-	-	19,431	-
Capital contributions – customers	225,947	148,313	-	-
Capital contributions – intergovernmental	-	-	22,745,531	-
Net cash from capital and related financing activities	<u>(29,803,102)</u>	<u>(23,145,190)</u>	<u>(7,471,639)</u>	<u>(394,521)</u>
Cash Flows From Investing Activities				
Investment loss	(934,385)	(622,451)	(306,848)	(3,530,043)
Net increase (decrease) in cash	(448,991)	2,864,981	(5,366,341)	(1,813,765)
Cash, beginning of year	61,603,455	45,075,282	23,033,221	57,421,263
Cash, end of year	<u>61,154,464</u>	<u>47,940,263</u>	<u>17,666,880</u>	<u>55,607,498</u>
Cash	-	2,200	500	2,424
Cash and investments in central treasury	34,010,628	24,818,740	10,730,244	30,551,430
Equity in bond and grant capital acquisition and construction accounts, unrestricted	-	-	-	8,160,731
Restricted equity in bond and grant capital acquisition and construction accounts	17,433,361	12,853,823	-	-
Cash legal settlement set aside	-	-	1,950,000	-
Debt service investments	-	-	4,986,136	7,268
Restricted investments for operations	-	-	-	-
Restricted equity in general cash pool - customer deposits	420,158	100,903	-	-
Interim rate escrow investments	896,335	1,949,805	-	-
Reserved for equity in general cash pool - bond and loan debt service	8,393,982	8,214,792	-	-
Restricted for debt service	-	-	-	-
Restricted for Landfill postclosure cash reserve	-	-	-	16,885,645
Cash, December 31	<u>\$ 61,154,464</u>	<u>\$ 47,940,263</u>	<u>\$ 17,666,880</u>	<u>\$ 55,607,498</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2022

	Business-Type Activities -		Governmental Activities -	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Cash Flows From Operating Activities				
Receipts from customers	\$ 17,257,992	\$ 190,349,529	\$ -	\$ 190,349,529
Other operating cash receipts	1,123,280	1,123,280	-	1,123,280
Receipts for interfund services provided	-	-	101,673,636	101,673,636
Payments to employees	(5,451,410)	(54,946,107)	(11,965,033)	(66,911,140)
Payments to vendors	(6,556,333)	(36,698,700)	(75,983,695)	(112,682,395)
Payments for interfund services used	(1,523,986)	(7,901,038)	(3,984,552)	(11,885,590)
Net cash from operating activities	4,849,543	91,926,964	9,740,356	101,667,320
Cash Flows From Non-capital Financing Activities				
Transfers to other funds	(21,361,866)	(41,933,175)	(90,348)	(42,023,523)
Transfers from other funds	-	-	1,395,814	1,395,814
Security contract	-	(1,710,822)	-	(1,710,822)
Right of way and security fees	-	1,756,842	-	1,756,842
Due to other funds	(581,895)	(5,689,964)	2,072,744	(3,617,220)
Due from other funds	-	-	(280,190)	(280,190)
Proceeds from installment sale	2,539,706	2,539,706	-	2,539,706
Advance to other funds	-	-	(386,454)	(386,454)
Net cash from non-capital financing activities	(19,404,055)	(45,037,413)	2,711,566	(42,325,847)
Cash Flows From Capital and Related Financing Activities				
Proceeds from issuance of long-term obligations	39,511,800	196,400,570	-	196,400,570
Principal payments on long-term obligations	(21,404,900)	(132,319,128)	(8,121,513)	(140,440,641)
Retirements from long-term obligations	-	(39,773,393)	-	(39,773,393)
Financing costs on long-term obligations	-	(7,500)	-	(7,500)
Interest payments on long-term obligations	(1,406,080)	(17,179,879)	(570,578)	(17,750,457)
Proceeds from issuance of Direct Financing Agreements	-	-	824,700	824,700
Capital grant proceeds	27,521	11,248,382	-	11,248,382
Acquisition and construction of capital assets	(20,263,809)	(108,302,879)	(6,947,073)	(115,249,952)
Interest payments on leases	-	(26,268)	-	(26,268)
Principal payments on leases	-	80,611	-	80,611
Proceeds from leases	563,322	2,953,664	-	2,953,664
Proceeds from the sale or disposition of capital assets	-	19,431	-	19,431
Capital contributions – customers	-	374,260	-	374,260
Capital contributions – intergovernmental	3,897,713	26,643,244	3,029,031	29,672,275
Net cash from capital and related financing activities	925,567	(59,888,885)	(11,785,433)	(71,674,318)
Cash Flows From Investing Activities				
Investment loss	(447,954)	(5,841,681)	(1,903,937)	(7,745,618)
Net increase (decrease) in cash	(14,076,899)	(18,841,015)	(1,237,448)	(20,078,463)
Cash, beginning of year	31,403,431	218,536,652	62,181,847	280,718,499
Cash, end of year	17,326,532	199,695,637	60,944,399	260,640,036
Cash	1,251	6,375	-	6,375
Cash and investments in central treasury	9,999,453	110,110,495	51,857,250	161,967,745
Equity in bond and grant capital acquisition and construction accounts, unrestricted	4,321,740	12,482,471	9,087,149	21,569,620
Restricted equity in bond and grant capital acquisition and construction accounts	-	30,287,184	-	30,287,184
Cash legal settlement set aside	-	1,950,000	-	1,950,000
Debt service investments	-	4,993,404	-	4,993,404
Restricted investments for operations	3,000,000	3,000,000	-	3,000,000
Restricted equity in general cash pool - customer deposits	-	521,061	-	521,061
Interim rate escrow investments	-	2,846,140	-	2,846,140
Reserved for equity in general cash pool - bond and loan debt service	-	16,608,774	-	16,608,774
Restricted for debt service	4,088	4,088	-	4,088
Restricted for Landfill postclosure cash reserve	-	16,885,645	-	16,885,645
Cash, December 31	\$ 17,326,532	\$ 199,695,637	\$ 60,944,399	\$ 260,640,036

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2022

Business-Type Activities - Enterprise Funds

	Water Utility	Wastewater Utility	Port	Disposal Utility
Reconciliation of Operating Income Loss to Net Cash From Operating Activities:				
Operating income (loss)	\$ 32,587,853	\$ 26,354,328	\$ (717,419)	\$ 2,152,525
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:				
Change in landfill closure liability	-	-	-	3,356,019
Depreciation and amortization	12,527,462	12,794,663	7,083,726	4,575,932
Allowance for uncollectible accounts	(99,604)	(85,707)	-	-
Pension and OPEB relief-noncash revenue	(380,294)	(351,041)	(27,621)	(13,812)
Other revenues / expenses	12,322	4,225	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:				
Accounts receivable, net	(302,940)	(498,784)	(121,700)	(551,579)
Leases receivable	(1,796,344)	(153,778)	662,803	-
Inventories	(491,792)	(79,713)	-	(47,695)
Net OPEB asset	-	-	482,283	144,351
Prepaid items and deposits	57,008	56,789	30,740	(1,764)
Unbilled reimbursable projects	(113,159)	(68,301)	-	-
Customer deposits and refunds payable	225,467	13,575	-	-
Deferred outflows of resources related to pension	(139,255)	(128,543)	21,634	(1,525)
Deferred outflows of resources related to OPEB	(505,746)	(466,177)	(31,148)	(17,737)
Accounts payable, other accrued liabilities, and retainages	452,067	60,031	29,653	34,904
Accrued payroll liabilities	(121,821)	(221,308)	(38,217)	(182,404)
Compensated absences	(54,604)	(177,169)	(13,430)	4,676
Claims payable	-	-	-	-
Net pension liability	4,378,513	4,041,704	(25,535)	120,802
Net OPEB liability	3,195,765	2,979,720	-	-
Deferred inflows of resources related to pension	(6,174,248)	(5,699,307)	(585,445)	(239,503)
Deferred inflows of resources related to OPEB	(5,243,943)	(4,856,328)	(513,294)	(205,434)
Deferred inflows of resources related to leases	1,761,296	149,766	(1,692,960)	-
Unearned revenues and deposits	(9,942)	1,452	(37,500)	-
Other long-term obligations	-	-	(13,524)	-
Regulatory debits	25,358	(2,897)	-	-
Total cash from operating activities	<u>39,789,419</u>	<u>33,667,200</u>	<u>4,493,046</u>	<u>9,127,756</u>
Noncash Investing, Capital, and Financing Activities:				
Capital purchases on account	822,004	562,972	3,319,437	2,507,757
Contributed capital for equipment	2,789,745	2,405,068	6,319,647	6,074,682
Portion of plant from AFUDC	665,241	782,567	-	-
Total noncash investing, capital, and financing activities	<u>\$ 4,276,990</u>	<u>\$ 3,750,607</u>	<u>\$ 9,639,084</u>	<u>\$ 8,582,439</u>

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit C-3

Proprietary Funds
Statement of Cash Flows
Year ended December 31, 2022

	Business-Type Activities -		Governmental Activities -	
	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Reconciliation of Operating Income Loss to Net Cash From Operating Activities:				
Operating income (loss)	\$ (372,440)	\$ 60,004,847	\$ (7,129,405)	\$ 52,875,442
Adjustments to reconcile operating income (loss) to net cash from (for) operating activities:				
Change in landfill closure liability	-	3,356,019	-	3,356,019
Depreciation and amortization	4,966,693	41,948,476	13,393,516	55,341,992
Allowance for uncollectible accounts	-	(185,311)	-	(185,311)
Pension and OPEB relief-noncash revenue	(73,635)	(846,403)	-	(846,403)
Other revenues / expenses	10	16,557	193,061	209,618
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:				
Accounts receivable, net	1,329,865	(145,138)	(1,069,599)	(1,214,737)
Leases receivable	673,300	(614,019)	-	(614,019)
Inventories	-	(619,200)	35,413	(583,787)
Net OPEB asset	496,357	1,122,991	(208,056)	914,935
Prepaid items and deposits	(2,326)	140,447	(105,389)	35,058
Unbilled reimbursable projects	-	(181,460)	-	(181,460)
Customer deposits and refunds payable	-	239,042	-	239,042
Deferred outflows of resources related to pension	(42,952)	(290,641)	(430,726)	(721,367)
Deferred outflows of resources related to OPEB	(100,658)	(1,121,466)	(429,825)	(1,551,291)
Accounts payable, other accrued liabilities, and retainages	(95,430)	481,225	373,164	854,389
Accrued payroll liabilities	(3,598)	(567,348)	(41,767)	(609,115)
Compensated absences	12,719	(227,808)	36,524	(191,284)
Claims payable	-	-	3,986,875	3,986,875
Net pension liability	1,020,826	9,536,310	6,776,743	16,313,053
Net OPEB liability	-	6,175,485	-	6,175,485
Deferred inflows of resources related to pension	(1,126,503)	(13,825,006)	(3,133,023)	(16,958,029)
Deferred inflows of resources related to OPEB	(950,565)	(11,769,564)	(2,507,150)	(14,276,714)
Deferred inflows of resources related to leases	(830,307)	(612,205)	-	(612,205)
Unearned revenues and deposits	(51,813)	(97,803)	-	(97,803)
Other long-term obligations	-	(13,524)	-	(13,524)
Regulatory debits	-	22,461	-	22,461
Total cash from operating activities	4,849,543	91,926,964	9,740,356	101,667,320
Noncash Investing, Capital, and Financing Activities:				
Capital purchases on account	2,022,436	9,234,606	979,002	10,213,608
Contributed capital for equipment	3,022,124	20,611,266	-	20,611,266
Portion of plant from AFUDC	-	1,447,808	-	1,447,808
Total noncash investing, capital, and financing activities	\$ 5,044,560	\$ 31,293,680	\$ 979,002	\$ 32,272,682

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA

Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2022

	Pension and Other Postemployment Benefits Plans
Assets	
Cash and cash equivalents	\$ 100,353
Securities lending collateral	4,221,632
Accrued interest	287,857
Investments:	
Money market funds	7,620,223
Certificate of deposit	6,551,263
U.S. treasuries	4,722,093
U.S. agencies	4,373,202
Corporate fixed income securities	58,345,666
Domestic fixed income funds	958,917
International fixed income funds	5,447,815
Domestic equity securities	153,329,324
International equity securities	57,753,548
Real estate funds	54,465,028
Total investments	353,567,079
Capital assets, net	1,444
Total assets	358,178,365
Liabilities	
Accounts payable and accrued expenses	84,414
Payable under securities lending program	4,221,632
Total liabilities	4,306,046
Net Position	
Restricted for:	
Pensions	332,338,323
Postemployment benefits other than pensions	21,533,996
Total net position	\$ 353,872,319

See accompanying notes to the financial statements.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 Year ended December 31, 2022

	Pension and Other Postemployment Benefits Plans
Additions	
Contributions from the Municipality	\$ 3,666,621
Contributions from plan members	38,052
Investment income (loss):	
Interest	1,845,009
Dividends	4,223,830
Net decrease in fair value of investments	(53,097,968)
Less: investment expense	(1,874,584)
Net investment loss	(48,903,713)
Total additions	(45,199,040)
 Deductions	
Regular benefit payments	36,867,384
Administrative expenses	781,982
Total deductions	37,649,366
Change in fiduciary net position	(82,848,406)
Net position, beginning of year	436,720,725
Net position, end of year	\$ 353,872,319

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Notes to Financial Statements - Index

	Page
	<u>BFS</u>
Note 1 Summary of Significant Accounting Policies	24
Note 2 Stewardship, Compliance, Accountability, and Related Party Transactions.....	33
Note 3 Cash and Investments.....	36
Note 4 Receivables (Including Loans Receivable)	57
Note 5 Capital Assets	58
Note 6 Port of Alaska Modernization Program	63
Note 7 Interfund Receivables, Payables, and Transfers	64
Note 8 Lease Agreements	66
Note 9 Short-Term Obligations	69
Note 10 Long-Term Obligations.....	70
Note 11 Debt Issued Subsequent to Year End.....	85
Note 12 Pension Plans	86
Note 13 Postemployment Healthcare Benefits Plans	100
Note 14 Fund Balance - Governmental Funds	115
Note 15 Risk Management and Self-Insurance	118
Note 16 MOA Trust Fund	119
Note 17 Regulatory and Other Matters.....	121
Note 18 Contingencies	123
Note 19 Environmental Issues	124
Note 20 Subsequent Events	128
Note 21 New Accounting Pronouncements	130

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Blended Component Unit

CIVICVentures is a nonprofit corporation that owns and maintains two Anchorage-based properties: The Dena'ina Civic and Convention Center (the Civic Center), and the William A. Egan Civic and Convention Center (the Egan Center). The Mayor appoints all CIVICVentures board members. As of December 31, 2022, two of the five CIVICVentures Directors were executive employees of the Municipality, and management and accounting functions are performed by the Municipality. CIVICVentures is accounted for as a debt service fund.

Discretely Presented Component Units

The Anchorage School District (ASD) is a legally separate governmental entity, which is responsible for elementary and secondary education within the Municipality. School Board Members are elected by the voters; however, ASD is a component unit and integral part of the primary government, the Municipality. ASD is fiscally dependent upon the primary government because the Assembly approves the municipal tax appropriation and the total budget, and levies and collects taxes for the District. The Assembly also approves the borrowing of funds and issuance of bonds for the District. ASD has a June 30 fiscal year end; therefore, the financial information presented in these financial statements is as of and for the fiscal year ended June 30, 2022.

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

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

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

B. Government-Wide and Fund Financial Statements

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

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

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

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Under this measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property and other taxes are recognized as revenues in the year for which they are levied. Grants, contributions, and similar items are recognized as revenue as soon as all eligibility requirements have been met. Return of restricted contributions are recorded as a reduction of revenue, if unused. Certain changes in the current year presentation of revenue in the statement of activities are affected by the recognition of actuarially calculated changes in net pension and Other Post-Employment Benefits (OPEB) assets and liabilities.

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

The Municipality reports the following major proprietary funds:

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

Additionally, the Municipality reports the following fund types:

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

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Cash and Cash Equivalents

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

Investments

Year-end investments are reported at fair value using the techniques presented in GASB Statement No. 72 - *Fair Value Measurement and Application* (GASB 72). Some investments are held at 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 cash pool equity balances as of the month end prior to the month the investment income is earned. This procedure change was done to help facilitate more timely reporting of investment income in the various funds. Funds that have negative balances in the cash pools are charged interest; the interest income is allocated to those funds having equity in the cash pools. Details regarding investments and required disclosures under GASB 72 are discussed in Note 3.

Receivables and Payables

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

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

Property Taxes

Property taxes attach a lien on property on the first day of the tax year in which taxes are levied. For 2022, real and personal property taxes were levied on May 1. 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.

The Municipality is responsible for assessing and collecting property taxes and remitting the amount approved by the Assembly to ASD. The Municipality collected property taxes on behalf of ASD for its general fund and debt service fund in the amounts of \$256,048,722 and \$19,330,961, respectively. ASD had accrued taxes and deferred inflows of resources of \$128,345,514 for financing half of the 2022-2023 budget as of June 30, 2022. Accordingly, amounts reported by the Municipality as due to component units on the statement of net position may not agree with the amounts reported by ASD as due from primary government.

On December 31, 2022, property taxes receivable for the Municipality was \$14,052,914 including penalties and interest of \$774,704 and excluding allowance for uncollectible property tax receivable of \$113,098.

Inventories

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

Prepays

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Regulatory and Other Assets

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

Restricted Assets

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

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

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

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

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

Capital Assets

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

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

The Utilities capitalize AFUDC to capture the cost of using both debt and equity funds to finance Utility plant additions during the construction period in accordance with regulatory requirements. AFUDC was capitalized in 2022 in the amounts of \$665,241 and \$782,567 for the Water and Wastewater Utilities, respectively.

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

For all regulated utility property replaced or retired, the average cost of the property unit, plus removal cost less salvage value, is charged to accumulated depreciation. For the Water and Wastewater Utilities, gain or loss on

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

the sale or retirement of plant is not recognized, except for extraordinary retirement. For all other proprietary fund types, gain or loss on the sale or retirement is recognized.

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

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

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

Compensated Absences

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

Long-Term Obligations

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Net Pension and Net OPEB Assets and Liabilities

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

Contributions in Aid of Construction

The Utilities receive CIAC, which they record as contributed plant in service and deferred inflows of resources. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective plant as a reduction of depreciation expense and a reduction of deferred inflows of resources. Consequently, CIAC is recorded as deferred inflows of resources in the accompanying financial statements. Utility rates also include an AFUDC, which is capitalized in the accompanying financial statements. On December 31, 2022, Water and Wastewater Utility deferred inflow of resources balances related to CIAC were \$188,508,210, and \$151,520,681, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Net Position and Flow Assumptions

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

Fund Balance

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

E. Leases

Lessee:

The Municipality is party to multiple leases of nonfinancial assets as a lessee. The Municipality recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. At the commencement of a lease, the Municipality initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

Lessor:

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

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

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

F. Utility Revenues

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

G. Statement of Cash Flows

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

H. Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. This also requires the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates. Significant

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

accounting estimates include those for the allowance for uncollectible accounts, reserves for claims incurred but not reported for self-insured general liability/workers' compensation and medical and dental plans, changes in assumptions for pension and OPEB plans, and landfill closure liability.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

A. Excess of Expenditures Over Appropriations

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

For the year ended December 31, 2022, expenditures exceeded appropriations in the following departments of the General Fund:

- Non-Departmental expenditures exceeded appropriation by \$77,730. This was the result of the expenditures related to Electric Utility Fund, which was not part of the General Fund budget.
- Public Transportation and Real Estate Services expenditures exceeded appropriation by \$3,172 and \$4,885, respectively.

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

B. Deficit Fund Balance and Deficit Net Position

As of December 31, 2022, an overall deficit unassigned fund balance position and unrestricted net deficit were reported for the following funds:

Nonmajor Special Revenue Funds:

Other Restricted Resources	\$ (194,890)
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Internal Service Funds

General Liability / Workers' Compensation	\$ (13,787,485)
Information Technology	(6,493,276)

The Other Restricted Resources Fund reported an overall unassigned fund deficit due to more than one year of cumulative expenditures being more than the special assessment revenues. This fund has presented a fund deficit consistently since 2006. The deficit increased by \$158,497 during 2022.

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

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

C. Related Party Transaction and Revenue Sharing Agreements

Leased Parking Spaces

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Lease to Anchorage Police Department at 716 West 4th Avenue

The Municipality is leasing the building at 716 West 4th Avenue for the APD office. The lease is for one year, with the option to renew annually for 19 years. The lease payment is \$142,206 per month, adjusted in accordance with the U.S. Department of Labor Consumer Price Index for Urban Consumers (CPI-U). The balance under the current lease term is \$1,730,368 for 2022. Under GASB No. 87, the Municipality recognized an intangible right-to-use lease asset of \$2,778,904 and lease liability of \$1,073,937 as of December 31, 2022, and amortization expense of \$1,755,097 and interest expense of \$25,401 in 2022.

On August 1, 2023, the Municipality purchased the building, as discussed in Note 20, Subsequent Events.

Anchorage Police Department Parking Citations

Under a Memorandum of Understanding (MOU), ACDA processes parking citations written by the APD, which is part of the Municipality. All citation revenues collected are paid to the APD, and APD then pays ACDA based on the number of citations written and the revenue received. APD was charged \$29,535 for citation processing in 2022; ACDA has a receivable from APD in the amount of \$24,303 on December 31, 2022. ACDA paid APD \$57,253 of citation revenues in 2022. On December 31, 2022, ACDA has a payable to APD of \$84,458.

Municipal Enterprise Service Assessment

Under Anchorage Municipal Code (AMC, or Code) 9.60.125, enacted June 25, 2002, ACDA pays the Municipality a Municipal Enterprise Service Assessment (MESA). The first MESA payment under this ordinance was due in 2003. Payment is calculated by applying the mill rate for the service area (established by the Assembly) to the net book value of the plant in service plus 1.25% of ACDA's gross operating revenue for the preceding year. Gross operating revenue is defined as total operating revenue for the parking services department plus operating revenues plus cash contributions, less operating expenses excluding depreciation in the development department. ACDA paid the Municipality \$743,868 in MESA in 2022.

Revenue Sharing Agreement

Under an MOU, ACDA entered into a revenue sharing agreement in 2009 for the Authority Hall parking lot (Lot) with the Municipality. Beginning January 15, 2010, 58 of the 60 available spaces in the Lot became available to the public weekdays after 6 PM, on weekends and on Municipal Holidays, for a fee. Revenue collection is performed by ACDA. Of the gross parking revenues received, 50% is distributed to ACDA and 50% to the Municipality. Gross revenues paid by ACDA to the Municipality were \$24,302 in 2022. ACDA has a payable as of December 31, 2022, to the Municipality of \$38,298.

D. Related Party Transactions with Anchorage School District

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

Property Taxes Collected:

General Fund	\$ 212,628,241
Debt Service Fund	58,104,100
Pupil Transportation Fund	<u>2,694,446</u>
Total Taxes Collected	<u>\$ 273,426,787</u>

Charges for Services -

Operations of swimming pools	<u>\$ (203,453)</u>
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Joint Property and Liability Insurance -

Purchase of a single property and liability policy, Which covers both the Municipality and ASD	<u>\$ (2,885,005)</u>
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E. Related Party Transactions with Anchorage Convention and Visitors Bureau

The Municipality has an agreement with the Anchorage Convention and Visitors Bureau (ACVB) to manage and operate the Egan Center and the Civic Center. The Municipality collects a 12% gross hotel, motel, bed, and

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

breakfast tax, with 1/3 for the convention centers, 1/3 for tourism, and 1/3 for general purposes. The Municipality remits to ACVB 95% of the 1/3 tourism tax revenue collected, with the remaining 5% withheld as retainage payable. The retainage is paid to ACVB annually if ACVB successfully meets specific performance standards. The Municipality paid ACVB \$11,730,504 for 2022. ACVB met the specific performance standards for 2022 to receive the 5% retainage. The Municipality reported \$615,159 as retainage payable to ACVB at year ended December 31, 2022.

F. Tax Abatement Agreements

The Municipality enters into property tax abatement agreements with local businesses under AMC 12.35-Economic Development Property. Under the code, the Municipality may grant property tax exemptions for up to ten years and/or tax deferrals up to five years on deteriorated property or for economic development purposes. The goal of this code is to encourage development or redevelopment projects considered beneficial to the community in locations where tax incentives are necessary to ensure project viability or long-term economic feasibility. As of December 31, 2022, the Municipality had five property tax abatement agreements, so there is no quantitative threshold for disclosure.

Span Alaska Transportation, LLC

The Municipality entered into a tax abatement agreement in November 2019 with Span Alaska Transportation, LLC (Span Alaska) under AMC 12.35 - Economic Development Property. Span Alaska is building a 54,000 square foot cross-dock facility. The Municipality agreed to a five-year exemption of real property taxes on 91% of the taxable value of the improvement for five years beginning on January 1, 2020. Real property taxes exempt for 2022 under this agreement was \$120,962.

601 Fifth Ave, LLC

The Municipality entered into a tax abatement schedule on deteriorated property agreement in July 2020 with 601 Fifth Ave, LLC under AMC 12.35 - Economic Development Property to begin in 2021. Real property taxes deferred in 2022 under this agreement were \$0.

Cook Inlet Housing Authority

The Municipality entered into a tax abatement on deteriorated property agreement with the Cook Inlet Housing Authority (CIHA) in March 2021 under AMC 12.35 - Economic Development Property. In 2020, the Assembly designated the Central Spenard Area as deteriorated property. CIHA applied for and was granted a ten-year exemption of real property taxes for five parcels within this area. Real property taxes exempt in 2022 under this agreement were \$0.

Grateful Bread, LLC

The Municipality entered into a tax abatement on deteriorated property agreement with Grateful Bread, LLC in July 2021 under AMC 12.35 - Economic Development Property. Grateful Bread LLC applied for and was granted a ten-year exemption on 100% of the assessed value of the property and improvements, commencing after substantial completion of construction or beneficial occupancy of the improvements. Real property taxes exempt in 2022 under this agreement were \$34,552.

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 3 - CASH AND INVESTMENTS

The Municipality had the following cash and investments fixed income maturities as noted at December 31, 2022:

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	Over 10
Petty Cash	\$ 89,658	\$ -	\$ -	\$ -	\$ -
Interim Rate Increase Escrow*	\$ 2,846,140	\$ -	\$ -	\$ -	\$ -
Central Treasury:					
Money Market Funds	\$ 29,451,480	\$ -	\$ -	\$ -	\$ -
Repurchase Agreements	64,023,338	64,023,338	-	-	-
Commercial Paper	18,854,955	18,854,955	-	-	-
Certificates of Deposit	650,075	650,075	-	-	-
U.S. Treasuries	138,538,863	14,547,369	108,661,513	15,301,531	28,450
U.S. Agencies	100,017,438	-	96,049,203	2,658,139	1,310,096
Municipal Bonds	1,700,731	1,529,133	14,814	139,910	16,874
Asset-Backed Securities**	20,242,516	-	11,019,196	1,565,512	7,657,808
Corporate Fixed Income Securities	156,818,950	79,264,875	40,433,615	33,626,133	3,494,327
	<u>\$ 530,298,346</u>	<u>\$ 178,869,745</u>	<u>\$ 256,178,341</u>	<u>\$ 53,291,225</u>	<u>\$ 12,507,555</u>
MOA Trust Fund:					
Money Market Funds	\$ 262,800	\$ -	\$ -	\$ -	\$ -
Bank Loan Investments	20,839,282	-	-	20,839,282	-
Emerging Markets Debt	17,995,048	-	-	-	17,995,048
Fixed Income Funds	45,251,687	-	-	-	45,251,687
Corporate Fixed Income Securities	9,533,938	-	-	9,533,938	-
U.S. Treasuries	14,472,798	-	-	6,295,808	8,176,990
U.S. Agencies	21,433,374	-	-	-	21,433,374
Domestic Equities & Equity Funds	110,526,262	-	-	-	-
International Equities & Equity Funds	78,255,795	-	-	-	-
Real Estate Funds	61,917,609	-	-	-	-
	<u>\$ 380,488,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,669,028</u>	<u>\$ 92,857,099</u>
Police & Fire Retiree Medical Trust Fund:					
Money Market Funds	\$ 1,589,262	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	6,551,263	995,684	5,555,579	-	-
U.S. Treasuries	4,722,094	1,927,133	2,794,961	-	-
U.S. Agencies	4,373,202	249,015	4,124,187	-	-
Fixed Income Funds	958,917	-	188,835	670,173	99,909
International Fixed Income	290,399	-	-	290,399	-
Domestic Equities & Equity Funds	1,764,152	-	-	-	-
International Equities & Equity Funds	1,220,511	-	-	-	-
	<u>\$ 21,469,800</u>	<u>\$ 3,171,832</u>	<u>\$ 12,663,562</u>	<u>\$ 960,572</u>	<u>\$ 99,909</u>

* AWWU ratepayer funds held by a third party until determinations are made on proposed customer rate increases by the RCA. If the rate increases are approved, the funds will become available to AWWU. If denied, the funds will be refunded to ratepayers.

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Investment Type	Fair Value	Fixed Income Investment Maturities (in years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Police & Fire Retiree Medical Liability Fund:					
Money Market Funds	\$ 335,708	\$ -	\$ -	\$ -	\$ -
Fixed Income Funds	8,048,489	-	-	8,048,489	-
Domestic Equities & Equity Funds	12,655,617	-	-	-	-
International Equities & Equity Funds	8,397,257	-	-	-	-
Real Estate Funds	3,585,364	-	-	-	-
	<u>\$ 33,022,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,048,489</u>	<u>\$ -</u>
Police & Fire Retirement Pension Trust Fund:					
Money Market Funds	\$ 6,030,961	\$ -	\$ -	\$ -	\$ -
Corporate Fixed Income Securities	58,345,666	10,845,863	35,606,188	11,893,615	-
Domestic Equities & Equity Funds	151,565,171	-	-	-	-
International Equities & Equity Funds	56,533,037	-	-	-	-
International Fixed Income Funds	5,157,416	-	-	-	-
Real Estate Funds	54,465,028	-	-	-	-
	<u>\$ 332,097,279</u>	<u>\$ 10,845,863</u>	<u>\$ 35,606,188</u>	<u>\$ 11,893,615</u>	<u>\$ -</u>
Anchorage Regional Landfill Closure and Post-closure Reserve Liability Fund:					
Money Market Funds	\$ 19,437	\$ -	\$ -	\$ -	\$ -
U.S. Fixed Income Fund	8,412,338	-	-	8,412,338	-
Domestic Equities & Equity Funds	5,082,944	-	-	-	-
International Equities & Equity Funds	3,370,926	-	-	-	-
	<u>\$ 16,885,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,412,338</u>	<u>\$ -</u>
CIVICVentures Revenue Bond Fund:					
Money Market Funds	\$ 19,540	\$ 19,540	\$ -	\$ -	\$ -
U.S. Agencies	13,521,210	8,414,287	5,106,923	-	-
	<u>\$ 13,540,750</u>	<u>\$ 8,433,827</u>	<u>\$ 5,106,923</u>	<u>\$ -</u>	<u>\$ -</u>
Total Cash and Investments	<u>1,330,738,646</u>	<u>201,321,267</u>	<u>309,555,014</u>	<u>119,275,267</u>	<u>105,464,563</u>
Governmental Activities	\$ 777,375,577				
Business-Type Activities	199,695,637				
Fiduciary Funds	353,667,432				
	<u>\$ 1,330,738,646</u>				

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The following details total Municipal investments by area as of December 31, 2022:

<u>Governmental Activities</u>		
Cash	\$	83,283
Cash and investments in central treasury		340,385,293
Equity in bond and grant capital acquisition and construction pool		9,087,149
Current Restricted:		
Investments		427,819,852
Total Governmental Activities Cash and Investments	\$	777,375,577
 <u>Business-type Activities</u>		
Cash	\$	6,375
Cash and investments in central treasury		110,110,495
Equity in bond and grant capital acquisition and construction pool		12,482,471
Reserved for equity in general cash pool - bond and loan obligations		16,608,774
Current Restricted:		
Interim rate escrow investment		2,846,140
Equity in bond and grant capital acquisition and construction pool		30,287,184
Noncurrent Restricted:		
Restricted equity in general cash pool - customer deposits		521,061
Cash legal settlement set aside		1,950,000
Landfill Post-closure cash reserve		16,885,645
Debt service investments		11,356
Investments for operations		3,000,000
Investments held for debt service		4,986,136
Total Business-type Activities Cash and Investments	\$	199,695,637
 <u>Fiduciary Funds</u>		
Cash and cash equivalents	\$	100,353
Investments		353,567,079
Total Fiduciary Funds Cash and Investments	\$	353,667,432
Total Cash and Investments	\$	1,330,738,646

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The following details total accrued interest for the Municipality as of December 31, 2022:

Central Treasury	\$ 2,954,678
MOA Trust Fund	626,530
Police & Fire Retiree Medical Trust Fund	60,563
Police & Fire Retirement Trust Fund	227,294
CIVICVentures Revenue Bond Debt Service Fund	22,719
Total Accrued Interest	\$ 3,891,784
Governmental Activities	\$ 2,469,950
Business-type Activities	1,133,977
Fiduciary Funds	287,857
	\$ 3,891,784

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 designed to mitigate risks while maximizing investment return and providing for operating liquidity. Pursuant to 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 (S&P), P-1 by Moody's, or F-1 by Fitch.
- Debt securities issued and guaranteed by the International Bank for Reconstruction and Development and rated AAA by a nationally recognized rating agency.
- Commercial paper, excluding asset-backed commercial paper, rated at least A-1 by S&P, 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 S&P, 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 S&P sovereign rating of AAA, or a Moody's sovereign rating for bank deposits of Aaa, or a Fitch national rating of AAA, and subject to supervision and examination by federal or state banking authorities.
- Repurchase agreements secured by obligations of the U.S. government, U.S. agencies, or U.S. government-sponsored corporations and agencies.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

- Dollar denominated corporate debt instruments rated BBB- or better (investment grade) by S&P or the equivalent by another nationally recognized rating agency.
- Dollar denominated corporate debt instruments rated lower than BBB- (non-investment grade) by S&P 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 S&P or the equivalent by another nationally recognized rating agency.
- Asset-Backed Securities, excluding commercial paper, collateralized by credit cards, automobile loans, leases and other receivables which must have a credit rating of AA- or above by S&P 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, and non-agency mortgage-backed securities, Collateralized Mortgage Obligations, or Commercial Mortgage-Backed Securities, which must have a credit rating of AA- or better by S&P or the equivalent by another nationally recognized rating agency.
- Debt issued by the Tennessee Valley Authority (TVA).
- Money market mutual funds rated Am or better by S&P, or the equivalent by another nationally recognized rating agency, if they consist of allowable securities as outlined above.
- The Alaska Municipal League Investment Pool (AMLIP), except the Working Capital portfolio may not be invested in AMLIP.
- Mutual funds consisting of allowable securities as outlined above.
- Interfund loans from a Municipal Cash Pool to a Municipal Fund.

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

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

The Investment Management Agreement (IMA) for each external manager and the policy and procedures (P&P) applicable to the internally managed investments provide additional guidelines for each portfolio’s investment mandate. The IMA limits the concentration of investments for the Working Capital Portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2022:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Investment Type	Concentration Limit	Capital Portfolio Holding % at Dec. 31, 2022
U.S. Government Securities*	Maximum of 100% of investment portfolio	26%
Repurchase Agreements	Maximum of 50% of investment portfolio	25%
Certificates of Deposit	Maximum of 25% of investment portfolio / Maximum 5% per issuer	0%
Commercial Paper	Maximum of 25% of investment portfolio / Maximum 5% per issuer	7%
Bankers Acceptances	Maximum of 25% of investment portfolio / Maximum 5% per issuer	0%
Corporate Fixed Income, Corporate Floating Rate and Variable Rate Debt Securities**	Maximum of 35% of investment portfolio / Maximum 5% per issuer	27%
Corporate Floating Rate and Variable Rate Debt Securities***	Maximum of 25% of Corporate Securities / Maximum 5% per issuer	3%
Taxable & tax-exempt municipal debt securities	Maximum of 15% of investment portfolio / Maximum 5% per issuer	1%
Dollar denominated debt of foreign governments and the International Bank for Reconstruction and Development	Maximum of 10% of investment portfolio / Maximum 5% per issuer	0%
Money Market Mutual Funds****	Maximum of 25% of investment portfolio	11%
		<u>100%</u>

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The P&P limits the concentration of investments for the internally managed portfolio at the time new investments are purchased as follows, with year-end concentrations listed for 2022:

Investment Type	Concentration Limit	Internally-managed Holding % at December 31, 2022
U.S. Government Securities*	50% to 100% of investment portfolio	85%
Money Market Mutual Funds	0% to 25% of investment portfolio	15%
		100%

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

B. MOA Trust Fund

The 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 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% of the fixed income portfolio may be invested in the fixed income securities of a single issuer, except for the U.S. government, its agencies, and instrumentalities.
 - b) No more than 10% of the fixed income portfolio may be invested in domestic fixed income securities rated less than BBB- by S&P or the equivalent by another nationally recognized rating agency.
 - c) No more than 30% 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% 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.
- 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 investment concentrations as follows:

Investment Type	Lower Limit	Strategic Allocation	Upper Limit	Investment Holding % at December 31, 2022
Domestic Equities	26%	31%	36%	29%
International Equities	18%	22%	26%	20%
Fixed Income (excluding TIPS)	21%	24%	27%	25%
Emerging Markets Debt	0%	5%	8%	5%
Private Credit	0%	5%	8%	5%
Real Estate	10%	13%	16%	16%
				100%

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

When investment concentrations fall outside investment policy limits, cash inflows and outflows are deployed so the portfolio is 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% 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% 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% of the international equity portfolio. Countries represented by the Morgan Stanley Capital International All Country World Index (MSCI-ACW ex-U.S.), and emerging markets, are available for investment. Allocations between countries are expected to be diversified.
- Investments in fixed income instruments may not exceed 5% for a single issuer, excluding securities issued by the U.S. government or agencies thereof.

C. Police and Fire Retiree Medical Trust Fund

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

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

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

The Police and Fire Retiree Medical Trust investment policy controls risk by prohibiting the following:

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Investment Type	Target Allocation
General Funds:	
Domestic Equities	42%
International Equities	28%
Domestic Fixed Income	23%
International Fixed Income	7%

Investment Type	Lower Limit	Upper Limit
Member Allocated Funds:		
U.S. Treasuries	23%	33%
Government Agencies	20%	30%
Certificates of Deposit	35%	45%
Cash Equivalents*	4%	10%

*Cash Equivalents are short-term, highly liquid investments with the following characteristics:

1. Readily convertible to known amounts of cash, and
2. So near maturity that they present insignificant risks of changes in value due to interest rate changes. Generally, only investments original maturities of three months or less qualify under that definition.

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

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

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

D. Police and Fire Retiree Medical Liability Fund

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

In accordance with its investment policy, the Police and Fire Retiree Medical Liability Fund may invest in Domestic equities, International equities, Fixed income securities, Real estate equities, and Cash.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The Police and Fire Retiree Medical Liability Fund investment policy limits investment concentrations as follows:

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2022
Domestic Equities	34%	44%	38%
International Equities	22%	30%	26%
Fixed Income	22%	28%	25%
Real Estate	6%	14%	11%
Cash & Cash Equivalents	0%	5%	0%
			<u>100%</u>

E. Police and Fire Retirement Pension Trust Fund

The Police and Fire Retirement Pension Trust Fund investment objectives are 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 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 security types, if 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 with a Flow Uncertainty Index score of 15 or less.
- Cash and money market instruments.

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2022
Domestic Equities:			
Large Cap Core	6%	12%	9%
Large Cap Growth	6%	12%	8%
Large Cap Value	7%	13%	10%
Small Cap Growth	4%	8%	5%
Small/Mid Cap Value	4%	8%	6%
International Equities:			
MSCI ACWI ex US	9.5%	15.5%	13%
Growth	9.5%	15.5%	11%
Fixed Income:			
Domestic Fixed Income	15%	28%	19%
Real Estate Funds:			
Open Ended Property Fund	2%	9%	7%
Farmland	2%	8%	5%
UBS-TPI	1%	7%	5%
Cash & Cash Equivalents:			
Cash Equivalents	0%	4%	2%
			<u>100%</u>

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

- No individual portfolio position shall constitute more than the greater of 5% of the security's weight in the agreed upon market index, plus 2%, unless specifically authorized by the Police and Fire Retirement Pension Trust's investment board.
- Listed American Depository Receipts shall constitute no more than 20% 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 S&P.
- The average credit rating for the fixed income portfolio must be at least BBB+ by both Moody's and S&P, and no more than 20% of the fixed income portfolio may be in issues rated lower than Baa by Moody's or BBB by S&P at the time of purchase.

F. Anchorage Regional Landfill Closure and Post-closure Reserve

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Investment Type	Lower Limit	Target Allocation	Upper Limit	Investment Holding % at December 31, 2022
Domestic Equities	24%	30%	36%	30%
International Equities	16%	20%	24%	20%
Domestic Fixed Income	45%	50%	55%	50%
		<u>100%</u>		<u>100%</u>

G. CIVICVentures Component Unit

CIVICVentures (the “Corporation”) was established and incorporated on April 22, 2005, as a nonprofit corporation under the laws of the State of Alaska as approved by Assembly Resolution 2005-145. The Corporation was created for the purpose of owning, financing, constructing, and holding title to the Civic Center.

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

The Corporation is funded through collection of contractual payments from the Municipality. In April 2005, Anchorage voters approved a 4% increase, from 8% to 12%, to the “Hotel/Motel and Bed & Breakfast Room Tax” for the dedicated purpose of funding and financing the activities associated with the Civic Center construction and related debt service, and renovation and operation of the existing Egan Center. The tax is collected by the Municipality and remitted to the Corporation along with the additional pledged taxes pursuant to the Use Agreement between the Municipality and the Corporation.

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

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

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

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

H. Interest Rate Risk

Interest rate risk is the risk that interest rate changes will adversely affect an investment’s value. 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.

Duration is a measure of an investment’s sensitivity to interest rate changes and represents an investment’s market price sensitivity to a 1% change in interest rates. An investment’s effective duration is determined by its expected future cash flows, factoring in uncertainties introduced through options, prepayments, and variable rates. A pool’s effective duration is the average fair value weighted effective duration of each security in the pool.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

AMC 6.50.030 requires the Working Capital Portfolio to have a duration of zero to 270 days. At December 31, 2022, the Working Capital Portfolio had a duration of approximately 18 days, and was within the targeted duration. AMC 6.50.030 also requires the Contingency Reserve Portfolio to have an average duration within half a year of its benchmark. At December 31, 2022, the Contingency Reserve Portfolio had a duration of 1.80 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.86 years. AMC 6.50.030 requires the Strategic Reserve Portfolio to have a maximum duration no greater than one year above its benchmark. At December 31, 2022, the Strategic Reserve Portfolio had a duration of 3.32 years compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.79 years.

The Police and Fire Retiree Medical Trust's investment policy requires the weighted average duration of its fixed income portfolio to be within 20% of the Barclays Capital Aggregate Index. At December 31, 2022, the index duration was 6.17 years and the Police and Fire Retiree Medical Trust's fixed income portfolio duration, exclusive of member-allocated funds invested in U.S. Treasuries, was 7.21 years, which is within the required policy duration.

The Police and Fire Retirement Pension Trust's investment policy states the total fixed income portfolio's weighted average duration cannot exceed 120% of the market's duration utilizing the Barclays Capital Aggregate Bond Index. At December 31, 2022, the Barclays Capital Aggregate Index duration was 6.17 years, and the Police and Fire Retirement Trust's fixed income portfolio duration was 4.70 years, which complies with the policy's required duration.

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

I. Credit Risk

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

At December 31, 2022, the Municipal Central Treasury's investment in marketable debt securities, excluding U.S. Treasuries, totaled \$292,950,920. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	8%	AAA	4%
Aa	2%	AA	6%
A	20%	A	19%
Baa	20%	BBB	22%
Ba or Lower	11%	BB or Lower	10%
Not Rated	39%	Not Rated	39%
	100%		100%

At December 31, 2022, securities in the MOA Trust had an investment of \$108,686,846 in commingled fixed income funds with a weighted average credit rating of A.

At December 31, 2022, the Police and Fire Retiree Medical Trust had an investment of \$958,917 in commingled domestic fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$290,399 in commingled international fixed income funds with a weighted average credit quality rating of A+.

At December 31, 2022, the Police and Fire Retiree Medical Liability Fund had an investment of \$4,837,681 in commingled fixed income funds with a weighted average credit quality rating of AA-, and an investment of \$3,210,808 in commingled fixed income funds with a weighted average credit quality rating of AA-.

At December 31, 2022, the Police and Fire Retirement Pension Trust's total fixed income portfolio had a weighted average rating of A3 by Moody's. The Police and Fire Retirement Trust's investment in marketable debt securities, excluding U.S. Treasury and Agency Securities, totaled \$63,040,441, with ratings distributed as follows:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Moody's		S&P	
Aaa	1%	AAA	0%
Aa	4%	AA	4%
A	40%	A	34%
Baa	38%	BAA	46%
Ba or Lower	2%	BBB or Lower	0%
Not Rated	15%	Not Rated	16%
	<u>100%</u>		<u>100%</u>

At December 31, 2022, the Anchorage Regional Landfill Closure and Post-Closure Reserve had one investment totaling \$8,412,338 in fixed income funds that was rated A.

At December 31, 2022, CIVICVentures' government agency investments were rated "Aaa" by Moody's and "AA+" by S&P. CIVICVentures' money market funds were rated "Aaa" by Moody's.

Concentration of Credit Risk

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

At December 31, 2022, the MOA Central Treasury, MOA Trust, the Police and Fire Retiree Medical Liability Fund, and the Police and Fire Retirement Pension Trust, had no investments in any single issuer exceeding 5% of total investments.

The Police and Fire Retiree Medical Trust had more than 5% of its investments held with the Federal Home Loan Bank; these investments were 12.67% of the Police and Fire Retiree Medical Trust's total investments.

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

The CIVICVentures Component Unit had more than 5% of its investments held with the Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Company, and the TVA. These investments were 68.46%, 7.54%, 13.11%, and 6.91%, respectively, of CIVICVentures' total investments.

Custodial Credit Risk

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

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

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

As of December 31, 2022, the Municipality holds \$1,353,883 in deposits that are not covered by depository insurance and are collateralized with securities held by KeyBank's agent but not in the Municipality's name.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

J. Securities Lending

During 2022, 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, 2022, the amount of the collateral provided by borrowers averaged 102% of the value of securities lent. The Police and Fire Retirement Pension Trust is authorized to lend its investment securities by its Board-approved statement of investment policy. 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. Loan terms 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%. 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, 2022, the Pool had a weighted average maturity of 37 days. There are no restrictions on the amount of securities that can be lent at one time or to one borrower.

The following represents the balances relating to the securities lending transactions at December 31, 2022:

Securities Lent	Fair Value of Underlying Securities	Collateral Received
Corporate Fixed Income	\$ 1,300,755	\$ 1,333,000
Domestic Equities	2,920,877	2,985,084
	\$ 4,221,632	\$ 4,318,084

The lending agent provides indemnification if 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.

K. Foreign Currency Risk

Foreign currency risk is the risk exchange rate fluctuations will adversely impact an investment's value. 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 prohibits the purchase of securities not denominated in U.S. Dollars. At December 31, 2022, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The Municipality has the following foreign currency risk measurements as of December 31, 2022:

Investor	Investment	Currency	Maturity	Fair Value at December 31, 2022
MOA Trust Fund:	Europacific Growth Equity Fund	Various	-	\$ 37,500,123
	Vanguard International Value Fund	Various	-	<u>40,755,672</u>
				<u>78,255,795</u>
Police and Fire Retiree Medical Trust Fund	Vanguard Total International Bond Index Fund	Various	2/28/2031	\$ 290,399
	Vanguard Total International Stock Index Fund	Various	-	<u>1,220,511</u>
				<u>1,510,910</u>
Police and Fire Retiree Medical Liability Fund	Europacific Growth Equity Fund	Various	-	\$ 4,201,133
	Vanguard International Value Fund	Various	-	<u>4,196,124</u>
				<u>8,397,257</u>
Police and Fire Retirement Pension Trust Fund	Capital Guardian International Equity Fund	Various	-	\$ 36,657,434
	Lazard Asset International Equity Fund	Various	-	43,895,409
	NXP Semiconductors Inc	Various	-	221,242
	Rio Tinto PLC	Various	-	818,800
	Essent Group LTD	Various	-	161,313
	Ichor Holdings LTD	Various	-	61,123
	AstraZeneca PLC	Various	-	352,560
	WNS Holdings LTD	Various	-	174,698
	Koninklijke Philips NV	Various	-	713,524
	Nutrien Ltd	Canadian Dollar	-	463,010
	Atlas Corp	Various	-	647,348
	Helen of Troy LTD	Various	-	78,746
	Chubb LTD	Various	-	838,280
	IMAX Corp	Various	-	78,035
	Equinor ASA	Various	-	512,083
Medtronic Plc	Various	-	396,372	
TE Connectivity Ltd	Various	-	<u>309,960</u>	
				<u>86,379,937</u>
Anchorage Regional Landfill Closure and Post-Closure Reserve	Vanguard Total International Stock Index Fund	Various	-	\$ 3,370,926
				<u>Total Foreign Currency Risk \$ 177,914,825</u>

L. Fair Value Measurements

At December 31, 2022, the Municipality had the following cash and investments, valued as follows:

- Asset-backed securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Bank loan investment funds are valued at NAV of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability.
- Certificates of deposit are valued at the daily price quoted by the financial institution holding the investment for the Municipality.
- Commercial paper is valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Domestic equities are valued at the closing price reported on the active market on which the individual securities traded.
- Fixed income securities, including corporate bonds, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

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

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

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, 2022:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

	December 31, 2022	Fair Value Measurements Using	
Investment Type:		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Petty Cash	\$ 89,658		
Interim Rate Increase Escrow	<u>\$ 2,846,140</u>		
 Central Treasury:			
Investments Measured at Fair Value:			
Commercial Paper	\$ 18,854,955	\$ -	\$ 18,854,955
U.S. Treasuries	138,538,863	138,538,863	-
U.S. Agencies	100,017,438	-	100,017,438
Municipal Bonds	1,700,731	-	1,700,731
Asset-Backed Securities	20,242,516	-	20,242,516
Corporate Fixed Income Securities	156,818,950	-	156,818,950
	<u>\$ 436,173,453</u>	<u>\$ 138,538,863</u>	<u>\$ 297,634,590</u>
 Investments Measured at Amortized Cost:			
Money Market Funds	\$ 29,453,454		
Repurchase Agreements	64,023,338		
Certificates of Deposit	650,075		
Total Central Treasury	<u>\$ 530,300,320</u>		
 MOA Trust Fund:			
Investments Measured at Fair Value:			
Corporate Fixed Income	\$ 9,533,938	\$ -	\$ 9,533,938
U.S. Treasuries	14,472,798	14,472,798	-
U.S. Agencies	21,433,374	-	21,433,374
Domestic Equities and Equity Funds	110,526,262	110,526,262	-
International Equities and Equity Funds	78,255,795	78,255,795	-
Emerging Markets Debt	17,995,048	17,995,048	-
	<u>\$ 252,217,215</u>	<u>\$ 221,249,903</u>	<u>\$ 30,967,312</u>
 Investments Measured at Net Asset Value:			
Bank Loan Investments Funds	\$ 20,839,282		
Fixed Income Funds	45,251,687		
Real Estate Funds	61,917,609		
	<u>\$ 128,008,578</u>		
 Investments Measured at Amortized Cost:			
Money Market Funds	\$ 262,800		
Total MOA Trust Fund	<u>\$ 380,488,593</u>		
 Police & Fire Retiree Medical Trust Fund:			
Investments Measured at Fair Value:			
U.S. Treasuries	\$ 4,722,094	\$ 4,722,094	\$ -
U.S. Agencies	4,373,202	-	4,373,202
Fixed Income Funds	958,917	958,917	-
International Fixed Income Funds	290,399	290,399	-
Domestic Equities and Equity Funds	1,764,152	1,764,152	-
International Equities and Equity Funds	1,220,511	1,220,511	-
	<u>\$ 13,329,275</u>	<u>\$ 8,956,073</u>	<u>\$ 4,373,202</u>
 Investments Measured at Amortized Cost:			
Money Market Funds	\$ 1,589,262		
Certificates of Deposit	6,551,263		
Total Police & Fire Retiree Medical Trust Fund	<u>\$ 21,469,800</u>		

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Investment Type:	December 31, 2022	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)
Police & Fire Retiree Medical Liability Fund:				
Investments Measured at Fair Value:				
Fixed Income Funds	\$ 8,048,489	\$ 8,048,489	\$	-
Domestic Equities and Equity Funds	12,655,617	12,655,617		-
International Equities and Equity Funds	8,397,257	8,397,257		-
	<u>\$ 29,101,363</u>	<u>\$ 29,101,363</u>	<u>\$</u>	<u>-</u>
Investments Measured at Net Asset Value:				
Real Estate Funds	\$ 3,585,364			
Investments Measured at Amortized Cost:				
Cash	\$ 318,024			
Money Market Funds	17,660			
Total Police & Fire Retiree Medical Liability Fund	<u>\$ 33,022,411</u>			
Police & Fire Retirement Pension Trust Fund:				
Investments Measured at Fair Value:				
Corporate Fixed Income Securities	\$ 53,706,978	\$ -	\$	53,706,978
Domestic Equities and Equity Funds	71,580,704	71,580,704		-
	<u>\$ 125,287,682</u>	<u>\$ 71,580,704</u>	<u>\$</u>	<u>53,706,978</u>
Investments Measured at Net Asset Value:				
Corporate Fixed Income Securities	\$ 9,333,463			
Domestic Equities and Equity Funds	56,533,036			
International Equities and Equity Funds	80,552,843			
Real Estate Funds	54,465,028			
	<u>\$ 200,884,370</u>			
Investments Measured at Amortized Cost:				
Cash	\$ 396,777			
Money Market Funds	5,128,921			
Total Police and Fire Retirement Pension Trust Fund	<u>\$ 331,697,750</u>			
Anchorage Regional Landfill Closure and Post-closure Reserve:				
Investments Measured at Fair Value:				
U.S. Fixed Income	\$ 8,412,338	\$ -	\$	8,412,338
Domestic Equities and Equity Funds	5,082,944	5,082,944		-
International Equities and Equity Funds	3,370,926	3,370,926		-
	<u>\$ 16,866,208</u>	<u>\$ 8,453,870</u>	<u>\$</u>	<u>8,412,338</u>
Investments Measured at Amortized Cost:				
Money Market Funds	\$ 19,437			
Total Anchorage Regional Landfill Closure and Post-closure Reserve	<u>\$ 16,885,645</u>			
CIVICVentures Component Unit:				
Investments Measured at Fair Value:				
U.S. Agencies	\$ 13,521,210	\$ -	\$	13,521,210
	<u>\$ 13,521,210</u>	<u>\$ -</u>	<u>\$</u>	<u>13,521,210</u>
Investments Measured at Amortized Cost:				
Money Market Funds	\$ 19,540			
Total CIVICVentures Component Unit	<u>\$ 13,540,750</u>			
Total Cash and Investments	<u>\$ 1,330,341,067</u>			
Governmental Activities	\$ 777,375,577			
Business-Type Activities	199,695,638			
Fiduciary Funds	353,269,852			
	<u>\$ 1,330,341,067</u>			

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The unfunded commitments and redemption information for the investments reported as NAV for December 31, 2022, are as follows:

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
MOA Trust Fund:				
Trumbull Property Fund (d)	\$ 11,354,924	\$ -	Quarterly	60 days
FIAM Core Plus LLC (a)	45,251,687	-	Daily	5 Days
Harrison Street Core Property Fund C LP (f)	22,653,645	-	Quarterly	45 days
Invesco U.S. Income Fund L.P. (g)	27,909,040	-	Quarterly	45 days
Pimco Private Income Fund Onshore (h)	20,839,282	-	Annually	90 days
	<u>\$ 128,008,578</u>			

Net Asset Value (NAV) Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Note Period
Police & Fire Retiree Medical Liability Fund:				
Trumbull Property Fund (d)	<u>\$ 3,585,364</u>	\$ -	Quarterly	60 days
Police & Fire Retirement Pension Trust Fund:				
Capital Group International All Countries Equity Trust (b)				
	\$ 36,657,434	\$ -	Trade Date	3 Days
Lazard International Equity Trust (b)	43,895,409	-	Trade Date	5 Days
EB DV Non-SL Large Cap Growth Stock Index Fund of the Bank of New York Mellon (c)				
	27,283,085	-	Trade Date	2 Days
EB DV Non-SL Index Fund of the Bank of New York Mellon (c)				
	29,249,951	-	Trade Date	2 Days
Trumbull Property Fund (d)	19,998,896	-	Quarterly	60 Days
Agrivest Farmland Fund (d)	17,606,544	-	Quarterly	60 days
Trumbull Property Income Fund (d)	16,859,588	-	Quarterly	60 days
Barrow, Hanley, Mewhinney & Strauss High Yield Fixed Income fund (e)				
	<u>9,333,463</u>	-	Trade Date	2 Days
	<u>\$ 200,884,370</u>			

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

- (a) FIAM Core Plus LLC is a fixed income fund investing in investment-grade securities, high-yield debt, emerging market debt, leveraged loans, and high yield commercial mortgage-backed securities.
- (b) International commingled equity funds: This type includes funds investing primarily in equity securities of non-U.S. companies, including those from developed and emerging markets. The fair values of the investments in these funds have been determined using the NAV per share (or its equivalent) of the investments.
- (c) Domestic commingled equity funds: This type includes index funds investing primarily in equity securities of large capitalization companies.
- (d) Real estate funds: This type includes three real estate funds investing primarily in U.S. commercial real estate, U.S. residential real estate, and U.S. farmlands.
- (e) Domestic commingled fixed income fund: This fund invests in high-yield domestic corporate debt securities.
- (f) Harrison Street Core Property Fund is an open-end fund that gets core-grade risk and returns by targeting stabilized, income-producing properties in the student housing, senior housing, medical office, and self-storage segments.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

- (g) The Invesco U.S. Income Fund is an open-end fund that pursues a diversified core real estate strategy with the objective of generating consistent, predictable performance while avoiding capital loss.
- (h) The Pimco Private Income Fund is a private credit fund designed to provide investors with steady and attractive income, using a flexible, multi-sector approach.

M. 49th State Angel Fund Investments

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

The Municipality has invested directly in Anchorage area small businesses and in partner funds, who in turn administer smaller distributions directly to the Anchorage area small businesses. The fair value of investments is calculated using NAV or its equivalent derived from various financial documents provided to the Municipality on an annual basis. The fair value of 49SAF investments using NAV or its equivalent for the year ended December 31, 2022, is as follows:

Investments Measured at NAV:

Loans and Convertible Notes	\$ 383,500
Investments in Partner Funds	3,634,891
Equity	195,571
Agreements for Future Equity	259,000
Total Investments Measured at NAV	<u>\$ 4,472,962</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 4 - RECEIVABLES (Including Loans Receivable)

The Municipality's receivables including the applicable allowance for uncollectible accounts were as follows on December 31, 2022:

	Governmental Activities	Business-type Activities	Total
Current:			
Property taxes	\$ 14,166,012	\$ -	\$ 14,166,012
Motor vehicle taxes	2,886,441	-	2,886,441
Hotel and motel taxes	4,215,110	-	4,215,110
Alcohol taxes	1,460,631	-	1,460,631
Tobacco taxes	768,381	-	768,381
Marijuana taxes	124,751	-	124,751
Fuel product taxes	369,686	-	369,686
E911 surcharge taxes	1,026,256	-	1,026,256
Unbilled reimbursable projects	-	132,088	132,088
Special assessments receivable	1,944,566	117,560	2,062,126
Trade accounts, including internal service funds	14,554,460	17,290,004	31,844,465
Total accounts receivable	<u>\$ 41,516,294</u>	<u>\$ 17,539,652</u>	<u>\$ 59,055,946</u>
Allowance for uncollectible accounts	(5,855,846)	(432,469)	(6,288,315)
Total Accounts Receivable, net	<u>\$ 35,660,448</u>	<u>\$ 17,107,183</u>	<u>\$ 52,767,631</u>
Noncurrent:			
Trade accounts	\$ -	\$ 404,816	\$ 404,816
Electric Utility installment sale receivable	-	99,406,418	99,406,418
Land sale promissory note	1,294,347	-	1,294,347
HUD loans (including section 108)	2,318,223	-	2,318,223
Total Accounts Receivable and Loans, net	<u>\$ 3,612,570</u>	<u>\$ 99,811,234</u>	<u>\$ 103,423,804</u>

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 5 - CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2022, was as follows:

Governmental Activities:	Balance January 1, 2022, As Adjusted	Increase	Decrease	Balance December 31, 2022
Capital Assets, Not Being Depreciated:				
Land	\$ 1,271,284,271	\$ 6,370	\$ (546,150)	\$ 1,270,744,491
Artwork	21,902,619	23,461	(19,269)	21,906,811
Construction Work in Progress	16,953,508	33,164,136	(31,403,906)	18,713,738
Infrastructure	1,488,040,528	4,751,224	-	1,492,791,752
Total Capital Assets, Not Being Depreciated	2,798,180,926	37,945,191	(31,969,325)	2,804,156,792
Capital Assets Being Depreciated and Amortized:				
Buildings and Improvements	787,645,379	3,397,659	-	791,043,038
Equipment	276,865,228	19,614,312	(34,752,447)	261,727,093
Infrastructure	604,105,235	9,741,416	-	613,846,651
Intangible ERP	80,344,390	5,379,464	(5,379,464)	80,344,390
Leased Right to Use Assets:				
Right to Use Leased Buildings	64,504,417	-	-	64,504,417
Right to Use Leased Equipment	6,297,055	-	-	6,297,055
Right to Use Leased Land	2,365,071	-	-	2,365,071
Total Capital Assets Being Depreciated and Amortized	1,822,126,775	38,132,851	(40,131,911)	1,820,127,715
Less Accumulated Depreciation and Amortization for:				
Buildings and Improvements	510,799,317	14,452,274	-	525,251,591
Equipment	234,480,695	13,375,755	(29,307,097)	218,549,353
Infrastructure	342,158,713	10,316,215	-	352,474,928
Intangible ERP	33,993,446	8,034,439	-	42,027,885
Leased Right to Use Assets Amortization				
Amortization - Right to Use Buildings	-	6,360,234	-	6,360,234
Amortization - Right to Use Equipment	-	817,467	-	817,467
Amortization - Right to Use Land	-	325,956	-	325,956
Total Accumulated Depreciation and Amortization	1,121,432,171	53,682,340	(29,307,097)	1,145,807,414
Total Capital Assets Being Depreciated and Amortized, Net	700,694,604	(15,549,489)	(10,824,814)	674,320,301
Total Governmental Activities, Net	\$ 3,498,875,530	\$ 22,395,702	\$ (42,794,139)	\$ 3,478,477,093

The Municipality uses the modified approach for its paved road infrastructure network and depreciates all other infrastructure assets.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Business-Type Activities:	Balance January 1, 2022, As Adjusted	Increase	Decrease	Balance December 31, 2022
Capital Assets, Not Being Depreciated:				
Land and Property held for future use	\$ 91,988,052	\$ -	\$ -	\$ 91,988,052
Construction Work in Progress	278,035,953	109,827,259	(214,832,257)	173,030,955
Total Capital Assets, Not Being Depreciated	<u>370,024,005</u>	<u>109,827,259</u>	<u>(214,832,257)</u>	<u>265,019,007</u>
Capital Assets Being Depreciated and Amortized:				
Distribution and Collection Systems, Infrastructure	1,628,126,137	216,620,117	(4,159,220)	1,840,587,034
Buildings and Improvements	590,767,923	3,973,560	(1,871,019)	592,870,464
Leased Right to Use Assets	1,754,267	-	-	1,754,267
Total Capital Assets Being Depreciated and Amortized	<u>2,220,648,327</u>	<u>220,593,677</u>	<u>(6,030,239)</u>	<u>2,435,211,765</u>
Less Accumulated Depreciation and Amortization for:				
Distribution and Collection Systems, Infrastructure	748,505,761	35,928,782	(4,146,090)	780,288,453
Buildings and Improvements	224,330,251	16,505,990	(1,871,019)	238,965,222
Leased Right to Use Assets Amortization	-	110,011	-	110,011
Total Accumulated Depreciation and Amortization	<u>972,836,012</u>	<u>52,544,783</u>	<u>(6,017,109)</u>	<u>1,019,363,686</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>1,247,812,315</u>	<u>168,048,894</u>	<u>(13,130)</u>	<u>1,415,848,079</u>
Total Business-Type Activities, Net	<u>\$ 1,616,082,054</u>	<u>\$ 277,876,153</u>	<u>\$ (214,845,387)</u>	<u>\$ 1,679,112,820</u>

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

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Governmental Activities:			
General Government	\$ 14,849,778	\$ 4,257,738	\$ 19,107,516
Fire Services	5,117,507	768,931	5,886,438
Police Services	1,534,703	2,151,032	3,685,735
Health and Human Services	1,060,964	-	1,060,964
Economic and Community Development	11,900,100	-	11,900,100
Public Transportation	935,577	-	935,577
Public Works	9,627,200	-	9,627,200
Maintenance and Operations of Roads and Facilities	1,152,854	325,956	1,478,810
Total Governmental Activities	<u>\$ 46,178,683</u>	<u>\$ 7,503,657</u>	<u>\$ 53,682,340</u>
Business-Type Activities:			
Water	\$ 12,522,374	\$ 5,088	\$ 12,527,462
Wastewater	12,790,693	3,970	12,794,663
Refuse	1,511,928	-	1,511,928
Disposal	4,521,713	54,219	4,575,932
Port	7,036,992	46,734	7,083,726
Municipal Airport	3,152,959	-	3,152,959
Anchorage Hydropower	301,806	-	301,806
Total Business-Type Activities	<u>41,838,465</u>	<u>110,011</u>	<u>41,948,476</u>
Depreciation offset by amortization of regulatory liability - contributed plant, and retirements of group-depreciated plant assets			<u>10,596,307</u>
Gross increase in accumulated depreciation and amortization			<u>\$ 52,544,783</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Contractual Commitments

Governmental-type major fund Roads and Drainage Capital Project had contractual commitments for capital construction in the amount of \$24.3 million on December 31, 2022. Business-type major funds Water, Wastewater, and Port had contractual commitments for capital construction in the amount of \$7.9 million, \$14.7 million, and \$80.8 million, respectively.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

B. Discretely Presented Component Units - Anchorage School District

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

	July 1, 2021, As Adjusted	Increase	Decrease	June 30, 2022
Capital Assets Not Being Depreciated:				
Land	\$ 42,357,063	\$ -	\$ -	\$ 42,357,063
Construction Work in Progress	650,965	43,589,338	(43,561,553)	678,750
Total Capital Assets not Being Depreciated	<u>43,008,028</u>	<u>43,589,338</u>	<u>(43,561,553)</u>	<u>43,035,813</u>
Capital Assets Being Depreciated and Amortized:				
Land Improvements	75,007,582	5,631,649	-	80,639,231
Buildings and Equipment	1,985,938,086	40,642,877	(3,942,132)	2,022,638,831
Pupil Transportation	21,857,607	279,450	-	22,137,057
Leased Right to Use Assets	36,896,134	451,352	-	37,347,486
Total Capital Assets Being Depreciated and Amortized	<u>2,119,699,409</u>	<u>47,005,328</u>	<u>(3,942,132)</u>	<u>2,162,762,605</u>
Less Accumulated Depreciation and Amortization for:				
Land Improvements	54,458,085	1,815,223	-	56,273,308
Buildings and Equipment	760,100,838	44,613,823	(2,452,943)	802,261,718
Pupil Transportation	10,196,607	1,140,459	-	11,337,066
Leased Right to Use Assets	6,750,085	6,946,248	-	13,696,333
Total Accumulated Depreciation and Amortization	<u>831,505,615</u>	<u>54,515,753</u>	<u>(2,452,943)</u>	<u>883,568,425</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>1,288,193,794</u>	<u>(7,510,425)</u>	<u>(1,489,189)</u>	<u>1,279,194,180</u>
ASD Capital Assets, Net	<u>\$ 1,331,201,822</u>	<u>\$ 36,078,913</u>	<u>\$ (45,050,742)</u>	<u>\$ 1,322,229,993</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

C. Discretely Presented Component Units - Anchorage Community Development Authority

Capital asset activity for the year ended December 31, 2022, is as follows:

	January 1, 2022, As Adjusted	Increase	Decrease	December 31, 2022
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 15,956,795	\$ -	\$ -	\$ 15,956,795
Total Capital Assets not Being Depreciated	15,956,795	-	-	15,956,795
Capital Assets Being Depreciated and Amortized:				
Parking Garages	62,601,545	142,851	-	62,744,396
Lot Improvements	648,415	-	(9,884)	638,531
Furniture and Fixtures	25,472	-	-	25,472
Equipment and Vehicles	2,390,760	22,589	(49,446)	2,363,903
Parking Meters	113,456	-	-	113,456
Right to Use Leased Vehicles	-	23,552	-	23,552
Right to Use Leased Buildings	283,816	-	-	283,816
Total Capital Assets Being Depreciated and Amortized	66,063,464	188,992	(59,330)	66,193,126
Less Accumulated Depreciation and Amortization For:				
Parking Garages	42,905,983	1,813,234	-	44,719,217
Lot Improvements	643,325	4,687	(9,884)	638,128
Furniture and Fixtures	19,896	1,912	-	21,808
Equipment and Vehicles	1,815,689	190,453	(49,447)	1,956,695
Parking meters	113,457	-	-	113,457
Right to Use Leased Vehicles	-	2,944	-	2,944
Right to Use Leased Buildings	56,763	56,763	-	113,526
Total Accumulated Depreciation and Amortization	45,555,113	2,069,993	(59,331)	47,565,775
Total Capital Assets Being Depr and Amortized, Net	20,508,351	(1,881,001)	1	18,627,351
ACDA Capital Assets, Net	\$ 36,465,146	\$ (1,881,001)	\$ 1	\$ 34,584,146

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 6 - PORT OF ALASKA MODERNIZATION PROGRAM

The Port of Alaska (Port) is a Municipality-owned and operated facility that handles half of all Alaska inbound marine freight, some 5.2 million tons of fuel and cargo in 2022, half of which is delivered to final destinations outside of Anchorage. It is critical transportation infrastructure serving regional, statewide, and national commerce, economic development, homeland security and disaster recovery needs. The Port is:

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

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

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

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

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

PAMP and Municipal officials have been working with engineers to replace all Port docks. Phase 1, the construction of the new Petroleum & Cement Terminal at the Port is completed and opened during 2022. Additional Phases are ongoing.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

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

Interfund Payable to General Fund from:

Nonmajor Governmental Funds	\$ 1,195,312
Total Interfund Payable to General Fund	1,195,312

Interfund Payable to Nonmajor Governmental Funds from:

Nonmajor Governmental Funds	2,024,059
Internal Service Funds	85,000
Total Interfund Payable to Nonmajor Governmental Funds	2,109,059
Total Interfund Payables	\$ 3,304,371

All balances are expected to be settled within the next fiscal year, except for interfund receivables and payables recorded as Advances to/from other funds. Advances receivable on December 31, 2022, were as follows:

Advances from General Fund to Nonmajor Governmental Funds for FEMA	\$ 25,890,212
Advances from General Fund to Nonmajor Governmental Funds for Capital	304,838
Advances from General Fund to IT for Capital and Operating	27,217,783
Subtotal, General Fund advances	53,412,833
Advances from Nonmajor Governmental Funds Fund to Equipment Maintenance Fund for Capital	850,000
Advances from Internal Service Funds to General Fund for Capital	6,204,562
Total Advances Receivable	\$ 60,467,395

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Fund to:	
Roads and Drainage Capital Projects Fund for Capital	\$ 4,216,230
Nonmajor Governmental Funds to Fund OPEB Liability	1,086,933
Nonmajor Governmental Funds for Debt Service	5,432,172
Nonmajor Governmental Funds for Operating	833,463
Nonmajor Governmental Funds for Grant Matching	801,549
Nonmajor Governmental Funds for Capital	18,907,222
Internal Service Funds for Capital	1,418,545
Less: Computer Transfers after Covid Return to Work	<u>(22,732)</u>
Total Transfers from General Fund	<u>32,673,382</u>
From MOA Trust Fund to:	
General Fund for Annual Operating Subsidy	<u>17,100,000</u>
From Roads and Drainage Capital Projects Fund to:	
General Fund for Debt Service	<u>8,169</u>
From Nonmajor Governmental Funds to:	
General Fund for Debt Service	282,732
General Fund for Operating	51,140
Nonmajor Governmental Funds for Capital	2,878,243
Nonmajor Governmental Funds for Debt Service	<u>6,905,750</u>
Total Transfers from Nonmajor Governmental Funds	<u>10,117,865</u>
From Water Utility Fund to General Fund (1)	9,500,923
From Wastewater Utility Fund to General Fund (2)	7,034,578
From Disposal Utility Fund to General Fund (1)	1,908,888
From Port Fund to General Fund (3)	2,126,920
From Nonmajor Enterprise Funds to:	
General Fund (4)	887,598
MOA Trust Fund for Annual Contribution (5)	2,326,125
General Fund	<u>18,148,143</u>
Total Transfers from Nonmajor Enterprise Funds	<u>21,361,866</u>
From Internal Service Funds to:	
General Fund for Operating	<u>90,346</u>
Total Transfers To at the Fund Level	<u>\$ 101,922,937</u>

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 8 - LEASE AGREEMENTS

The Municipality retroactively implemented GASB Statement No. 87 effective for the year beginning January 1, 2022. GASB establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, lessees are recognized a lease liability and an intangible right-to-use asset, and lessors are required to recognize a lease receivable and a deferred inflow of resources. There was no significant impact from GASB 87 implementation to the Municipality's beginning net position.

A. Municipality as Lessee

The Municipality has entered into multiple lease agreements as lessee for various nonfinancial assets. As of December 31, 2022, the outstanding balance of leases payable was \$68,074,945. The Municipality is required to make monthly, quarterly, and annual principal payments plus interest. The lease agreements did not contain a stated interest rate; therefore, the Municipality used its incremental borrowing rates from 1.65% to 2.63% as the discount rate of leases depending on each contract's terms. The nonfinancial assets have various useful lives. No material direct costs payments were made. The total book value of the right-to-use assets as of December 31, 2022, was \$74,920,810 and had accumulated amortization of \$7,613,668.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Future principal and interest lease payments as of December 31, 2022, are as follows:

Governmental Activities:

Years:	Leases Payable		
	Principal	Interest	Total
2023	\$ 6,058,732	\$ 1,574,403	\$ 7,633,135
2024	5,138,955	1,460,620	6,599,575
2025	4,845,932	1,351,807	6,197,739
2026	4,449,001	1,244,825	5,693,826
2027	2,523,265	1,165,143	3,688,408
2028-2032	10,057,056	4,964,045	15,021,101
2033-2037	9,085,362	3,769,619	12,854,981
2038-2042	9,192,063	2,560,778	11,752,841
2043-2047	10,075,680	1,327,255	11,402,935
2048-2052	4,978,877	152,442	5,131,319
Totals	<u>\$ 66,404,923</u>	<u>\$ 19,570,937</u>	<u>\$ 85,975,860</u>

Business-Type Activities:

Years:	Leases Payable		
	Principal	Interest	Total
2023	\$ 77,846	\$ 41,459	\$ 119,305
2024	81,403	39,549	120,952
2025	85,100	37,546	122,646
2026	88,944	35,449	124,393
2027	92,937	33,254	126,191
2028-2032	465,999	131,683	597,682
2033-2037	491,250	69,969	561,219
2038-2042	268,581	14,640	283,221
2043-2047	6,572	2,777	9,349
2048-2052	7,844	1,506	9,350
2053-2057	3,546	193	3,739
Totals	<u>\$ 1,670,022</u>	<u>\$ 408,025</u>	<u>\$ 2,078,047</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

B. Municipality as Lessor

The Municipality, as lessor, entered into multiple-year lease agreements to third parties for various nonfinancial assets at discount rates ranging from 2.43% to 4.60% depending on contract terms. The lengths of the lease terms vary, and the Municipality has used its incremental borrowing rates as the discount rate when the stated interest rate was not included in the contract. The Municipality recognized \$2,758,558 in lease revenue and \$3,331,594 in interest revenue for the year ended December 31, 2022. As of December 31, 2022, the Municipality's receivable for future lease payments was \$73,364,312. The Municipality recognized a deferred inflow of resources associated with the lease of \$72,148,464 on December 31, 2022, that will be recognized as revenue over the remainder of the lease terms.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 9 - SHORT-TERM OBLIGATIONS

On March 3, 2022, the Municipality issued tax anticipation notes in the General Fund with a face value of \$150,000,000, and a premium of \$816,000. 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, 2022, was as follows:

	January 1, 2022	Issued	Redeemed	December 31, 2022
Tax Anticipation Notes	\$ -	\$ 150,000,000	\$ 150,000,000	\$ -

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 10 - LONG TERM OBLIGATIONS

A. Changes in Long-Term Obligations

Long-term obligation activity, net of related premium and discount amortizations, for the year ended December 31, 2022, was as follows:

	January 1, 2022	Additions	Reductions	December 31, 2022	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 476,603,180	\$ 84,034,547	\$ (46,139,135)	\$ 514,498,592	\$ 44,930,000
CIVICventures Revenue Bonds	84,785,495	-	(3,199,886)	81,585,609	3,015,000
PAC Roof Revenue Bonds	3,109,492	-	(199,689)	2,909,803	170,000
Certificate of Participation Bonds	48,820,000	-	(3,790,000)	45,030,000	3,895,000
Master Financing Agreements	26,696,808	2,220,514	(8,748,415)	20,168,907	8,163,476
Total Debt Payable	<u>640,014,975</u>	<u>86,255,061</u>	<u>(62,077,125)</u>	<u>664,192,911</u>	<u>60,173,476</u>
Compensated Absences	30,551,654	20,719,302	(22,488,554)	28,782,402	19,192,699
Net Pension Liability	303,087,118	129,497,022	-	432,584,140	-
Leases Payable	-	66,404,923	-	66,404,923	6,058,732
Net OPEB Liability	137,364,023	7,397,703	-	144,761,726	-
Pollution Remediation	3,771,403	62,542	-	3,833,945	407,158
Claims Payable and IBNR	34,880,844	60,342,249	(56,355,374)	38,867,719	30,558,648
Total Governmental Activities	<u>\$ 1,149,670,017</u>	<u>\$ 370,678,802</u>	<u>\$ (140,921,053)</u>	<u>\$ 1,379,427,766</u>	<u>\$ 116,390,713</u>
Business-type Activities:					
Revenue Bonds	\$ 260,490,802	\$ 147,630,604	\$ (11,630,840)	\$ 396,490,566	\$ 12,813,051
Long-Term Contracts (Direct Borrowings)	359,433,306	48,254,443	(162,598,595)	245,089,154	15,460,038
Total Debt Payable	<u>619,924,108</u>	<u>195,885,047</u>	<u>(174,229,435)</u>	<u>641,579,720</u>	<u>28,273,089</u>
Compensated Absences	4,644,358	3,463,156	(3,690,964)	4,416,550	3,040,278
Net Pension Liability	34,668,453	9,536,310	-	44,204,763	-
Leases Payable	-	1,670,022	-	1,670,022	77,846
Pollution Remediation	596,000	101,100	-	697,100	21,100
Port Road Obligation	1,747,630	-	(13,524)	1,734,106	-
Landfill Closure Liability	39,265,492	3,356,019	-	42,621,511	-
Total Business-type Activities	<u>\$ 700,846,041</u>	<u>\$ 214,011,654</u>	<u>\$ (177,933,923)</u>	<u>\$ 736,923,772</u>	<u>\$ 31,412,313</u>

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

The Municipality implemented GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Direct borrowing is when a government enters into a loan agreement with a lender, usually without an agent. Direct placement is when a government issues a debt security directly to an investor (such as a state agency issuing a debt security directly to an investor). As of December 31, 2022, the Municipality held direct debt as discussed below in footnote E.

B. General Obligation Bonds

The Municipality issues general obligation (GO) bonds to provide funds for capital acquisition and construction. GO bonds are direct obligations and pledge the full faith and credit of the government. They are generally issued as 20-year serial bonds with principal and interest payments due annually. The Municipality issued new GO bonds in 2022 to finance capital projects. As of December 31, 2022, the Municipality reported total outstanding GO bonds in the amount of \$466,620,000.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Description	Amount Outstanding
\$40,435,000 2014A General Obligation General Purpose Bonds due in annual installments of \$1,355,000 to \$1,935,000 through 2025, interest rate from 1.25% to 5%. The issue is for the purpose of general capital projects within the Municipality.	\$ 5,575,000
\$78,430,000 2014B General Obligation General Purpose Refunding Bonds due in annual installments of \$1,510,000 to \$10,390,000 through 2025, interest rate from 1.25% to 5%. The issue was for the purpose of refunding the remainder of 2004C and partially refunding 2005F.	27,150,000
\$47,840,000 2015A General Obligation General Purpose Bonds due in annual installments of \$1,765,000 to \$3,635,000 through 2035, interest rate from 2% to 5%. The issue was for the purpose of general capital projects within the Municipality.	18,590,000
\$115,250,000 2015B General Obligation General Purpose Refunding Bonds due in annual installments of \$4,125,000 to \$20,140,000 through 2027, interest rate from 2% to 5%. The issue was for the purpose of refunding the remainder of 2005C and 2005D and partially refunding 2007C and	37,320,000
\$24,870,000 2016A General Obligation General Purpose Bonds due in annual installments of \$865,000 to \$1,875,000 through 2036, interest rate from 3.25% to 5%. The issue was for the purpose of general capital projects within the Municipality.	20,150,000
\$58,235,000 2018A General Obligation General Purpose Bonds due in annual installments of \$1,955,000 to \$4,540,000 through 2038, interest rate from 2.63% to 5%. The issue was for the purpose of general capital projects within the Municipality.	52,110,000
\$20,265,000 2018B General Obligation General Purpose Refunding Bonds due in one final installment of \$7,140,000 in 2023, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2007A.	7,140,000
\$32,875,000 2019A General Obligation General Purpose Bonds due in annual installments of \$1,110,000 to \$2,350,000 through 2039, interest rate from 3% to 5%. The issue was for the purpose of general capital projects within the Municipality.	30,595,000
\$27,750,000 2019B General Obligation General Purpose Refunding Bonds due in annual installments of \$2,195,000 to \$3,440,000 through 2030, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2010A-2 after the 2020 payment.	23,250,000
\$44,720,000 2020A General Obligation General Purpose Bonds due in annual installments of \$1,230,000 to \$3,045,000 through 2040, interest rate from 1.75% to 5%. The issue was for the purpose of general capital projects within the Municipality.	41,995,000
\$1,765,000 2020B General Obligation General Purpose Refunding Bonds due in annual installments of \$125,000 to \$270,000 through 2028, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2010C after the 2020 payment.	1,355,000
\$43,820,000 2020C General Obligation General Purpose Refunding Bonds due in annual installments of \$915,000 to \$4,505,000 through 2034, interest rate of 0.217% to 1.916%. The issue was for the purpose of refunding the remainder of 2012A after the 2022 payment and 2014A after the 2025	41,965,000
\$13,900,000 2020D General Obligation General Purpose Refunding Bonds due in annual installments of \$1,100,000 to \$1,725,000 through 2031, interest rate of 5%. The issue was for the purpose of refunding the remainder of 2011A after the 2021 payment.	12,800,000
\$45,245,000 2021A General Obligation General Purpose Bonds due in annual installments of \$1,515,000 to \$3,385,000 through 2041, interest rate from 4% to 5%. The issue was for the purpose of general capital projects within the Municipality.	45,245,000
\$25,595,000 2021B General Obligation General Purpose Refunding Bonds due in annual installments of \$420,000 to \$7,325,000 through 2033, interest rate of 0.819% to 2.49%. The issue was for the purpose of refunding the remainder of 2015A after the 2026 payment and 2015B after the 2027	25,030,000
\$76,350,000 2022A General Obligation General Purpose Bonds due in annual installments of \$2,405,000 to \$5,620,000 through 2042, interest rate from 4% to 5%. The issue was for the purpose of general capital improvements within the Municipality.	76,350,000
Total General Obligation Debt	<u>\$ 466,620,000</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

ASD GO bonds are reported as obligations of the component unit since they are expected to be repaid from ASD revenues; such amounts total \$461,940,000 on June 30, 2022. ASD GO bonds are discussed in detail in Section I. All other Municipality GO bonds are reported in the government-wide financial statements.

The GO General Purpose Bonds Series 2022A in the amount of \$76,350,000 were issued to fund Municipality-wide capital projects.

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

	Governmental Activities		
	Principal	Interest	Total
Years:			
2023	\$ 44,930,000	\$ 18,100,554	\$ 63,030,554
2024	38,505,000	17,035,400	55,540,400
2025	36,215,000	15,271,180	51,486,180
2026	30,675,000	13,591,748	44,266,748
2027	32,040,000	12,232,959	44,272,959
2028-2032	127,330,000	44,246,142	171,576,142
2033-2037	100,130,000	22,443,269	122,573,269
2038-2042	56,795,000	5,315,624	62,110,625
Subtotal	466,620,000	148,236,876	614,856,876
Add unamortized premiums	47,878,592	-	47,878,592
Total	\$ 514,498,592	\$ 148,236,876	\$ 662,735,468

C. Revenue Bonds

CIVICVentures Revenue Bonds

In August 2015, CIVICVentures, a blended component unit, issued \$93,790,000 in Tax-exempt, Non-recourse Revenue Refunding Bonds to finance the acquisition of land and construction of a new civic and convention center. Revenues pledged to pay the debt are those revenues identified in the Indenture of Trust between CIVICVentures and U.S. Bank National Association, consisting of Hotel, Motel, and Bed and Breakfast room taxes collected and remitted pursuant to agreement, by the Municipality. In the event room tax collections are not sufficient to pay the debt, the Municipality is not obligated in any way to pay the debt on behalf of CIVICVentures. Principal and interest paid for the current year, total Hotel, Motel, and Bed and Breakfast tax revenues, and related investment loss were \$6,490,450, \$6,905,750, and \$186,477, respectively.

Bond payments are due in annual installments ranging annually from \$3,015,000 to \$6,715,000 through 2038, with interest rates ranging between 3.5% and 5%. As of December 31, 2022, the Municipality reported as blended total outstanding tax-exempt non-recourse Revenue Bonds in the amount of \$77,970,000.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Years:	CIVICVentures		
	Principal	Interest	Total
2023	\$ 3,015,000	\$ 3,560,950	\$ 6,575,950
2024	3,245,000	3,410,200	6,655,200
2025	3,490,000	3,247,950	6,737,950
2026	3,750,000	3,073,450	6,823,450
2027	4,100,000	2,885,950	6,985,950
2028-2032	23,780,000	11,142,250	34,922,250
2033-2037	29,875,000	5,052,350	34,927,350
2038	6,715,000	268,600	6,983,600
Subtotal	77,970,000	32,641,700	110,611,700
Add unamortized bond premiums	3,615,609	-	3,615,609
Total	\$ 81,585,609	\$ 32,641,700	\$ 114,227,309

Utility and Enterprise Revenue Bonds

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

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

Water Utility

The Water Utility has pledged future water customer revenues, net of specified operating expenses, to repay Water Utility revenue bonds. Bond proceeds provided financing for construction and other capital improvements. The bonds are payable solely from Water customer net revenues and are payable through 2047. Total principal and interest remaining to be paid on the bonds is \$157,269,694. Principal and interest paid for the current year and total customer net revenues were \$10,013,954 and \$30,193,316, respectively.

Wastewater Utility

The Wastewater Utility has pledged future wastewater customer revenues, net of specified operating expenses, to repay Wastewater Utility revenue bonds. Bond proceeds provided financing for construction and other capital improvements. The bonds are payable solely from Wastewater customer net revenues and are payable through 2047. Total principal and interest remaining to be paid on the bonds is \$123,915,010. Principal and interest paid for the current year and total customer net revenues were \$7,732,405 and \$27,340,172, respectively.

Port

In 2020, the Port issued two separate series of revenue bonds: 2020 Series A and 2020 Series B. Proceeds from the 2020 Series A bonds were used to pay or reimburse the costs of a portion of the Phase 1 of the Port of Alaska Modernization Project, including the replacement of the Port's existing Petroleum, Oil, and Lubricants/Cement Terminal 1 with the Port Petroleum and Cement Terminal. Proceeds of the 2020 Series B bonds were used to refund the balance of the notes payable from direct borrowings. The 2020 Series A bonds have a total authorized amount of \$18,885,000, are due in annual installments of \$1,275,000 to \$3,875,000 (principal payments beginning in 2045 through 2050), plus interest at 2.53%. The 2020 Series B bonds have a total authorized amount of \$46,210,000, are due in annual installments of \$370,000 and \$2,960,000 (principal payments beginning in 2023 through 2045), plus interest at 1.051% to 3.52%.

The Port has pledged future customer revenues, net of specified operating expenses, to repay Port revenue bonds. Bond proceeds provided financing for construction of the Port Modernization Project. The bonds are payable solely from Port customer net revenues and are payable through 2050. The total principal and interest

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

remaining to be paid on the bonds is \$109,723,752. Interest payments began in 2021, and principal payments are scheduled to begin in 2023. Pledged revenues for the year ended December 31, 2022, were \$17,766,549.

Refuse and Disposal Utility

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

As of December 31, 2022, the Municipality reported total outstanding Utility and Enterprise Revenue Bonds in the amount of \$375,196,465. The details of those bonds are as follows:

Description	Amount Outstanding
<u>Water Utility</u>	
\$10,000,000 2017 Water Series A Revenue Bonds, due in annual installments of \$1,000,000 through 2027, interest rate of 1.96%.	\$ 5,000,000
\$88,660,000 2017 Water Series B Revenue and Refunding Bonds, due in annual installments of \$545,000 to \$7,590,000 through 2047, interest rate from 3% to 5%	84,360,000
\$13,915,000 2017 Water Series C Revenue Refunding Bonds due in annual installments of \$2,205,000 to \$2,480,000 through 2023, interest rate from 1.43% to 2.45%.	2,385,000
\$20,402,386 2022 Water Series Revenue Bonds due in annual installments of \$949,874 to \$2,047,634 through 2032, with an interest rate of 3.56%.	19,452,512
Total Water Utility Revenue Bonds Outstanding	<u>\$ 111,197,512</u>
<u>Wastewater Utility</u>	
20,000,000 2017 Wastewater Series A Revenue Bonds, due in annual installments of \$2,000,000 through 2027, interest rate of 1.96%.	\$ 10,000,000
\$64,895,000 2017 Wastewater Series B Revenue and Refunding Bonds, due in annual installments of \$565,000 to \$5,255,000 through 2047, interest rate from 3% to 5%.	60,430,000
\$19,633,000 2022 Wastewater Series A Revenue Bonds, due in annual installments of \$914,055 to \$1,970,416 through 2032, with an interest rate of 3.56%.	18,718,953
Total Wastewater Utility Revenue Bonds Outstanding	<u>\$ 89,148,953</u>
<u>Port of Alaska</u>	
\$18,885,000 2020 Port Series A Revenue Bonds, due in annual installments of \$1,275,000 to \$3,875,000 through 2050, interest rate of 2.53%.	\$ 18,885,000
\$46,210,000 2020 Port Series B Revenue Bonds, due in annual installments of \$370,000 to \$2,960,000 through 2045, interest rate from 1.071% to 3.52%.	46,210,000
Total Port of Alaska Enterprise Fund Revenue Bonds Outstanding	<u>\$ 65,095,000</u>
<u>Solid Waste Services Utility</u>	
\$109,755,000 2022 SWS Series A Revenue Bonds, due in annual installments of \$995,000 to \$6,030,000 through 2062, interest rate from 5% to 5.5%.	\$ 109,755,000
Total Solid Waste Services Utility Revenue Bonds Outstanding	<u>\$ 109,755,000</u>
Total Revenue Bonds Outstanding	<u>\$ 375,196,465</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 12,813,051	\$ 16,220,553	\$ 29,033,604
2024	13,593,050	15,996,305	29,589,355
2025	13,773,050	15,477,838	29,250,888
2026	15,643,050	14,931,319	30,574,369
2027	16,613,048	14,332,277	30,945,325
2028-2032	79,876,216	61,558,701	141,434,917
2033-2037	77,865,000	43,879,031	121,744,031
2038-2042	30,635,000	31,174,076	61,809,076
2043-2047	37,945,000	23,861,899	61,806,899
2048-2052	28,020,000	15,922,250	43,942,250
2053-2057	21,130,000	10,605,000	31,735,000
2058-2062	27,290,000	4,444,650	31,734,650
Subtotal	375,196,465	268,403,899	643,600,364
Add unamortized premiums/(discounts), net	21,294,101	-	21,294,101
Total	<u>\$ 396,490,566</u>	<u>\$ 268,403,899</u>	<u>\$ 664,894,465</u>

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

In 2004, the Municipality entered into a loan agreement with the Alaska Municipal Bond Bank Authority to provide funding for ACPA roof repairs. This loan will be repaid with revenues from an ACPA ticket surcharge. In 2014, the ACPA Roof Bond was refinanced in the amount of \$3,735,000 with annual debt service payments ranging from \$160,000 to \$285,000, with 5% interest. 2022 Principal and interest paid, total ACPA ticket surcharge revenues, and related investment loss were \$300,250; \$240,380; and \$12,548, respectively. As of December 31, 2022, the Municipality reported an outstanding balance on this bond of \$2,645,000.

Annual debt service requirements to maturity are as follows:

Years:	Governmental Activities		
	Principal	Interest	Total
2023	\$ 170,000	\$ 132,250	\$ 302,250
2024	175,000	123,750	298,750
2025	180,000	115,000	295,000
2026	190,000	106,000	296,000
2027	205,000	96,500	301,500
2028-2032	1,170,000	320,250	1,490,250
2033-2035	555,000	42,000	597,000
Subtotal	2,645,000	935,750	3,580,750
Add unamortized premiums, net	264,803	-	264,803
Total	<u>\$ 2,909,803</u>	<u>\$ 935,750</u>	<u>\$ 3,845,553</u>

D. Certificate of Participation Bonds

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

\$5,432,172; \$5,432,172; and \$5,901, respectively. On December 31, 2022, the balance remaining for the Police and Fire COP was \$45,030,000.

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

Years:	Governmental Activities		
	Principal	Interest	Total
2023	\$ 3,895,000	\$ 1,536,128	\$ 5,431,128
2024	4,005,000	1,422,861	5,427,861
2025	4,130,000	1,300,389	5,430,389
2026	4,255,000	1,170,707	5,425,707
2027	4,395,000	1,032,845	5,427,845
2028-2032	24,350,000	2,753,552	27,103,552
Total	\$ 45,030,000	\$ 9,216,482	\$ 54,246,482

E. Notes and Contracts from Direct Borrowings

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

Water Utility Commercial Bank Loan Agreement

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

Wastewater Utility Commercial Bank Loan Agreement

In 2019, the Wastewater Utility increased a loan agreement with a commercial bank to \$30 million. The Wastewater Utility had a loan balance of \$1,000 on December 31, 2022. Effective May 16, 2021, the Wastewater Utility amended the loan agreement. Key changes in the amendment extended the mandatory prepayment to March 1, 2023, from May 15, 2021; changed the interest rate from being based on LIBOR to SOFR; the loan commitment amount may now exceed \$30,000,000 if requested by the Wastewater Utility and subject to lender approval; and repayment in full will trigger closure of the loan. Under the terms of the loan agreement, the Water Utility pays fees quarterly of 0.1% per annum based upon the balance authorized, but not drawn, calculated on a weekly basis. Throughout 2022, the interest rate on the loan varied.

Port Revolving Credit Agreement

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

This long-term borrowing program was amended and restated as of July 1, 2021, with a new expiration date of December 29, 2023. On December 27, 2021, the Port exercised its option to draw an additional \$40 million for the needed financing for capital projects related to the Port Modernization Project. The interest rate per annum is the applicable spread of 0.75% plus the Securities Industry and Financial Markets Association rate. As of December 31, 2022, the Port has paid \$791,456 in interest. The commitment fee of 0.35% is assessed on the un-utilized balance, and as of December 31, 2022, the Port has not incurred any commitment fee expense.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Refuse and Disposal Utility Revenue Note Agreement

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

As of December 31, 2022, the combined outstanding principal balance for both Solid Waste Utilities was \$9,703,565, with the Refuse Utility reporting \$2,963,254 of the outstanding principal and the Disposal Utility reporting \$6,740,311 of the outstanding principal. Interest incurred for the year ended December 31, 2022, for both Solid Waste Utilities were \$1,141,131, with the Refuse Utility reporting \$401,698 and the Disposal Utility reporting \$739,433. Commitment fees incurred for the year ended December 31, 2022, for both Solid Waste Utilities were \$59,386, with the Refuse Utility reporting \$21,032 and the Disposal Utility reporting \$38,354.

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 \$195,383,586 on December 31, 2022.

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

Years:	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 15,460,038	\$ 5,014,130	\$ 20,474,168
2024	16,757,267	2,958,015	19,715,282
2025	66,396,942	2,691,750	69,088,692
2026	16,467,690	2,426,415	18,894,105
2027	15,821,834	2,164,462	17,986,296
2028-2032	58,336,969	7,393,633	65,730,602
2033-2037	36,302,966	3,507,964	39,810,930
2038-2042	18,595,448	851,734	19,447,182
2043-2047	950,000	-	950,000
Total	\$ 245,089,154	\$ 27,008,103	\$ 272,097,257

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

F. Bonds Authorized but Unissued

On December 31, 2022, the Municipality had the following authorized but unissued GO bonds (in thousands):

Purpose	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
Anchorage Parks & Recreation	April 2021	None	\$ 3,950	\$ 2,690	\$ 1,260
	April 2022	None	3,875	-	3,875
Anchorage Roads and Drainage	April 2021	None	36,425	18,800	17,625
	April 2022	None	34,870	-	34,870
Areawide Transportation Capital Improvement	April 2019	None	1,506	1,236	270
	April 2020	None	1,995	-	1,995
	April 2021	None	1,230	-	1,230
	April 2022	None	1,200	-	1,200
Public Safety - Areawide	April 2020	None	7,785	6,805	980
	April 2021	None	3,750	1,295	2,455
	April 2022	None	1,180	-	1,180
Anchorage Fire	April 2021	None	1,950	1,520	430
	April 2022	None	2,100	-	2,100
					<u>\$ 69,470</u>

In April 2022, Anchorage voters approved the issuance of \$43,225,000 in area wide, road and drainage, public-safety, fire protection, and parks and recreation bonds.

G. Refunded Bond Issues

ASD Refunding Bonds

During ASD's fiscal year ended June 30, 2022, the Municipality issued \$35,740,000 in GO refunding bonds to refund \$30,845,000 of GO school bonds, resulting in a decrease of \$2,836,228 in total debt service. The economic gain of this refunding was \$2,528,815.

H. Defeasance of Debt

Municipality Defeasance of Debt

The Municipality defeased certain GO and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the Municipality's financial statements. On December 31, 2022, the defeased balance of GO and revenue bonds remaining to be paid by the escrow agent was \$44,445,000 for the general government.

Electric Utility Defeasance of Debt

The Electric Utility defeased certain revenue bonds by placing the proceeds from the sale of the Electric Utility in an irrevocable trust to provide for all future debt service payments on the 2014 Revenue Bond Series A. Accordingly, trust account assets and liabilities for defeased bonds are not reported in the Municipality's financial statements. On December 31, 2022, the defeased balance of the revenue bonds to be paid by the escrow agent was \$156,805,000 for the Electric Utility.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

ASD Defeasance of Debt

ASD has defeased certain GO bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in ASD's financial statements. On June 30, 2022, the amount of GO bonds considered defeased was \$193,160,000.

I. Direct Financing Agreements

The Municipality entered into revolving Direct Financing Agreements to finance information technology equipment and software, all of which were in service or being installed as of December 31, 2022. In 2022, the Municipality drew \$824,700 to cover capital expenditures. As of December 31, 2022, the outstanding balance of \$14,920,607 was recorded in the Information Technology Internal Service Funds.

The Municipality entered into a revolving Direct Financing Agreement to purchase a handling system for a municipal library, which system was in service as of December 31, 2022. The outstanding balance of \$221,546 was recorded in the Governmental Activities.

The Municipality entered into a revolving Direct Financing Agreement to purchase a Computer Aided Mass Appraisal (CAMA) system, which was an ongoing capital project as of December 31, 2022. In 2022, the Municipality drew \$1,395,814 to finance additional CAMA capital expenditures. The outstanding balance on December 31, 2022, of \$4,794,789 was recorded in the Governmental Activities.

The Municipality entered into a revolving Direct Financing Agreement to upgrade lighting at various locations within the Municipality, which lighting was in service as of December 31, 2022. The outstanding balance of \$231,965 was recorded in the Governmental Activities.

As of December 31, 2022, debt obligations from Direct Financing Agreements included in current liabilities were \$8,163,476, and debt obligations from Direct Financing Agreements in non-current liabilities were \$12,005,431 for total debt obligations from Direct Financing Agreements of \$20,168,907.

Annual debt service requirements under the Municipality's Direct Financing Agreements were as follows as of December 31, 2022:

Years:	Principal	Interest	Total
2023	\$ 8,163,476	\$ 486,648	\$ 8,650,124
2024	6,007,989	289,183	6,297,172
2025	2,514,464	154,277	2,668,741
2026	1,298,759	106,236	1,404,995
2027	881,709	71,348	953,057
2028-2031	1,302,510	74,861	1,377,371
	<u>\$ 20,168,907</u>	<u>\$ 1,182,553</u>	<u>\$ 21,351,460</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

J. Anchorage School District Debt

ASD's long-term obligation activity for fiscal year ended June 30, 2022, was as follows:

	July 1, 2021	Additions	Reductions	June 30, 2022	Amount Due within one year
General Obligation Bonds	\$ 452,010,000	\$ 91,040,000	\$ (81,110,000)	\$ 461,940,000	\$ 53,855,000
Direct Financing Agreements	2,411,584	-	(270,309)	2,141,275	280,244
Compensated Absences	13,235,031	17,087,077	(17,860,368)	12,461,740	7,237,661
Leases Payable	-	22,765,461	-	22,765,461	7,613,340
Workers Compensation	13,986,340	8,216,471	(7,664,111)	14,538,700	8,627,294
Medical Claims	4,355,499	34,955,337	(34,147,243)	5,163,593	5,045,900
Pension	440,211,839	-	(147,909,766)	292,302,073	-
Total	<u>\$ 926,210,293</u>	<u>\$ 174,064,346</u>	<u>\$ (288,961,797)</u>	811,312,842	<u>\$ 82,659,439</u>
Unamortized premium on GO Bonds				49,270,043	
Total				<u>\$ 860,582,885</u>	

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

ASD bonds payable as of June 30, 2022, are comprised of the following individual issues:

Description	Outstanding
\$14,425,000 2012 Series C School Construction Serial Bonds due in annual installments of \$615,000 to \$975,000 through August 2032; interest at 2% to 5%.	\$ 685,000
\$39,345,000 2013 Series A School Construction Serial Bonds due in annual installments of \$865,000 to \$2,920,000 through August 2033; interest at 4% to 5%.	3,685,000
\$59,075,000 2014 Series C School Construction Serial Bonds due in annual installments of \$1,795,000 to \$2,905,000 through September 2025; interest in 1.25% to 5%.	10,800,000
\$37,150,000 2014 Series D School Construction Refunding Bonds due in annual installments of \$2,120,000 to \$7,200,000 through September 2025; interest at 1.25% to 5%.	11,725,000
\$69,170,000 2015 Series C School Construction Serial Bonds due in annual installments of \$2,095,000 to \$5,265,000 through September 2035; interest at 2% to 5%.	29,345,000
\$81,040,000 2015 Series D School Construction Serial Bonds due in annual installments of \$1,260,000 to \$15,090,000 through September 2027; interest at 2% to 5%.	35,255,000
\$20,270,000 2016 Series B General Obligation School Bonds due in annual installments of \$665,000 to \$1,500,000 through September 2037; interest at 2% to 5%.	16,700,000
\$35,660,000 2018 Series C General Obligation School Bonds due in annual installments of \$1,105,000 to \$2,640,000 through September 2038; interest at 4% to 5%.	32,185,000
\$57,020,000 2018 Series D General Obligation Refunding School Bonds due in annual installments of \$9,825,000 to \$28,455,000 through September 2025; interest at 4%.	57,020,000
\$35,610,000 2019 Series C School Construction Serial Bonds due in annual installments of \$1,105,000 and \$2,545,000 through April 2039; interest at 3% to 4%.	32,125,000
\$10,295,000 2019 Series D School Construction Refunding Serial Bonds due in annual installments of \$885,000 and \$1,215,000 through April 2030; interest at 3% to 4%.	8,515,000
\$60,090,000 2020 Series E School Construction Serial Bonds due in annual installments of \$1,555,000 to \$4,425,000 through April 2040; interest at 2% to 5%.	56,600,000
\$77,830,000 2020 Series F School Construction Refunding Bonds due in annual installments of \$1,570,000 and \$7,870,000 through August 2034; interest at 0.22% to 1.92%.	76,260,000
\$55,300,000 2021 Series C School Construction Serial Bonds due in annual installments of \$1,215,000 to \$4,065,000 through September 2041; interest at 4% to 5%.	55,300,000
\$35,740,000 2021 Series D School Construction Refunding Bonds due in annual installments of \$645,000 to \$4,710,000 through September 2033; interest at 0.82% to 2.49%.	35,740,000
	\$ 461,940,000

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Years:	Anchorage School District		
	Principal	Interest	Total
2023	\$ 53,855,000	\$ 16,542,000	\$ 70,397,000
2024	45,815,000	13,939,000	59,754,000
2025	38,060,000	12,192,000	50,252,000
2026	29,460,000	10,780,000	40,240,000
2027	30,620,000	9,618,000	40,238,000
2028-2032	121,270,000	34,762,000	156,032,000
2033-2037	101,435,000	15,917,000	117,352,000
2038-2042	41,425,000	2,978,000	44,403,000
Total	<u>\$ 461,940,000</u>	<u>\$ 116,728,000</u>	<u>\$ 578,668,000</u>

ASD GO bond principal payments due within one year as of June 30, 2022, is \$53,855,000. The Debt Service Fund has \$4,137,219 available to service the GO bonds. There are several restrictions contained in the various bond indentures. ASD follows all significant restrictions.

Anchorage School District Direct Financing Agreements

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

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

As of June 30, 2022, Direct Financing Agreement debt included in current liabilities was \$280,244, and Direct Financing Agreement debt in non-current liabilities was \$1,861,032, for total Direct Financing Agreement debt obligations of \$2,141,276. ASD's Debt Service Fund will be used to liquidate the Direct Financing Agreements.

The following is a summary of ASD's Direct Financing Agreement debt for the fiscal year ended June 30, 2022:

Direct Financing Agreements	Outstanding Balance	Due within one year
16 School Buses	\$ 1,438,438	\$ 198,608
8 School Buses	702,838	81,636
	<u>\$ 2,141,276</u>	<u>\$ 280,244</u>

Annual debt service requirements under ASD's Direct Financing Agreements are as follows as of June 30, 2022:

Years:	Anchorage School District		
	Principal	Interest	Total
2023	\$ 280,244	\$ 73,248	\$ 353,492
2024	290,549	62,943	353,492
2025	301,236	52,256	353,492
2026	312,321	41,171	353,492
2027	323,818	29,674	353,492
2028-2030	633,108	24,894	658,002
Total	<u>\$ 2,141,276</u>	<u>\$ 284,186</u>	<u>\$ 2,425,462</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

The following is a summary of all assets acquired with the Direct Financing Agreement program as of June 30, 2022:

Direct Financing Agreements	Original Amount	Accumulated Depreciation	Carrying Value
16 School Buses	\$ 2,076,448	\$ 542,184	\$ 1,534,264
8 School Buses	876,560	169,225	707,335
	<u>\$ 2,953,008</u>	<u>\$ 711,409</u>	<u>\$ 2,241,599</u>

In the fiscal year ending June 30, 2022, ASD completed initial recordings of twelve existing leases in accordance with GASB 87 for office buildings and copiers. Entries were completed to record balances as they would have been as of the beginning of the fiscal year. During the fiscal year ending June 30, 2022, two new building lease agreements were recorded for \$451,352. Lease terms vary in number of remaining years and were recorded with an incremental borrowing rate of 4.19 percent. Total lease costs for buildings and copiers were \$6,902,106 and \$804,438, respectively, for the fiscal year ending June 30, 2022.

ASD reported future minimum lease payments at June 30, 2022 as follows:

Year	Principal, Buildings	Interest, Buildings	Total, Buildings
2023	6,367,247	879,338	7,246,585
2024	6,212,004	615,666	6,827,670
2025	6,603,208	347,968	6,951,176
2026	417,302	186,424	603,726
2027	255,689	174,787	430,476
2028-2032	1,543,858	693,146	2,237,004
2033-2037	2,025,017	321,991	2,347,008
2038-2043	463,263	10,581	473,844
	<u>23,887,588</u>	<u>3,229,901</u>	<u>27,117,489</u>

Year	Principal, Copiers	Interest, Copiers	Total, Copiers
2023	343,878	22,877	366,755
2024	358,566	8,190	366,756
	<u>702,444</u>	<u>31,067</u>	<u>733,511</u>
Total ASD Leases	<u>24,590,032</u>	<u>3,260,968</u>	<u>27,851,000</u>

K. Anchorage Community Development Authority Debt

In June 2018, the ACDA Board of Directors approved the purchase of a building located at 716 W. 4th Avenue. On August 2, 2018, ACDA closed on this purchase. ACDA utilized the 7th Avenue parking garage as collateral for the loan from direct borrowing with Key Government Finance, Inc. It is a 15-year loan for \$14,432,000 at a 5.35% interest rate. Loan payments will be made twice annually each February 1 and August 1 and the loan matures August 1, 2038. Principal and interest paid on the loan in 2022 were \$557,145 and \$783,942, respectively. As of December 31, 2022, the outstanding balance was \$12,988,361.

In April 2021, ACDA entered into a \$573,300 loan through the Municipality's Direct Financing Agreement program to fund the LED Garage Retrofit project. The loan is repaid monthly over 19 years through April 2031 at 2.28% interest and is secured by the assets of the Municipality. The December 31, 2022, balance was \$464,825.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

Year Ending December 31,	Principal	Interest	Total
2023	\$ 572,344	\$ 702,606	\$ 1,274,950
2024	614,846	675,596	1,290,442
2025	646,133	644,309	1,290,442
2026	679,056	611,386	1,290,442
2027	713,703	576,739	1,290,442
2028-2032	4,060,935	2,298,322	6,359,257
2033-2037	5,000,080	1,142,292	6,142,372
2038	1,166,089	62,386	1,228,475
	<u>\$ 13,453,186</u>	<u>\$ 6,713,636</u>	<u>\$ 20,166,822</u>

ACDA's long-term obligation activity for the year-ended December 31, 2022, was as follows:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Direct Borrowing - Loans	14,010,328	-	(557,142)	13,453,186	572,344
Lease Payable	229,174	23,552	(58,275)	194,451	68,313
Net Pension Liability	1,935,304	505,504	-	2,440,808	-
Compensated Absences	68,528	130,582	(136,529)	62,581	62,581
Total	<u>16,243,334</u>	<u>659,638</u>	<u>(751,946)</u>	<u>16,151,026</u>	<u>703,238</u>

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

On June 11, 2020, ACPA was approved for a \$150,000 loan under the Economic Injury Disaster Loan program. The loan has a 30-year term, is secured by ACPA assets, and is payable in monthly installments of \$298 with the first 12 months of principal and interest payments deferred through June 2022. However, interest is still accrued during the deferment period. The loan carries an interest rate of 2.75%. On December 29, 2022, ACPA paid this debt in full.

On March 31, 2021, ACPA was approved for a \$308,710 loan under the Payroll Protection Program. The loan has a term of two years, is unsecured, and guaranteed by the Small Business Administration (SBA). The loan bears an interest rate of 1%, with the first ten months of interest and principal deferred. On January 31, 2022, the SBA forgave this debt in full.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

A. Municipality of Anchorage

Tax Anticipation Notes

On April 6, 2023, the Municipality issued \$125 million of GO Tax Anticipation Notes. The yield on the notes is 2.74% with a maturity date of December 15, 2023.

No tax anticipation notes were issued in 2024.

GO Bonds

Anchorage voters approved \$46,145,000 and \$61,520,000 of GO bonds on April 4, 2023, and April 2, 2024, respectively, for capital improvements and upgrades for Municipal facilities, roads, and assets. The Municipality did not issue any GO bonds in 2023.

716 West 4th Avenue Building Lease/Leaseback

On August 1, 2023, the Municipality entered into a \$18,300,000 Lease/Leaseback loan agreement with Key Government Finance, Inc. to purchase the building located at 716 West 4th Avenue in Anchorage from the ACDA. This loan agreement matures August 1, 2048, bears an interest rate of 5.533% for the first seven years. Effective August 1, 2030, the rate will adjust by 0.01% for each 0.01% variance in the 10-Year Treasury Rate between August 1, 2023, and the date that is seven business days before the first reset date of August 1, 2030.

B. Anchorage School District

General Obligation School Bonds

After ASD's June 30, 2022, fiscal year ended, the Municipality, on behalf of ASD, issued \$20,425,000 in GO school bonds on December 15, 2022.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 12 – PENSION PLANS

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

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

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

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

A. Defined Benefit Pension Plans

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

<u>Net Pension Liability</u>	Governmental Activities	Business-type Activities	Total
Public Employees Retirement System	\$ 339,819,809	\$ 44,204,763	\$ 384,024,572
Police and Fire Pension System	92,764,331	-	92,764,331
Total	<u>\$ 432,584,140</u>	<u>\$ 44,204,763</u>	<u>\$ 476,788,903</u>

Total net pension liability for all plans for 2022 was \$476,788,903 and total pension expense was \$(14,827,375), which includes on-behalf expenses from the State of \$6,943,074. Total deferred outflows of resources and deferred inflows of resources for all plans were \$52,521,836 and \$0, respectively. There were no net pension assets reported for 2022.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

General Information About the Plan

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

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

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

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

Historical Context and Special Funding Situation

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

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

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

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

Employee Contribution Rates

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Employer and Other Contribution Rates

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

Employer Effective Rate

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

Alaska Retirement Management Board Adopted Rate

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

State On-behalf Contribution Rate

This is the rate paid by the State as an on-behalf payment under current statute. The statute requires the State to contribute, based on funding availability, an on-behalf amount equal to the difference between the ARM Board Rate and the Employer Effective Rate. In the governmental fund financial statements, on-behalf contribution amounts have been recognized as additional revenues and expenditures on a calendar year basis ending December 31, 2022. In the proprietary fund and government-wide financial statements, the on-behalf amounts reflect revenue and expense only during the measurement period July 1, 2021, to June 30, 2022, in which the Plan recognizes the payments, resulting in a significant timing difference between the cash transfers and revenue and expense recognition. Total on-behalf amounts recognized as of the measurement period are actuarially calculated.

Contribution rates for the years ended June 30, 2022, and June 30, 2023, were determined in the June 30, 2020, and June 30, 2021 actuarial valuations, respectively. Municipality contribution rates for the 2022 calendar year were as follows:

	Employer Effective Rate	ARM Board Adopted Rate	State Contribution Rate
<u>January 1, 2022 to June 30, 2022</u>			
Pension	22.00%	26.99%	8.11%
Postemployment Healthcare- ARHCT (see Note 13)	0.00%	3.12%	0.00%
Total Contribution Rates	<u>22.00%</u>	<u>30.11%</u>	<u>8.11%</u>
<u>July 1, 2022 to December 31, 2022</u>			
Pension	22.00%	24.79%	2.79%
Postemployment Healthcare- ARHCT (see Note 13)	0.00%	0.00%	0.00%
Total Contribution Rates	<u>22.00%</u>	<u>24.79%</u>	<u>2.79%</u>

In 2022, the Municipality was credited with the following contributions into the pension plan.

	<u>Measurement Period</u>	<u>Municipality's Fiscal Year</u>
	July 1, 2021 to June 30, 2022	January 1, 2022 to December 31, 2022
Employer contributions (including DBUL)	\$ 33,205,940	\$ 35,752,681
Nonemployer contributions (on-behalf)	17,788,197	11,675,096
Total Contributions	<u>\$ 50,994,137</u>	<u>\$ 47,427,777</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

In addition, employee contributions to the Plan totaled \$6,197,599 during the Municipality's calendar year.

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

On December 31, 2022, the Municipality reported a liability for its proportionate share of the net pension liability (NPL) that reflected a reduction for State pension support provided to the Municipality. The amount recognized by the Municipality for its proportional share, the related State proportion, and the total were as follows:

Municipality proportionate share of NPL	\$ 384,024,572
State's proportionate share of NPL associated with the Municipality	<u>106,284,436</u>
Total Net Pension Liability	<u>\$ 490,309,008</u>

The total pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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, 2022, measurement date, the Municipality's proportion was 7.53%, which was a decrease of 1.10% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Municipality recognized pension expense of \$(20,107,142). Of this amount, \$6,943,074 was recorded as on-behalf revenue and expense for additional contributions paid by the State. On December 31, 2022, the Municipality reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Measurement Period June 30, 2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 10,979,385	\$ -
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	-	-
Municipality contributions subsequent to the measurement date	19,377,444	-
Total Deferred Outflows and Deferred Inflows of Resources Related to Pensions	<u>\$ 30,356,829</u>	<u>\$ -</u>

The \$19,377,444 reported as deferred outflows of resources related to pensions resulting from contributions after the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
2023	\$ (1,305,300)
2024	(3,345,730)
2025	(8,031,796)
2026	<u>23,662,211</u>
Total Amortization	<u>\$ 10,979,385</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to the measurement date of June 30, 2022, and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The assumptions used in the June 30, 2021, actuarial valuation are the same as those used in the June 20, 2020, valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.

Inflation	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Methodology	Layered unfunded accrued actuarial liability, level percent of pay basis
Allocation Methodology	Amounts for the June 30, 2022 measurement date were allocated to the employers based on the present value of the contributions for FY2023-2039, as determined by projections based on the June 30, 2021 valuation. The contributions for FY2023 reflect those adopted by the Board on October 11, 2021.
Salary Increases	For peace officers/firefighters, increases range from 8.5% to 3.85%, based on service. For all others, increases range from 6.75% to 2.85%, based on service.
Investment Return / Discount Rate	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50 percent and real rate of return of 4.75%.
Mortality	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 70% of the time. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return, excluding the inflation component of 2.5%, for each major asset class included in the pension plan's target asset allocation as of the measurement period June 30, 2022, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.51%	27%	+/- 6%
Global equity (non-U.S.)	5.70%	18%	+/- 4%
Aggregate bonds	0.31%	21%	+/- 10%
Opportunistic	0.00%	6%	+/- 4%
Real assets	3.71%	14%	+/- 7%
Private equity	9.61%	14%	+/- 6%
Cash equivalents	-0.50%	0%	+/-0%

Discount Rate

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

Discount Rate Sensitivity

The following presents the Municipality's proportionate share of the net pension liability as of the June 30, 2022, measurement date calculated using the discount rate of 7.25%, and what the Municipality's proportionate share of the net pension liability would be if calculated using a discount rate one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipality's proportionate share of the net pension liability	7.53455%	\$ 516,979,619	\$ 384,024,572	\$ 271,916,031

Pension Plan Fiduciary Net Position

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

A-2. Police and Fire Pension System Plans

General Information About the Plans

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

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

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

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

Benefits - Plans I and II

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Benefits - Plan III

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

This is a closed plan, which means that there are no new participants. As of December 31, 2022, the following employees were covered by the benefit terms:

	Plan I	Plan II	Plan III	Total
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	166	115	403	684
Active Plan Members	-	-	1	1
Totals	166	115	404	685

Employee Contribution Rates

Members of P&F Plans I, II, and III are required to contribute an amount not to exceed 6% of compensation if the assets to liabilities ratio falls below 100%. In 2022, there was \$39,299 in employee contributions to Plan III. There were no employee contributions to Plans I and II in 2022.

Employer Contribution Rates

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

Benefit and contribution provisions are established by Code and may be amended only by the Assembly. The January 1, 2022, actuarial valuation recommended employee contribution rates for P&F Plans I, II and III not to exceed 6% of employee compensation for the year ending December 31, 2022. In 2017, the Municipality issued \$58.7 million in Certificates of Participation (COP) Series A (Taxable) to provide for a lump-sum contribution to the P&F Plans. Proceeds from the issuance, in the amount of \$58.2 million were contributed, along with \$10.4 million of employer contributions in 2017. The results of the issuance of the COP was to fund 90% of the net

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

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

On December 31, 2022, the Municipality reported an NPL for P&F Plans I, II, and III in the amount of \$92,764,331 in the Governmental Activities Statement of Net Position. The NPL for each of the P&F Plans were calculated as follows:

	Plan I	Plan II	Plan III	Total
Total Pension Liability	\$ 76,724,575	\$ 64,347,703	\$ 284,017,873	\$ 425,090,151
Plan Net Assets	(61,413,948)	(50,122,965)	(220,788,907)	(332,325,820)
Net Pension Liability	\$ 15,310,627	\$ 14,224,738	\$ 63,228,966	\$ 92,764,331

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<u>Police & Fire Retirement Plan I</u>			
Balances as of December 31, 2021	\$ 82,319,547	\$ 78,001,885	\$ 4,317,662
Changes for the year:			
Interest on total pension liability	4,710,523	-	4,710,523
Effect of economic/demographic (gains) or losses	(1,208,963)	-	(1,208,963)
Effect of assumptions changes or inputs	(1,474,884)	-	(1,474,884)
Benefit payments	(7,621,648)	(7,621,648)	-
Administrative expenses	-	(108,471)	108,471
Net investment income	-	(8,857,818)	8,857,818
Balances as of December 31, 2022	\$ 76,724,575	\$ 61,413,948	\$ 15,310,627
<u>Police & Fire Retirement Plan II</u>			
Balances as of December 31, 2021	\$ 66,982,152	\$ 63,006,588	\$ 3,975,564
Changes for the year:			
Interest on total pension liability	3,850,300	-	3,850,300
Effect of economic/demographic (gains) or losses	508,334	-	508,334
Effect of assumptions changes or inputs	(1,372,116)	-	(1,372,116)
Benefit payments	(5,620,967)	(5,620,967)	-
Administrative expenses	-	(88,146)	88,146
Net investment income	-	(7,174,510)	7,174,510
Balances as of December 31, 2022	\$ 64,347,703	\$ 50,122,965	\$ 14,224,738
<u>Police & Fire Retirement Plan III</u>			
Balances as of December 31, 2021	\$ 284,691,138	\$ 272,079,777	\$ 12,611,361
Changes for the year:			
Service cost	136,440	-	136,440
Interest on total pension liability	16,495,110	-	16,495,110
Effect of economic/demographic (gains) or losses	2,855,324	-	2,855,324
Effect of assumptions changes or inputs	(341,985)	-	(341,985)
Benefit payments	(19,818,154)	(19,818,154)	-
Administrative expenses	-	(392,241)	392,241
Member contributions	-	39,299	(39,299)
Net investment income	-	(31,119,774)	31,119,774
Balances as of December 31, 2022	\$ 284,017,873	\$ 220,788,907	\$ 63,228,966

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

For the year ended December 31, 2022, the Municipality recognized pension expense of (\$1,488,341), \$130,859 and \$6,637,249 for the P&F Plans I, II, and III, respectively. On December 31, 2022, the Municipality reported deferred outflows of resources related to pensions from the following sources by Plan:

	Measurement Period December 31, 2022
	Deferred Outflows of Resources
Net difference between projected and actual investments - Plan I	\$ 3,999,677
Net difference between projected and actual Investments - Plan II	3,310,110
Net difference between projected and actual investments - Plan III	14,855,220
	\$ 22,165,007

The combined amounts for all three plans of \$22,165,007 reported as deferred outflows of resources related to pensions resulting from the difference in projected and actual earnings on investments will be recognized as an addition in the net pension liability in the year ended December 31, 2023. Deferred outflows of resources related to pensions will be recognized in pension expense for each Plan as follows:

Plan I

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2023	\$ (991,697)
2024	849,038
2025	1,481,132
2026	2,661,204
Total Amortization	\$ 3,999,677

Plan II

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2023	\$ (749,845)
2024	693,747
2025	1,209,480
2026	2,156,728
Total Amortization	\$ 3,310,110

Plan III

Year Ending December 31,	Amortization of Deferred outflows/(Inflows) of Resources
2023	\$ (2,885,617)
2024	3,057,615
2025	5,315,338
2026	9,367,884
Total Amortization	\$ 14,855,220

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, which was rolled forward to December 31, 2022, using the following actuarial assumptions, applied to all periods in the measurement. This section of the report describes the actuarial methods and assumptions used in this report. The actuarial methods and assumptions have been chosen by the Board based on recent experience of the Plans and on current expectations as to future economic conditions. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Valuation Date	January 1, 2023
Measurement Date	December 31, 2022
Inflation	3.00%
Salary Increases	3.50%
Investment Return	The future investment earnings of the assets of the plan are assumed to accrue at an annual rate of 6.00% as of December 31, 2021 and 6.25% as of December 31, 2022, compounded annually, net of investment expenses.
Actuarial Cost Method	Entry Age Normal cost method with normal cost expressed as a level percentage of payroll
Mortality	Actives: Pub-2010 Public Safety Employees, sex distinct, generational projection with Unisex Social Security Data Scale. Healthy Retirees: Pub-2010 Public Safety Healthy Retiree, sex distinct, generational projection with Unisex Social Security Data Scale. Disabled Retiree: Pub-2010 Public Safety Disabled Retiree, sex distinct, generational projection with Unisex Social Security Data Scale. Beneficiaries: Pri-2012 Healthy Retiree, no collar, sex distinct, generational projection with Unisex Social Security Data Scale.

Long-term Expected Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Large/Mid Cap US equities	6.75%	27%	+/- 6%
Small Cap US equities	7.25%	11%	+/- 4%
International equities	9.25%	24%	+/- 6%
Fixed income	5.05%	19%	+/- 13%
Real estate funds	6.08%	17%	+/- 7%
Cash equivalents	0.00%	2%	+/- 4%

Discount Rate

All three Plans are projected to remain solvent indefinitely in the future assuming that the actuarially determined contributions continue to be made under the Board's funding policy. Therefore, the discount rate as of each measurement date is equal to the expected rate of return on plan assets, 6.25% as of December 31, 2022, which is the same from the prior year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the net pension liability calculated using the discount rate of 6%, and what the P&F Plan's net pension liability would be calculated using a discount rate one-percentage-point lower (5.25%) or one-percentage-point higher (7.25%) than the current rate:

	Current Discount Rate		
	1% Decrease (5.25%)	(6.25%)	1% Increase (7.25%)
Net Pension Liability:			
Plan I	\$ 21,532,847	\$ 15,310,627	\$ 9,887,119
Plan II	20,038,429	14,224,738	9,212,449
Plan III	93,851,589	63,228,966	37,485,874

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Pension Plan Fiduciary Net Position

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

A-3. IBEW Pension Plan

Plan Information

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

Plan Participation and Benefit Terms

The Municipality had 63 employees covered by the Plan as of December 31, 2022. The IBEW Plan provides several levels of retirement benefits, including early retirement, normal retirement, late retirement, and disability retirement and includes several options for spouse participation and death benefits. The Municipality contributes to the IBEW Plan for its covered employees according to the terms of its Agreement Covering Terms and Conditions of Employment (Agreement) with the IBEW Local 1547. On March 9, 2021, a new Agreement was approved, effective March 9, 2021, through June 30, 2024.

Plan Contributions Requirements

Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The Municipality's required contribution to the IBEW Plan for each hour for which compensation is paid to the employee for 2022 was \$8.25 per hour. The Municipality's total employer contributions to the IBEW Plan for 2022 was \$992,012. The Municipality had \$72,097 in required contributions to the IBEW Plan payable to AETF on December 31, 2022. These amounts are paid during the normal course of business in the month following each year end. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the IBEW Plan required other than the contribution per hour compensated as required by the Agreement.

Defined Contribution Money Purchase Plan

The Agreement requires employer contributions to be made in an amount of 1.9% of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Money Purchase Plan). The Municipality's employer and employee contributions to the Money Purchase Plan during 2022 were \$191,933 and \$11,126, respectively.

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

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

Plan Information

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Plan Participation and Benefit Terms

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

Plan Contributions Requirements

Employer contributions are determined from compensable work hours and the contractual employer contribution rate in effect. The current agreement provides for contributions of \$6.40 and \$6.25 per hour worked by a covered employee for July 26, 2022-December 31, 2022, and for January 1, 2022-July 25, 2022, respectively. Further, seasonal employees are provided for contributions at \$0.95 and \$0.80 cents per hour worked for July 26, 2022-December 31, 2022, and for January 1, 2022-July 25, 2022, respectively. Total employer retirement contributions (covered and seasonal employees) for 2022 was \$1,971,177. The Municipality is not subject to withdrawal penalties, nor are there any future minimum payments to the Local 302 Plan required other than the contribution per hour compensated as required by the Agreement.

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

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

Plan Information

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

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

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

Plan Participation and Benefit Terms

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Plan Contribution Requirements

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

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

For the year ended December 31, 2022, the Municipality contributed \$6,945,585 to PERS IV for retirement. Employee contributions to the plan totaled \$11,112,925. Total Defined Contribution forfeitures for the Municipality in 2022 were \$267,519.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS PLANS

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

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

The Plans are included in the Annual Comprehensive Financial Report of the Municipality and are not available as separate reports. Because of this, the Municipality is required to report GASB Statement No. 74- *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* for the Trust reporting. As of December 31, 2022, the Municipality is accounting for and reporting Other Postemployment Benefits under the guidance of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This note will provide information from the perspective of the Trust Plan and from the perspective of the Plan participants in accordance with the aforementioned guidance.

Net OPEB Liability

The components of the net OPEB liability for each Plan on December 31, 2022, are as follows:

	Gentile Group	Police & Fire Medical Group	Total
Total OPEB liability	\$ 58,291,752	\$ 108,003,970	\$ 166,295,722
Plan fiduciary net position	-	(21,533,996)	(21,533,996)
Municipality's net OPEB liability	<u>\$ 58,291,752</u>	<u>\$ 86,469,974</u>	<u>\$ 144,761,726</u>
		-	-
Plan fiduciary net position as a percentage of the total OPEB liability	N/A	19.94%	12.95%

Board of Trustees

The Plans are administered by an eight-person Board of Trustees. Three voting trustees are appointed by the Anchorage Police Department Employees' Association and three by the International Association of Fire Fighters (IAFF, Local 1264). Two non-voting trustees are appointed by the Mayor, and all trustees are required to be confirmed by the Assembly. The six voting trustees serve for 3-year terms and the mayoral-appointed trustees serve at the pleasure of the Mayor. The plans were established and are administered by the Municipality. Plan benefits, funding and contribution provisions are established by Municipal Code 3.87 and may be amended by the Board of Trustees and the Assembly.

Investment of Plan Assets

Plan assets are invested as part of the Municipal Cash Pool and are invested in a manner consistent with the investment policies disclosed in Note 3. One hundred percent of the Plan assets belong to the Police and Fire Medical Group, which had a 4.9% annual money-weighted rate of return, net of investment expenses for the year ended December 31, 2022.

Combining Financial Statements for the Police and Fire Medical Trust Fund

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

MUNICIPALITY OF ANCHORAGE
Combining Statement of Net Position
December 31, 2022

Assets	Police and Fire		Total
	Medical Group	Gentile Group	
Cash and cash equivalents	\$ 16,397	\$ -	\$ 16,397
Accrued Interest	60,563	-	60,563
Investments:			
Money market funds	1,589,262	-	1,589,262
Certificate of deposit	6,551,263	-	6,551,263
U.S. treasuries	4,722,093	-	4,722,093
U.S. agencies	4,373,202	-	4,373,202
Fixed income funds	958,917	-	958,917
International fixed income funds	290,399	-	290,399
Domestic equity securities	1,764,153	-	1,764,153
International equity securities	1,220,511	-	1,220,511
Total investments	<u>21,469,800</u>	<u>-</u>	<u>21,469,800</u>
Total assets	<u>21,546,760</u>	<u>-</u>	<u>21,546,760</u>
Liabilities			
Accounts payable and accrued expenses	\$ 12,764	\$ -	\$ 12,764
Net Position			
Restricted for:			
Postemployment benefits other than pensions	<u>\$ 21,533,996</u>	<u>\$ -</u>	<u>\$ 21,533,996</u>

MUNICIPALITY OF ANCHORAGE
Combining Statement of Changes in Net Position
December 31, 2022

Additions	Police and Fire		Total
	Medical Group	Gentile Group	
Contributions from the Municipality	\$ 3,666,621	\$ -	\$ 3,666,621
Investment Income:			
Interest	14,046	-	14,046
Dividends	367,742	-	367,742
Net increase decrease in fair value of investments	(2,106,182)	-	(2,106,182)
Less: investment expense	(26,911)	-	(26,911)
Net Investment loss	<u>(1,751,305)</u>	<u>-</u>	<u>(1,751,305)</u>
Total additions	<u>1,915,316</u>	<u>-</u>	<u>1,915,316</u>
Deductions			
Regular benefit payments	3,806,615	-	3,806,615
Administrative expenses	79,712	-	79,712
Total deductions	<u>3,886,327</u>	<u>-</u>	<u>3,886,327</u>
Change in fiduciary net position	(1,971,011)	-	(1,971,011)
Net position, beginning of year	<u>23,505,007</u>	<u>-</u>	<u>23,505,007</u>
Net position, end of year	<u>\$ 21,533,996</u>	<u>\$ -</u>	<u>\$ 21,533,996</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

A-1. Gentile Group - Defined Benefit Plan

General Information about the Plan

The Gentile Group is a defined benefit, single employer plan, administered by the Municipality. Members of the Police and Fire Retirement Plan who retired prior to January 1, 1995, and command personnel who were employed prior to that date, but not retired at that date, participate in the Gentile Group Plan. This Plan is closed to new members and as of December 31, 2022, all members are now retired. Membership in the Plan consists of the following on December 31, 2022:

Inactive plan members or beneficiaries currently receiving benefits	200
Total plan membership	200

The Municipality pays 100% of a defined benefit insurance premium including health for all eligible retirees and dental, audio, and vision coverage for police retirees. Optional dental, audio and vision coverage is paid by the fire and command retirees. The Plan is accounted for on a “pay as you go” method with costs recognized as expenditures as premiums are paid. For 2022, the monthly contribution for each member stayed flat from 2021 and ranged between \$3,643 and \$4,282 per member depending on age and years of service. Benefit costs totaling \$10,741,628 were paid in 2022. There are no plans in place to terminate or discontinue this benefit for eligible members.

Actuarial Assumptions

The total OPEB liability for this plan was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions:

Valuation Date	December 31, 2022
Inflation	2.5% per annum
Discount Rate	2.06% per annum (BOY), 3.72% per annum (EOY). Source: Bond Buyer 20-Bond GO Index
Actuarial Cost Method	Entry Age Normal. All participants are currently retired.
Amortization Method	Experience/Assumptions gains and losses are amortized immediately as all participants are retired.
Mortality Rates	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 75, decreasing to 4.5% by 2026 Dental, Vision, and Audio; 3%, staying constant to 2026

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

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2022, calculated using the discount rate of 3.72% (an increase of 1.66% over the prior year’s discount rate of 2.06%), and what the Gentile Group plan’s net OPEB liability would be if calculated using a discount rate one-percentage-point lower (2.72%) or one-percentage-point higher (4.72%) than the current rate:

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Gentile Group	\$ 65,231,174	\$ 58,291,752	\$ 52,528,756

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

The following presents the net OPEB liability for the Gentile Group plan as of December 31, 2022, calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation report, and what the plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group	\$ 51,797,010	\$ 58,291,752	\$ 66,000,209

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

General Information about the Plan

The Police and Fire Medical Group is a single-employer, defined benefit plan, administered by the Municipality. Active duty and non-command personnel members who were employed prior to January 1, 1995, but who were scheduled to retire after that date, and non-represented command personnel appointed after January 1, 1995, participate in the Police and Fire Medical Group Plan. The Plan is closed to new members. Plan membership consisted of the following on December 31, 2022:

Inactive plan members or beneficiaries currently receiving benefits	372
Active plan members	5
Total plan membership	377

Established with both defined benefit and defined contribution characteristics, the Municipality contributes monthly fixed dollar contributions to each member. Contributions are deposited into individual member accounts and can be used to pay qualifying medical costs or health insurance premiums. Additionally, members have access to the Municipality's health insurance program if they elect to pay the associated premium. For 2022, monthly member contributions ranged between \$618 and \$979 depending on age and years of service. The Municipality contributed \$3,666,621 to the Police and Fire Medical Group plan in 2022.

Actuarial Assumptions

The total OPEB liability for this plan was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions:

Valuation Date	December 31, 2022
Inflation	2.5% per annum
Discount Rate	4.1% per annum (BOY), 4.1% per annum (EOY). This was based on the estimated long term rate of return from the Municipality's OPEB trust (plus standard inflation), which is currently estimated to be fully funded.
Actuarial Cost Method	Entry Age Normal
Amortization Method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality Rates	PUB-2010 Mortality Tables as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare Cost Trend Rates	Medical and Prescription; 7% decreasing to 4.5% by 2026

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investments is currently 20% Equities and 80% Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 1.6%.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.1%, which is the same as the prior year. The projection of cash flows used to determine the discount rate assumed the contributions will continue to follow the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2022, calculated using the discount rate of 4.1%, and what the plan's net OPEB liability would be if calculated using a discount rate one-percentage-point lower (3.1%) or one-percentage-point higher (5.1%) than the current rate:

	1% Decrease (3.1%)	Current Discount Rate (4.1%)	1% Increase (5.1%)
Police and Fire Medical Group	\$ 98,289,245	\$ 86,469,974	\$ 76,934,306

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

The following presents the net OPEB liability for the Police and Fire Medical Group plan as of December 31, 2022, calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation report, and what the plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police and Fire Medical Group	\$ 75,631,252	\$ 86,469,974	\$ 99,737,525

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

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

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

Substantially all employees of ASD are either members of PERS or TRS OPEB plans, with balances reported on the entity-wide statement of net position. For TRS Tiers I-II, when pension benefits begin, major medical benefits are provided without cost to all employees first hired before July 1, 1990, who are disabled or age 60 or older

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

regardless of initial hiring dates, or who have at least 25 years of credited service. Other retirees must pay the full premium to have the medical coverage. TRS Tier III employees, who have at least ten years of credited service, are eligible for medical benefits after retirement. If they are not eligible for Medicare, they must pay full premium. After eligible for Medicare, the retiree will be responsible for premium at a reduced percentage depending on the years of service. Retirees may use a health reimbursement arrangement (HRA) account to pay premiums. After the HRA is exhausted, the premiums are the retiree's responsibility. Additional information can be obtained in ASD's separately issued financial statements.

B-1. Defined Benefit OPEB Plans

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

<u>Net OPEB Liability</u>	Governmental Activities	Business-type Activities	Total
Gentile Group Plan	\$ 58,291,752	\$ -	\$ 58,291,752
Police and Fire Medical Group Plan	86,469,974	-	86,469,974
Total Net OPEB Liability- PFRMT	\$ 144,761,726	\$ -	\$ 144,761,726

<u>Net OPEB Asset</u>	Governmental Activities	Business-type Activities	Total
Alaska Retiree Healthcare Trust Plan	\$ 130,283,689	\$ 16,947,685	\$ 147,231,374
Retiree Medical Plan	2,665,389	346,722	3,012,111
Occupational Death and Disability Plan	4,141,144	538,692	4,679,836
Total Net OPEB Asset- PERS	\$ 137,090,222	\$ 17,833,099	\$ 154,923,321

Total net OPEB assets and liability for all plans for 2022 was \$154,923,321 and \$144,761,726, respectively, and total OPEB expense was (\$42,050,114), which includes on-behalf expenses from the State of (\$14,296,128). Total deferred outflows of resources and deferred inflows of resources for all plans were \$14,616,616 and \$14,312,651, respectively.

B-1a. PERS Defined Benefit OPEB Plans

General Information About the Plans

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

Employer Contribution Rates

The Municipality is required to contribute the following percentages of covered payroll into the OPEB plans; for January 1 through June 30, 2022, ARHCT 0%, ODD 0.31%, and RMP 1.07%, for July 1 through December 31, 2022, ARHCT 0%, ODD 0.30%, and RMP 1.10%. Employees do not contribute. In 2022, the Municipality was credited with the following contributions to the OPEB plan:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

	Measurement Period	Municipality's Fiscal Year
	July 1, 2021 to June 30, 2022	January 1, 2022 to December 31, 2022
Employer contributions- ARHCT	\$ 5,819,669	\$ 2,811,727
Employer contributions- RMP	1,458,379	1,507,549
Employer contributions- ODD	616,138	626,660
Total Contributions	<u>\$ 7,894,186</u>	<u>\$ 4,945,936</u>

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

On December 31, 2022, the Municipality reported assets for its proportionate share of the net OPEB assets that reflected a reduction for State OPEB support provided to the Municipality. The amount the Municipality recognized for its proportional share, the related State portion, and the total were as follows:

Municipality proportionate share of NOA- ARHCT	\$ 147,231,374
Municipality proportionate share of NOA- RMP	3,012,111
Municipality proportionate share of NOA- ODD	4,679,836
Subtotal Net OPEB Assets	<u>154,923,321</u>
State's proportionate share of ARHCT NOA associated with the Municipality	<u>42,085,443</u>
Total Net OPEB Assets	<u>\$ 197,008,764</u>

Total OPEB assets for the June 30, 2022, measurement date was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, to calculate the net OPEB assets as of that date. The Municipality's proportion of the net OPEB assets were based on a projection of the Municipality's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined. The Municipality's proportionate share at the June 30, 2022, measurement date changed from the proportionate share as of the June 30, 2021, measurement date, as shown below.

	Measurement Date June 30, 2021	Measurement Date June 30, 2022	Change
<u>Municipality's proportionate share of the net OPEB asset:</u>			
ARHCT	8.67301%	7.48292%	-1.19009%
RMP	8.83072%	8.67294%	-0.15778%
ODD	10.94848%	10.67530%	-0.27318%

As a result of its requirement to contribute to the Plan and changes in the actuarially calculated net OPEB assets, the Municipality recognized net OPEB expense of (\$49,385,703). Of this amount, (\$14,296,128) was recorded for on-behalf revenue and expense for actuarially calculated support provided by the State for the ARHCT plan, which can result in a negative balance in Operating Grants and Contributions in the statement of activities in accordance with GASB Statements No. 75. On December 31, 2022, the Municipality reported deferred outflows of resources and deferred inflows of resources related to all PERS OPEB plans from the following sources:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

	<u>Measurement Period June 30, 2022</u>	
	Deferred	Deferred
	Outflows	Inflows
<u>All Plans</u>	<u>of Resources</u>	<u>of Resources</u>
Difference between expected and actual experience	\$ 149,310	\$ (2,695,720)
Changes in assumptions	583,216	(10,398,083)
Net difference between projected and actual earnings on OPEB plan investments	8,941,079	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	3,848,020	(224,096)
Municipality contributions subsequent to the measurement date	1,094,991	-
Total Deferred Outflows and Deferred Inflows of Resources Related to OPEB	<u>\$ 14,616,616</u>	<u>\$ (13,317,899)</u>

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

	<u>Measurement Period June 30, 2022</u>	
	Deferred	Deferred
	Outflows	Inflows
<u>ARHCT</u>	<u>of Resources</u>	<u>of Resources</u>
Difference between expected and actual experience	\$ -	\$ (1,042,104)
Changes in assumptions	-	(6,756,662)
Net difference between projected and actual earnings on OPEB plan investments	8,352,970	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	3,645,673	-
Municipality contributions subsequent to the measurement date	725	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ARHCT	<u>\$ 11,999,368</u>	<u>\$ (7,798,766)</u>
 <u>RMP</u>		
Difference between expected and actual experience	\$ 149,310	\$ (118,361)
Changes in assumptions	583,216	(3,611,620)
Net difference between projected and actual earnings on OPEB plan investments	429,623	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	69,554	(5,599)
Municipality contributions subsequent to the measurement date	777,146	-
Total Deferred Outflows and Deferred Inflows of Resources Related to RMP	<u>\$ 2,008,849</u>	<u>\$ (3,735,580)</u>
 <u>ODD</u>		
Difference between expected and actual experience	\$ -	\$ (1,535,255)
Changes in assumptions	-	(29,801)
Net difference between projected and actual earnings on OPEB plan investments	158,486	-
Changes in proportion and differences between Municipality contributions and proportionate share of contributions	132,793	(218,497)
Municipality contributions subsequent to the measurement date	317,120	-
Total Deferred Outflows and Deferred Inflows of Resources Related to ODD	<u>\$ 608,399</u>	<u>\$ (1,783,553)</u>

The \$1,094,991 reported as deferred outflows of resources related to all PERS OPEB plans resulting from contributions made after the measurement date will be recognized as a reduction in the net OPEB assets in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

<u>All Plans</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2023	\$ (6,293,214)
2024	(3,695,606)
2025	(7,456,930)
2026	19,220,917
2027	(718,611)
Thereafter	(852,830)
Total Amortization	<u>\$ 203,726</u>

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

<u>ARHCT</u>	Net Amortization of Deferred Outflows and Deferred Inflows of Resources
Year Ending December 31,	
2023	\$ (5,555,935)
2024	(2,929,383)
2025	(6,599,186)
2026	19,284,381
Total Amortization	<u>\$ 4,199,877</u>

<u>RMP</u>	
Year Ending December 31,	
2023	\$ (418,698)
2024	(439,721)
2025	(506,069)
2026	70,583
2027	(540,396)
Thereafter	(669,576)
Total Amortization	<u>\$ (2,503,877)</u>

<u>ODD</u>	
Year Ending December 31,	
2023	\$ (318,581)
2024	(326,502)
2025	(351,675)
2026	(134,047)
2027	(178,215)
Thereafter	(183,254)
Total Amortization	<u>\$ (1,492,274)</u>

Actuarial Assumptions

The total OPEB asset liability for each plan was determined by actuarial valuations as of June 30, 2021, rolled forward to the measurement date of June 30, 2022, and adjusted to reflect updated assumptions. The updated demographic and economic assumptions were adopted by the Board in June 2022 based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The new assumptions were adopted to better reflect expected future experience and are effective June 30, 2022. The actuarial assumptions used in the June 30, 2021, actuarial valuation are the same as those used in the June 30, 2020, valuation with the following exceptions:

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Amortization method	Layered unfunded accrued actuarial liability, level percent of pay basis
Amortization method	Level dollar, closed
Inflation	2.50%
Salary Increases	Graded by service from 8.50% to 3.85% for peace officers/firefighters. Graded by service from 6.75% to 2.85% for all others.
Allocation methodology	Amounts for the June 30, 2022 measurement date were allocated to employers based on the projected present value of contributions for FY2022-FY2039, as determined by projections based on the June 30, 2021.
Investment Return / Discount Rate	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and real rate of return of 4.75%.
Healthcare cost trend rates	Pre-65 medical: 7.0% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.5% grading down to 4.5% EGWP: 7.5% grading down to 4.5% Initial trend rates are for FY 2023 Ultimate trend rates reached in FY 2050
Mortality - Peace Officer/Firefighter	Pre-commencement mortality rates were based on the Pub-2010 Safety Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on the Pub-2010 Safety Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
Mortality - Others	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% (102%) of male and 108% of female rates of the Pub-2010 contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member. Deaths are assumed to result from occupational causes 35% of the time.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.5%, for each major asset class included in the postretirement healthcare plan's target asset allocation as of June 30, 2022, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return	Target	Range
Broad domestic equity	6.51%	27%	+/- 6%
Global equity (non-U.S.)	5.70%	18%	+/- 4%
Aggregate bonds	0.31%	21%	+/- 10%
Opportunistic	0.00%	6%	+/- 4%
Real assets	3.71%	14%	+/- 7%
Private equity	9.61%	14%	+/- 6%
Cash equivalents	-0.50%	0%	+/- 0%

Discount Rate

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

Discount Rate Sensitivity

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

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Municipality's proportionate share of the NOA- ARHCT	7.48292%	\$ 87,476,673	\$ 147,231,374	\$ 197,341,042
Municipality's proportionate share of the NOA- RMP	8.67294%	(554,027)	3,012,111	5,731,597
Municipality's proportionate share of the NOA- ODD	10.67530%	4,408,363	4,679,836	4,892,168

Healthcare Cost Trend Rate Sensitivity

The following presents the Municipality's proportionate share of net OPEB assets as of June 30, 2022, calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation report, and what the respective plan's net OPEB assets (liabilities) would be if it were calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current Healthcare Cost Trend Rates:

	Proportional Share	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Municipality's proportionate share of the NOA - ARHCT	7.48292%	\$ 203,235,861	\$ 147,231,374	\$ 80,351,212
Municipality's proportionate share of the NOA - RMP	8.67294%	6,105,054	3,012,111	(1,153,848)
Municipality's proportionate share of the NOA - ODD	10.67530%	N/A	4,679,836	N/A

OPEB Plans Fiduciary Net Position

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

General Information About the Plans

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

Employer Contributions

The Municipality pays 100% of the insurance premiums for participants in the Gentile Group Plan and a fixed dollar amount per month for participants in the Police and Fire Medical Group Plan. In 2022, the Municipality was credited with the following contributions to the OPEB plans:

	Measurement Period January 1 to December 31, 2022	
	Gentile Group Plan	Police & Fire Medical Group Plan
Employer contributions	\$ 10,741,628	\$ 3,666,621

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

On December 31, 2022, the Municipality reported net OPEB liabilities (NOL) for both the Gentile Group Plan and the Police and Fire Medical Group Plan. The amount recognized by the Municipality for both plans was as follows:

Gentile Group Plan NOL	\$ 58,291,752
Police & Fire Medical Group NOL	86,469,974
Total Net OPEB Liability	\$ 144,761,726

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<u>Gentile Group</u>			
Balances as of December 31, 2021	\$ 72,585,155	\$ -	\$ 72,585,155
Changes for the year:			
Interest cost	1,460,000	-	1,460,000
Changes in assumptions or inputs	(12,330,638)	-	(12,330,638)
Benefit payments	(3,422,765)	-	(3,422,765)
Balances as of December 31, 2022	\$ 58,291,752	\$ -	\$ 58,291,752
<u>Police & Fire Medical Group</u>			
Balances as of December 31, 2021	\$ 88,132,388	\$ 23,353,520	\$ 64,778,868
Changes for the year:			
Service cost	66,114	-	66,114
Interest cost	3,508,774	-	3,508,774
Changes in assumptions or inputs	21,533,996	(1,344,931)	22,878,927
Benefit payments	(5,237,302)	(5,237,302)	-
Net investment income	-	1,096,088	(1,096,088)
Employer contributions	-	3,666,621	(3,666,621)
Balances as of December 31, 2022	\$ 108,003,970	\$ 21,533,996	\$ 86,469,974

Total OPEB liabilities for the December 31, 2022, measurement date were determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022 to calculate the net OPEB liabilities as of that date.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

For the year ended December 31, 2022, the Municipality recognized OPEB expense of (\$14,293,403) and \$21,628,992 for the Gentile Group Plan and the Police and Fire Medical Group Plan, respectively. On December 31, 2022, the Municipality reported deferred inflows of resources related to OPEB from the following sources by Plan:

	Measurement Period December 31, 2022
Police & Fire Medical Group	Deferred Inflow of Resources
Net difference between projected and actual investments	\$ (994,752)

There were no deferred inflows and deferred outflows of resources for the Gentile Group Plan. The Police and Fire Medical Group Plan reported \$994,752 of deferred inflows of resources related to OPEB resulting from the difference in projected and actual earnings. Deferred inflows of resources related to OPEB will be recognized in OPEB expense for the Police and Fire Medical Group Plan as follows:

Police & Fire Medical Group Plan	Amortization of Deferred Inflows of Resources	
Year Ending December 31,		
2023	\$	(319,646)
2024		(379,716)
2025		(261,232)
2026		(34,158)
Total Amortization	\$	(994,752)

Actuarial Assumptions

The total OPEB liability for the measurement period ended December 31, 2022, was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of December 31, 2022. The assumptions are intended to estimate the future experience of the members of the Plans and of the Plans themselves in areas that affect the projected benefits and anticipated investment earnings. Any variations in future experience from that expected from the assumptions will result in corresponding changes in the estimated liabilities for future benefits.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Gentile Group Plan

Valuation date	December 31, 2022
Discount rate	3.72%
Inflation	2.50%
Actuarial cost method	Entry Age Normal. All participants are currently retired.
Amortization method	Experience/Assumptions gains and losses are amortized immediately as all participants are retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021
Healthcare cost trend rates	Medical and Prescription; 7%, decreasing to 4.5% by 2026 Dental, Vision, and Audio; 3%, staying constant to 2026

Police & Fire Medical Group Plan

Valuation date	December 31, 2022
Discount rate	4.10%
Inflation	2.50%
Asset valuation method	Fair Market Value
Salary increase rate	3.50%
Actuarial cost method	Entry Age Normal
Healthcare cost trend rates	Medical and Prescription; 7%, decreasing to 4.5% by 2026
Amortization method	The level dollar amortization method is used to determine the amortization periods; all participants are currently retired.
Mortality rates	PUB-2010 Mortality Table as published by the Society of Actuaries, utilizing headcount weighted rates for Public Safety healthy retirees, projected generationally with Improvement Scale MP-2021

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset mix of the Police and Fire Medical Group Plan investment is currently 20% Equities and 80% Fixed Income. The best estimate of arithmetic real rates of return for these asset classes combined is 2.5%.

Discount Rate

The discount rates used to measure the total OPEB liability were 3.72% for the Gentile Group Plan and 4.1% for the Police and Fire Medical Group Plan. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate for the Gentile Group increased 1.66% from the prior year. The discount rate for the Police and Fire Medical Group is the same as the prior year. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following presents the net OPEB liability calculated using the discount rate of 3.72% for the Gentile Group Plan and 4.1% for the Police and Fire Medical Group Plan, and what the two Plan's net OPEB liability would be if it were calculated using a discount rate one-percentage-point lower or one-percentage-point higher than the current rate for each of the two Plans:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Gentile Group Plan	\$ 65,231,174	\$ 58,291,752	\$ 52,528,756
	1% Decrease (3.1%)	Current Discount Rate (4.1%)	1% Increase (5.1%)
Police & Fire Medical Group Plan	\$ 98,289,245	\$ 86,469,974	\$ 76,934,306

Healthcare Cost Trend Rate Sensitivity

The following presents the net OPEB liability for each Plan as of December 31, 2022, calculated using the healthcare cost trend rates as summarized in the 2022 actuarial valuation report, and what the two Plan's net OPEB liability would be if calculated using trend rates one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Gentile Group Plan	\$ 51,797,010	\$ 58,291,752	\$ 66,000,209
	1% Decrease	Current Healthcare Trend Rate	1% Increase
Police & Fire Medical Group Plan	\$ 75,631,252	\$ 86,469,974	\$ 99,737,525

OPEB Plans Fiduciary Net Position

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

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

General Information About the Plans

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

Employer Contribution Rates

Employees do not contribute to the Defined Contribution OPEB plans. Employer contribution rates for the year ended December 31, 2022, were as follows:

	Tier IV Police/Fire		Tier IV Others	
	1/1 - 6/30	7/1 - 12/31	1/1 - 6/30	7/1 - 12/31
Employer Contribution				
Health Reimbursement Arrangement	3.00%	3.00%	3.00%	3.00%
Retiree Medical Plan	1.07%	1.10%	1.07%	1.10%
Death & Disability Benefit	0.68%	0.68%	0.31%	0.30%
Total Employer Contribution	4.75%	4.78%	4.38%	4.40%

Healthcare Reimbursement Arrangement

In addition, PERS defined contribution members also participate in the Health Reimbursement Arrangement. AS 39.30.370 establishes this contribution amount as "three percent of the average annual employee compensation of all employees in the plan". Prior to July 1, 2022, a flat rate of approximately \$2,168 per year for full time employees and \$1.39 per part time hour worked were paid. For pay periods ending after July 1, 2022, a flat rate of approximately \$2,237 per year for full time employees and \$1.43 per part time hour worked were paid.

Annual Postemployment Healthcare Cost

In 2022, the Municipality contributed \$3,336,749 in Defined Contribution OPEB costs. These amounts have been recognized as expenditures/expenses.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 14 - FUND BALANCE - GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

In 2011, the Assembly approved AR 2011-345(S) which set the fund balance policy in accordance with GASB 54. In 2014, the Assembly approved AR 2014-221 which revised the method of calculating certain components of the fund balance categories, to better aid in assessing the needs of the Municipality. Management’s spending policy is to use restricted fund balance first when expenditures are incurred to which any resource is available, then to use unrestricted fund balances in the following order: committed, assigned, and unassigned. In 2015, the Assembly approved AR 2015-84 which amended the definition of expenditures used in the calculation of certain components of fund balance. As of December 31, 2022, there are no other amendments to the Fund Balance Policy.

Beginning in March 2020, the Assembly approved several Emergency Orders (EOs) that provided temporary exemptions from the fund balance set-asides due to the COVID-19 pandemic. The Municipality anticipates Federal Emergency Management Agency (FEMA) reimbursements to assist with revenue loss during the shutdowns and additional expenditures incurred during the health emergency, which caused the fund balance to dip below the set-asides set in AR 2015-84. The Municipality is also incurring continued costs associated with the November 30, 2018, earthquake. FEMA reimbursement and insurance recoveries were received in 2022 related to the earthquake and anticipates this will continue into 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Fund balances, reported in aggregate on the governmental funds balance sheet, are subject to the following constraints:

	General	MOA Trust	Road & Drainage Capital Projects	Nonmajor Governmental Funds	Total
Nonspendable:					
Inventory	\$ 1,201,159	\$ -	\$ -	\$ -	\$ 1,201,159
Prepaid Items	152,667	-	-	2,320,504	2,473,171
Long Term Loans Receivable	-	-	-	50,995	50,995
Advances to Other Funds	53,412,833	-	-	-	53,412,833
Assets Held for Resale	4,888,761	-	-	-	4,888,761
Cemetery Perpetual Fund	-	-	-	150,000	150,000
Total Nonspendable	59,655,420	-	-	2,521,499	62,176,919
Restricted:					
Unspent ML&P Sale Proceeds	616,854	-	-	-	616,854
Unspent Special Levies	1,556,811	-	-	-	1,556,811
Debt Service	-	-	-	14,177,491	14,177,491
Capital Improvements	-	-	20,097,894	23,154,989	43,252,883
Police & Fire Retiree Medical Liability	-	-	-	33,035,399	33,035,399
MOA Trust Fund	-	380,958,148	-	-	380,958,148
Federal Grants	-	-	-	359,758	359,758
Alcoholic Beverage Sales Tax	-	-	-	10,643,379	10,643,379
Federal/State Fines & Forfeitures	-	-	-	810,932	810,932
Convention Center Operating Fund	-	-	-	28,406,315	28,406,315
E911 Surcharge	-	-	-	3,371,954	3,371,954
Nuisance Property Abatement	-	-	-	249,130	249,130
Opioid Settlement	-	-	-	898,367	898,367
49th State Angel Fund	-	-	-	9,719,502	9,719,502
Total Restricted	2,173,665	380,958,148	20,097,894	124,827,216	528,056,923
Committed:					
Bond Rating	47,841,911	-	-	-	47,841,911
Capital Improvements	-	-	1,873,175	39,794,770	41,667,945
Heritage Land Bank	-	-	-	5,630,836	5,630,836
Miscellaneous Operational Grants	-	-	-	653,530	653,530
Operating Projects Committed	2,726,773	-	-	-	2,726,773
Total Committed	50,568,684	-	1,873,175	46,079,136	98,520,995
Assigned:					
Nuisance Property Abatement	-	-	-	7,879	7,879
Capital Improvements	-	-	-	332,913	332,913
Cemetery Perpetual Fund	-	-	-	485,844	485,844
State Grants	-	-	-	24,432,800	24,432,800
Miscellaneous Operational Grants	-	-	-	2,989	2,989
Convention Center Operating Fund	-	-	-	3,470,758	3,470,758
Total Assigned	-	-	-	28,733,183	28,733,183
Unassigned:					
Working Capital Reserve	10,515,206	-	-	-	10,515,206
Other Unassigned (Deficit)	(70,119,867)	-	-	(194,890)	(70,314,757)
Total Unassigned (Deficit)	(59,604,661)	-	-	(194,890)	(59,799,551)
Total Fund Balances	\$ 52,793,108	\$ 380,958,148	\$ 21,971,069	\$ 201,966,144	\$ 657,688,469

Alaska State Statute 29.35.470 states that taxes levied within a differential tax zone exceeding the amount that would otherwise have been levied may only be used for services provided within that zone. The Municipality reported \$1 in restricted fund balance in the General Fund equal to excess taxes collected for the EMS Special

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Lease Levy and \$1.56 million in restricted fund balance in the General Fund equal to excess taxes collected for the APD IT System Special Levy. The Municipality reported \$616,854 in restricted fund balance in the General fund equal to the unspent portion of Electric Utility sale proceeds to be used for ongoing administration related to the sale.

The Municipality, by resolution, established a bond rating included in committed fund balance and a working capital reserve included in unassigned fund balance. For 2022, \$47,841,911 of committed fund balance for bond rating is reported, however, none of the bond rating reserve is available due to the total assigned fund deficit, which exceeds the reserves. None of the unassigned fund balance for working capital reserve is available after offsetting the other unassigned fund deficit.

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

Bond Rating:	
Committed	\$ 47,841,911
Net Unassigned Deficit	<u>(59,604,661)</u>
Available Bond Rating Reserve	<u>\$ -</u>
Working Capital Reserve:	
Unassigned for Working Capital	\$ 10,515,206
Unassigned Fund Balance Deficit	<u>(70,119,867)</u>
Net Unassigned Deficit	<u>(59,604,661)</u>
Available Working Capital Reserve	<u>\$ -</u>

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

Major Funds:	
Road and Drainage Capital Project Fund	<u>\$ 17,075,881</u>
Nonmajor Capital Project Funds:	
Public Safety	618,900
Parks & Recreation	1,777,666
Areawide	2,544,928
Public Transportation	1,648,876
Heritage Land Bank	93,804
Miscellaneous	<u>542,475</u>
Total Nonmajor Capital Project Funds	<u>\$ 7,226,649</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 15 - RISK MANAGEMENT AND SELF INSURANCE

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

The Municipality provides coverage up to \$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 2022, 2021, or 2020.

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, 2022, depends upon future developments. On December 31, 2022, claims incurred but not reported included in the liability accounts are \$18,064,468 in the General Liability/Workers' Compensation Fund and Medical/Dental Self Insurance Fund.

Changes in the funds' claim liability amounts in 2022 and 2021 are as follows:

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

	January 1, 2021	Current Year Claims and Changes in Estimates	Claims Paid	December 31, 2021
General Liability/Workers' Compensation	\$ 25,673,508	\$ 11,467,077	\$ (8,480,646)	\$ 28,659,939
Medical/Dental	5,695,504	47,252,818	(46,820,913)	6,127,409
Unemployment	82,195	182,308	(171,007)	93,496
	<u>\$ 31,451,207</u>	<u>\$ 58,902,203</u>	<u>\$ (55,472,566)</u>	<u>\$ 34,880,844</u>

On December 31, 2022, the Medical and Dental Self Insurance Fund had unrestricted net position of \$30,576,696, an increase of \$153,348 from 2021.

On December 31, 2022, the General Liability and Worker's Compensation Fund had a deficit of \$13,787,485, a deficit increase of \$4,360,874 from 2021. The deficit growth is due to premiums charged to departments being set too low to cover the cost of claims paid, administrative costs, and third-party insurance costs.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 16 - MOA TRUST FUND

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

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

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

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

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

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

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

At the Municipal Treasurer’s request, the Investment Advisory Commission (IAC) held two special meetings at the beginning of 2022 regarding the appropriateness of the dividend payout level for the year 2022 and beyond.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 17 - REGULATORY AND OTHER MATTERS

A. Water Utility

Recurring Rates- Revenue Requirement (2019 Test Year/ 2021 Rates)

On December 29, 2020, the Water Utility filed a revenue requirement study requesting an interim and refundable rate increase of 2%, to be effective April 1, 2021. This request was granted by the RCA on February 21, 2021, under Order 1 in Docket U-21-010 for the Water Utility. On March 7, 2022, the RCA issued Order 8 in the same docket, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Water Utility and Regulatory Affairs and Public Advocacy (RAPA). The 2% rate increase is now permanent, and no refunds are to be issued.

Recurring Rates: Cost of Service and Rate Design (2019 Test Year / 2022 Rates)

On March 18, 2021, in Tariff Advice (TA) Letter TA170-122, the Water Utility requested approval of new permanent rates for the Water Utility that implement the results of a 2019 test year cost of service and rate design study. On March 7, 2022, the RCA issued Order 5 in the Water Utility cost of service docket U-21-016, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Water Utility and RAPA. The Water Utility tariff rate restructure and resulting fire protection charges were implemented on customer bills effective April 30, 2022.

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

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

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

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

B. Wastewater Utility

Recurring Rates: Revenue Requirement (2019 Test Year / 2021 Rates)

On December 29, 2020, the Wastewater Utility filed a revenue requirement study requesting an interim and refundable rate increase of 8%, to be effective April 1, 2021. This request was granted by the RCA on February 21, 2021, under Order 1 in Docket U-21-011 for the Wastewater Utility. On March 7, 2022, the RCA issued Order 8 in the same docket, accepting the Joint Stipulation Resolving Disputed Issues submitted by the Wastewater Utility and RAPA. The 8% rate increase is now permanent, and no refunds are to be issued.

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

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

C. Electric Utility

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

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

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

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

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

Fish and Wildlife Agreement

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

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 18 – CONTINGENCIES

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

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 \$1.95 million of the \$12.6 million contribution to a Port litigation escrow account recorded in 2018 and 2017 as restricted assets "legal settlement set-aside", under the restricted assets section of the Port's statements of net position. The remaining defendants executed settlement agreements as follows: Integrated Concepts and Research Corporation for \$3.75 million, PND Engineers Inc. for \$750,000, GeoEngineers for \$750,000 and CH2M Hill for \$1.5 million each 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) was decided on February 24, 2022, and the Municipality was awarded \$367,446,809 in damages from MARAD. This judgement has been appealed to the U.S. Circuit Court of Appeals for the Federal Circuit where briefing has been completed and the parties are waiting for the Court to schedule oral argument. The final decision in the case will be rendered after the Court hears oral argument.

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.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 19 - ENVIRONMENTAL ISSUES

The Municipality has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present, and future activity that may result in environmental impact. It is accounting policy to record a liability when the likelihood of responsibility for an environmental impact is probable and the cost of mitigating the impact is estimable within reasonable limits. On December 31, 2022, there are environmental issues that meet both criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

A. Solid Waste Landfill Sites

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

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

B. Air Quality Violations at Anchorage Regional Landfill

On or about March 28, 2018, the Alaska Department of Environmental Conservation (ADEC) issued a Notice of Violation (NOV) to the Municipality of Anchorage, Solid Waste Fund, alleging multiple violations of the Municipality's Air Quality Operating Permits for the Anchorage Regional Landfill, all relating to the emission of landfill gas. On or about June 10, 2019, the ADEC issued a second NOV to the Solid Waste Fund alleging 1) failure to conduct surface emission monitoring (SEM), and 2) failure to meet certification requirements. The Solid Waste Utility met with ADEC on a several occasions in an attempt to resolve the alleged violations; the Solid Waste Utility and ADEC engaged in an exchange of letters discussing potential compliance measures and settlement of civil penalties. On May 12, 2022, ADEC and the Municipality agreed to a Final Compliance Order by Consent in this matter. The order contained several mandatory corrective actions to be undertaken by the Solid Waste Utility in response to the violations, including installation of additional gas control capacity, surface emissions monitoring and reporting requirements. In addition, the Municipality has agreed to pay administrative fees, costs, and expenses of ADEC, a penalty of \$200,000, and to perform a Supplemental Environmental Project (SEP). The total costs of the SEP and corrective actions are not currently determinable, however ADEC requires a minimum cost of the SEP at \$271,000. The liabilities on December 31, 2022, for the Solid Waste Fund include the agreed upon penalty amount for this matter.

C. Landfill Closure and Post-closure Care Cost

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and post-closure costs each year, the Solid Waste Utility records an operating expense based on landfill capacity. During 2020, the future closure and post-closure care costs were re-evaluated and adjusted to reflect current conditions. On December 31, 2022, the Solid Waste Fund had a recorded liability of \$42,621,511 associated with these future costs, based on the use of 38.854% of the landfill's estimated capacity. Based upon the 2022 study, it is estimated Solid Waste will recognize an additional \$67,074,604 in liability expense between 2022 and 2064, the current estimated date the landfill is expected to reach full capacity. These amounts are based upon what it would cost to perform all the closure and post-closure functions in 2022. Future inflation costs and additional costs that might arise from changes in requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both. Activity in the long-term liability for landfill closure and post-closure care reserve was as follows:

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

	January 1, 2021	Addition	Deletion	December 31, 2022	Due in One Year
Future Landfill Closure Costs	\$ 39,265,492	\$ 3,356,019	\$ -	\$ 42,621,511	\$ -

State laws and federal regulations require the Municipality to provide financial assurances for future closure and post-closure costs by one of several allowable mechanisms available. The Municipality elected to use the “Local Government Test” financial assurance mechanism to comply with the regulation. Pursuant to AMC §26.80.060 a restricted cash and investment account has been established to fund the liability for landfill closure and post-closure purposes. On December 31, 2022, the Disposal Utility reported \$16,885,645 of restricted assets for payment of closure and post-closure care costs.

D. Electric Utility

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

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

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

E. Pollution Remediation Obligation

Water Utility

AWWU Boston St. and E. 11th Court R/W (ADEC File No. 2100.38.584)

In September 2019, contaminated soil and groundwater was encountered during the removal and replacement of a water line rehabilitation project. The water line rehabilitation project was completed in October of 2020. It is unlikely ADEC will require additional testing and monitoring to receive a cleanup complete status, and if monitoring were required, it would be minimal. Cleanup completed status from ADEC is expected in 2023.

The Water Utility used the expected cash flow technique to measure the pollution remediation liability. The Water Utility estimated expected administrative and project closeout costs for the contaminated site and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of \$1,100 as of December 31, 2022. The potential for material change in the estimate is possible depending upon the response received from ADEC.

Wastewater Utility

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

In accordance with ADEC regulations, the Wastewater Utility removed four leaking, underground fuel storage tanks and the surrounding contaminated soils starting in 1992. With ADEC approval, the Wastewater Utility has been conducting groundwater and soil monitoring on some of these sites since 1998. In 2017, the Wastewater Utility was in the process of submitting documentation to ADEC to obtain cleanup complete status when another spill occurred at an above ground fuel tank in the general area of the original fuel spill that occurred in 1990. Due to the 2017 spill, the Wastewater Utility will not obtain cleanup complete status and will be required to continue monitoring activities.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

MOA AWWU Maintenance and Operation Facility Diesel AST Overfill (ADEC File No. 2100.28.574) and MOA AWWU Maintenance Facility (1997 Tank Removal) 325 E. 94th Court (ADEC File No. 2100.38.588)

In 2016, the Wastewater Utility experienced a fuel spill on the Utility Operations and Maintenance facility located at 325 East 94th Court for which preliminary actions removed surface and some subsurface contamination. A third party agreed through mediation to pay a portion of the preliminary cleanup costs. The Wastewater Utility is planning to make improvements at the site which will result in further cleanup and contamination mitigation.

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

This is a contaminated site revealed to the Water Utility in 2013 for which there are no records of cleanup data. The Wastewater Utility installed a monitoring and sampling site in 2016. ADEC chronology report states site sampling has not occurred since 2001. In 2016, samples from the monitoring well had DRO results above ADEC cleanup levels. The Wastewater Utility sent ADEC a request for extension on the cleanup plan submittal date. A Work Plan was submitted to ADEC in 2018 and approved. To fully address contamination at the site, the Wastewater Utility will perform excavation and thermal treatment of up to 600 tons of soil from the site as part of capital project work. This work is scheduled to be performed in 2023 or 2024. Once the contaminated soil is removed, there will be two years of soil borings, monitoring, and reporting required.

The Wastewater Utility used the expected cash flow technique to measure the liability. The Wastewater Utility estimated a reasonable range of potential outlays of \$9,000 to \$350,000 per contaminated site and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of 696,000 as of December 31, 2022. The potential for material change in the estimate is possible depending upon responses received from ADEC.

Port

In February 2012, the Port entered into an agreement with the Department of Defense to acquire 48 acres of undeveloped land (Tract J) for \$10,305,000. In exchange, the Port 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 noncurrent liability totaling \$1,734,106 on December 31, 2022. Port Tracts H and Tract J are ADEC-designated contaminated sites, therefore, the Port is required to submit annual ground water monitoring reports to ADEC for both tracts. In 2022, monitoring and reporting costs for Tract J were \$13,269. No required monitoring expenses were incurred for Tract H in 2022.

Other Environmental Issues

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

Public Works Transit Facility Sites

Soil contamination from a subsurface hydraulic oil leak was discovered in 1990 at the Public Works Transit Facility (PWTF). Bus hydraulic lifts 4, 6, 9 and 10 were the source of the leak. During soil testing at the PWTF in 2016, as part of preparation for removal and replacement of existing fuel storage tanks, diesel contamination due to leakage from on-site fuel storage tanks was detected. This constituted a second site separate from the hydraulic oil leak discovered in 1990. Remediation work for this contamination is planned to be performed at the time of the scheduled removal and replacement of the tanks. The Municipality estimates a pollution remediation obligation of \$563,300 as of December 31, 2022.

Gambell Street Right-of-Way Site

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Northwood Maintenance Facility Site

The presence of numerous contaminants exceeding applicable cleanup levels was discovered at two sites at the Municipality's Northwood Drive Maintenance Facility. In 1992, three areas of stained soil were discovered on the grounds of the facility. Testing found levels of DROs and RROs over applicable cleanup standards. The Municipality estimates a pollution remediation obligation for this site of \$252,950 as of December 31, 2022.

Third Addition Block 39, Lot 15 Site

The presence of DROs in soil and ground water exceeding applicable cleanup levels due to a leaking underground heating oil storage tank was discovered on a parcel of land during a road improvement project in July of 2008. The tank was removed, and approximately 15 cubic yards of affected soil was excavated from the site and sent for remediation. In January 2020, ADEC requested a work plan to complete site characterization and conceptual site model. The costs associated with any future actions, above the estimate as of December 31, 2022, cannot be determined at this time.

Second Avenue Easement Site

Soil and groundwater contamination from diesel range and residual range organic chemicals (DROs and RROs) and lead was discovered in the 1990's at the former Second Avenue easement storage site at 1021 East Third Avenue. The Municipality estimates a pollution remediation obligation of \$317,500 as of December 31, 2022, for soil remediation to take place in 2023 and ongoing monitoring activities.

Fire Station 4 Site

The presence of contamination from DROs, GROs, benzene, toluene, ethylbenzene, and xylenes were detected at the Fire Station 4 site located at 4350 MacInnes Street. The site is currently required by ADEC to have annual groundwater testing to monitor contamination levels. The Municipality reported a pollution remediation liability of \$14,118 for these activities as of December 31, 2022.

Fleet Maintenance Facility Site

The presence of contamination from DROs, GROs, RROs, benzene, and toluene, resulting from multiple underground storage tanks and the Facility's Paint shop, were detected at the Fleet Maintenance Facility at 4333 Bering Street in the 1990s. Test results indicated levels of multiple contaminants above ADEC cleanup levels, but generally stable or decreasing from the last monitoring event except for RRO levels in one sample. The Municipality estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurrence to estimate a pollution remediation obligation of \$201,150 as of December 31, 2022.

Peacock Cleaners Site

The presence of DROs, tetrachloroethylene, and trichloroethylene chemicals exceeding applicable clean up levels were discovered on a parcel of Municipal-owned land at 4501 Lake Otis Parkway. From 1996 through 2008, this property was operated as a dry-cleaning facility. The Municipality estimated a reasonable range of potential outlays and accrued a liability for estimated pollution remediation obligation of \$2,403,684. There has been no change to this amount as of December 31, 2022.

Spennard Road Project

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 20 - SUBSEQUENT EVENTS

A. Anchorage Water Utility

Per- and polyfluoroalkyl substances (PFAS or PFASs)

PFAS are known as forever chemicals and have been identified as a public health and environmental issue facing communities across the United States. Because of the duration and breadth of use, PFAS can be found in surface water, groundwater, soil, and air-from remote rural areas to densely populated urban centers. A growing body of scientific evidence shows that exposure at certain levels to specific PFAS can adversely impact all living things.

In April 2024 the Environmental Protection Agency issued regulations requiring water utilities to test and possibly treat for PFASs. At this time, the financial implications of this regulation are undeterminable.

B. Don Young Port of Alaska

Renaming of Port of Alaska

Effective January 9, 2024, the Port of Alaska was renamed the Don Young Port of Alaska.

Port of Alaska Litigation

A multi-year Port expansion project began in 2003 and continued until May 31, 2012. The project encountered problems and work was suspended while the scope and the cause of the problems were investigated. Investigative reports concluded the project design was flawed and significant aspects of the work were constructed incorrectly. The Port filed suit to recover damages. A final judgement against MARAD was entered on February 24, 2021, awarding the Municipality \$367,446,809. The judgement was timely appealed to the United States Court of Appeals for the Federal Circuit on April 25, 2022, with oral arguments scheduled on March 7, 2024. The judgement is pending.

Port Revenue Bonds

On February 27, 2024, the Assembly authorized and approved the issuance of up to \$453,000,000 of Port revenue bonds and/or notes and on May 7, 2024, the Assembly authorized and approved the issuance of up to \$68,700,000 of Port revenue bonds and/or notes, to provide funds to refinance certain outstanding debt and to provide additional funds for future capital improvements and related financing expenses of the Don Young Port of Alaska.

C. Municipality Subsequent Events

Mayoral Election

The latest triennial Municipal mayoral election was held on April 2, 2024, with a runoff election on May 14, 2024. Suzanne LaFrance was elected Mayor, took office July 1, 2024, and will serve an initial term through June 30, 2027.

Federal Emergency Management Agency Receivables

The Municipality experienced several natural disasters that qualified for FEMA cost recovery: the 2018 November Cook Inlet Earthquake; the COVID pandemic; the 2021 Southcentral Alaska Storm; and the 2022 Eagle River Avalanche. Most of the recovery for these emergencies was appropriated with EOs that allow for tax recovery above the tax cap for amounts not recovered from FEMA and exemption of these amounts from the fund balance reserve requirements. As of March 21, 2024, amounts not anticipated to be recovered by FEMA for the COVID pandemic are approximately \$1.1 million. As of April 17, 2024, amounts not anticipated to be recovered by FEMA for the 2018 November Cook Inlet Earthquake are estimated at \$0.5 million. The 2021 Southcentral Alaska Storm and the 2022 Eagle River Avalanche are anticipated to be mostly recovered by FEMA.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

Purchase 716 West 4th Avenue Building

On August 1, 2023 the Municipality purchased the building located at 716 West 4th Avenue for continued use as APD headquarters from ACDA. The acquisition required the Municipality take on debt service expense, as a ground lease and facility leaseback, in lieu of the prior leasing arrangement with ACDA. The Assembly determined the acquisition was mutually beneficial to the Municipality and ACDA for the long term.

General Government Debt

Anchorage voters approved \$46,145,000 and \$61,520,000 of GO bonds on April 4, 2023, and April 2, 2024, respectively, for capital improvements and upgrades for Municipal facilities, roads, and assets. The Municipality did not issue any GO bonds in 2023. On March 22, 2023, the Assembly authorized and provided for the issuance of \$125,000,000 in tax anticipation notes to pay ongoing 2023 expenses and on April 23, 2024, the Assembly authorized and provided for the issuance of \$150,000,000 in tax anticipation notes to pay ongoing 2024 expenses until sufficient money from receipt of ad valorem property taxes and from other revenue sources becomes available in each respective year. Tax anticipation notes were issued and paid in 2023 and no tax anticipation notes were issued for 2024.

On April 18, 2023, the Assembly authorized a \$18,300,000 ground lease and facility leaseback to fund the 716 West 4th Avenue facility acquisition.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

NOTE 21 - NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued several new accounting standards with upcoming implementation dates (effective dates are adjusted for the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*). The following new accounting standards were considered and/or implemented by the Municipality for 2022 reporting:

GASB Statement No. 87 - *Leases* – Effective for the year ending December 31, 2022, This Statement addresses accounting and financial reporting for certain lease assets and liabilities for leases that previously were classified as operating leases. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Municipality analyzed all active leases to determine which leases applied to GASB No. 87, then accounted for those leases accordingly.

GASB Statement No. 91 - *Conduit Debt Obligations* – Effective for year ending December 31, 2022. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit obligations, and related note disclosures. This Statement clarifies the definition of a conduit debt obligation and establishes standards for related accounting and financial reporting. The Municipality evaluated GASB 91 impacts and determined there were no impacts to the Municipality's financial statements for the current fiscal year.

GASB Statement No. 92 - *Omnibus 2020* – Provisions of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. All other Statement provisions are to be implemented for the year ending December 31, 2022. This Statement addresses a variety of topics such as leases, the applicability of Statement No. 73 and Statement No. 74 for reporting assets accumulated for postemployment benefits, the applicability of Statement No. 84 to postemployment benefit arrangements, the measurements of liabilities and assets related to asset retirement obligations in a government acquisition, reporting of public entity risk pools, referencing to nonrecurring fair value measurements, and terminology used to refer to derivative instruments. The Municipality evaluated GASB 92 impacts and determined there were no impacts to the Municipality's financial statements for the current fiscal year.

GASB Statement No. 93 - *Replacement of Interbank Offered Rates* – This Statement's provisions, except for paragraph 11b, 13 and 14, were required to be implemented for the year ending December 31, 2021. The requirements of paragraphs 11b, 13 and 14 are required to be implemented for the year ending December 31, 2022. This Statement addresses accounting and financial reporting implications resulting from the replacement of an interbank offered rate. The Municipality evaluated the impacts of GASB 93 and determined there were no impacts to the Municipality's financial statements for the current fiscal year.

GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – Effective for the year ending December 31, 2022, except the portion of the pronouncement related to component unit criteria, which was effective for year ending December 31, 2020. This statement modifies certain guidance contained in Statement No. 84 and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Municipality evaluated GASB 97 impacts and determined there were no impacts to the Municipality's financial statements for the current fiscal year.

The Governmental Accounting Standards Board issued several new accounting standards with upcoming implementation dates (effective dates adjusted for the issuance of GASB 95). Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 94 - *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – Effective for the year ending December 31, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* – Effective for the year ending December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement, among other things, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA.

GASB Statement No. 99 - *Omnibus 2022* – Provisions of this Statement related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for the year ending December 31, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for the year ending December 31, 2024.

GASB Statement No. 100 - *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 – Effective for the year ending December 31, 2024; earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101 - *Compensated Absences* – Effective for the year ending December 31, 2024; earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 – *Certain Risk Disclosures* – Effective for the year ending December 31, 2025; earlier application is encouraged. The objective of this Statement is to provide users of government financial statements with essential information about risks related to governments' vulnerabilities due to certain concentrations or constraints.

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

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information - Budgetary Comparison Schedule
 with Expenditures by Function for the General Fund
 Year ended December 31, 2022

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
Revenues:						
Taxes	\$ 672,862,075	\$ 673,395,536	\$ 681,237,330	\$ -	\$ 681,237,330	\$ 7,841,794
Assessments in lieu of taxes	14,277,917	14,277,917	13,329,694	-	13,329,694	(948,223)
Special assessments	227,830	227,830	174,500	-	174,500	(53,330)
Licenses and permits	9,790,848	9,790,848	10,946,309	-	10,946,309	1,155,461
Intergovernmental	5,106,254	27,526,254	34,770,540	(1) 9,857,279	44,627,819	7,244,286
Charges for services	27,014,427	23,073,419	23,595,214	-	23,595,214	521,795
Fines and forfeitures	8,707,506	8,707,506	8,759,733	-	8,759,733	52,227
Investment income (loss)	736,170	736,170	(3,320,902)	-	(3,320,902)	(4,057,072)
Restricted contributions	139,331	139,331	105,560	-	105,560	(33,771)
Other revenues	5,420,621	5,425,345	3,560,746	-	3,560,746	(1,864,599)
Total revenues	<u>744,282,979</u>	<u>763,300,156</u>	<u>773,158,724</u>	<u>9,857,279</u>	<u>783,016,003</u>	<u>9,858,568</u>
Expenditures:						
Current:						
General government	26,493,242	22,732,348	20,077,256	(1) 712,680	20,789,936	2,655,092
Fire services	112,035,767	112,978,767	111,803,757	(1) 3,378,973	115,182,730	1,175,010
Police services	140,546,812	140,052,681	135,075,606	(1) 3,478,103	138,553,709	4,977,075
Health and human services	17,389,893	17,448,359	14,523,745	(1) 255,399	14,779,144	2,924,614
Economic and community development	69,425,039	70,676,803	64,467,180	(1) 900,560	65,367,740	6,209,623
Public transportation	27,838,532	27,888,835	27,892,904	(1) 387,466	28,280,370	(4,069)
Public works	7,194,627	7,192,559	7,289,462	(1) 456,309	7,745,771	(96,903)
Education	276,366,736	276,366,736	274,069,093	(1) -	274,069,093	2,297,643
Maintenance and operations	38,866,959	40,435,096	37,741,367	(1) 287,789	38,029,156	2,693,729
Debt service:						
Principal	39,006,664	39,015,064	39,015,064	-	39,015,064	-
Interest	18,462,093	18,465,693	18,462,864	-	18,462,864	2,829
Debt issuance costs	1,132,017	1,132,017	208,651	-	208,651	923,366
Debt service - Direct Financing Agreements:						
Principal	-	8,055,942	7,003,262	-	7,003,262	1,052,680
Interest	-	345,333	1,398,000	-	1,398,000	(1,052,667)
Capital outlay - leases	-	-	-	(2) -	-	-
Capital outlay	298,434	375,310	242,520	-	242,520	132,790
Total expenditures	<u>775,056,815</u>	<u>783,161,543</u>	<u>759,270,731</u>	<u>9,857,279</u>	<u>769,128,010</u>	<u>23,890,812</u>
Excess (deficiency) of revenues over expenditures	<u>(30,773,836)</u>	<u>(19,861,387)</u>	<u>13,887,993</u>	<u>-</u>	<u>13,887,993</u>	<u>33,749,380</u>
Other financing sources (uses):						
Transfers from other funds	40,170,021	40,590,820	57,139,437	-	57,139,437	16,548,617
Transfers to other funds	(15,311,426)	(33,231,852)	(32,673,383)	-	(32,673,383)	558,469
Premium on bonds and notes sale	1,507,804	1,507,804	816,000	-	816,000	(691,804)
Refunding bonds issued	2,413	2,413	-	-	-	(2,413)
Proceeds from sale of capital assets	104,000	182,498	403,433	-	403,433	220,935
Insurance recoveries	73,145	269,742	218,231	-	218,231	(51,511)
Other financing source - leases	-	-	-	(2) -	-	-
Draws on Direct Financing Agreements	-	1,395,814	1,395,814	-	1,395,814	-
Total other financing source (uses)	<u>26,545,957</u>	<u>10,717,239</u>	<u>27,299,532</u>	<u>-</u>	<u>27,299,532</u>	<u>16,582,293</u>
Net change in fund balance (deficit)	(4,227,879)	(9,144,148)	41,187,525	-	41,187,525	50,331,673
Fund balance (deficit), beginning of year	(233,120,509)	16,684,682	11,605,582	-	11,605,582	-
Fund balance (deficit), end of year	<u>\$ (237,348,388)</u>	<u>\$ 7,540,534</u>	<u>\$ 52,793,107</u>	<u>\$ -</u>	<u>\$ 52,793,107</u>	<u>\$ 50,331,673</u>

Explanation of differences:

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

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

Note:

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Budgetary Data
Year ended December 31, 2022

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

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

The Assembly approved 2022 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 2022 capital budgets with anticipated appropriation of resources for the general government and appropriations for each utility. Upon certification by the Chief Fiscal Officer that actual resources have become available for specific general government capital projects, e.g., when a grant is accepted, a bond sale or interfund transfer is approved, or a special assessment district is created, a supplemental appropriation is submitted to the Assembly for final approval. Supplemental appropriations are also submitted for approval upon certification by the Chief Fiscal Officer that operating grant funds have become available. The legal level of a budgetary control is the fund or sub-fund level for revenues and the department level for expenditures and other financing uses.

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

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

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

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

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.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Budgetary Data
Year ended December 31, 2022

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.

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

	2020	2017	2014
Anchorage Road District	75.00%	75.00%	80.20%
Chugiak/Eagle River Road District	94.50%	97.95%	95.60%
Girdwood Road District *	100.00%	100.00%	93.20%
Other Road Districts	76.80%	79.80%	79.00%
New Road District	0.00%	0.00%	87.10%
Overall System	79.40%	88.19%	83.60%

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

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

	2020	2017	2014
Anchorage Road District	25.00%	25.00%	19.80%
Chugiak/Eagle River Road District	5.50%	2.05%	4.40%
Girdwood Road District*	0.00%	0.00%	6.80%
Other Road Districts	23.20%	20.20%	21.00%
New Road District	0.00%	0.00%	12.90%
Overall System	20.60%	11.81%	16.40%

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

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

	2022	2021	2020	2019	2018
Anchorage Road District:					
Needed	\$ 37,160	\$ 34,748	\$ 30,035	\$ 12,923	\$ 37,731
Actual	35,737	33,246	28,769	12,448	37,638
Chugiak/Eagle River Road District:					
Needed	4,114	3,932	2,635	3,350	4,813
Actual	3,739	3,743	3,179	3,189	4,605
Girdwood Road District:					
Needed	260	1,128	389	430	518
Actual	288	1,379	576	582	601
Other Road Districts:					
Needed	1,725	2,672	3,004	2,546	1,193
Actual	1,127	2,754	3,292	3,462	1,577
Overall System:					
Needed	43,259	42,481	36,065	19,249	44,255
Actual	40,891	41,123	35,818	19,681	44,421
Difference	2,368	1,358	247	(432)	(166)

In 2020, the Municipality of Anchorage (MOA) contracted with Applied Research Associates, Inc. to conduct a Road Surface Profilometer (RSP) survey. Pavement measurement was analyzed to determine the International Roughness Index (IRI) and rutting values for each pavement section in the network. Conversely In 2017, the MOA contracted with Pavement Services, Inc. (PSI) to conduct a visual pavement condition index (PCI) survey of the street system. Road pavement condition was measured based upon a visual survey performed following the American Society for Testing and Materials International Standard D6433-11, Standard Practice for Roads and Parking Lots PCI. Previously, an assessment of the longitudinal profile IRI and rut depth provided by the Mandli Road Surface Profiler in 2014 and Dynatest RSP in prior years was used. That measurement system is an algorithm that combines the IRI, 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 for those surveys was 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 total paved road miles in good or better condition. Condition assessments are required to be updated every three years.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-3

Public Employees' Retirement System - Defined Benefit Pension Plan
 Schedule of Municipality's Proportionate Share of Net Pension Liability
 Last Eight Fiscal Years

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Net Pension Liability	Municipality's Proportionate Share of the Net Pension Liability	State of Alaska Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Municipality's Covered Payroll	Municipality's Proportionate Share of Net Pension Liability as Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2022	2022	7.53455%	\$ 384,024,572	\$ 106,284,436	\$ 490,309,008	\$ 234,549,792	163.73%	67.97%
2021	2021	8.63707%	316,850,984	42,923,535	359,774,519	234,337,418	135.21%	76.46%
2020	2020	7.10609%	419,343,172	173,522,412	592,865,584	236,393,735	177.39%	61.61%
2019	2019	6.46468%	353,891,460	140,522,422	494,413,882	222,683,365	158.92%	63.42%
2018	2018	7.27074%	361,285,220	104,636,568	465,921,788	219,633,972	164.49%	65.19%
2017	2017	6.72870%	347,836,470	129,589,885	477,426,355	209,843,388	165.76%	63.37%
2016	2016	7.76436%	433,996,281	54,685,280	488,681,561	203,264,624	213.51%	59.55%
2015	2015	6.16382%	298,946,265	80,071,590	379,017,855	194,627,317	153.60%	63.96%

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Public Employees' Retirement System - Defined Benefit Pension Plan
Schedule of Municipality Contributions
Last Eight Calendar Years

Exhibit E-4

Year Ended December 31,	Measurement Period Ended June 30,	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	2022	\$ 35,752,681	\$ 35,752,681	\$ -	\$ 233,492,167	15.312%
2021	2021	32,796,090	32,796,090	-	235,583,497	13.921%
2020	2020	30,804,418	30,804,418	-	231,875,142	13.285%
2019	2019	28,217,952	28,217,952	-	224,487,144	12.570%
2018	2018	29,774,107	29,774,107	-	221,619,627	13.435%
2017	2017	28,704,730	28,704,730	-	215,244,809	13.336%
2016	2016	24,562,145	24,562,145	-	207,168,838	11.856%
2015	2015	21,876,448	21,876,448	-	199,173,691	10.984%

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-5

Police and Fire Retirement System - Defined Benefit Pension Plan
Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan I
Last Nine Calendar Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	4,710,523	4,895,191	5,236,330	5,262,793	5,543,250	6,133,683	6,317,389	6,480,803	6,674,747
Differences between expected and actual experience	(1,208,963)	(214,547)	(149,501)	(363,349)	(1,044,715)	(554,310)	(263,269)	334,288	(172,965)
Changes of assumptions	(1,474,884)	-	2,648,091	4,006,938	657,071	7,094,507	-	657,285	674,653
Benefits payments, including refunds of member contributions	(7,621,648)	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Net changes in total pension liability	(5,594,972)	(3,214,585)	(301,982)	833,756	(3,128,148)	4,270,689	(2,422,500)	(1,082,189)	(1,428,361)
Total pension liability - beginning	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506	88,792,867
Total pension liability - ending (a)	76,724,575	82,319,547	85,534,132	85,836,114	85,002,358	88,130,506	83,859,817	86,282,317	87,364,506
Plan fiduciary net position:									
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	14,552,500	1,546,175	1,338,525	1,952,158
Contributions - Plan members	-	-	-	-	-	-	-	-	-
Total net investment income (loss)	(8,857,818)	10,209,738	7,778,969	13,545,709	(3,869,127)	10,533,712	5,189,299	400,284	3,984,313
Benefits payments, including refunds of member contributions	(7,621,648)	(7,895,229)	(8,036,902)	(8,072,626)	(8,283,754)	(8,403,191)	(8,476,620)	(8,554,565)	(8,604,796)
Administrative expenses	(108,471)	(165,768)	(143,423)	(110,762)	(162,303)	(129,583)	(134,202)	(125,927)	(122,469)
Net change in plan fiduciary net position	(16,587,937)	2,148,741	(401,356)	5,362,321	(12,315,184)	16,553,438	(1,875,348)	(6,941,683)	(2,790,794)
Plan fiduciary net position - beginning	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,956	78,261,747
Plan fiduciary net position - ending (b)	61,413,948	78,001,885	75,853,144	76,254,500	70,892,179	83,207,363	66,653,925	68,529,273	75,470,953
Plan's net pension liability (a) - (b)	\$ 15,310,627	\$ 4,317,662	\$ 9,680,988	\$ 9,581,614	\$ 14,110,179	\$ 4,923,143	\$ 17,205,892	\$ 17,753,044	\$ 11,893,553
Plan fiduciary net position as a percentage of total pension liability:	80.04%	94.75%	88.68%	88.84%	83.40%	94.41%	79.48%	79.42%	86.39%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This schedule is intended to present information for 10 years. The tenth year will be displayed beginning in 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-6

Police and Fire Retirement System - Defined Benefit Pension Plan

Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan II
Last Nine Calendar Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	3,850,300	3,961,040	4,205,177	4,189,753	4,279,605	4,670,017	4,783,176	4,879,585	4,983,645
Differences between expected and actual experience	508,334	(178,265)	(615,273)	(259,479)	540,098	(648,422)	(369,686)	53,268	(181,652)
Changes of assumptions	(1,372,116)	-	2,375,314	3,039,405	575,930	5,986,612	-	542,944	551,964
Benefits payments, including refunds of member contributions	(5,620,967)	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Net changes in total pension liability	(2,634,449)	(1,853,138)	293,590	1,198,230	(393,698)	4,166,985	(1,511,469)	(430,063)	(498,756)
Total pension liability - beginning	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715	66,010,471
Total pension liability - ending (a)	64,347,703	66,982,152	68,835,290	68,541,700	67,343,470	67,737,168	63,570,183	65,081,652	65,511,715
Plan fiduciary net position:									
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	10,642,589	1,108,376	964,863	1,520,220
Contributions - Plan members	-	-	-	-	-	-	-	2,587	11,321
Total net investment income (loss)	(7,174,510)	8,197,839	6,241,327	10,625,627	(3,027,387)	8,168,950	3,990,641	298,556	2,995,775
Benefits payments, including refunds of member contributions	(5,620,967)	(5,635,913)	(5,671,628)	(5,771,449)	(5,789,331)	(5,841,222)	(5,924,959)	(5,905,860)	(5,852,713)
Administrative expenses	(88,146)	(133,297)	(113,701)	(86,907)	(126,157)	(100,190)	(103,090)	(95,720)	(92,067)
Net change in plan fiduciary net position	(12,883,623)	2,428,629	455,998	4,767,271	(8,942,875)	12,870,127	(929,032)	(4,735,574)	(1,417,464)
Plan fiduciary net position - beginning	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044	58,509,508
Plan fiduciary net position - ending (b)	50,122,965	63,006,588	60,577,959	60,121,961	55,354,690	64,297,565	51,427,438	52,356,470	57,092,044
Plan's net pension liability (a) - (b)	\$ 14,224,738	\$ 3,975,564	\$ 8,257,331	\$ 8,419,739	\$ 11,988,780	\$ 3,439,603	\$ 12,142,745	\$ 12,725,182	\$ 8,419,671
Plan fiduciary net position as a percentage of total pension liability	77.89%	94.06%	88.00%	87.72%	82.20%	94.92%	80.90%	80.45%	87.15%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,000	\$ 119,000
Net pension liability as percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7075.35%

Note: This schedule is intended to present information for 10 years. The tenth year will be displayed beginning in 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-7

Police and Fire Retirement System - Defined Benefit Pension Plan
 Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios - Plan III
 Last Nine Calendar Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	\$ 136,440	\$ 280,530	\$ 451,859	\$ 575,265	\$ 634,210	\$ 512,332	\$ 513,183	\$ 783,360	\$ 1,022,911
Interest	16,495,110	16,888,430	17,492,654	16,960,207	17,329,124	18,276,072	18,494,293	18,458,939	18,278,963
Differences between expected and actual experience	2,855,324	(3,876,244)	(1,849,533)	1,998,834	(3,551,709)	(2,956,525)	(3,485,409)	33,760	1,301,916
Changes of assumptions	(341,985)	-	11,703,635	12,180,462	2,688,614	27,608,785	-	2,559,038	2,394,994
Benefits payments, including refunds of member contributions	(19,818,154)	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Net changes in total pension liability	(673,265)	(6,297,042)	8,436,015	12,687,571	(1,227,610)	25,065,249	(2,813,043)	4,105,486	5,757,513
Total pension liability - beginning	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512	238,976,999
Total pension liability - ending (a)	284,017,873	284,691,138	290,988,180	282,552,165	269,864,594	271,092,204	246,026,955	248,839,998	244,734,512
Plan fiduciary net position:									
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	43,403,087	4,439,969	3,587,533	5,296,694
Contributions - Plan members	39,299	52,169	72,577	126,516	126,875	129,027	126,336	179,057	219,810
Total net investment income (loss)	(31,119,774)	35,085,659	26,668,984	43,760,749	(12,391,936)	32,167,264	15,376,844	1,068,849	11,011,844
Benefits payments, including refunds of member contributions	(19,818,154)	(19,589,758)	(19,362,600)	(19,027,197)	(18,327,849)	(18,375,415)	(18,335,110)	(17,729,611)	(17,241,271)
Administrative expenses	(392,241)	(571,731)	(477,285)	(358,256)	(509,647)	(392,022)	(396,242)	(358,981)	(338,673)
Net change in plan fiduciary net position	(51,290,870)	14,976,339	6,901,676	24,501,812	(31,102,557)	56,931,941	1,211,797	(13,253,153)	(1,051,596)
Plan fiduciary net position - beginning	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922	212,963,518
Plan fiduciary net position - ending (b)	220,788,907	272,079,777	257,103,438	250,201,762	225,699,950	256,802,507	199,870,566	198,658,769	211,911,922
Plan's net pension liability (a) - (b)	\$ 63,228,966	\$ 12,611,361	\$ 33,884,742	\$ 32,350,403	\$ 44,164,644	\$ 14,289,697	\$ 46,156,389	\$ 50,181,229	\$ 32,822,590
Plan fiduciary net position as percentage of total pension liability	77.74%	95.57%	88.36%	88.55%	83.63%	94.73%	81.24%	79.83%	86.59%
Covered payroll	\$ 691,000	\$ 1,215,000	\$ 1,374,000	\$ 1,913,000	\$ 2,108,000	\$ 2,169,000	\$ 2,199,000	\$ 3,538,000	\$ 4,817,000
Net pension liability as percentage of covered payroll	9150.36%	1037.97%	2466.14%	1691.08%	2095.10%	658.81%	2098.97%	1418.35%	681.39%

Note: This schedule is intended to present information for 10 years. The tenth year will be displayed beginning in 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Police and Fire Retirement System - Defined Benefit Pension Plan
 Schedule of Municipality Contributions - Plans I, II, and III
 Last Nine Calendar Years

Exhibit E-8

Plan I

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	\$ 1,571,000	\$ -	\$ 1,571,000	\$ -	0.00%
2021	1,876,000	-	1,876,000	-	0.00%
2020	2,321,000	-	2,321,000	-	0.00%
2019	1,633,000	-	1,633,000	-	0.00%
2018	2,319,000	-	2,319,000	-	0.00%
2017	2,262,000	14,552,000	(12,290,000)	-	0.00%
2016	1,546,000	1,546,000	-	-	0.00%
2015	1,339,000	1,339,000	-	-	0.00%
2014	1,952,000	1,952,000	-	-	0.00%

Plan II

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	\$ 905,000	\$ -	\$ 905,000	\$ -	0.00%
2021	1,204,000	-	1,204,000	-	0.00%
2020	1,556,000	-	1,556,000	-	0.00%
2019	881,000	-	881,000	-	0.00%
2018	1,461,000	-	1,461,000	-	0.00%
2017	1,634,000	10,643,000	(9,009,000)	-	0.00%
2016	1,108,000	1,108,000	-	-	0.00%
2015	965,000	965,000	-	133,000	725.56%
2014	1,520,000	1,520,000	-	119,000	1277.31%

Plan III

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	\$ 3,323,000	\$ -	\$ 3,323,000	\$ 691,000	0.00%
2021	4,501,000	-	4,501,000	1,215,000	0.00%
2020	5,768,000	-	5,768,000	1,374,000	0.00%
2019	3,584,000	-	3,584,000	1,913,000	0.00%
2018	5,883,000	-	5,883,000	2,108,000	0.00%
2017	6,497,000	43,403,000	(36,906,000)	2,169,000	2001.06%
2016	4,440,000	4,440,000	-	2,199,000	201.91%
2015	3,588,000	3,588,000	-	3,538,000	101.41%
2014	5,297,000	5,297,000	-	4,817,000	109.96%

Note: This schedule is intended to present information for 10 years. The tenth year will be displayed beginning in 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-9

International Brotherhood of Electrical Workers (IBEW) - Defined Benefit Pension Plan
 Schedule of Municipality Contributions
 Last Ten Calendar Years

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	\$ 992,012	\$ 992,012	\$ -	\$ 6,030,438	16.45%
2021	981,685	981,685	-	6,088,018	16.12%
2020	3,785,172	3,785,172	-	23,508,823	16.10%
2019	3,249,636	3,249,636	-	20,988,410	15.48%
2018	3,382,920	3,382,920	-	21,707,594	15.58%
2017	3,272,545	3,272,545	-	21,544,626	15.19%
2016	3,396,484	3,396,484	-	21,965,741	15.46%
2015	3,059,562	3,059,562	-	20,773,482	14.73%
2014	2,642,768	2,642,768	-	19,554,891	13.51%
2013	2,637,978	2,637,978	-	19,679,139	13.40%

See notes to pension required supplementary information.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-10

International Union of Operating Engineers (Local 302) - Defined Benefit Pension Plan
 Schedule of Municipality Contributions
 Last Nine Calendar Years

Year Ended December 31,	Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	\$ 1,971,177	\$ 1,971,177	\$ -	\$ 17,650,369	11.17%
2021	1,974,183	1,974,183	-	16,558,076	11.92%
2020	1,936,421	1,936,421	-	14,773,511	13.11%
2019	1,771,218	1,771,218	-	8,071,114	21.95%
2018	1,730,721	1,730,721	-	8,246,406	20.99%
2017	1,855,325	1,855,325	-	11,171,478	16.61%
2016	1,619,742	1,619,742	-	8,304,334	19.50%
2015	1,673,864	1,673,864	-	8,615,835	19.43%
2014	1,519,659	1,519,659	-	8,336,369	18.23%

Note: This schedule is intended to present information for 10 years. The tenth year will be displayed beginning in 2023.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Pension Plans
Year ended December 31, 2022

Public Employees' Retirement System - Defined Benefit Pension Plan

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

Schedule of Municipality's Proportionate Share of the Net Pension Liability

- This table is presented based on the Plan measurement date. For December 31, 2022, the Plan measurement date is June 30, 2022.
- There were no changes in benefit terms from the prior measurement period.
- There was a decrease of 0.13% to the Discount Rate of 7.25% from 7.38% between 2021 and 2022.
- There were no changes in the valuation method from the prior measurement period. There were no changes in the allocation methodology from the prior measurement period.

The total pension liability for the June 30, 2022, measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions used in the June 30, 2021, actuarial valuation (latest available) was based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2021, actuarial valuation are the same as those used in the June 30, 2020, valuation, except the amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.

Schedule of Municipality Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions is included in the plan measurement results, while a portion of the contributions is reported as a deferred outflow of resources on the statement of net position.

Police and Fire Retirement System - Defined Benefit Pension Plans

In accordance with GASB Statement No. 82, Covered Payroll is defined as payroll on which contributions to the pension plan are based. These tables are for the Police and Fire Retirement System are presented for Plans I, II, and III separately.

Schedule of Changes in the Municipality's Net Pension Liability and Related Ratios

- These tables are presented based on the Plan's measurement date of December 31, 2022.
- There was an increase in the discount rate of 6.25% from 6.00% between 2021 and 2022.
- The mortality tables were not changed for 2022.
- There were no changes to the valuation method or benefit terms from the prior measurement period.

Schedule of Municipality Contributions

- These tables are based on the Municipality's contributions for each year presented.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Pension Plans
Year ended December 31, 2022

International Brotherhood of Electrical Workers - Defined Benefit Pension Plan

Schedule of Municipality Contributions

- This table presents the Municipality's contributions for each of the last ten years based on calendar year contributions.
- In accordance with GASB Statement No. 78, Covered Payroll is defined as payroll on which contributions to the pension plan are based.

International Union of Operating Engineers (Local 302) - Defined Benefit Pension Plan

This pension table is intended to present 10 years of information. Currently, it is not practical to reconstruct more than nine 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 for each year presented.
- In accordance with GASB Statement No. 78, Covered Payroll is defined as payroll on which contributions to the pension plan are based.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-11

Police and Fire Medical Trust - Gentile Group OPEB Plan
 Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios
 Last Six Calendar Years

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,460,000	1,750,308	2,136,721	2,900,050	2,681,663	2,577,654
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(8,511,999)	-	(7,357,231)	-	-
Changes of assumptions or other inputs	(12,330,638)	(1,918,326)	18,451,635	3,379,239	(5,742,889)	4,726,088
Benefit payments	(3,422,765)	(3,357,746)	(4,055,590)	(3,580,877)	(4,290,275)	(4,270,000)
Net changes in total OPEB liability	(14,293,403)	(12,037,763)	16,532,766	(4,658,819)	(7,351,501)	3,033,742
Total OPEB liability - beginning	72,585,155	84,622,918	68,090,152	72,748,971	80,100,472	77,066,730
Total OPEB liability - ending (a)	58,291,752	72,585,155	84,622,918	68,090,152	72,748,971	80,100,472
Plan fiduciary net position:						
Contributions - Employer - Municipality of Anchorage	-	-	-	-	-	-
Contributions - Plan members	-	-	-	-	-	-
Total net investment income	-	-	-	-	-	-
Benefits payments, including refunds of member contributions	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	-	-	-
Plan's net OPEB liability (a) - (b)	\$ 58,291,752	\$ 72,585,155	\$ 84,622,918	\$ 68,090,152	\$ 72,748,971	\$ 80,100,472
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability as percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-12

Police and Fire Medical Trust - Police and Fire Medical Group OPEB Plan
 Schedule of Changes in the Municipality's Net OPEB Liability and Related Ratios
 Last Six Calendar Years

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	\$ 66,114	\$ 186,734	\$ 179,725	\$ 118,469	\$ 113,693	\$ 109,111
Interest	3,508,774	2,172,762	2,222,388	2,587,708	2,627,528	2,674,785
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	22,878,927	825,799	(376,724)	(3,294,961)	-	-
Changes of assumptions or other inputs	-	32,709,391	1,182,123	(1,864,560)	-	-
Benefit payments	(5,237,302)	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Net changes in total OPEB liability	21,216,513	30,755,688	(75,763)	(5,904,196)	(1,208,891)	(1,123,698)
Total OPEB liability - beginning	88,132,388	57,376,700	57,452,463	63,356,659	64,565,550	65,689,248
Total OPEB liability - ending (a)	109,348,901	88,132,388	57,376,700	57,452,463	63,356,659	64,565,550
Plan fiduciary net position:						
Contributions - Employer - Municipality of Anchorage	3,666,621	3,672,522	3,579,657	4,785,966	4,261,037	4,287,648
Contributions - Plan members	-	-	-	-	-	-
Total net investment income (loss)	1,096,088	1,996,872	1,421,311	388,241	(126,515)	966,715
Benefits payments, including refunds of member contributions	(5,237,302)	(5,138,998)	(3,283,275)	(3,450,852)	(3,950,112)	(3,907,594)
Administrative expenses	-	-	-	-	-	-
Net change in plan fiduciary net position	(474,593)	530,396	1,717,693	1,723,355	184,410	1,346,769
Plan fiduciary net position - beginning	23,353,520	22,823,124	21,105,431	19,382,076	19,197,667	17,850,898
Plan fiduciary net position - ending (b)	22,878,927	23,353,520	22,823,124	21,105,431	19,382,076	19,197,667
Plan's net OPEB liability (a) - (b)	\$ 86,469,974	\$ 64,778,868	\$ 34,553,576	\$ 36,347,032	\$ 43,974,583	\$ 45,367,883
Plan fiduciary net position as percentage of total OPEB liability	20.92%	26.50%	39.78%	36.74%	30.59%	29.73%
Covered payroll	\$ 6,026,901	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Net OPEB liability as percentage of covered payroll	1434.73%	1112.45%	614.16%	668.65%	852.21%	909.98%

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-13

Police and Fire Medical Trust OPEB Plans
 Schedule of Municipality's Contributions
 Last Six Calendar Years

<u>Gentile Group Plan</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,422,765	\$ 3,357,746	\$ 4,055,590	\$ 3,580,877	\$ 4,290,275	\$ 4,270,000
Contributions in relation to the actuarially determined contribution	10,741,628	11,538,792	11,807,381	11,935,465	11,790,796	10,096,430
Contribution excess	<u>\$ (7,318,863)</u>	<u>\$ (8,181,046)</u>	<u>\$ (7,751,791)</u>	<u>\$ (8,354,588)</u>	<u>\$ (7,500,521)</u>	<u>\$ (5,826,430)</u>
Covered-employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
<u>Police and Fire Medical Group Plan</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 7,011,262	\$ 3,854,445	\$ 4,037,152	\$ 4,108,452	\$ 3,846,815	\$ 3,846,815
Contributions in relation to the actuarially determined contribution	3,666,621	3,672,522	3,579,657	3,516,241	3,477,037	4,919,538
Contribution deficiency (excess)	<u>\$ 3,344,641</u>	<u>\$ 181,923</u>	<u>\$ 457,495</u>	<u>\$ 592,211</u>	<u>\$ 369,778</u>	<u>\$ (1,072,723)</u>
Covered payroll	\$ 6,026,901	\$ 5,823,093	\$ 5,626,177	\$ 5,435,920	\$ 5,160,091	\$ 4,985,595
Contributions as percentage of covered payroll	60.84%	63.07%	63.63%	64.69%	67.38%	98.68%

Note: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Gentile Group Plan and Police and Fire Medical Group Plan
 Schedule of Investment Returns
 Last Six Calendar Years

Exhibit E-14

<u>Gentile Group Plan</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return, net of investment expense	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A	Note A

Note A: The Gentile Group Plan is a "pay as you go plan," with the Municipality of Anchorage funding each year's expenditures with annual appropriations.

<u>Police and Fire Medical Group Plan</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.90%	9.00%	6.70%	2.00%	-0.70%	5.40%

Note: These schedules are intended to present information for 10 years. Additional years for the Police and Fire Medical Group Plan will be displayed as they become available

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
Police and Fire Medical Trust - OPEB Plans
Year Ended December 31, 2022

Gentile Group - Defined Benefit OPEB Plan

“Covered-employee Payroll” is defined in GASB Statement No. 74 as “the payroll of employees that are provided with OPEB through the OPEB plan.” The Gentile Group is a defined group of retirees resulting from a lawsuit, Municipality of Anchorage v. Gentile (8/16/96), 922 P 2d 248. The Municipality pays for 100% of the retirees’ medical premiums, with optional dental, vision, and audio available. This is a “pay as you go” plan with no plan assets and no covered-employee payroll.

Schedule of Changes in Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2022.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of the Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- The Gentile Group defined benefit plan is a “pay as you go” plan with no plan assets, therefore there is no investment returns for this plan.

Police and Fire Medical Group- Defined Benefit OPEB Plan

“Covered Payroll” is defined in GASB Statement No. 85 as the payroll of employees on which contributions to the OPEB Plan are based as a measure of pay.

Schedule of Changes in the Municipality’s Net OPEB Liability and Related Ratios

- This table is presented based on the Plan measurement date of December 31, 2022.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in valuation method from the prior measurement period.

Schedule of Municipality’s Contributions

- This table is based on the Municipality’s contributions for each year presented.

Schedule of Investment Returns

- Plan assets are invested in the Municipal Cash Pool and governed by the investment policies disclosed in Note 3 of the financial statements. Investment returns are consistent with the rate of return on the investment pool.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-15

Required Supplementary Information
PERS - Defined Benefit OPEB Plans
Schedule of Municipality's Proportional Share of Net OPEB Asset / Liability
Last Six Fiscal Years

ARHCT

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability / (Asset)	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2022	2022	7.48292%	\$(147,231,374)	\$ (42,085,443)	\$(189,316,817)	\$ 234,549,792	62.77%	128.51%
2021	2021	8.67301%	(222,493,393)	(29,140,872)	(251,634,265)	234,337,418	94.95%	135.54%
2020	2020	7.10320%	(32,167,325)	(13,345,353)	(45,512,678)	236,393,735	13.61%	106.15%
2019	2019	6.46430%	9,591,733	3,813,875	13,405,608	222,683,365	4.31%	98.13%
2018	2018	7.26927%	74,603,636	21,656,677	96,260,313	219,633,972	33.97%	88.12%
2017	2017	6.72970%	56,849,394	21,194,336	78,043,730	209,843,388	27.09%	89.68%

RMP

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability /	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as Percentage of Covered Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability / (Asset)
2022	2022	8.67294%	\$ (3,012,111)	\$ -	\$ (3,012,111)	\$ 234,549,792	1.28%	120.08%
2021	2021	8.83072%	(2,370,341)	-	(2,370,341)	234,337,418	1.01%	115.10%
2020	2020	8.63482%	612,468	-	612,468	236,393,735	0.26%	95.23%
2019	2019	8.50957%	2,035,830	-	2,035,830	222,683,365	0.91%	83.17%
2018	2018	8.45717%	1,076,174	-	1,076,174	219,633,972	0.49%	88.71%
2017	2017	7.92735%	413,411	-	413,411	209,843,388	0.20%	93.98%

ODD

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability / (Asset)	Municipality's Proportionate Share of Net OPEB Liability / (Asset)	State of Alaska's Proportionate Share of Net OPEB Liability /	Total Municipality Net OPEB Liability / (Asset)	Municipality's Proportion of Covered Payroll	Municipality's Proportionate Share of Net OPEB Liability / (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability / (Asset)
2022	2022	10.67530%	\$ (4,679,836)	\$ -	\$ (4,679,836)	\$ 234,549,792	2.00%	348.80%
2021	2021	10.94848%	(4,825,323)	-	(4,825,323)	234,337,418	2.06%	374.22%
2020	2020	11.47188%	(3,127,235)	-	(3,127,235)	236,393,735	1.32%	283.80%
2019	2019	11.42255%	(2,769,397)	-	(2,769,397)	222,683,365	1.24%	297.43%
2018	2018	8.45717%	(1,642,551)	-	(1,642,551)	219,633,972	0.75%	270.62%
2017	2017	7.92735%	(1,124,811)	-	(1,124,811)	209,843,388	0.54%	212.97%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-16

Required Supplementary Information
PERS - Defined Benefit OPEB Plans
Schedule of Municipality Contributions
Last Six Calendar Years

ARHCT

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	2022	\$ 2,811,727	\$ 2,811,727	\$ -	\$ 233,492,167	1.20%
2021	2021	6,561,715	6,561,715	-	235,583,497	2.79%
2020	2020	9,324,769	9,324,769	-	231,875,142	4.02%
2019	2019	10,714,150	10,714,150	-	224,487,144	4.77%
2018	2018	9,665,350	9,665,350	-	221,619,627	4.36%
2017	2017	10,416,994	10,416,994	-	215,244,809	4.84%

RMP

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	2022	\$ 1,507,549	\$ 1,507,549	\$ -	\$ 233,492,167	0.65%
2021	2021	1,554,735	1,554,735	-	235,583,497	0.66%
2020	2020	1,617,474	1,617,474	-	231,875,142	0.70%
2019	2019	1,268,460	1,268,460	-	224,487,144	0.57%
2018	2018	997,360	997,360	-	221,619,627	0.45%
2017	2017	978,781	978,781	-	215,244,809	0.45%

ODD

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	2022	\$ 626,660	\$ 626,660	\$ -	\$ 233,492,167	0.27%
2021	2021	603,644	603,644	-	235,583,497	0.26%
2020	2020	548,520	548,520	-	231,875,142	0.24%
2019	2019	483,278	483,278	-	224,487,144	0.22%
2018	2018	363,282	363,282	-	221,619,627	0.16%
2017	2017	235,195	235,195	-	215,244,809	0.11%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-17

Required Supplementary Information
Police and Fire Medical Trust - Defined Benefit OPEB Plans
Schedule of Municipality's Net OPEB Liability
Last Six Fiscal Years

Gentile Group Plan

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability
2022	2022	100.00%	\$ 58,291,752	\$ -	0.00%	0.00%
2021	2021	100.00%	72,585,155	-	0.00%	0.00%
2020	2020	100.00%	84,622,918	-	0.00%	0.00%
2019	2019	100.00%	68,090,152	-	0.00%	0.00%
2018	2018	100.00%	72,748,971	-	0.00%	0.00%
2017	2017	100.00%	80,100,471	-	0.00%	0.00%

Police and Fire Medical Group Plan

Year Ended December 31,	Measurement Period Ended June 30,	Municipality's Proportion of Net OPEB Liability	Municipality's Net OPEB Liability	Municipality's Covered Payroll	Municipality's Net OPEB Liability as Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as Percentage of Total OPEB Liability
2022	2022	100.00%	\$ 86,469,974	\$ 6,026,901	1434.73%	20.92%
2021	2021	100.00%	64,778,868	5,823,093	1112.45%	26.50%
2020	2020	100.00%	34,553,576	5,626,177	614.16%	39.78%
2019	2019	100.00%	36,347,032	5,435,920	668.65%	36.74%
2018	2018	100.00%	43,974,583	5,160,091	852.21%	30.59%
2017	2017	100.00%	45,367,883	4,985,595	909.98%	29.73%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Required Supplementary Information
 Police and Fire Medical Trust - Defined Benefit OPEB Plans
 Schedule of Municipality Contributions
 Last Six Fiscal Years

Exhibit E-18

Gentile Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	2022	\$ 3,422,765	\$ 10,741,628	\$ (7,318,863)	\$ -	0.00%
2021	2021	3,357,746	11,538,792	(8,181,046)	-	0.00%
2020	2020	4,055,590	11,807,381	(7,751,791)	-	0.00%
2019	2019	3,580,877	11,935,465	(8,354,588)	-	0.00%
2018	2018	4,290,275	11,790,796	(7,500,521)	-	0.00%
2017	2017	4,270,000	10,096,430	(5,826,430)	-	0.00%

Police and Fire Medical Group Plan

Year Ended December 31,	Measurement Period Ended December 31,	Municipality's Proportion of the Contractually Required Contribution	Contributions Relative to the Contractually Required Contribution	Contribution Deficiency (Excess)	Municipality's Covered Payroll	Contributions as Percentage of Covered Payroll
2022	2022	\$ 7,011,262	\$ 3,666,621	\$ 3,344,641	\$ 6,026,901	60.84%
2021	2021	3,854,445	3,672,522	181,923	5,823,093	63.07%
2020	2020	4,037,152	3,579,657	457,495	5,626,177	63.63%
2019	2019	4,108,452	3,516,241	592,211	5,435,920	64.69%
2018	2018	4,290,275	3,477,037	813,238	5,160,091	67.38%
2017	2017	4,270,000	4,919,538	(649,538)	4,985,595	98.68%

Notes: These schedules are intended to present information for 10 years. Additional years will be displayed as they become available.

MUNICIPALITY OF ANCHORAGE, ALASKA
Notes to Required Supplementary Information
OPEB Plans
Year Ended December 31, 2022

Public Employees' Retirement System - Defined Benefit OPEB Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plans are based. Because a portion of the Municipality's contributions to the Plan (the DBUL) are based on Defined Contribution Wages, covered payroll reported here includes all PERS participating wages (both Defined Benefit and Defined Contribution).

Both OPEB tables below are presented for each of the three PERS OPEB plans: ARHCT, RMP, and ODD.

Schedule of the Municipality's Proportionate Share of the Net OPEB Asset and Liability

- The tables presented are based on the Plan measurement date. For December 31, 2022, the Plan measurement date is June 30, 2022.
- There were no changes in benefit terms from the prior measurement period.
- There was a decrease of 0.13% to the Discount Rate of 7.25% from 7.38% between 2021 and 2022.
- The actuarial assumptions used in the June 30, 2022, actuarial valuation (latest available) were based on the results of an actuarial experience study for the period from July 1, 2017, to June 30, 2021. The assumptions used in the June 30, 2022, actuarial valuation are the same as those used in the June 30, 2021 valuation, except:
 - The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from defined benefit plan assets.
- There were no changes in the valuation method from the prior measurement period.
- There were no changes in the allocation methodology from the prior measurement period. The measurement period ended June 30, 2022, allocated the net OPEB asset and liability based on the present value of contributions for fiscal year 2023 through 2039, as determined by projections based on the June 30, 2021, actuarial valuation.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions is included in the plan measurement results, while a portion of the contributions is reported as a deferred outflow of resources on the December 31, 2022, statement of net position.

Police and Fire Retiree Medical Trust - Defined Benefit OPEB Plans

In accordance with GASB Statement No. 85, "Covered Payroll" is defined as payroll on which contributions to the OPEB plan are based. "Covered Employee Payroll" is presented when contributions to the OPEB plan are not based on a measure of pay.

Both OPEB tables below are presented for each of the two Police and Fire Retiree Trust OPEB plans: Gentile Group Plan and Police and Fire Medical Group Plan.

Schedule of the Municipality's Net OPEB Liability

- This table is presented based on the Plan measurement date of December 31, 2022.
- There were no changes in benefit terms from the prior measurement period.
- There were no changes in assumptions from the prior measurement period, except for an increase in the Discount Rate for Gentile Group Plan to 3.72%.
- There were no changes in the valuation method from the prior measurement period.

Schedule of Municipality's Contributions

- This table is based on the Municipality's contributions for each year presented. A portion of these contributions are included in the plan measurement results, while a portion of the contributions are reported as a deferred outflow of resources on the Statement of Net Position.

SUPPLEMENTARY INFORMATION

Additional Budgetary Comparison Schedules

The **General Fund Sub-funds** budgetary comparison schedule and reconciliation to GAAP is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the fund and sub-fund level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

The **Department** budgetary comparison schedule and reconciliation to GAAP for the General Fund is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the department level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-19

Supplementary Information - Additional Budgetary Comparison Schedule
by General Fund Sub-Funds
Year ended December 31, 2022

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
Revenues and Other Financing Sources:						
Areawide Service Area	\$ 426,775,550	\$ 447,641,784	\$ 456,621,941	\$ -	\$ 456,621,941	8,980,157
Former City Service Area	-	-	931	-	931	931
Areawide EMS Lease Special Levy	829,029	829,029	828,058	-	828,058	(971)
Chugiak Fire Service Area	1,387,790	1,387,790	1,513,828	-	1,513,828	126,038
Glen Alps Service Area	374,716	374,716	366,359	-	366,359	(8,357)
Girdwood Valley Service Area	3,746,518	3,746,518	3,745,684	-	3,745,684	(834)
Areawide APD IT Systems Special Levy	1,500,000	1,500,000	1,500,000	-	1,500,000	-
Former Borough Roads and Drainage Service Area	-	-	(1,861)	-	(1,861)	(1,861)
Fire Service Area	86,929,796	86,929,796	86,814,711	-	86,814,711	(115,085)
Roads and Drainage Service Area	74,623,581	74,623,581	73,865,191	-	73,865,191	(758,390)
Limited Service Areas	11,038,565	11,038,565	10,979,103	-	10,979,103	(59,462)
Anchorage Metropolitan Police Service Area	142,350,823	142,350,823	142,742,935	-	142,742,935	392,112
Turnagain Arm Police Service Area	21,805	21,805	21,942	-	21,942	137
Anchorage Bowl Parks and Recreation Service Area	22,819,018	23,031,212	23,068,471	-	23,068,471	37,259
Eagle River Chugiak Parks and Recreational Service Area	4,980,392	4,980,392	4,679,242	-	4,679,242	(301,150)
Building Safety Service Area	5,881,202	5,881,202	6,556,251	-	6,556,251	675,049
Public Finance and Investment	2,870,157	2,870,157	1,821,270	-	1,821,270	(1,048,887)
Police and Fire Retiree Medical Defined Contribution Support	11,420	11,420	2,765	-	2,765	(8,655)
Operating Projects Committed General	-	30,457	30,457	-	30,457	-
MLP Sale Proceeds	-	-	17,974,361	-	17,974,361	17,974,361
SOA PERs On-Behalf Payments	-	-	-	(1)	9,857,279	-
Total revenues and other finance sources	<u>786,140,362</u>	<u>807,249,247</u>	<u>833,131,639</u>		<u>842,988,918</u>	<u>25,882,392</u>
Expenditures and Other Financing Uses:						
Areawide Service Area	433,127,834	446,164,085	435,133,004	-	435,133,004	11,031,081
Areawide EMS Lease Special Levy	829,029	829,029	829,029	-	829,029	-
Chugiak Fire Service Area	1,387,790	1,387,790	1,274,365	-	1,274,365	113,425
Glen Alps Service Area	374,716	374,716	317,189	-	317,189	57,527
Girdwood Valley Service Area	3,746,518	3,746,518	3,360,521	-	3,360,521	385,997
Areawide APD IT Systems Special Levy	1,500,000	3,000,000	1,443,191	-	1,443,191	1,556,809
Fire Service Area	82,683,036	88,883,036	90,903,828	-	90,903,828	(2,020,792)
Roads and Drainage Service Area	75,812,950	75,812,950	74,661,023	-	74,661,023	1,151,927
Limited Service Areas	11,178,034	12,330,034	11,401,596	-	11,401,596	928,438
Anchorage Metropolitan Police Service Area	140,127,514	140,427,514	136,207,897	-	136,207,897	4,219,617
Turnagain Arm Police Service Area	21,805	21,805	21,014	-	21,014	791
Anchorage Bowl Parks and Recreation Service Area	24,235,965	24,448,160	23,471,063	-	23,471,063	977,097
Eagle River Chugiak Parks and Recreational Service Area	4,980,392	4,980,392	3,518,781	-	3,518,781	1,461,611
Building Safety Service Area	7,615,959	7,615,959	7,070,854	-	7,070,854	545,105
Public Finance and Investment	2,536,908	2,536,908	2,070,844	-	2,070,844	466,064
Police and Fire Retiree Medical Defined Contribution Support	209,791	209,791	178,837	-	178,837	30,954
Operating Projects Committed General	-	2,726,774	-	-	-	2,726,774
MLP Sale Proceeds	-	-	81,078	-	81,078	(81,078)
SOA PERs On-Behalf Payments	-	-	-	(1)	9,857,279	-
Total expenditures and other financing uses	<u>790,368,241</u>	<u>815,495,461</u>	<u>791,944,114</u>		<u>801,801,393</u>	<u>23,551,347</u>
Net change in fund balance (deficit)	(4,227,879)	(8,246,214)	41,187,525	-	41,187,525	49,433,739
Fund balance (deficit), beginning of year	(233,120,509)	16,684,682	11,605,582	-	11,605,582	-
Fund balance (deficit), end of year	<u>\$ (237,348,388)</u>	<u>\$ 8,438,468</u>	<u>\$ 52,793,107</u>		<u>\$ 52,793,107</u>	<u>\$ 49,433,739</u>

Explanation of differences:

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

Note:

This schedule is for informational purposes only. This schedule provides revenues and other financing sources and expenditures and other financing uses for the General Fund by sub-fund. The legal level of budgetary control is adopted for revenues and other financing sources at the fund and sub-fund level. Expenditures and other financing uses are legally budgeted at the department level and are presented at the sub-fund level for informational purposes only.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit E-20

Supplementary Information - Additional Budgetary Comparison Schedule
by Department for the General Fund
Year ended December 31, 2022

	Budget		Actual Budgetary Basis	Budget to GAAP Difference	Actual GAAP Basis	Variance With Final Budget
	Original	Final				
Expenditures and Other Financing Uses:						
Assembly	\$ 6,235,388	\$ 6,574,612	\$ 6,238,537	(1)(2)	\$ 617,166	\$ (336,075)
Chief Fiscal Officer	569,559	1,174,942	463,156	-	463,156	(711,786)
Economic and Community Development	60,349,244	62,105,356	56,450,954	(1)(2)	900,560	(5,654,402)
Education	276,366,736	276,366,736	274,069,093	-	274,069,093	(2,297,643)
Equal Rights Commission	797,641	797,641	786,574	(1)(2)	13,068	(11,067)
Equity and Justice	369,149	555,567	479,268	-	479,268	(76,299)
Finance	13,687,635	14,993,449	13,834,858	(1)(2)	288,350	(1,158,591)
Fire	106,369,452	113,989,452	113,724,134	(1)(2)	9,530,419	(265,318)
Health and Human Services	14,616,397	14,674,013	11,726,742	(1)(2)	255,399	(2,947,271)
Human Resources	6,704,570	6,704,570	6,425,797	(1)(2)	53,639	(278,773)
Information Technology	1,247,234	1,247,234	1,167,932	(1)(2)	6,994	(79,302)
Internal Audit	778,845	778,845	733,204	(1)(2)	28,725	(45,641)
Maintenance and Operations	53,943,468	59,189,050	57,503,668	(1)(2)	2,652,861	(1,685,382)
Management and Budget	1,157,233	1,157,233	885,181	(1)(2)	45,061	(272,052)
Mayor	1,922,658	2,062,658	1,937,828	(1)(2)	3,473	(124,830)
Municipal Attorney	7,790,481	7,790,481	7,214,879	(1)(2)	153,264	(575,602)
Municipal Manager	2,665,946	2,665,946	2,496,902	(1)(2)	36,760	(169,044)
Non Departmental	1,363,441	1,363,441	1,441,171	-	1,441,171	77,730
Police and Fire Retiree Medical	192,367	192,367	161,367	(1)(2)	12,899	(31,000)
Police	130,400,301	132,590,167	127,219,120	(1)(2)	10,511,208	(5,371,047)
Public Transportation	26,345,467	26,558,953	26,562,125	(1)(2)	387,465	3,172
Public Works	56,009,591	61,444,726	60,180,290	(1)(2)	456,309	(1,264,436)
Purchasing	1,875,301	1,875,301	1,639,043	(1)(2)	12,408	(236,258)
Real Estate Services	7,727,192	7,759,777	7,764,662	(1)(2)	57,057,794	4,885
Total expenditures and other financing uses	<u>779,485,296</u>	<u>804,612,517</u>	<u>781,106,485</u>		<u>83,023,822</u>	<u>(23,506,032)</u>
Net Intragovernmental Costs & Billings:						
Add: net intragovernmental costs and billings	<u>10,882,945</u>	<u>10,882,945</u>	<u>10,837,629</u>		<u>-</u>	<u>(45,316)</u>
Total expenditures and other financing uses	<u>\$ 790,368,241</u>	<u>\$ 815,495,462</u>	<u>\$ 791,944,114</u>		<u>\$ 83,023,822</u>	<u>\$ (23,551,348)</u>

Explanation of differences:

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

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

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.



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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

The **Opioid Settlement Fund** accounts for proceeds received from settlements that have been reached with manufacturers, distributors, and other entities involved in the opioid epidemic.

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

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

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

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

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

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

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

The **Alcoholic Beverages Retail Sales Tax Fund** accounts for monies collected from the sales tax on alcoholic beverages to be used for funding police and first responders, address child abuse, sexual assault and domestic violence, and substance abuse treatment, mental and behavioral health, and homelessness.

The **Nuisance Property Abatement Fund** accounts for monies dedicated to addressing, mitigating, and abating nuisances on private property within the Municipality.

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

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

Debt Service Funds

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

The **CIVICVentures Revenue Bond Fund** accounts for the accumulation of lodging revenue, transfers, investment earnings, and debt service on the Civic Center revenue bonds.

The **Police and Fire Certificate of Participation Bond Fund** accounts for the certificate of participation bond issued to fund the Police and Fire Pension Trust Fund.

Capital Projects Funds

Capital projects funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Areawide Fund** accounts for general government construction projects not accounted for in other funds.

The **Public Safety Fund** accounts for capital improvement projects in support of police, fire, and rescue operations.

The **Public Transportation Fund** accounts for capital improvement projects for transit facilities and equipment.

The **Miscellaneous Fund** accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

The **Parks and Recreation Fund** accounts for parks and recreation capital improvement projects in the taxing districts which receive parks and recreation services.

The **Historic Preservation Fund** accounts for the preservation of historic structures.

The **Heritage Land Bank Fund** accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

Permanent Fund

Permanent funds report resources legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-1

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

	Special Revenue						Federal Grants
	Heritage Land Bank	Opioid Settlement Fund	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	
Assets							
Cash	\$ -	\$ -	\$ 72,763	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	4,771,114	898,367	799,605	30,556,049	2,812,059	9,546,189	22,427,420
Investments	-	-	-	-	-	-	-
Accrued interest on investments	-	-	-	-	-	-	-
Due from other funds	85,000	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	3,004,336	1,026,256	30	-
Intergovernmental receivables	-	-	-	-	-	45,706,129	6,734,675
Special assessments receivable, net	-	-	-	-	-	-	-
Leases receivable	2,885,778	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	264	-
Loans receivable	1,294,347	-	-	-	-	-	2,318,223
Advances to other funds	850,000	-	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	-	-
Total assets	9,886,239	898,367	872,368	33,560,385	3,838,315	55,252,612	31,480,318
Deferred Outflows of Resources							
Deferred grant advancement	-	-	-	-	-	102,569	-
Total assets and deferred outflow of resources	9,886,239	898,367	872,368	33,560,385	3,838,315	55,355,181	31,480,318
Liabilities							
Accounts payable and retainages	\$ 1,132	\$ -	\$ 61,436	\$ 1,683,312	\$ 466,361	\$ 1,079,275	\$ 877,605
Accrued payroll liabilities	3,296	-	-	-	-	140,962	25,589
Due to other funds	-	-	-	-	-	-	-
Unearned revenue and deposits	52,364	-	-	-	-	2,019,910	29,215,226
Advances from other funds	-	-	-	-	-	25,890,212	-
Total liabilities	56,792	-	61,436	1,683,312	466,361	29,130,359	30,118,420
Deferred Inflows of Resources							
Intergovernmental revenues	-	-	-	-	-	1,791,758	1,002,140
Special assessments	-	-	-	-	-	-	-
Revenue - leases	2,904,264	-	-	-	-	-	-
Land sales	1,243,352	-	-	-	-	-	-
Total deferred inflows of resources	4,147,616	-	-	-	-	1,791,758	1,002,140
Fund Balances (Deficits)							
Nonspendable	50,995	-	-	-	-	264	-
Restricted	-	898,367	810,932	28,406,315	3,371,954	-	359,758
Committed	5,630,836	-	-	-	-	-	-
Assigned	-	-	-	3,470,758	-	24,432,800	-
Unassigned (Deficit)	-	-	-	-	-	-	-
Total fund balances (deficits)	5,681,831	898,367	810,932	31,877,073	3,371,954	24,433,064	359,758
Total liabilities, deferred inflows of resources, and fund balances (deficits)	9,886,239	898,367	872,368	33,560,385	3,838,315	55,355,181	31,480,318

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-1

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

	Special Revenue (Continued)						Total Special Revenue
	49th State Angel Fund	Police and Fire Retiree Medical Liability	Alcoholic Beverages Retail Sales Tax	Nuisance Property Abatement	Miscellaneous Operational Grants	Other Restricted Resources	
Assets							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,763
Cash and investments in central treasury	5,253,379	12,964	13,875,690	257,308	713,607	-	91,923,751
Investments	-	33,022,435	-	-	-	-	33,022,435
Accrued interest on investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	85,000
Due from component units	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	1,460,631	1,645	20,000	-	5,512,898
Intergovernmental receivables	-	-	-	-	-	-	52,440,804
Special assessments receivable, net	-	-	-	-	-	147,748	147,748
Leases receivable	-	-	-	-	-	-	2,885,778
Prepaid items and deposits	-	-	-	-	-	-	264
Loans receivable	-	-	-	-	-	-	3,612,570
Advances to other funds	-	-	-	-	-	-	850,000
Investments in Angel Fund program	4,472,962	-	-	-	-	-	4,472,962
Total assets	9,726,341	33,035,399	15,336,321	258,953	733,607	147,748	195,026,973
Deferred Outflows of Resources							
Deferred grant advancement	-	-	-	-	-	-	102,569
Total assets and deferred outflow of resources	\$ 9,726,341	\$ 33,035,399	\$ 15,336,321	\$ 258,953	\$ 733,607	\$ 147,748	\$ 195,129,542
Liabilities							
Accounts payable and retainages	\$ 655	\$ -	\$ 4,579,340	\$ 1,944	\$ 54,283	\$ 1,603	\$ 8,806,946
Accrued payroll liabilities	6,184	-	98,602	-	2,805	-	277,438
Due to other funds	-	-	-	-	-	341,035	341,035
Unearned revenue and deposits	-	-	15,000	-	20,000	-	31,322,500
Advances from other funds	-	-	-	-	-	-	25,890,212
Total liabilities	6,839	-	4,692,942	1,944	77,088	342,638	66,638,131
Deferred Inflows of Resources							
Intergovernmental revenues	-	-	-	-	-	-	2,793,898
Special assessments	-	-	-	-	-	-	-
Revenue - leases	-	-	-	-	-	-	2,904,264
Land sales	-	-	-	-	-	-	1,243,352
Total deferred inflows of resources	-	-	-	-	-	-	6,941,514
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	-	-	51,259
Restricted	9,719,502	33,035,399	10,643,379	249,130	-	-	87,494,736
Committed	-	-	-	-	653,530	-	6,284,366
Assigned	-	-	-	7,879	2,989	-	27,914,426
Unassigned (Deficit)	-	-	-	-	-	(194,890)	(194,890)
Total fund balances (deficits)	9,719,502	33,035,399	10,643,379	257,009	656,519	(194,890)	121,549,897
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 9,726,341	\$ 33,035,399	\$ 15,336,321	\$ 258,953	\$ 733,607	\$ 147,748	\$ 195,129,542

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-1

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

	Debt Service			
	ACPA Surcharge Revenue Bond	CIVICVentures Revenue Bond	Police and Fire Certificate of Participation Bond	Total Debt Service
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	510,777	-	-	510,777
Investments	-	13,540,750	768,074	14,308,824
Accrued interest on investments	-	22,719	2,357	25,076
Due from other funds	-	-	-	-
Due from component units	97,181	-	-	97,181
Receivables (net of allowance for uncollectibles)	-	-	-	-
Intergovernmental receivables	-	-	-	-
Special assessments receivable, net	-	-	-	-
Leases receivable	-	-	-	-
Prepaid items and deposits	-	-	-	-
Loans receivable	-	-	-	-
Advances to other funds	-	-	-	-
Investments in Angel Fund program	-	-	-	-
Total assets	607,958	13,563,469	770,431	14,941,858
Deferred Outflows of Resources				
Deferred grant advancement	-	-	-	-
Total assets and deferred outflow of resources	\$ 607,958	\$ 13,563,469	\$ 770,431	\$ 14,941,858
Liabilities				
Accounts payable and retainages	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	764,367	764,367
Unearned revenue and deposits	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	764,367	764,367
Deferred Inflows of Resources				
Intergovernmental revenues	-	-	-	-
Special assessments	-	-	-	-
Revenue - leases	-	-	-	-
Land sales	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances (Deficits)				
Nonspendable	-	-	-	-
Restricted	607,958	13,563,469	6,064	14,177,491
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total fund balances (deficits)	607,958	13,563,469	6,064	14,177,491
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 607,958	\$ 13,563,469	\$ 770,431	\$ 14,941,858

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-1

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

Capital Projects

	Areawide	Public Safety	Public Transportation	Miscellaneous	Parks and Recreation
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments in central treasury	34,346,480	12,069,722	-	262,383	13,715,655
Investments	-	-	-	-	-
Accrued interest on investments	-	-	-	-	-
Due from other funds	2,024,059	-	-	-	-
Due from component units	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	91,056	-	-	-	31,856
Intergovernmental receivables	6,084	-	6,086,804	82,944	396,033
Special assessments receivable, net	-	-	-	-	-
Leases receivable	-	-	-	-	-
Prepaid items and deposits	-	2,320,240	-	-	-
Loans receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-
Total assets	36,467,679	14,389,962	6,086,804	345,327	14,143,544
Deferred Outflows of Resources					
Deferred grant advancement	-	-	-	-	-
Total assets and deferred outflow of resources	\$ 36,467,679	\$ 14,389,962	\$ 6,086,804	\$ 345,327	\$ 14,143,544
Liabilities					
Accounts payable and retainages	\$ 3,162,631	\$ 340,064	\$ 1,985,080	\$ 10,701	\$ 138,425
Accrued payroll liabilities	4,018	-	8	-	147
Due to other funds	89,910	-	2,024,059	-	-
Unearned revenue and deposits	-	-	-	30,058	32,734
Advances from other funds	304,838	-	-	-	-
Total liabilities	3,561,397	340,064	4,009,147	40,759	171,306
Deferred Inflows of Resources					
Intergovernmental revenues	-	-	-	-	-
Special assessments	-	-	-	2,904	-
Revenue - leases	-	-	-	-	-
Land sales	-	-	-	-	-
Total deferred inflows of resources	-	-	-	2,904	-
Fund Balances (Deficits)					
Nonspendable	-	2,320,240	-	-	-
Restricted	9,465,053	2,967,141	2,077,657	-	8,645,138
Committed	23,441,229	8,762,517	-	301,664	5,068,803
Assigned	-	-	-	-	258,297
Unassigned (Deficit)	-	-	-	-	-
Total fund balances (deficits)	32,906,282	14,049,898	2,077,657	301,664	13,972,238
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 36,467,679	\$ 14,389,962	\$ 6,086,804	\$ 345,327	\$ 14,143,544

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-1

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2022

	Capital Projects (Continued)			Permanent Fund	Total
	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	Nonmajor Governmental Funds
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 72,763
Cash and investments in central treasury	74,737	2,272,450	62,741,427	635,844	155,811,799
Investments	-	-	-	-	47,331,259
Accrued interest on investments	-	-	-	-	25,076
Due from other funds	-	-	2,024,059	-	2,109,059
Due from component units	-	-	-	-	97,181
Receivables (net of allowance for uncollectibles)	-	-	122,912	-	5,635,810
Intergovernmental receivables	-	-	6,571,865	-	59,012,669
Special assessments receivable, net	-	-	-	-	147,748
Leases receivable	-	-	-	-	2,885,778
Prepaid items and deposits	-	-	2,320,240	-	2,320,504
Loans receivable	-	-	-	-	3,612,570
Advances to other funds	-	-	-	-	850,000
Investments in Angel Fund program	-	-	-	-	4,472,962
Total assets	74,737	2,272,450	73,780,503	635,844	284,385,178
Deferred Outflows of Resources					
Deferred grant advancement	-	-	-	-	102,569
Total assets and deferred outflow of resources	\$ 74,737	\$ 2,272,450	\$ 73,780,503	\$ 635,844	\$ 284,487,747
Liabilities					
Accounts payable and retainages	\$ -	\$ 52,014	\$ 5,688,915	\$ -	\$ 14,495,861
Accrued payroll liabilities	-	-	4,173	-	281,611
Due to other funds	-	-	2,113,969	-	3,219,371
Unearned revenue and deposits	-	-	62,792	-	31,385,292
Advances from other funds	-	-	304,838	-	26,195,050
Total liabilities	-	52,014	8,174,687	-	75,577,185
Deferred Inflows of Resources					
Intergovernmental revenues	-	-	-	-	2,793,898
Special assessments	-	-	2,904	-	2,904
Revenue - leases	-	-	-	-	2,904,264
Land sales	-	-	-	-	1,243,352
Total deferred inflows of resources	-	-	2,904	-	6,944,418
Fund Balances (Deficits)					
Nonspendable	-	-	2,320,240	150,000	2,521,499
Restricted	-	-	23,154,989	-	124,827,216
Committed	121	2,220,436	39,794,770	-	46,079,136
Assigned	74,616	-	332,913	485,844	28,733,183
Unassigned (Deficit)	-	-	-	-	(194,890)
Total fund balances (deficits)	74,737	2,220,436	65,602,912	635,844	201,966,144
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 74,737	\$ 2,272,450	\$ 73,780,503	\$ 635,844	\$ 284,487,747

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
 Year Ended December 31, 2022

	Special Revenue								
	Heritage Land Bank	Opioid Settlement Fund	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund	Police and Fire Retiree Medical Liability
Revenues									
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ 24,071,350	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental	7,819	-	-	-	-	63,919,689	66,120,522	-	-
Charges for services	695,598	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	26,799	-	-	-	-	-	-
E911 surcharges	-	-	-	-	8,015,895	-	-	-	-
Investment income (loss)	(33,892)	-	8,838	(418,474)	(14,411)	16,065	(110,244)	(369,577)	(5,896,544)
Restricted contributions	-	-	-	-	-	-	-	-	-
Other	-	898,367	-	-	-	(328,542)	(266,525)	-	-
Total revenues	669,525	898,367	35,637	23,652,876	8,001,484	63,607,212	65,743,753	(369,577)	(5,896,544)
Expenditures									
Current:									
General government	437,482	-	-	-	-	21,072,134	1,597,906	54,441	42,440
Fire services	-	-	-	-	1,145,034	563,783	84,807	-	1,755,284
Police services	-	-	275,853	-	5,600,118	1,936,821	1,691,216	-	1,933,513
Health and human services	-	-	-	-	-	17,128,112	36,920,194	-	-
Economic and community development	-	-	-	10,218,665	-	2,578,784	17,927,093	-	-
Public transportation	-	-	-	-	-	2,375,007	6,304,695	-	-
Public works	-	-	-	-	-	1,624,159	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	-	1,023,687	1,630,791	-	-
Debt service:									
Principal	-	-	-	-	-	20,098	-	-	-
Interest and fiscal agent charges	-	-	-	-	-	3,830	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Total expenditures	437,482	-	275,853	10,218,665	6,745,152	48,326,415	66,156,702	54,441	3,731,237
Excess (deficiency) of revenues over expenditures	232,043	898,367	(240,216)	13,434,211	1,256,332	15,280,797	(412,949)	(424,018)	(9,627,781)
Other Financing Sources (Uses)									
Transfers from other funds	-	-	-	617,464	-	642,867	158,682	-	1,086,933
Transfers to other funds	(80,000)	-	-	(8,403,871)	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-
Premium on bonds and notes	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	24,006	-	-	-
Proceeds from sale of capital assets	1,252,054	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,172,054	-	-	(7,786,407)	-	666,873	158,682	-	1,086,933
Net change in fund balances	1,404,097	898,367	(240,216)	5,647,804	1,256,332	15,947,670	(254,267)	(424,018)	(8,540,848)
Fund balances (deficits), beginning of year	4,277,734	-	1,051,148	26,229,269	2,115,622	8,485,394	614,025	10,143,520	41,576,247
Fund balances (deficits), end of year	\$ 5,681,831	\$ 898,367	\$ 810,932	\$ 31,877,073	\$ 3,371,954	\$ 24,433,064	\$ 359,758	\$ 9,719,502	\$ 33,035,399

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
 Year Ended December 31, 2022

	Special Revenue (Continued)					Debt Service			
	Alcoholic	Nuisance	Miscellaneous	Other	Total	Police and Fire			Total
	Beverages					CIVIC	Ventures	Certificate of	
	Retail	Property	Operational	Restricted	Special	ACPA	Revenue	Participation	Total
Sales Tax	Abatement	Grants	Resources	Revenue	Surcharge	Bond	Bond	Debt Service	
Revenues									
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ 24,071,350	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	16,154,168	-	-	-	16,154,168	-	-	-	-
Special assessments	-	-	-	890,547	890,547	-	-	-	-
Intergovernmental	2,294	-	-	-	130,050,324	-	-	-	-
Charges for services	-	4,553	-	-	700,151	-	-	-	-
Fines and forfeitures	-	105,688	-	-	132,487	-	-	-	-
E911 surcharges	-	-	-	-	8,015,895	-	-	-	-
Investment income (loss)	(77,656)	(478)	266	(22,671)	(6,918,778)	(12,548)	(186,477)	5,901	(193,124)
Restricted contributions	-	-	114,339	-	114,339	-	-	-	-
Other	-	-	-	-	303,300	240,380	-	-	240,380
Total revenues	16,078,806	109,763	114,605	867,876	173,513,783	227,832	(186,477)	5,901	47,256
Expenditures									
Current:									
General government	501,687	-	4,001	1,026,373	24,736,464	-	-	-	-
Fire services	519,166	-	-	-	4,068,074	-	-	-	-
Police services	890,478	-	-	-	12,327,999	-	-	-	-
Health and human services	10,055,059	-	30,088	-	64,133,453	-	-	-	-
Economic and community development	931,836	210,964	170,924	-	32,038,266	-	-	-	-
Public transportation	-	-	-	-	8,679,702	-	-	-	-
Public works	-	-	2,500	-	1,626,659	-	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	2,654,478	-	-	-	-
Debt service:									
Principal	-	-	-	-	20,098	160,000	2,790,000	3,790,000	6,740,000
Interest and fiscal agent charges	-	-	-	-	3,830	140,250	3,700,450	1,642,172	5,482,872
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Total expenditures	12,898,226	210,964	207,513	1,026,373	150,289,023	300,250	6,490,450	5,432,172	12,222,872
Excess (deficiency) of revenues over expenditures	3,180,580	(101,201)	(92,908)	(158,497)	23,224,760	(72,418)	(6,676,927)	(5,426,271)	(12,175,616)
Other Financing Sources (Uses)									
Transfers from other funds	-	196,000	20,000	-	2,721,946	-	6,905,750	5,432,172	12,337,922
Transfers to other funds	(1,300,000)	-	(51,262)	-	(9,835,133)	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-
Premium on bonds and notes	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	24,006	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	1,252,054	-	-	-	-
Total other financing sources (uses)	(1,300,000)	196,000	(31,262)	-	(5,837,127)	-	6,905,750	5,432,172	12,337,922
Net change in fund balances	1,880,580	94,799	(124,170)	(158,497)	17,387,633	(72,418)	228,823	5,901	162,306
Fund balances (deficits), beginning of year	8,762,799	162,210	780,689	(36,393)	104,162,264	680,376	13,334,646	163	14,015,185
Fund balances (deficits), end of year	\$ 10,643,379	\$ 257,009	\$ 656,519	\$ (194,890)	\$ 121,549,897	\$ 607,958	\$ 13,563,469	\$ 6,064	\$ 14,177,491

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
 Year Ended December 31, 2022

	Capital Projects				
	Areawide	Public Safety	Public Transportation	Miscellaneous	Parks and Recreation
Revenues					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Alcoholic beverages retail sales taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental	18,216	454,537	6,784,599	180,621	286,255
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
E911 surcharges	-	-	-	-	-
Investment income (loss)	(68,555)	-	-	-	(24,531)
Restricted contributions	1,103,013	-	-	-	(76,383)
Other	-	-	-	-	-
Total revenues	<u>1,052,674</u>	<u>454,537</u>	<u>6,784,599</u>	<u>180,621</u>	<u>185,341</u>
Expenditures					
Current:					
General government	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	-	-	-	-
Health and human services	-	-	-	-	-
Economic and community development	-	-	-	-	-
Public transportation	-	-	-	-	-
Public works	-	-	-	-	-
Maintenance and operations of roads and facilities	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal agent charges	-	-	-	-	-
Bond issuance costs	83,133	42,285	20,833	-	64,372
Capital projects	<u>12,498,122</u>	<u>4,252,624</u>	<u>9,251,305</u>	<u>186,465</u>	<u>4,664,848</u>
Total expenditures	<u>12,581,255</u>	<u>4,294,909</u>	<u>9,272,138</u>	<u>186,465</u>	<u>4,729,220</u>
Excess (deficiency) of revenues over expenditures	(11,528,581)	(3,840,372)	(2,487,539)	(5,844)	(4,543,879)
Other Financing Sources (Uses)					
Transfers from other funds	12,542,846	6,924,000	551,194	40,000	1,647,302
Transfers to other funds	(73,200)	(683)	(338)	-	(208,511)
General obligation bonds issued	8,865,204	4,509,129	2,221,571	-	6,864,507
Premium on bonds and notes	892,272	453,839	223,599	-	690,906
Insurance recoveries	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>22,227,122</u>	<u>11,886,285</u>	<u>2,996,026</u>	<u>40,000</u>	<u>8,994,204</u>
Net change in fund balances	10,698,541	8,045,913	508,487	34,156	4,450,325
Fund balances (deficits), beginning of year	<u>22,207,741</u>	<u>6,003,985</u>	<u>1,569,170</u>	<u>267,508</u>	<u>9,521,913</u>
Fund balances (deficits), end of year	<u>\$ 32,906,282</u>	<u>\$ 14,049,898</u>	<u>\$ 2,077,657</u>	<u>\$ 301,664</u>	<u>\$ 13,972,238</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit F-2

Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
 Year Ended December 31, 2022

	Capital Projects (Continued)		Permanent Fund		Total Nonmajor Governmental Funds
	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	
Revenues					
Hotel and motel taxes	\$ -	\$ -	\$ -	\$ -	24,071,350
Alcoholic beverages retail sales taxes	-	-	-	-	16,154,168
Special assessments	-	-	-	-	890,547
Intergovernmental	-	-	7,724,228	-	137,774,552
Charges for services	-	-	-	11,970	712,121
Fines and forfeitures	-	-	-	-	132,487
E911 surcharges	-	-	-	-	8,015,895
Investment income (loss)	(1,213)	-	(94,299)	(9,481)	(7,215,682)
Restricted contributions	-	-	1,026,630	-	1,140,969
Other	-	-	-	-	543,680
Total revenues	(1,213)	-	8,656,559	2,489	182,220,087
Expenditures					
Current:					
General government	-	-	-	-	24,736,464
Fire services	-	-	-	-	4,068,074
Police services	-	-	-	-	12,327,999
Health and human services	-	-	-	-	64,133,453
Economic and community development	-	-	-	-	32,038,266
Public transportation	-	-	-	-	8,679,702
Public works	-	-	-	-	1,626,659
Maintenance and operations of roads and facilities	-	-	-	-	2,654,478
Debt service:					
Principal	-	-	-	-	6,760,098
Interest and fiscal agent charges	-	-	-	-	5,486,702
Bond issuance costs	-	-	210,623	-	210,623
Capital projects	400	193,534	31,047,298	-	31,047,298
Total expenditures	400	193,534	31,257,921	-	193,769,816
Excess (deficiency) of revenues over expenditures	(1,613)	(193,534)	(22,601,362)	2,489	(11,549,729)
Other Financing Sources (Uses)					
Transfers from other funds	121	80,000	21,785,463	-	36,845,331
Transfers to other funds	-	-	(282,732)	-	(10,117,865)
General obligation bonds issued	-	-	22,460,411	-	22,460,411
Premium on bonds and notes	-	-	2,260,616	-	2,260,616
Insurance recoveries	-	-	-	-	24,006
Proceeds from sale of capital assets	-	-	-	-	1,252,054
Total other financing sources (uses)	121	80,000	46,223,758	-	52,724,553
Net change in fund balances	(1,492)	(113,534)	23,622,396	2,489	41,174,824
Fund balances (deficits), beginning of year	76,229	2,333,970	41,980,516	633,355	160,791,320
Fund balances (deficits), end of year	\$ 74,737	\$ 2,220,436	\$ 65,602,912	\$ 635,844	\$ 201,966,144

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-1

MOA Trust Fund

Permanent Fund

Budgetary Comparison Schedule

Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income (loss)	\$ 1,950,000	\$ (50,144,845)	\$ (52,094,845)
Expenditures			
Current:			
General government	1,950,000	2,218,649	(268,649)
Excess (deficiency) of revenues over expenditures	-	(52,363,494)	(51,826,196)
Other Financing Sources (Uses)			
Transfers to other funds	(18,800,000)	(17,100,000)	1,700,000
Transfers from other funds	-	2,326,125	2,326,125
Total other financing sources (uses)	(18,800,000)	(14,773,875)	4,026,125
Net change in fund balance	(18,800,000)	(67,137,369)	(47,800,071)
Fund balance, beginning of year	448,095,517	448,095,517	-
Fund balance, end of year	<u>\$ 429,295,517</u>	<u>\$ 380,958,148</u>	<u>\$ (47,800,071)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-2

Heritage Land Bank
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Intergovernmental	\$ -	\$ 7,819	\$ 7,819
Charges for services	350,210	385,889	35,679
Investment income (loss)	34,000	(33,892)	(67,892)
Lease income	283,223	280,907	(2,316)
Interest income on leases	28,802	28,802	-
Total revenues	<u>696,235</u>	<u>669,525</u>	<u>(26,710)</u>
Expenditures			
Current:			
General government	<u>780,321</u>	<u>437,482</u>	<u>342,839</u>
Excess (deficiency) of revenues over expenditures	(84,086)	232,043	(369,549)
Other Financing Sources (Uses)			
Transfers to other funds	(80,000)	(80,000)	-
Proceeds from sale of capital assets	924,000	1,252,054	328,054
Total other financing sources (uses)	<u>844,000</u>	<u>1,172,054</u>	<u>328,054</u>
Net change in fund balance	759,914	1,404,097	(41,495)
Fund balance, beginning of year	4,277,734	4,277,734	-
Fund balance, end of year	<u>\$ 5,037,648</u>	<u>\$ 5,681,831</u>	<u>\$ (41,495)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-3

Convention Center Operating Reserve
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Hotel and motel taxes	\$ 18,132,101	\$ 24,071,350	\$ 5,939,249
Investment income (loss)	27,000	(418,474)	(445,474)
Total revenues	<u>18,159,101</u>	<u>23,652,876</u>	<u>5,493,775</u>
Expenditures			
Current:			
Economic and community development	10,370,412	10,218,665	151,747
Debt service:			
Interest and fiscal agent charges	1,000	-	1,000
Total expenditures	<u>10,371,412</u>	<u>10,218,665</u>	<u>152,747</u>
Excess of revenues over expenditures	7,787,689	13,434,211	5,646,522
Other Financing Sources (Uses)			
Transfers to other funds	(8,403,871)	(8,403,871)	-
Transfers from other funds	333,363	617,464	284,101
Total other financing sources (uses)	<u>(8,070,508)</u>	<u>(7,786,407)</u>	<u>284,101</u>
Net change in fund balance	(282,819)	5,647,804	5,930,623
Fund balance, beginning of year	26,229,269	26,229,269	-
Fund balance, end of year	<u>\$ 25,946,450</u>	<u>\$ 31,877,073</u>	<u>\$ 5,930,623</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-4

E911 Surcharge
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
E911 surcharges	\$ 7,967,411	\$ 8,015,895	\$ 48,484
Investment income (loss)	10,000	(14,411)	(24,411)
Total revenues	<u>7,977,411</u>	<u>8,001,484</u>	<u>24,073</u>
Expenditures			
Current:			
Fire services	1,156,935	1,145,034	11,901
Police services	6,918,043	5,600,118	1,317,925
Total expenditures	<u>8,074,978</u>	<u>6,745,152</u>	<u>1,329,826</u>
Excess of revenues over expenditures	(97,567)	1,256,332	1,353,899
Other financing sources (uses)			
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(97,567)	1,256,332	1,353,899
Fund balance, beginning of year	2,115,622	2,115,622	-
Fund balance, end of year	<u>\$ 2,018,055</u>	<u>\$ 3,371,954</u>	<u>\$ 1,353,899</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-5

Police and Fire Retiree Medical Liability

Special Revenue Fund

Budgetary Comparison Schedule

Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income (loss)	\$ 6,125,828	\$ (5,896,544)	\$ (12,022,372)
Total revenues	<u>6,125,828</u>	<u>(5,896,544)</u>	<u>(12,022,372)</u>
Expenditures			
Current:			
General government	88,000	42,440	45,560
Fire services	1,767,429	1,755,284	12,145
Police services	1,946,890	1,933,513	13,377
Total expenditures	<u>3,802,319</u>	<u>3,731,237</u>	<u>71,082</u>
Excess (deficiency) of revenues over expenditures	2,323,509	(9,627,781)	(11,951,290)
Other Financing Sources			
Transfers to other funds	-	-	-
Transfers from other funds	1,086,934	1,086,934	-
Total other financing sources (uses)	<u>1,086,934</u>	<u>1,086,934</u>	<u>-</u>
Net change in fund balance	3,410,443	(8,540,847)	(11,951,290)
Fund balance, beginning of year	41,576,247	41,576,247	-
Fund balance, end of year	<u>\$ 44,986,690</u>	<u>\$ 33,035,400</u>	<u>\$ (11,951,290)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-6

Alcoholic Beverages Retail Sales Tax
Special Revenue Fund
Budgetary Comparison Schedule
Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Alcoholic beverages retail sales taxes	\$ 15,430,150	\$ 16,154,168	\$ 724,018
Investment loss	-	(77,656)	(77,656)
Intergovernmental	-	2,294	2,294
Other	-	-	-
Total revenues	<u>15,430,150</u>	<u>16,078,806</u>	<u>648,656</u>
Expenditures			
Current:			
General government	650,159	501,687	148,472
Fire services	2,657,504	519,166	2,138,338
Police services	1,089,741	890,478	199,263
Health and human services	16,372,119	10,055,059	6,317,060
Economic and community development	1,121,672	931,836	189,836
Total expenditures	<u>21,891,195</u>	<u>12,898,226</u>	<u>8,992,969</u>
Excess (deficiency) of revenues over expenditures	(6,461,045)	3,180,580	9,641,625
Other Financing Uses			
Transfers to other funds	(1,300,000)	(1,300,000)	-
Total other financing uses	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>-</u>
Net change in fund balance	(7,761,045)	1,880,580	9,641,625
Fund balance, beginning of year	8,762,799	8,762,799	-
Fund balance, end of year	<u>\$ 1,001,754</u>	<u>\$ 10,643,379</u>	<u>\$ 9,641,625</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-7

Nuisance Property Abatement
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Charges for services	\$ 9,000	\$ 4,553	\$ (4,447)
Fines and forfeitures	75,000	105,688	30,688
Investment loss	-	(478)	(478)
Total revenues	<u>84,000</u>	<u>109,763</u>	<u>25,763</u>
Expenditures			
Current:			
Economic and community development	280,000	210,964	69,036
Total expenditures	<u>280,000</u>	<u>210,964</u>	<u>69,036</u>
Excess (deficiency) of revenues over expenditures	(196,000)	(101,201)	94,799
Other Financing Sources			
Transfers from other funds	196,000	196,000	-
Total other financing sources	<u>196,000</u>	<u>196,000</u>	<u>-</u>
Net change in fund balance	-	94,799	94,799
Fund balance, beginning of year	162,210	162,210	-
Fund balance, end of year	<u>\$ 162,210</u>	<u>\$ 257,009</u>	<u>\$ 94,799</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-8

Other Restricted Resources
 Special Revenue Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Special assessments	\$ 1,044,373	\$ 890,547	\$ (153,826)
Investment income (loss)	1,000	(22,671)	(23,671)
Total revenues	<u>1,045,373</u>	<u>867,876</u>	<u>(177,497)</u>
Expenditures			
Current:			
General government	1,044,373	1,026,373	18,000
Total expenditures	<u>1,044,373</u>	<u>1,026,373</u>	<u>18,000</u>
Excess of revenues over expenditures	1,000	(158,497)	(159,497)
Other financing sources			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund deficit	1,000	(158,497)	(159,497)
Fund deficit, beginning of year	(36,393)	(36,393)	-
Fund deficit, end of year	<u>\$ (35,393)</u>	<u>\$ (194,890)</u>	<u>\$ (159,497)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit G-9

Alaska Center for the Performing Arts, Inc. Surcharge Revenue Bond

Debt Service Fund

Budgetary Comparison Schedule

Year Ended December 31, 2022

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income (loss)	\$ 2,000	\$ (12,548)	\$ (14,548)
Other	286,000	240,380	(45,620)
Total revenues	<u>288,000</u>	<u>227,832</u>	<u>(60,168)</u>
Expenditures			
Debt service:			
Principal	160,000	160,000	-
Interest and fiscal agent charges	140,250	140,250	-
Total expenditures	<u>300,250</u>	<u>300,250</u>	<u>-</u>
Excess of revenues over expenditures	(12,250)	(72,418)	(60,168)
Net change in fund balance	(12,250)	(72,418)	(60,168)
Fund balance, beginning of year	680,376	680,376	-
Fund balance, end of year	<u>\$ 668,126</u>	<u>\$ 607,958</u>	<u>\$ (60,168)</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Police and Fire Retirement Certificate of Participation Bond
 Debt Service Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2022

Exhibit G-10

	Final Amended Budget	Actual	Variance With Budget
Revenues			
Investment income	\$ 10	\$ 5,901	\$ 5,891
Expenditures			
Principal	3,790,000	3,790,000	-
Interest and fiscal agent charges	1,642,172	1,642,172	-
Total expenditures	<u>5,432,172</u>	<u>5,432,172</u>	-
Deficiency of revenues over expenditures	(5,432,162)	(5,426,271)	5,891
Other Financing Sources			
Transfers from other funds	<u>5,430,923</u>	<u>5,432,172</u>	1,249
Net change in fund balance	(1,239)	5,901	7,140
Fund balance, beginning of year	163	163	-
Fund balance, end of year	<u>\$ (1,076)</u>	<u>\$ 6,064</u>	<u>\$ 7,140</u>



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NONMAJOR ENTERPRISE FUNDS

Enterprise funds account for activities for which a fee is charged to external users for goods or services received.

The **Refuse Utility Fund** accounts for the Municipal-owned refuse collection services.

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

The **Electric Utility Fund** accounts for the remaining activity after the sale of the Electric Utility.

The **Anchorage Hydropower Fund** accounts for the remaining assets from the Electric Utility sale, including the installment sale revenues.

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-1

Nonmajor Enterprise Funds
Combining Statement of Net Position
December 31, 2022

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
Assets				
Current assets:				
Cash	\$ 1,051	\$ 200	\$ -	\$ 1,251
Cash and investments in central treasury	6,046,198	394,830	3,558,425	9,999,453
Equity in bond and grant capital acquisition and construction pool	4,042,590	-	279,150	4,321,740
Accrued interest on investments	377,305	-	-	377,305
Intergovernmental receivables	-	2,256,997	-	2,256,997
Receivables (net of allowance for uncollectibles)	1,046,933	250,837	37,820	1,335,590
Leases receivable, current portion	-	196,867	-	196,867
Interest receivable on leases	-	49,038	-	49,038
Prepaid items and deposits	5,266	2,476	-	7,742
Restricted assets:				
Intergovernmental receivable	7,024	-	-	7,024
Total current assets	11,526,367	3,151,245	3,875,395	18,553,007
Noncurrent assets:				
Receivable - installment sale of Electric Utility	-	-	99,406,418	99,406,418
Leases receivable	-	13,687,484	-	13,687,484
Net OPEB asset	1,375,167	176,271	-	1,551,438
Regulatory and other assets	-	-	1,351,896	1,351,896
Restricted assets:				
Debt service investments	4,088	-	-	4,088
Intergovernmental receivable	-	1,393,374	-	1,393,374
Investments for operations	-	-	3,000,000	3,000,000
Capital assets, net	49,770,710	87,665,520	7,448,876	144,885,106
Total noncurrent assets	51,149,965	102,922,649	111,207,190	265,279,804
Total assets	62,676,332	106,073,894	115,082,585	283,832,811
Deferred Outflows of Resources				
Related to pension	269,460	34,540	-	304,000
Related to OPEB	129,743	16,631	-	146,374
Total deferred outflows of resources	399,203	51,171	-	450,374
Total assets and deferred outflows of resources	\$ 63,075,535	\$ 106,125,065	\$ 115,082,585	\$ 284,283,185

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-1

Nonmajor Enterprise Funds
Combining Statement of Net Position
December 31, 2022

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Total
Liabilities				
Current liabilities:				
Accounts payable and retainages	\$ 133,107	\$ 84,893	\$ 13,129	\$ 231,129
Accrued interest payable	45,405	-	-	45,405
Accrued payroll liabilities	161,050	39,799	-	200,849
Capital acquisition and construction accounts and retainage payable	1,360,699	264,648	397,089	2,022,436
Compensated absences	202,694	72,748	-	275,442
Unearned revenues	156,430	14,170	-	170,600
Current liabilities payable from restricted assets:				
Capital acquisition and construction accounts and retainage payable	-	-	-	-
Total current liabilities	2,059,385	476,258	410,218	2,945,861
Noncurrent liabilities:				
Notes payable	2,963,254	-	-	2,963,254
Bonds payable	38,734,275	-	-	38,734,275
Net pension liability	3,408,769	436,945	-	3,845,714
Net OPEB liability	-	-	-	-
Total noncurrent liabilities	45,106,298	436,945	-	45,543,243
Total liabilities	47,165,683	913,203	410,218	48,489,104
Deferred Inflows of Resources				
Related to pension	-	-	-	-
Related to OPEB	118,215	15,153	-	133,368
Related to leases	-	13,727,344	-	13,727,344
Related to FEMA reimbursement	-	-	-	-
Related to installment sale of electric utility	-	-	99,406,418	99,406,418
Total deferred inflows of resources	118,215	13,742,497	99,406,418	113,267,130
Net Position				
Net investment in capital assets	6,712,482	87,400,872	7,051,787	101,165,141
Restricted for capital construction	7,024	1,393,374	-	1,400,398
Restricted for operations	-	-	3,000,000	3,000,000
Restricted for postclosure care	-	-	-	-
Unrestricted	9,072,131	2,675,119	5,214,162	16,961,412
Total net position	15,791,637	91,469,365	15,265,949	122,526,951
Total liabilities, deferred inflows of resources, and net position	\$ 63,075,535	\$ 106,125,065	\$ 115,082,585	\$ 284,283,185

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-2

Nonmajor Enterprise Funds

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

Year Ended December 31, 2022

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Electric Utility
Operating Revenues				
Charges for sales and services	\$13,018,189	\$1,167,936	\$2,274,149	\$ -
Lease income	-	409,493	-	-
Other	151,525	-	238,926	-
Total operating revenues	<u>13,169,714</u>	<u>1,577,429</u>	<u>2,513,075</u>	<u>-</u>
Operating Expenses				
Operations	9,510,900	2,916,015	239,050	-
Depreciation and amortization	1,511,928	3,152,959	301,806	-
Total operating expenses	<u>11,022,828</u>	<u>6,068,974</u>	<u>540,856</u>	<u>-</u>
Operating income (loss)	<u>2,146,886</u>	<u>(4,491,545)</u>	<u>1,972,219</u>	<u>-</u>
Nonoperating Revenues (Expenses)				
Investment loss	(136,482)	(28,389)	(61,138)	-
Intergovernmental revenue (expense)	(55,033)	2,379,330	-	-
Installment sale	-	-	2,539,706	-
Other revenues	-	-	10	-
Interest income on leases	-	612,361	-	-
Interest expense	(633,115)	-	-	-
Loss on sale of capital assets	(13,130)	-	-	-
Net nonoperating revenues (expenses)	<u>(837,760)</u>	<u>2,963,302</u>	<u>2,478,578</u>	<u>-</u>
Income (loss) before capital contributions and transfers	1,309,126	(1,528,243)	4,450,797	-
Capital contributions	-	3,011,888	-	-
Transfers to other funds	(512,984)	(74,612)	(2,626,125)	(18,148,145)
Change in net position	<u>796,142</u>	<u>1,409,033</u>	<u>1,824,672</u>	<u>(18,148,145)</u>
Net position, beginning of year	14,995,495	90,060,332	13,441,277	18,148,145
Net position, end of year	<u>\$15,791,637</u>	<u>\$91,469,365</u>	<u>\$15,265,949</u>	<u>\$ -</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-2

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position
Year Ended December 31, 2022

	Total Nonmajor Enterprise Funds
Operating Revenues	
Charges for sales and services	\$16,460,274
Lease income	409,493
Other	390,451
Total operating revenues	<u>17,260,218</u>
Operating Expenses	
Operations	12,665,965
Depreciation and amortization	4,966,693
Total operating expenses	<u>17,632,658</u>
Operating income (loss)	<u>(372,440)</u>
Nonoperating Revenues (Expenses)	
Investment loss	(226,009)
Intergovernmental revenue (expense)	2,324,297
Installment sale	2,539,706
Other revenues	10
Interest income on leases	612,361
Interest expense	(633,115)
Loss on sale of capital assets	(13,130)
Net nonoperating revenues (expenses)	<u>4,604,120</u>
Income (loss) before capital contributions and transfers	4,231,680
Capital contributions	3,011,888
Transfers to other funds	(21,361,866)
Change in net position	<u>(14,118,298)</u>
Net position, beginning of year	<u>136,645,249</u>
Net position, end of year	<u><u>\$122,526,951</u></u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit H-3

Nonmajor Enterprise Funds
Combining Statement of Cash Flows
Year ended December 31, 2022

	Refuse Utility	Municipal Airport	Anchorage Hydropower	Electric Utility	Total
Cash Flows From Operating Activities					
Receipts from customers	\$13,667,352	\$1,114,070	\$2,476,570	\$ -	\$17,257,992
Other cash receipts	-	-	238,926	884,354	1,123,280
Payments to employees	(4,402,101)	(1,049,309)	-	-	(5,451,410)
Payments to vendors	(4,385,052)	(1,930,016)	(235,003)	(6,262)	(6,556,333)
Payments for interfund services used	(1,273,982)	(250,004)	-	-	(1,523,986)
Net cash from operating activities	3,606,217	(2,115,259)	2,480,493	878,092	4,849,543
Cash Flows From Non-capital Financing Activities					
Transfers to other funds	(512,984)	(74,612)	(2,626,125)	(18,148,145)	(21,361,866)
Due to other funds	-	-	(581,895)	-	(581,895)
Proceeds from installment sale	-	-	2,539,706	-	2,539,706
Net cash from non-capital financing activities	(512,984)	(74,612)	(668,314)	(18,148,145)	(19,404,055)
Cash Flows From Capital and Related Financing Activities					
Principal payments on long-term obligations	(21,404,900)	-	-	-	(21,404,900)
Interest payments on long-term obligations	(1,406,080)	-	-	-	(1,406,080)
Acquisition and construction of capital assets	(17,086,177)	(3,217,929)	40,297	-	(20,263,809)
Proceeds from issuance of debt	39,511,800	-	-	-	39,511,800
Interest proceeds from leases	-	563,322	-	-	563,322
Capital grant proceeds	27,521	-	-	-	27,521
Capital contributions	-	3,897,713	-	-	3,897,713
Net cash from capital and related financing activities	(357,836)	1,243,106	40,297	-	925,567
Cash Flows From Investing Activities					
Investment loss	(358,427)	(28,389)	(61,138)	-	(447,954)
Net increase (decrease) in cash	2,376,970	(975,154)	1,791,338	(17,270,053)	(14,076,899)
Cash, beginning of year	7,716,957	1,370,184	5,046,237	17,270,053	31,403,431
Cash, end of year	\$ 10,093,927	\$ 395,030	\$ 6,837,575	\$ -	\$ 17,326,532
Cash	1,051	200	-	-	1,251
Cash and investments in central treasury	6,046,198	394,830	3,558,425	-	9,999,453
Capital acquisition and construction accounts	4,042,590	-	279,150	-	4,321,740
Restricted for debt service	4,088	-	-	-	4,088
Restricted investments for operations	-	-	3,000,000	-	3,000,000
Cash, December 31	\$ 10,093,927	\$ 395,030	\$ 6,837,575	\$ -	\$ 17,326,532
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities:					
Operating income (loss)	\$ 2,146,886	\$ (4,491,545)	\$ 1,972,219	\$ -	\$ (372,440)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,511,928	3,152,959	301,806	-	4,966,693
Other revenues	-	-	10	-	10
Pension and OPEB relief - noncash expense	(65,269)	(8,366)	-	-	(73,635)
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:					
Accounts receivable, net	482,590	(239,490)	202,411	884,354	1,329,865
Leases receivable, net	-	673,300	-	-	673,300
Net OPEB asset	374,576	121,781	-	-	496,357
Prepaid items and deposits	(2,111)	(215)	-	-	(2,326)
Deferred outflows of resources related to pension	(46,407)	3,455	-	-	(42,952)
Deferred outflows of resources related to OPEB	(90,682)	(9,976)	-	-	(100,658)
Accounts payable, other accrued liabilities, and retainages	41,751	(134,966)	4,047	(6,262)	(95,430)
Accrued payroll liabilities	6,337	(9,935)	-	-	(3,598)
Compensated absences payable	7,028	5,691	-	-	12,719
Unearned revenue and deposits	15,049	(66,862)	-	-	(51,813)
Net pension liability	995,038	25,788	-	-	1,020,826
Deferred inflows of resources related to leases	-	(830,307)	-	-	(830,307)
Deferred inflows of resources related to pension	(962,543)	(163,960)	-	-	(1,126,503)
Deferred inflows of resources related to OPEB	(807,954)	(142,611)	-	-	(950,565)
Total cash from operating activities	3,606,217	(2,115,259)	2,480,493	878,092	4,849,543
Noncash Investing, Capital, and Financing Activities:					
Capital purchases on account	1,360,699	264,648	397,089	-	2,022,436
Contributed capital for equipment	10,236	3,011,888	-	-	3,022,124
Total noncash investing, capital, and financing activities	\$ 1,370,935	\$ 3,276,536	\$ 397,089	\$ -	\$ 5,044,560

INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis.

Risk Management Funds account for money received from other Municipal funds to pay the costs of self-insurance claims in the following categories:

- General liability, automobile liability, workers' compensation
- Medical/Dental
- Unemployment compensation

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

The **Information Technology Fund** accounts for management information services.

MUNICIPALITY OF ANCHORAGE, ALASKA
Internal Service Funds
Combining Statement of Net Position (Deficit)
December 31, 2022

Exhibit I-1

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Assets			
Current assets:			
Cash and investments in central treasury	\$ 11,415,426	\$ 36,857,715	\$ 3,575,466
Equity in bond and grant capital acquisition and construction pool	-	-	-
Receivables (net of allowance for uncollectibles)	16,793	1,064,254	-
Inventories	-	-	-
Prepaid items and deposits	917,926	-	-
Total current assets	12,350,145	37,921,969	3,575,466
Noncurrent assets:			
Advances to other funds	6,136,651	67,911	-
Net OPEB asset	155,662	-	-
Capital assets, net	-	-	-
Total noncurrent assets	6,292,313	67,911	-
Total assets	18,642,458	37,989,880	3,575,466
Deferred Outflows of Resources			
Related to pension	30,502	-	-
Related to OPEB	14,686	-	-
Total deferred outflows of resources	45,188	-	-
Total assets and deferred outflows of resources	\$ 18,687,646	\$ 37,989,880	\$ 3,575,466
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 194,868	\$ 367,951	\$ -
Accrued payroll liabilities	10,474	4,180	-
Capital acquisition and construction accounts and retainage payable	-	-	-
Compensated absences	35,100	16,673	-
Claims payable and incurred but not reported	23,525,419	7,008,376	24,852
Due to other funds	-	-	-
Accrued interest payable	-	-	-
Long-term obligations maturing within one year - Direct Financing Agreements	-	-	-
Total current liabilities	23,765,861	7,397,180	24,852
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences	961	16,004	-
Direct Financing Agreements	-	-	-
Claims payable and incurred but not reported	8,309,072	-	-
Net pension liability	385,856	-	-
Total noncurrent liabilities	8,695,889	16,004	-
Total liabilities	32,461,750	7,413,184	24,852
Deferred Inflows of Resources			
Related to OPEB	13,381	-	-
Net Position (Deficit)			
Net investment in capital assets	-	-	-
Unrestricted net position (deficit)	(13,787,485)	30,576,696	3,550,614
Total net position (deficit)	(13,787,485)	30,576,696	3,550,614
Total liabilities, deferred inflows of resources, and net position (deficit)	\$ 18,687,646	\$ 37,989,880	\$ 3,575,466

MUNICIPALITY OF ANCHORAGE, ALASKA
Internal Service Funds
Combining Statement of Net Position (Deficit)
December 31, 2022

Exhibit I-1

Assets	Equipment Maintenance	Information Technology	Total Internal Service Funds
Current assets:			
Cash and investments in central treasury	\$ -	\$ 8,643	\$ 51,857,250
Equity in bond and grant capital acquisition and construction pool	9,087,149	-	9,087,149
Receivables (net of allowance for uncollectibles)	-	27,277	1,108,324
Inventories	419,808	-	419,808
Prepaid items and deposits	-	1,824,463	2,742,389
Total current assets	9,506,957	1,860,383	65,214,920
Noncurrent assets:			
Advances to other funds	-	-	6,204,562
Net OPEB asset	1,442,302	4,305,412	5,903,376
Capital assets, net	18,299,387	42,569,838	60,869,225
Total noncurrent assets	19,741,689	46,875,250	72,977,163
Total assets	29,248,646	48,735,633	138,192,083
Deferred Outflows of Resources			
Related to pension	282,615	843,634	1,156,751
Related to OPEB	136,077	406,204	556,967
Total deferred outflows of resources	418,692	1,249,838	1,713,718
Total assets and deferred outflows of resources	\$ 29,667,338	\$ 49,985,471	\$ 139,905,801
Liabilities			
Current liabilities:			
Accounts payable and retainages	\$ 184,300	\$ 1,754,901	\$ 2,502,020
Accrued payroll liabilities	160,026	366,575	541,255
Capital acquisition and construction accounts and retainage payable	734,554	244,448	979,002
Compensated absences	186,763	557,181	795,717
Claims payable and incurred but not reported	-	-	30,558,647
Due to other funds	85,000	-	85,000
Accrued interest payable	-	100,577	100,577
Long-term obligations maturing within one year - Direct Financing Agreements	-	7,399,580	7,399,580
Total current liabilities	1,350,643	10,423,262	42,961,798
Noncurrent liabilities:			
Advances from other funds	850,000	27,217,783	28,067,783
Compensated absences	-	274,291	291,256
Direct Financing Agreements	-	7,521,027	7,521,027
Claims payable and incurred but not reported	-	-	8,309,072
Net pension liability	3,575,183	10,672,272	14,633,311
Total noncurrent liabilities	4,425,183	45,685,373	58,822,449
Total liabilities	5,775,826	56,108,635	101,784,247
Deferred Inflows of Resources			
Related to OPEB	123,987	370,112	507,480
Net Position (Deficit)			
Net investment in capital assets	17,564,833	27,404,783	44,969,616
Unrestricted net position (deficit)	6,202,692	(33,898,059)	(7,355,542)
Total net position (deficit)	23,767,525	(6,493,276)	37,614,074
Total liabilities, deferred inflows of resources, and net position (deficit)	\$ 29,667,338	\$ 49,985,471	\$ 139,905,801

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-2

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)

Year Ended December 31, 2022

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Operating Revenues			
Charges for sales and services	\$ 11,975,152	\$ 52,813,471	\$ 508,763
Other	5,166	157,217	-
Total operating revenues	<u>11,980,318</u>	<u>52,970,688</u>	<u>508,763</u>
Operating Expenses			
Operations	16,305,628	52,201,254	157,658
Depreciation and amortization	-	-	-
Total operating expenses	<u>16,305,628</u>	<u>52,201,254</u>	<u>157,658</u>
Operating income (loss)	<u>(4,325,310)</u>	<u>769,434</u>	<u>351,105</u>
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	(7,388)	-	-
Investment loss	(28,176)	(616,086)	(48,184)
Other revenues	-	-	-
Other expenses	-	-	-
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Net nonoperating revenues (expenses)	<u>(35,564)</u>	<u>(616,086)</u>	<u>(48,184)</u>
Income (loss) before capital contributions and transfers	(4,360,874)	153,348	302,921
Capital contributions	-	-	-
Transfers of capital assets to governmental activities	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Change in net position	<u>(4,360,874)</u>	<u>153,348</u>	<u>302,921</u>
Net position (deficit), beginning of year	(9,426,611)	30,423,348	3,247,693
Net position (deficit), end of year	<u>\$ (13,787,485)</u>	<u>\$ 30,576,696</u>	<u>\$ 3,550,614</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-2

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position (Deficit)
Year Ended December 31, 2022

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Operating Revenues			
Charges for sales and services	\$ 10,573,732	\$ 26,505,671	\$ 102,376,789
Other	-	-	162,383
Total operating revenues	<u>10,573,732</u>	<u>26,505,671</u>	<u>102,539,172</u>
Operating Expenses			
Operations	8,089,960	19,520,561	96,275,061
Depreciation and amortization	3,268,242	10,125,274	13,393,516
Total operating expenses	<u>11,358,202</u>	<u>29,645,835</u>	<u>109,668,577</u>
Operating income (loss)	<u>(784,470)</u>	<u>(3,140,164)</u>	<u>(7,129,405)</u>
Nonoperating Revenues (Expenses)			
Intergovernmental revenue	(68,456)	(204,346)	(280,190)
Investment loss	(106,809)	(1,104,682)	(1,903,937)
Other revenues	204,061	-	204,061
Other expenses	-	(11,000)	(11,000)
Interest expense	(38,103)	(480,399)	(518,502)
Loss on sale of capital assets	(337,292)	(116,443)	(453,735)
Net nonoperating revenues (expenses)	<u>(346,599)</u>	<u>(1,916,870)</u>	<u>(2,963,303)</u>
Income (loss) before capital contributions and transfers	(1,131,069)	(5,057,034)	(10,092,708)
Capital contributions	3,029,031	-	3,029,031
Transfers of capital assets to governmental activities	-	(5,611,685)	(5,611,685)
Transfers from other funds	-	1,395,814	1,395,814
Transfers to other funds	-	(90,348)	(90,348)
Change in net position	<u>1,897,962</u>	<u>(9,363,253)</u>	<u>(11,369,896)</u>
Net position (deficit), beginning of year	21,869,563	2,869,977	48,983,970
Net position (deficit), end of year	<u>\$ 23,767,525</u>	<u>\$ (6,493,276)</u>	<u>\$ 37,614,074</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-3

Internal Service Funds
Combining Statement of Cash Flows
Year Ended December 31, 2022

	Risk Management		
	General Liability / Workers' Compensation	Medical / Dental	Unemployment Compensation
Cash Flows from Operating Activities			
Receipts for interfund services provided	\$ 11,980,319	\$ 51,906,434	\$ 508,763
Payments to employees	(473,751)	(329,126)	-
Payments to vendors	(11,363,372)	(50,867,562)	(226,302)
Payments for interfund services used	(1,317,738)	(7,980)	-
Net cash from operating activities	(1,174,542)	701,766	282,461
Cash Flows from Non-capital Financing Activities			
Transfers to other funds	-	-	-
Transfers from other funds	-	-	-
Due to other funds	-	-	-
Intergovernmental	(7,388)	-	-
Advance to other funds	(325,138)	23,684	-
Net cash from non-capital financing activities	(332,526)	23,684	-
Cash Flows from Capital and Related Financing Activities			
Principal payments on long-term obligations	-	-	-
Interest payments on long-term obligations	-	-	-
Proceeds from issuance of Direct Financing Agreements	-	-	-
Acquisition and construction of capital assets	-	-	-
Capital Contributions	-	-	-
Net cash from capital and related financing activities	-	-	-
Cash Flows from Investing Activities			
Investment loss	(28,176)	(616,086)	(48,184)
Net increase (decrease) in cash	(1,535,244)	109,364	234,277
Cash, beginning of year	12,950,670	36,748,351	3,341,189
Cash, end of year	11,415,426	36,857,715	3,575,466
Cash and investments in central treasury	11,415,426	36,857,715	3,575,466
Equity in bond and capital acquisition and construction accounts	-	-	-
Cash, December 31	\$ 11,415,426	\$ 36,857,715	\$ 3,575,466
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating income (loss)	\$ (4,325,310)	\$ 769,434	\$ 351,105
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	-	-	-
Other (revenues) / expenses	-	-	-
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:			
Accounts receivable, net	-	(1,064,254)	-
Prepaid items and deposits	(132,866)	-	-
Inventories	-	-	-
Net OPEB asset	55,971	-	-
Deferred outflows of resources related to pension	(3,524)	-	-
Deferred outflows of resources related to OPEB	(9,962)	-	-
Accounts payable and retainages	194,860	139,170	-
Accrued payroll liabilities	(3,470)	(8,634)	-
Compensated absences payable	(3,646)	(14,917)	-
Claims payable	3,174,552	880,967	(68,644)
Net pension liability	93,913	-	-
Deferred inflows of resources related to pension	(116,420)	-	-
Deferred inflows of resources related to OPEB	(98,640)	-	-
Total cash from operating activities	(1,174,542)	701,766	282,461
Noncash Investing, Capital, and Financing Activities:			
Capital purchases on account	-	-	-
Total noncash investing, capital, and financing activities	\$ -	\$ -	\$ -

MUNICIPALITY OF ANCHORAGE, ALASKA

Exhibit I-3

Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2022

	Equipment Maintenance	Information Technology	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts for interfund services provided	\$ 10,799,725	\$ 26,478,395	\$ 101,673,636
Payments to employees	(883,302)	(10,278,854)	(11,965,033)
Payments to vendors	(6,290,476)	(7,235,983)	(75,983,695)
Payments for interfund services used	(1,831,725)	(827,109)	(3,984,552)
Net cash from operating activities	1,794,222	8,136,449	9,740,356
Cash Flows from Non-capital Financing Activities			
Transfers to other funds	-	(90,348)	(90,348)
Transfers from other funds	-	1,395,814	1,395,814
Due to other funds	-	2,072,744	2,072,744
Intergovernmental	(68,456)	(204,346)	(280,190)
Advance to other funds	(85,000)	-	(386,454)
Net cash from non-capital financing activities	(153,456)	3,173,864	2,711,566
Cash Flows from Capital and Related Financing Activities			
Principal payments on long-term obligations	-	(8,121,513)	(8,121,513)
Interest payments on long-term obligations	(38,103)	(532,475)	(570,578)
Proceeds from issuance of Direct Financing Agreements	-	824,700	824,700
Acquisition and construction of capital assets	(4,579,373)	(2,367,700)	(6,947,073)
Capital Contributions	3,029,031	-	3,029,031
Net cash from capital and related financing activities	(1,588,445)	(10,196,988)	(11,785,433)
Cash Flows from Investing Activities			
Investment loss	(106,809)	(1,104,682)	(1,903,937)
Net increase (decrease) in cash	(54,488)	8,643	(1,237,448)
Cash, beginning of year	9,141,637	-	62,181,847
Cash, end of year	9,087,149	8,643	60,944,399
Cash and investments in central treasury	-	8,643	51,857,250
Equity in bond and capital acquisition and construction accounts	9,087,149	-	9,087,149
Cash, December 31	\$ 9,087,149	\$ 8,643	\$ 60,944,399
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating income (loss)	\$ (784,470)	\$ (3,140,164)	\$ (7,129,405)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	3,268,242	10,125,274	13,393,516
Other (revenues) / expenses	204,061	(11,000)	193,061
Changes in assets, deferred outflows and inflows of resources, and liabilities that increase (decrease) cash:			
Accounts receivable, net	21,932	(27,277)	(1,069,599)
Prepaid items and deposits	-	27,477	(105,389)
Inventories	35,413	-	35,413
Net OPEB asset	607,315	(871,342)	(208,056)
Deferred outflows of resources related to pension	(21,335)	(405,867)	(430,726)
Deferred outflows of resources related to OPEB	(90,321)	(329,542)	(429,825)
Accounts payable and retainages	(67,654)	106,788	373,164
Accrued payroll liabilities	(5,783)	(23,880)	(41,767)
Compensated absences payable	(32,546)	87,633	36,524
Claims payable	-	-	3,986,875
Net pension liability	747,782	5,935,048	6,776,743
Deferred inflows of resources related to pension	(1,127,504)	(1,889,099)	(3,133,023)
Deferred inflows of resources related to OPEB	(960,910)	(1,447,600)	(2,507,150)
Total cash from operating activities	1,794,222	8,136,449	9,740,356
Noncash Investing, Capital, and Financing Activities:			
Capital purchases on account	734,554	244,448	979,002
Total noncash investing, capital, and financing activities	\$ 734,554	\$ 244,448	\$ 979,002



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FIDUCIARY FUNDS

Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

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

The **Police and Fire Retiree Medical Trust Funds** account for contributions and distributions on behalf of Police and Fire retirees who are eligible for the plan covered by the Trust.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Fiduciary Funds
 Combining Statements of Fiduciary Net Position
 December 31, 2022

	Police and Fire Retirement Trust Funds				Police and Fire Retiree Medical Trust Fund	Total Fiduciary Funds
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Police/Fire Medical Group	
Assets						
Cash and cash equivalents	\$ 15,515	\$ 12,663	\$ 55,778	\$ 83,956	\$ 16,397	\$ 100,353
Securities lending collateral	780,163	636,729	2,804,740	4,221,632	-	4,221,632
Accrued interest	42,004	34,276	151,014	227,294	60,563	287,857
Investments:						
Money market funds	1,114,522	909,469	4,006,970	6,030,961	1,589,262	7,620,223
Certificate of deposit	-	-	-	-	6,551,263	6,551,263
U.S. treasuries	-	-	-	-	4,722,093	4,722,093
U.S. agencies	-	-	-	-	4,373,202	4,373,202
Corporate fixed income securities	10,782,279	8,798,526	38,764,861	58,345,666	-	58,345,666
Domestic fixed income funds	-	-	-	-	958,917	958,917
International fixed income funds	953,090	777,738	3,426,588	5,157,416	290,399	5,447,815
Domestic equity securities	28,009,611	22,864,448	100,691,112	151,565,171	1,764,153	153,329,324
International equity securities	10,447,305	8,525,182	37,560,550	56,533,037	1,220,511	57,753,548
Real estate funds	10,065,137	8,213,326	36,186,565	54,465,028	-	54,465,028
Total investments	61,371,944	50,088,689	220,636,646	332,097,279	21,469,800	353,567,079
Capital assets, net	267	218	959	1,444	-	1,444
Total assets	62,209,893	50,772,575	223,649,137	336,631,605	21,546,760	358,178,365
Liabilities						
Accounts payable and accrued expenses	13,241	10,807	47,602	71,650	12,764	84,414
Payable under securities lending program	780,162	636,729	2,804,741	4,221,632	-	4,221,632
Total liabilities	793,403	647,536	2,852,343	4,293,282	12,764	4,306,046
Net Position						
Restricted for:						
Pensions	61,416,490	50,125,039	220,796,794	332,338,323	-	332,338,323
Postemployment benefits other than pensions	-	-	-	-	21,533,996	21,533,996
Total net position	\$ 61,416,490	\$ 50,125,039	\$ 220,796,794	\$ 332,338,323	\$ 21,533,996	\$ 353,872,319

MUNICIPALITY OF ANCHORAGE, ALASKA
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 Year ended December 31, 2022

	Police and Fire Retirement Trust Funds				Police and Fire Retiree Medical Trust Fund	Total Fiduciary Funds
	Police/Fire Retirement System Plan I	Police/Fire Retirement System Plan II	Police/Fire Retirement System Plan III	Total	Police/Fire Medical Group	
Additions						
Contributions from the Municipality	\$ -	\$ -	\$ -	\$ -	\$ 3,666,621	\$ 3,666,621
Contributions from plan members	-	-	38,052	38,052	-	38,052
Investment income (loss):						
Interest	341,719	277,627	1,211,617	1,830,963	14,046	1,845,009
Dividends	719,328	584,553	2,552,207	3,856,088	367,742	4,223,830
Net decrease in fair value of investments	(9,575,142)	(7,757,037)	(33,659,607)	(50,991,786)	(2,106,182)	(53,097,968)
Less: investment expense	(345,003)	(280,230)	(1,222,440)	(1,847,673)	(26,911)	(1,874,584)
Net investment loss	(8,859,098)	(7,175,087)	(31,118,223)	(47,152,408)	(1,751,305)	(48,903,713)
Total additions	(8,859,098)	(7,175,087)	(31,080,171)	(47,114,356)	1,915,316	(45,199,040)
Deductions						
Regular benefit payments	7,621,647	5,620,967	19,818,155	33,060,769	3,806,615	36,867,384
Administrative expenses	128,719	104,937	468,614	702,270	79,712	781,982
Total deductions	7,750,366	5,725,904	20,286,769	33,763,039	3,886,327	37,649,366
Change in fiduciary net position	(16,609,464)	(12,900,991)	(51,366,940)	(80,877,395)	(1,971,011)	(82,848,406)
Net position, beginning of year	78,025,954	63,026,030	272,163,734	413,215,718	23,505,007	436,720,725
Net position, end of year	\$ 61,416,490	\$ 50,125,039	\$ 220,796,794	\$ 332,338,323	\$ 21,533,996	\$ 353,872,319



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