MUNICIPALITY OF ANCHORAGE, ALASKA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2014

Daniel A. Sullivan
Mayor

Prepared by:
Finance Department

Katherine Giard
CFO

Tom Fink
Controller

Cover photo courtesy of Heather Bromaghin, Anchorage resident.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table of Contents

	Page(s)
Introductory Section:	
Letter of Transmittal	i - iv
Certificate of Achievement for Excellence in Financial Reporting	v
Organizational Chart	vi
Principal Officials	vii
Municipality of Anchorage Vicinity Map	viii
Financial Section:	
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	20-23
Statement of Activities	24-25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26-27
Reconciliation of Net Assets between the Government-wide and Fund Financial Statements	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	29-30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Net Position – Proprietary Funds	32-35
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	36-37
Statement of Cash Flows – Proprietary Funds	38-41
Statement of Net Position – Fiduciary Funds	42
Statement of Changes in Net Position – Fiduciary Funds	43
Notes to Basic Financial Statements – Index	44
Notes to Basic Financial Statements	45-99
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund by Function	101
Notes to Required Supplementary Information – Budgetary Data	102-103
Required Supplementary Information – Condition Rating of Anchorage's Road Network	104
Required Supplementary Information – Pension Schedule of Funding Progress	105
Required Supplementary Information – Other Post Employment Information Schedule of Funding Progress	106
Supplementary Information:	
Budgetary Comparison Schedule – General Fund by Sub-Fund	108
Budgetary Comparison Schedule – General Fund by Department	109
Nonmajor Governmental Funds:	
Combining Balance Sheet	113-116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	117-120

MUNICIPALITY OF ANCHORAGE, ALASKA

Table of Contents

Budgetary Comparison Schedules:		
Heritage Land Bank		121
Convention Center Operating Reserve		122
E911 Surcharge		123
Police/Fire Retiree Medical Liability		124
Jail Revenue Bond		125
ACPA Surcharge Revenue Bond		126
Nonmajor Enterprise Funds:		
Combining Statement of Net Position		128
Combining Statement of Revenues, Expenses and Changes in Net Position		129
Combining Statement of Cash Flows		130
Internal Service Funds:		
Combining Statement of Net Position		132-133
Combining Statement of Revenues, Expenses and Changes in Net Position		134-135
Combining Statement of Cash Flows		136-137
Fiduciary Funds:		
Combining Statement of Net Position		140-141
Combining Statement of Changes in Fiduciary Net Position		142-143
Statistical Section:		
Table 1.	Net Position by Component	146
Table 2.	Change in Net Position	147-148
Table 3.	Charges for Services by Function/Program	149
Table 4.	Fund Balances, Governmental Funds	150
Table 5.	Changes in Fund Balance, Governmental Funds	151
Table 6.	Debt Service as a Percentage of Noncapital Expenditures	152
Table 7.	Tax Revenues by Source, Governmental Funds	153
Table 8.	Use of Property Taxes	154
Table 9.	Assessed Value and Estimated Actual Value of Taxable Property	155
Table 10.	Property Tax Rates	156
Table 11.	Principal Property Tax Payers	157
Table 12.	Property Tax Levies and Collections	158
Table 13.	Outstanding Debt by Type	159
Table 14.	Ratio of General bonded Debt Outstanding	160
Table 15.	Direct and Overlapping Debt	161
Table 16.	Legal Debt Margin	162
Table 17.	Pledged Revenue Coverage	163-165
Table 18.	Demographic Statistics	166
Table 19.	Principal Employers	167
Table 20.	Full-Time Equivalent Employees	168
Table 21.	Miscellaneous Statistical Data By Function	169-171

MUNICIPALITY OF ANCHORAGE

Mayor Dan Sullivan

June 10, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Municipality of Anchorage (Municipality) for the year ended December 31, 2014, is hereby submitted in accordance with Anchorage Home Rule Charter and Anchorage Municipal Code. These laws require an annual report on financial and administrative activities with an independent audit of all municipal accounts by a certified public accountant. BDO USA, LLP performed the independent audit. Management is responsible for the accuracy, completeness and fairness of the presentation including all disclosures.

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

As a recipient of federal grant awards, the Municipality is required to undergo an audit in accordance with the provisions of the U.S. Office of Management and Budget's (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and associated *Compliance Supplement.* A schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs will be included in a separately issued audit in accordance with OMB Circular A-133.

As a recipient of State of Alaska (State) grant awards, the Municipality is also required to undergo an audit in accordance with the provisions of Alaska State Regulation 2 AAC 45.010 and *Audit Guide and Compliance Supplement for State Single Audits.* A State Financial Assistance Schedule, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs will be included in separately issued State Financial Assistance Reports.

BDO USA, LLP was retained to perform both the financial and the compliance audits of Federal and State financial assistance programs for the year ended December 31, 2014. These audits were performed in accordance with Federal and State regulations and *Government Auditing Standards.* BDO USA, LLP audited all 2014 financial records except for those of Police & Fire Retirement Pension Trust Funds. BDO USA, LLP reports are included in the financial section of the CAFR and in both financial assistance reports. The Pension Trust Funds were audited by certified public accountants who issued an unmodified report.

Government Profile

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 encompasses approximately 1,955 square miles.

Mailing Address: P.O. Box 196650 ❖ Anchorage, Alaska 99519-6650 ❖ http://www.muni.org

The Municipality is operated under a strong mayoral system with an eleven member Assembly serving as the legislative branch. Leading the executive branch, the Mayor is responsible for appointing top executives and running the day to day governmental activities. The Assembly is responsible for approving ordinances, Municipal contracts, budgets, and certain appointments. A compilation of Municipal ordinances can be reviewed on-line in the Anchorage Municipal Code at www.muni.org.

The Municipality provides a full range of services, including police services, fire services, emergency medical services, health and human services, construction/maintenance of infrastructure, recreation activities, and public transportation services. Many of these services are provided on a service area basis with taxpayers residing in different property taxing districts paying for only those services they authorize and receive.

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

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

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

The financial reporting entity includes the following component units for which the Municipality is financially accountable; Anchorage School District (ASD), Alaska Center for the Performing Arts, Inc. (ACPA), CIVIC Ventures (CIVIC), and Anchorage Community Development Authority (ACDA). Additional information on all four 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 electric, water, wastewater, refuse collection, solid waste disposal, port, and Municipal airport. The Municipality contracts management of its sports arena, performing arts center, convention center, ice arenas, golf courses and equestrian center.

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

Local Economy

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

The Municipality has an approximate population of 300,549 which represents a slight decrease of less than .1 percent over the prior year. As the largest city in Alaska, the Municipality is home to approximately 41 percent of the State's residents.

For 2014, the Anchorage School District had 47,929 students enrolled for the 2014-2015 academic year, a decrease of less than one percent from the prior year. The Municipality is also home to the University of Alaska Anchorage, a State operated university, and Alaska Pacific University, a private independent university.

Unemployment in the Municipality decreased less than one percent in 2014. The average unemployment rate in 2014 of 5.1 percent decreased from 4.9 percent in 2013 and was significantly better than the national average of 6.2 percent.

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

Health care employment continues to be one of the fastest growing service producing industries adding 400 jobs during 2014. The aging of the State's population will likely continue to generate higher health care employment, though possibly at a more moderate pace. There continues to be considerable uncertainty due to the implementation of the Affordable Care Act and the possible implementation of Medicaid expansion. Though there are limits to this industry's expansion, the population over age 65 in the Municipality is expected to grow from 21,000 to 40,000 by 2020, driving demand for more services.

While oil prices have been on the decline, existing projects and developments are expected to support employment through 2015 near 2014 levels. Employment in this industry grew by 200 in 2014 but is projected to decline in 2015. Oil and gas related spending for 2015 in Alaska is estimated at $3.8 billion, a decrease of 2 percent from 2014.

The Municipality construction employment fell each year between 2007 and 2011. For 2014, employment numbers were even with 2013. The Municipality's building permits were up 8 percent over 2013 with significant growth in the second half of the year. While the state budget has been reduced, the outlook for 2015 remains positive as many projects have committed funding. The Associated General Contractors of Alaska 2015 forecasts estimates that over $8.5 billion will be spent this year on construction projects throughout the state, down 3 percent from 2014. Commercial building assessed values in the Municipality increased by 4.5 percent in 2013 while residential building assessed values increased by 4.2 percent.

The transportation sector consists of air cargo activity at the Ted Stevens Anchorage International Airport; in-state freight and passenger transportation by the State owned Alaska Railroad; and maritime transportation through the Municipal-owned Port. The Ted Stevens Anchorage International Airport continues to be one of the busiest cargo airports in North America. With greater dependence on airplanes to move people and freight, Alaska has a larger percentage of employment in the air transportation industry than the rest of the country. The Alaska Railroad brought in passenger revenues of $27.6 million in 2014 and increase of $2 million over 2013. The Port is ice free year round and is served by two major maritime carriers, Totem Ocean Trailer Express and Horizon Lines. With approximately 90 percent of all consumer goods arriving in Alaska through the port facilities and serving 75 percent of the population of Alaska, the Port is currently undergoing an intermodal expansion program that began in 2003. The Port's steady growth in the past decade is expected to continue. Containerized cargo and vehicle tonnage was up 4% over 2013. In addition, 6.7 million barrels of fuel came through the Port compared to 4.2 million barrels in 2013.

The tourism sector is a major economic driver for the Municipality offering a central location, available transportation infrastructure, and abundant recreational opportunities. In addition to Anchorage's regional sport fishing and tourism destinations, visitors often use Anchorage as the gateway to other Alaska destinations. In 2014, a record number of one million tourists came through Anchorage. Alaska tourism

industry accounts for more than 39,000 statewide jobs

Long-term Financial Planning

The Municipality has no legal debt limit mandated by its Charter, Code or State law. The Municipality continues to maintain outstanding credit ratings on all outstanding debt. Current long-term Municipality general obligation bond ratings are AAA by Standard and Poor's (S&P) and AA+ by Fitch Ratings (Fitch). The rating by Fitch was unchanged from 2011 but the rating from S&P went from AA+ to AAA during 2013. Revenue bond covenants stipulating debt service coverage requirements were met in 2014.

The Municipality's percentage of net general obligation debt to assessed valuation and bonded debt per capita are useful indicators to citizens and investors of Anchorage's debt position. The percentage of net direct general obligation debt, exclusive of ASD debt, to assessed valuation was 1.38 percent as of December 31, 2014, and the net direct general obligation debt per capita was $1,534. The respective amounts as of December 31, 2013 were 1.37 percent and $1,487. When ASD debt is included, net direct general obligation debt to assessed value as of December 31, 2014 is 3.13 percent (3.21 percent in 2013) and the net direct general obligation debt per capita is $3,466 ($3,474 in 2013).

Awards and Acknowledgements

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

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Municipality for its CAFR for the fiscal year ended December 31, 2013. This was the twenty-seventh consecutive year that the Municipality has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. Our 2013 report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. It is believed that our current report continues to conform to the Certificate of Achievement program requirements. The CAFR will be submitted to GFOA to determine its eligibility for another certification.

The preparation of the CAFR was made possible by the dedicated efforts of the entire Controller Division staff. We express sincere appreciation to our employees for their contribution to this report whether it was in processing daily transactions or in report preparation. We also express our appreciation to all other individuals who assisted in this effort.

Respectfully submitted:

Katherine Giard
CFO

Thomas Fink
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Municipality of Anchorage

Alaska

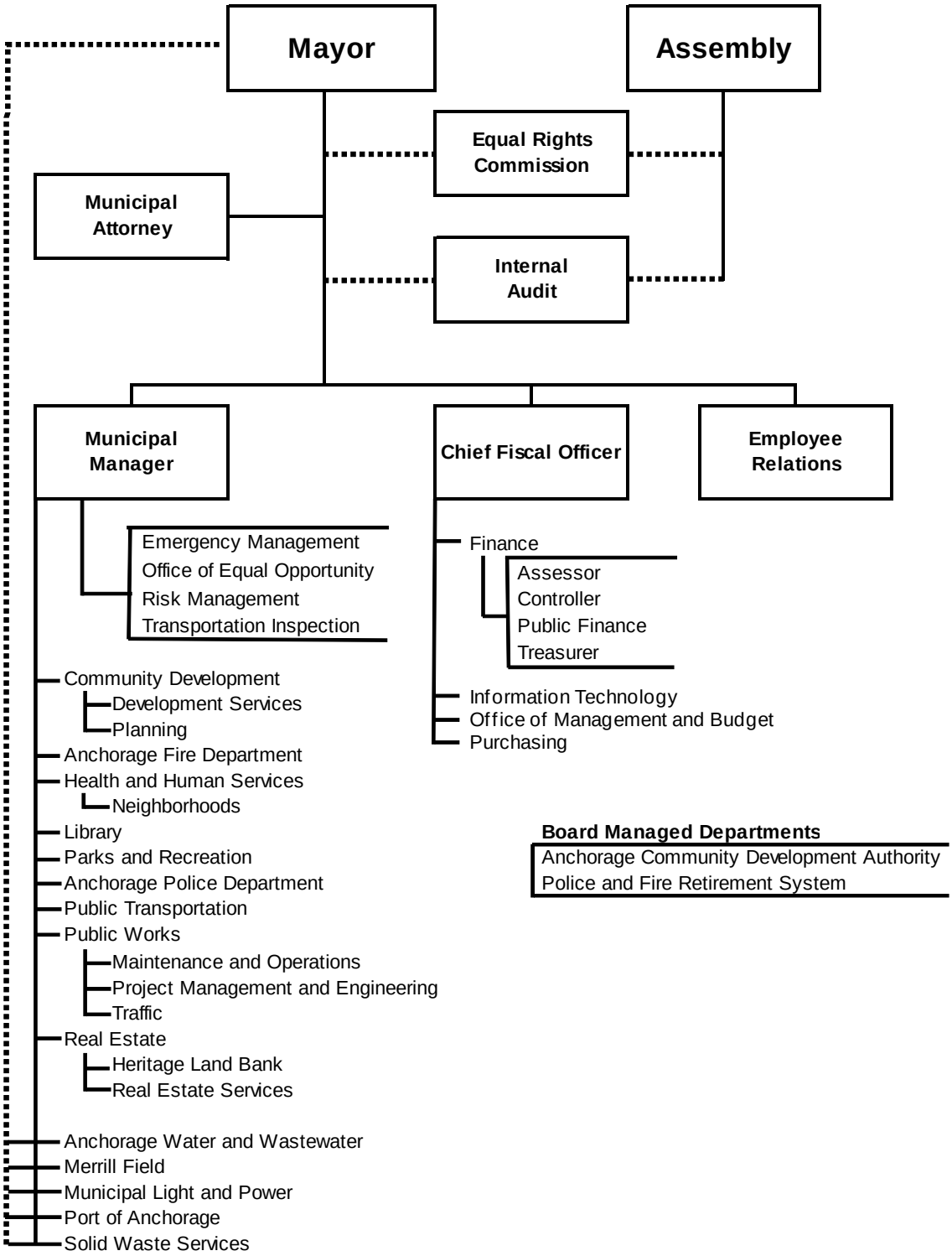
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Jeffrey R. Ernst

Executive Director/CEO

MUNICIPALITY OF ANCHORAGE



MUNICIPALITY OF ANCHORAGE

2014

PRINCIPAL OFFICIALS

ASSEMBLY

The legislative power of Anchorage is vested in an eleven member elected assembly. The Assembly, by Charter, is required to meet twice each month. The body meets on Tuesdays in the Assembly Chambers at 3600 Denali Street (Z.J. Loussac Library). Numerous special meetings and work sessions are scheduled throughout the year. At December 31, 2014, the following citizens were elected to serve on the Assembly.

Patrick Flynn, Chair

Ernie Hall	Tim Steele
Bill Evans	Elvi Gray-Jackson, Vice Chair
Jennifer Johnston	Paul Honeman
Pete Petersen	Amy Demboski
Dick Traini	Bill Starr

Barbara A. Jones, Municipal Clerk

ADMINISTRATION

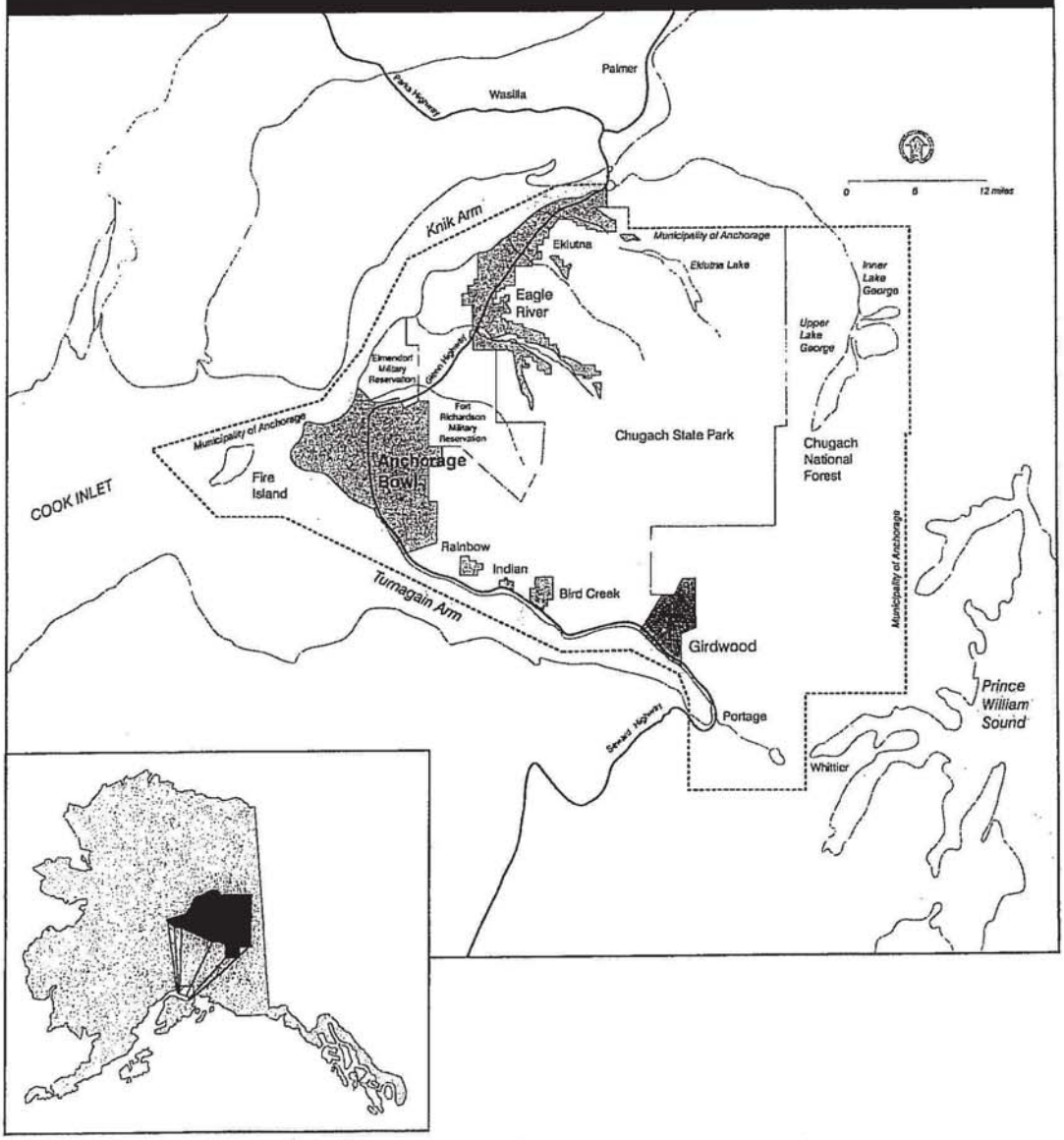
Daniel A. Sullivan, Mayor

George Vakalis, Municipal Manager

Dennis Wheeler, Municipal Attorney

Katherine Giard, CFO

Municipality of Anchorage Vicinity Map



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

3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police/Fire Retirement System fiduciary funds, which represent 43% and 51%, respectively, of the assets, and fund balance/net position of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police/Fire Retirement System fiduciary funds is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Police/Fire Retirement System fiduciary funds were not audited in accordance with *Government Auditing Standards*.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of Municipality of Anchorage, Alaska as of December 31, 2014, 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.

Emphasis of Matter

As discussed in Note 23 to the financial statements, amounts reported for Port of Anchorage construction work in progress and opening net position have been restated to correct for an accounting error. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-18, the budgetary comparison information, the condition rating of the Anchorage road network, the schedules of changes in employer net pension liability, and related ratios, investment returns, employer contributions and funding progress on pages 101 – 106, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended December 31, 2014 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Municipality of Anchorage's basic financial statements. The accompanying supplementary budgetary comparison schedules, the combining financial statements, and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and the combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2014 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2014.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Municipality of Anchorage as of for the year ended December 31, 2013 (not presented herein), and have issued our report thereon dated June 9, 2014, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type actives the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The nonmajor fund combining schedule subtotals for the year ended December 31, 2013 is presented for purpose of additional analysis and is 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 2013 financial statements. The 2013 totals were subjected to the auditing procedures, including comparing and reconciling such information

directly to the underlying account and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 totals are fairly stated in all material respects in relation to the basic financial statements as a whole for 2013.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2015 on our consideration of Municipality of Anchorage's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Municipality of Anchorage's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
June 10, 2015

MUNICIPALITY OF ANCHORAGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Municipality of Anchorage (Municipality), we offer readers of the Municipality's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All monetary amounts are in thousands of dollars, unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets of the Municipality exceeded its liabilities at the end of 2014 with reported net position of $3.8 billion.

- The Municipality's total net position increased by $69.5 million or approximately 1.9 percent for 2014. The increase reflects a change in net position of governmental activities of $33.1 million and a change in business-type activities of $36.4 million.

- During the year, the governmental activities generated $831.6 million in revenues not including transfers from, which was offset by expenses of $826.5 million, not including transfers to.

- During the year, the business-type activities generated $313.8 million in revenues not including transfers from, that was offset by expenses of $249.3 million, not including transfers to.

- As of December 31, 2014, the Municipality's governmental funds reported a combined ending fund balance of $356.6 million, an increase of $23.1 million. Of the fund balance, $4.7 million is non-spendable, $235.5 is restricted, $59.6 is committed, $38.4 is assigned and $18.4 is unassigned. Included in the committed fund balances are $39.6 million bond rating set asides.

- The Capital Projects Roads and Drainage Fund and the Port Fund did not meet the eligibility criteria as major funds but because of their significance to the Municipality's taxpayers they have been included.

- The Municipality's total capital assets (net of accumulated depreciation) at December 31, 2014 was $5.2 billion.

- The Municipality's total long-term debt at December 31, 2014 was $1.4 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

The statement of activities presents information showing how the Municipality's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event gives rise and when the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement on an accrual basis, with related cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Municipality that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Municipality include general government, fire and police services, health and human services, economic and community development, public transportation, public works, education, maintenance and operations of roads and facilities, and debt service. Governmental activities also include information from CIVICVentures, a blended component unit. The business-type activities of the Municipality include water and wastewater services, electric generation and distribution, port services, Municipal airport services, solid waste disposal services, and refuse collection services.

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Municipality maintains two different types of proprietary funds - enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Municipality uses enterprise funds to account for its water services; wastewater services; electric generation, transmission, and distribution; port services; Municipal airport services; solid waste disposal services, and refuse collection services.

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position for December 31, 2014 compared to the prior year (reference Table A-1).

Table A-1
Municipality's Net Position
(in thousands)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	Restated 2013	2014	Restated 2013
Current and other assets	$ 559,865	$ 525,813	$ 362,457	$ 364,209	$ 922,322	$ 890,022
Capital assets	3,291,592	3,272,951	1,901,287	1,780,769	5,192,879	5,053,720
Total assets	3,851,457	3,798,764	2,263,744	2,144,978	6,115,201	5,943,742
Deferred outflows of resources	-	-	2,895	3,867	2,895	3,867
Total deferred outflows of resources	-	-	2,895	3,867	2,895	3,867
Long-term liabilities	560,819	553,481	813,766	638,488	1,374,585	1,191,969
Other liabilities	215,294	197,617	111,697	190,963	326,991	388,580
Total liabilities	776,113	751,098	925,463	829,451	1,701,576	1,580,549
Deferred inflows of resources	995	6,442	586,119	600,710	587,114	607,152
Total deferred inflows of resources	995	6,442	586,119	600,710	587,114	607,152
Net invested in capital assets	2,712,415	2,702,921	629,848	560,691	3,342,263	3,263,612
Restricted	226,231	221,075	22,001	65,818	248,232	286,893
Unrestricted	135,703	117,228	103,208	92,175	238,911	209,403
Total net position	$ 3,074,349	$ 3,041,224	$ 755,057	$ 718,684	$ 3,829,406	$ 3,759,908

Overall Analysis

At December 31, 2014, the Municipality's assets and deferred outflows exceeded its liabilities and deferred inflows by $3.8 billion. Total net position increased $69.5 million or 1.9 percent.

The largest portion of the Municipality's net position (87 percent) reflects its investment in capital assets less any outstanding debt used to acquire those assets. The Municipality's capital assets are used to provide services to its citizens, consequently; they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position in the amount of $248.2 million represent those assets that the Municipality holds that are required to be spent for a specific purpose by outside sources and/or enabling legislation. Of this total, the Municipality reported $10.1 million restricted net position for the acquisition and construction of capital and $149 million representing the investment balance in the MOA Trust Fund.

The remaining balance of unrestricted net position of $238.9 million may be used for the Municipality's ongoing obligations to citizens and creditors.

Governmental Activities

The governmental activities total net position increased $33.1 million or 1.1 percent. The majority of this increase was due to increases in grants received for use in the cost of operations.

Investment in capital assets, net of debt increased $9.5 million or 0.35 percent. This increase is due to increased capitalizable expenditures in the Capital Projects Roads and Drainage Fund and Area-wide Capital Projects Fund in 2014.

Restricted net position increased $5.2 million or 2.3 percent. This increase is due to additional contributions to the MOA Trust fund and an increase in unspent grant proceeds.

Unrestricted net position is the remaining total net position that is not classified as either investment in capital assets, net of debt or restricted net position. Any change to unrestricted net position is the reflection of changes in the other two net position categories. In 2014, unrestricted net position increased $18.5 million or 15.8 percent.

Business-type Activities
The business-type activities total net position increased $36.4 million or 5.1 percent. Investment in capital assets, net of debt reported an increase of $69.2 million. This increase was due to the capitalization of assets from the Electric Utility and the Water Utility. The Solid Waste Disposal Utility also had additions to capital assets in 2014.

Restricted net position decreased $43.8 million or 66.6 percent mainly due to the refunding of Electric Utility revenue bonds. The refunding of these bonds removed the requirement for debt service reserve. These funds were reported as a portion of restricted net position.

Unrestricted net position is the remaining total net position that is not classified as either investment in capital assets, net of debt or restricted. Any change to unrestricted net position is the reflection of changes in the other two net position categories. In 2014, unrestricted net position increased by $11 million.

At the end of the current fiscal year, the Municipality was able to report positive balances in all three categories of net position, for the government as a whole, as well as, for its separate governmental activities and business-type activities.

Statement of Activities
The state of activities can be used to determine if Municipality services are operating efficiently or if they are too reliant on general revenues. It can also be a good indicator of which functions the Municipality spends most of its resources. The following table reflects the condensed Statement of Activities of the Municipality for 2014 compared to the prior year and indicates the changes in position for governmental and business-type activities (reference Table A-2).

Table A-2
Municipality's Changes in Net Position
(in thousands)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	Restated 2013	2014	Restated 2013
Revenues:						
Program revenues:						
Charges for services	$ 60,836	$ 56,206	$ 303,946	$ 274,454	$ 364,782	$ 330,660
Operating grants & contributions	94,699	70,455	261	121	94,960	70,576
Capital grants & contributions	84,027	94,316	5,007	6,635	89,034	100,951
General revenues:						
Property taxes	497,351	493,149	-	-	497,351	493,149
Other taxes	67,373	65,566	-	-	67,373	65,566
Gain on sale of capital assets	-	-	-	-	-	-
Grants and entitlements not restricted to specific programs	14,831	14,698	-	-	14,831	14,698
Investment earnings	12,510	28,259	4,539	2,090	17,049	30,349
Total revenues	831,627	822,649	313,753	283,300	1,145,380	1,105,949

Table A-2
Municipality's Changes in Net Position
(in thousands)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	Restated 2013	2014	Restated 2013
Expenses:						
General government	28,922	23,955	-	-	28,922	23,955
Fire services	112,673	105,134	-	-	112,673	105,134
Police services	129,723	127,841	-	-	129,723	127,841
Health and human services	26,668	24,621	-	-	26,668	24,621
Economic and community dev.	78,793	68,951	-	-	78,793	68,951
Public transportation	36,937	35,985	-	-	36,937	35,985
Public works	111,695	99,893	-	-	111,695	99,893
Education	240,753	241,279	-	-	240,753	241,279
Maintenance and operations	35,861	34,057	-	-	35,861	34,057
Interest	24,518	25,530	-	-	24,518	25,530
Water	-	-	40,797	39,521	40,797	39,521
Wastewater	-	-	37,609	36,466	37,609	36,466
Electric	-	-	123,897	109,982	123,897	109,982
Port	-	-	16,657	12,347	16,657	12,347
Municipal airport	-	-	3,701	3,633	3,701	3,633
Solid waste	-	-	18,111	18,286	18,111	18,286
Refuse	-	-	8,567	8,649	8,567	8,649
Total expenses	826,543	787,246	249,339	228,884	1,075,882	1,016,130
Change in net position prior to transfers	5,084	35,403	64,414	54,416	69,498	89,819
Transfers	28,041	26,901	(28,041)	(26,901)	-	-
Special Item - (see footnote 23)	-	4,077	-	239	-	4,316
Extraordinary Item - (see footnote 23)	-	-	-	(61,562)	-	(61,562)
Change in net position	33,125	66,381	36,373	(33,808)	69,498	32,573
Beginning net position, Restated	3,041,224	2,974,843	718,684	752,492	3,759,908	3,727,335
Ending net position	$ 3,074,349	$ 3,041,224	$ 755,057	$ 718,684	$ 3,829,406	$ 3,759,908

Overall Analysis

The Municipality's total net position of $3.8 billion increased by $69.5 million as reported in the Statement of Activities. This increase is the net effect of an increase of $33.1 million in governmental activities and an increase of $36.4 million in business-type activities.

Governmental Activities

Governmental activities increased the Municipality's net position by $33.1 million. The increase is the result of more revenues available to offset the increased costs in 2014.

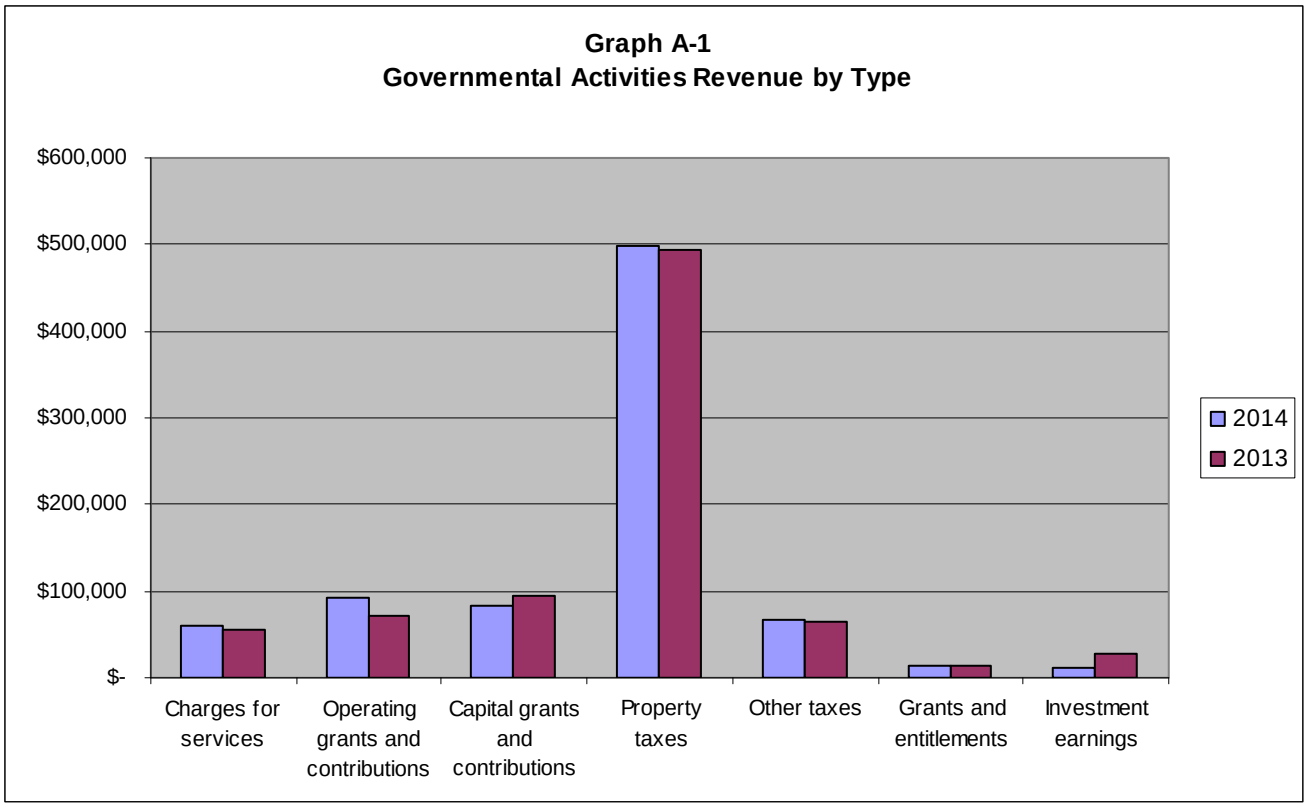
Total governmental activity revenues were $831.6 million, excluding transfers. Revenues increased $8.9 million or 1.1 percent over the prior year. Property taxes, the Municipality's largest single revenue source, increased less than one percent, but was the third largest increasing revenue stream. Operating Grants and Contributions had the largest increase due to an increase in grant funding in 2014.

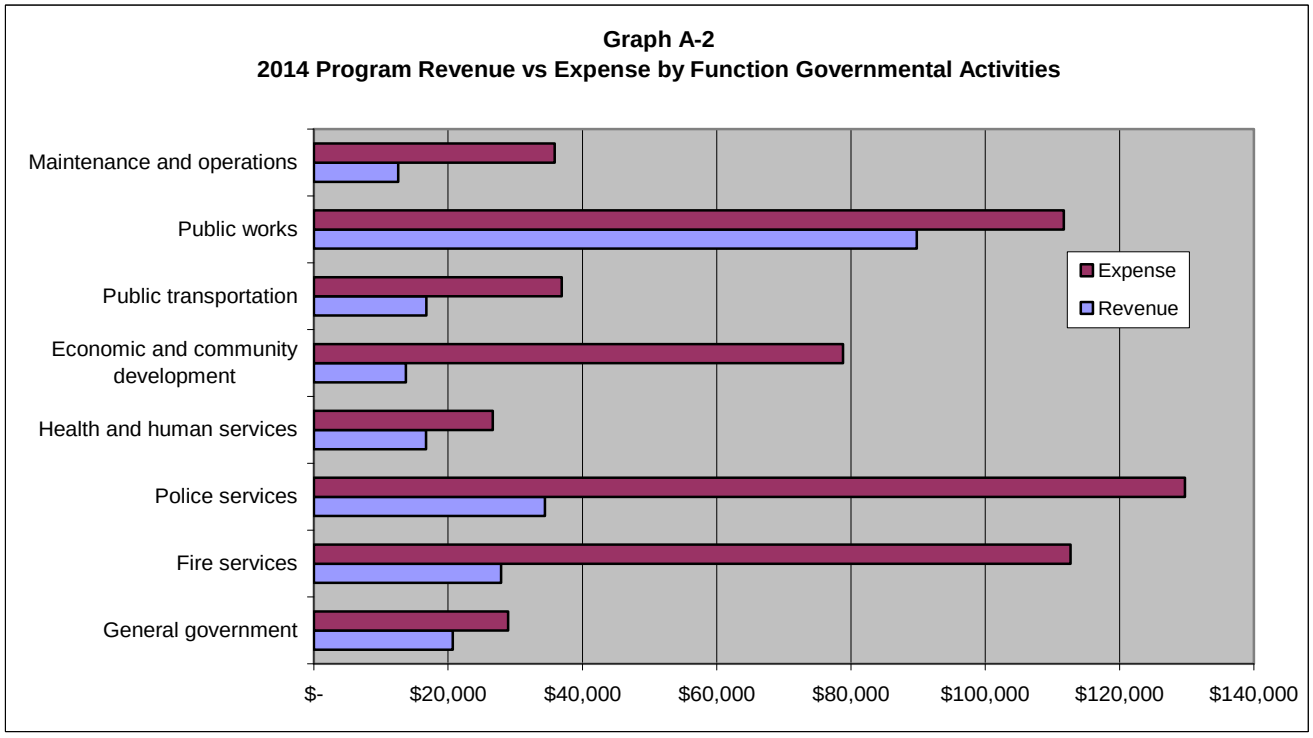
Total governmental activity expenses in 2014 were $826.5 million, excluding transfers, an increase of $39.3 million or 5 percent. Out of the total expenses, $239.6 million was paid either by those directly benefiting from the programs or by other governments and organizations that subsidize certain programs with grants and contributions. The remaining net expense (total expenses less program revenues) of $586.8 million was the cost of governmental services paid by the Municipality's taxpayers.

The Public Works functional expense category showed the largest increase in expense of $11.8 million with Economic and Community Development as the second largest increase of $9.8 million. This increase was

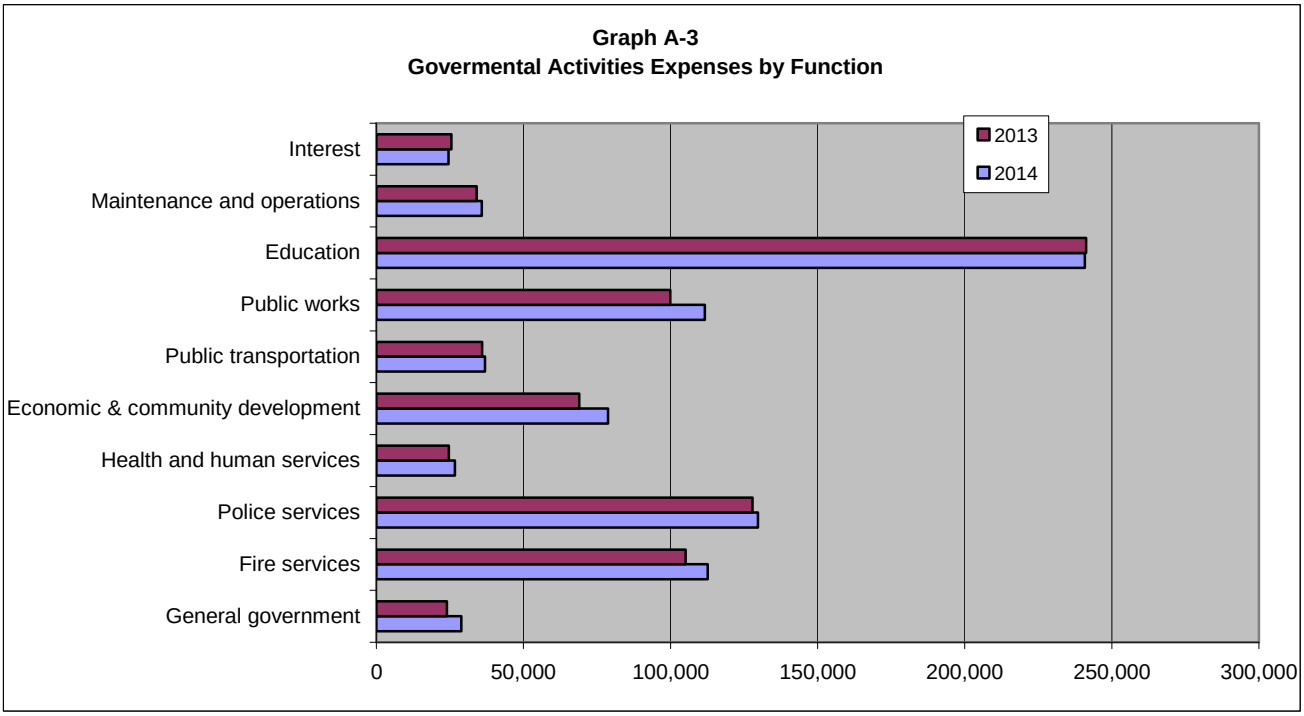
due to increases in capital projects in Public Works and operating grant expenditures in Economic and Community Development.

The first graph compares the Municipality's governmental activities program and general revenues for 2014 and 2013. The second graph compares the Municipality's 2014 governmental activities revenues vs expenses by function.





The third graph compares the Municipality's governmental activities expenses by function for 2014 and 2013.



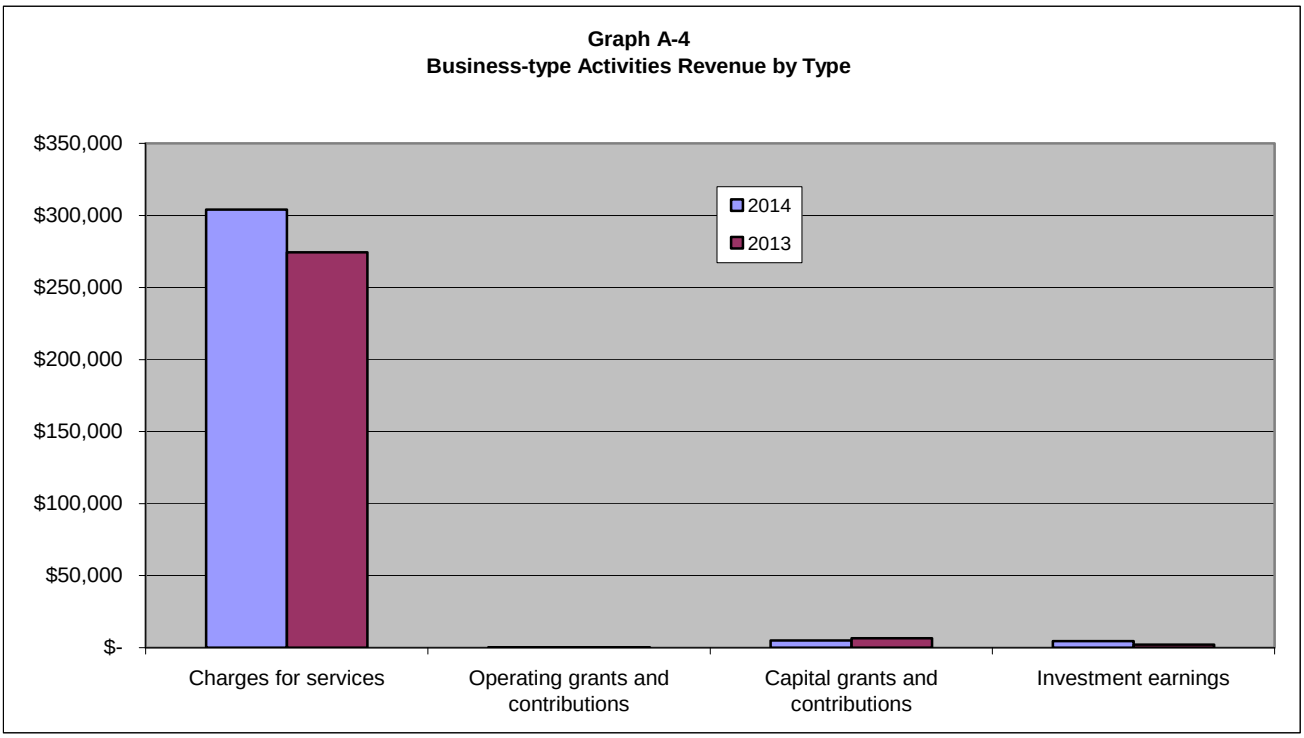
Business-type Activities
Business-type activities increased the Municipality's net position by $36.4 million. Key elements of the change in net position are as follows:

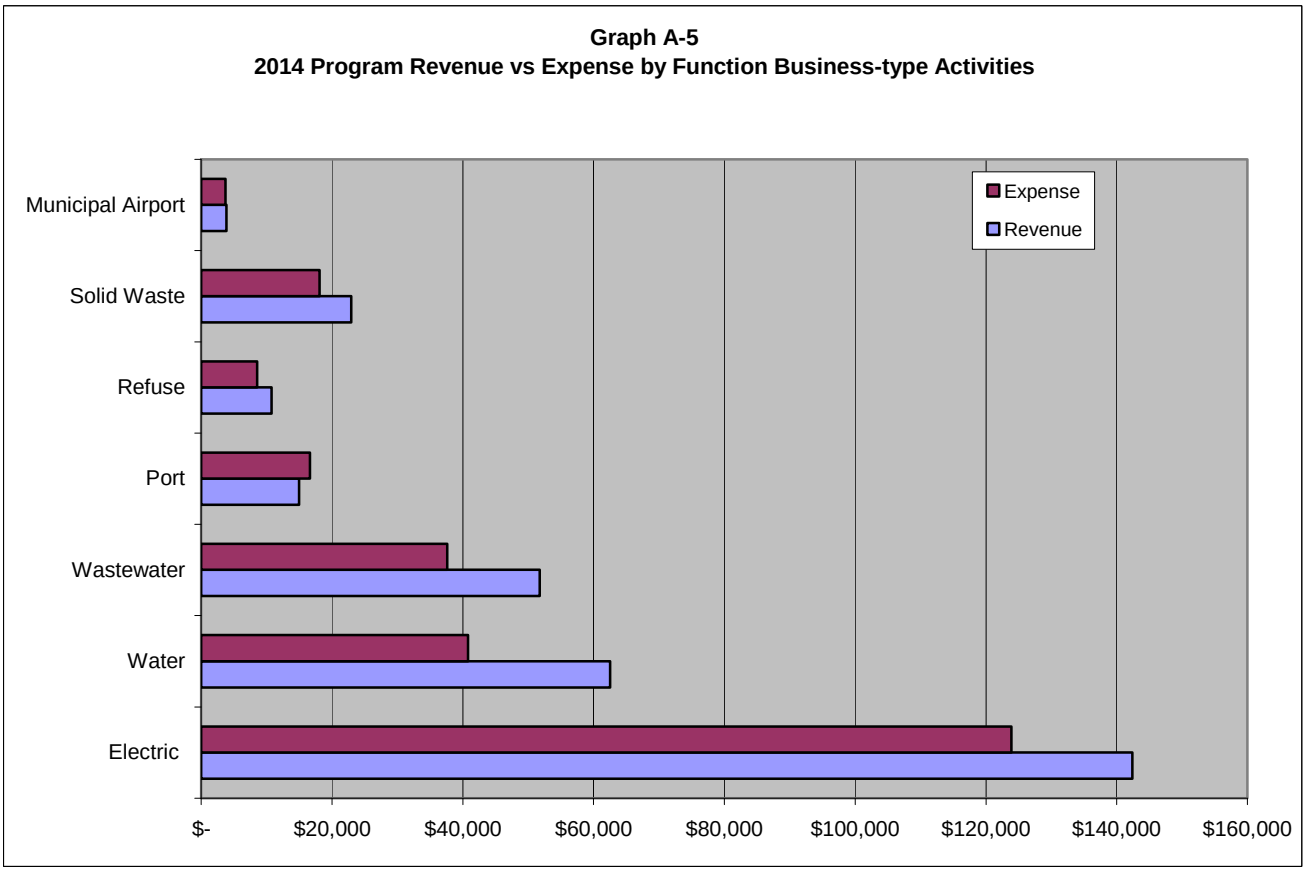
- Electric Utility had an increase in charges for services due to an increase in kilowatt hours sold in 2014.
- Both the Water and Wastewater Utility's had a rate increase and an increase in customers in 2014.
- The Port had an increase in warfage and dockage fees in 2014, along with an increase in Industrial Park Lease revenues.

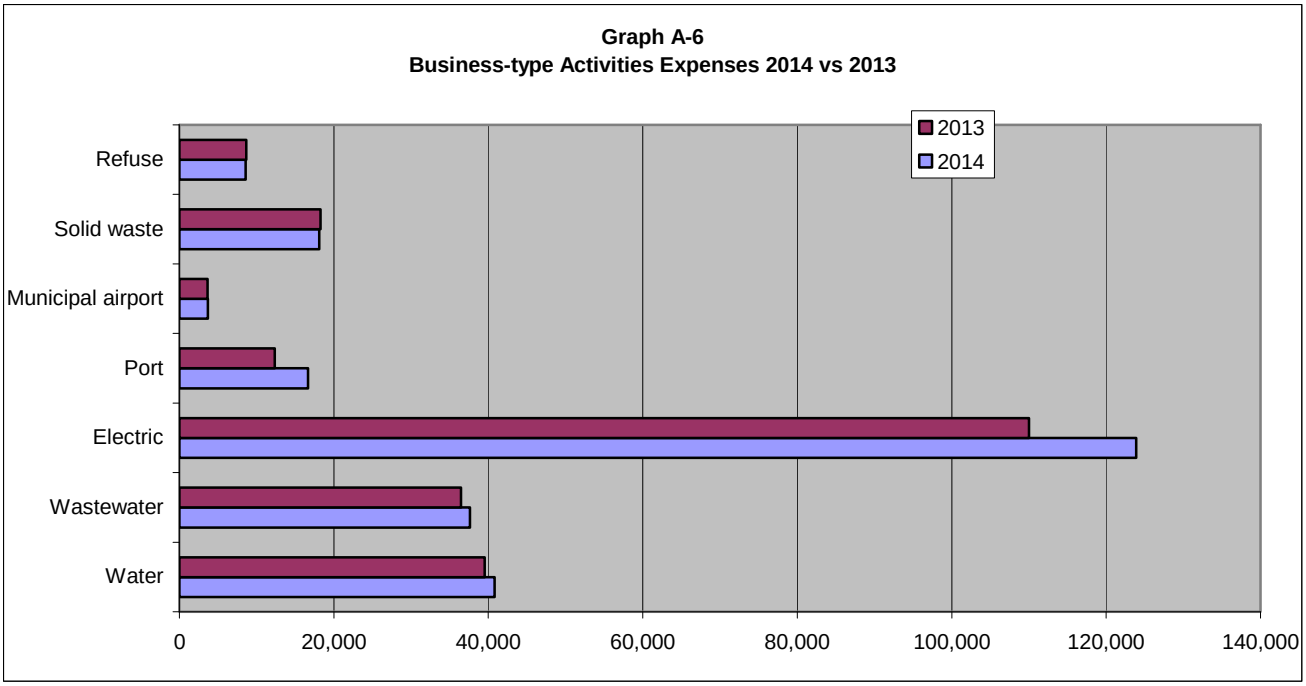
Total business-type revenues were $313.8 million, excluding transfers. Revenues increased $30.5 million or 10.7 percent. There were increases in every category of business-type revenues, except capital grants and contributions.

Total business-type expenses were $249.3 million, up 8.9 percent from the prior year. The Electric Utility had an increase in expenses of $13.9 million from operations. The primary reason for this increase was due to an increase in fuel costs. The Water Utility experienced an increase in expenses of $1.3 million and the Wastewater Utility had an increase in expenses of $1.1 million, both from operations. The Port expenses increased $4.3 million mainly due to an increase in depreciation and personnel costs.

The first graph compares the Municipality's business-type activities program and general revenues for 2014 and 2013. The second graph compares the Municipality's 2014 business-type activities revenues vs expenses by function. The third graph compares the Municipality's business-type activities expenses for 2014 and 2013.


Graph A-4
Business-type Activities Revenue by Type
$350,000
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$-
2014
2013
Charges for services
Operating grants and contributions
Capital grants and contributions
Investment earnings


Graph A-5
2014 Program Revenue vs Expense by Function Business-type Activities
Municipal Airport
Solid Waste
Refuse
Port
Wastewater
Water
Electric
Expense
Revenue
$-
$20,000
$40,000
$60,000
$80,000
$100,000
$120,000
$140,000
$160,000



FUND LEVEL FINANCIAL ANALYSIS

As noted earlier, the Municipality uses fund accounting to ensure and demonstrate compliance with finance related, budgetary, and legal requirements. The following is a brief discussion of financial highlights of the Municipality's governmental and proprietary funds.

Governmental Funds

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

As of December 31, 2014, the Municipality's governmental funds reported a combined ending fund balance of $356.6 million, an increase of $23.1 million in comparison to the prior year. Of the total fund balance, $4.7 million is non-spendable as it relates to prepaid, inventories and long-term loans receivable, $235.5 million is restricted due to legal obligations from outside parties, $59.6 is committed, $38.4 is assigned, and $18.4 is unassigned.

The following funds are the Municipality's major funds:

The General Fund is the primary operational fund for the Municipality. At December 31, 2014, the General fund reported total fund balance of $75.7 million, a decrease of $3.6 million over the prior year. The revenue over expenditure deficiency slightly increased by approximately $410,615 in 2014. Other financing sources and uses increased $159,877 due mostly to the issuance of general obligation bonds and general obligation refunding bonds issued in 2014. This increases were offset by net transfers in of $17.5 million.

In measuring the General Fund's liquidity, one may compare both the combination of committed, assigned, and unassigned fund balance and the total fund balance to total expenditures. At December 31, 2014, combined committed, assigned, and unassigned fund balance represents 10.3 percent of total General Fund expenditures and total fund balance represents 10.8 percent of the same amount.

Investment income from the MOA Trust Fund was $8.6 million in 2014. This was a decrease of $13.4 million from the prior year. This is the first significant decrease since 2011.

The Capital Projects Road and Drainage Fund continues to be reported as a major fund even though it does not meet the eligibility requirements due to its significance to the Municipality taxpayers. Capital outlay

expenditures increased $14.8 million in 2014. Bonds were issued in 2014 for capital projects which resulted in a reversal of the prior year's negative fund balance.

Proprietary Funds

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

At December 31, 2014, the net position for the proprietary funds (enterprise funds) increased by $36.4 million.

The following funds are the Municipality's major funds:

- The Electric Utility's net position increased $7.6 million or 3 percent over the prior year. Plant increased $99.5 million during 2014 compared to an increase of $39.9 million during 2013. Total revenues increased $23.5 million during 2014 compared to a decrease of $4.2 million during 2013, while expenses increased $13.9 million during 2014 compared to an increase of $5 million during 2013.

- The Water Utility's net position increased by $14.6 million over the prior year. Operating revenues increased by $1.4 million, due to a 2.26 percent rate increase effective January 1, 2014 and a 0.53 percent increase in customers during the year. Non-operating revenues increased by $1.6 million due primarily to a $1.2 million gain on the disposition of non-utility property and an increase in short term investment income of $0.4 million. Total expenses increased by $0.8 million in 2014 when compared to 2013, with operating expenses increasing by $1.5 million, and non-operating expenses decreasing by $0.7 million. The increase in operating expenses was primarily due to increases of $0.9 million in transmission and distribution, $0.6 in water treatment, $0.2 million in pumping plant expense, $0.2 million in administrative expense, and a $0.4 million in depreciation expense associated with increased plant in service; offset by decreases of $0.5 million in source of supply, and $0.3 million in customer service.

- The Wastewater Utility's net position increased by $8.7 million over the prior year. Operating revenues increased by $1.8 million, primarily due to a 4.34 percent rate increase effective January 1, 2014. Non-operating revenues increased by $0.3 million. A significant portion of this increase was due to an increase in investment income from short-term investments, including unrealized gains on investments recorded at year-end. Total expenses increased by $1.6 million in 2014 over 2013, with operating expenses increasing by $1.3 million and non-operating expenses up by $0.3 million. Collection, pumping, treatment, customer accounts and administrative and general expenses increased by $1.2 million, and net depreciation expense increased by $0.1 million. Non-operating expenses increased by $0.3 million primarily due to interest expense on new borrowing to finance the capital improvement budget. The Municipal Utility Service Assessment (MUSA) and other transfers decreased by less than $0.1 million.

- The Port's net position decreased by $8.4 million over the prior year. Non-Current assets decreased by $7 million mostly due to the reclassification of expenses in construction work in progress. Operating revenues overall increased by $493,222 in 2014. Operating expenses increased by $4.6, which was primarily attributable to an increase in depreciation expense due to the capital asset additions in 2013 from the Port expansion project.

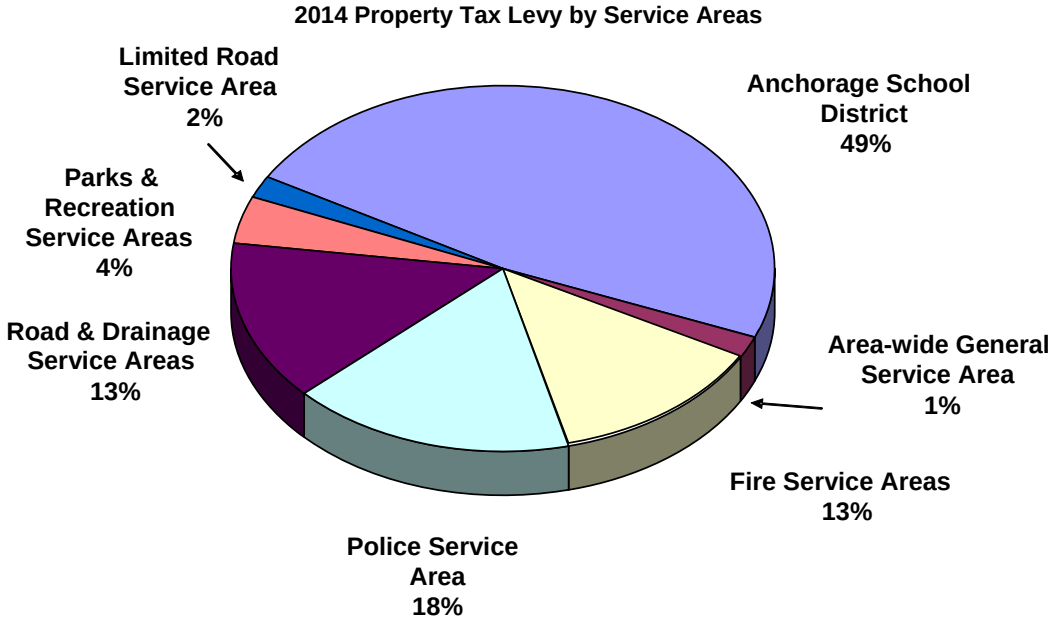
GENERAL FUND BUDGETARY HIGHLIGHTS

The Municipality adopted its 2014 operating budget in November 2013, which included projected revenue sources to support spending. By April 2014, the Municipality had actual year-end financial data that was used in the first quarter amendment process, which resulted in the 2014 revised budget approved in April. The revised budget served as the basis for calculating the property tax revenue requirements. The mill rates then were set and taxes were levied for general purposes and all service areas.

The Anchorage School District's annual operating budget for its July 1 through June 30 fiscal year also had been approved by this time and its mill rate also was set and taxes were levied based on its property tax requirements for the 2014 calendar year. This was reflected in the operating budget as a $236.5 million contribution to Anchorage School District for property taxes collected on their behalf by general government.

Throughout the year, supplemental appropriations may be requested for unanticipated and high priority needs. The following appropriations were significant revisions to the 2014 budget in the general fund:

- $172,000 Real Estate Department- Eagle River Town Center (ERTC) improvements funded with ERTC proceeds.
- $320,000 Real Estate Department- City Hall boiler replacement funded with Area-wide Fund 101 fund balance.
- $200,000 Assembly- Independent Review of SAP and Kronos implementations funded with Area-wide Fund 101 fund balance.
- $1,707,612 Police Department- Police anticipated 2014 expenditures, primarily overtime, funded with Anchorage Police Service Area Fund 151 fund balance.
- $337,175 Public Works Department- total funding for year-round road maintenance in the following Limited Road Service Areas (LRSA), funded with respective funds' fund balance: Totem LRSA, Campbell Airstrip LRSA, Upper Grove LRSA, Mountain Park Estates LRSA, and South Goldenview LRSA.
- $296,259 Public Works Department- support of Girdwood Valley Service Area (GVSA) road and drainage, parks and recreation, and fire capital improvement programs funded with GVSA Fund 106 fund balance.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014 and 2013, the Municipality had invested $5,192,878,851 and $5,053,719,883 in a broad range of capital assets, including police and fire equipment, buildings, land, and infrastructure (reference Table A-3). More detailed information about the Municipality's capital assets is presented in Note 5 - Capital Assets in the basic financial statements.

Table A-3
Municipality of Anchorage's Capital Assets
(net of accumulated depreciation, in thousands)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	Restated 2013	2014	Restated 2013
Land	$ 1,237,236	$ 1,236,509	$ 66,042	$ 66,723	$ 1,303,278	$ 1,303,232
Buildings and building improvements	266,515	266,864	374,794	379,097	641,309	645,961
Art	19,834	19,652	-	-	19,834	19,652
Equipment	58,311	64,598	-	-	58,311	64,598
Distribution and collection systems	-	-	1,226,640	1,229,511	1,226,640	1,229,511
Infrastructure	1,660,945	1,646,308	-	-	1,660,945	1,646,308
Construction work-in-progress	48,752	39,020	233,811	105,437	282,563	144,457
Total	$ 3,291,592	$ 3,272,951	$ 1,901,287	$ 1,780,768	$ 5,192,879	$ 5,053,719

In 2014, total governmental activities capital asset increased by $18.6 million, with the majority of the increase resulting from additions to infrastructure and construction work in progress.

Business-type activities capital assets increased by $120.5 million during 2014 with the majority of the increase resulting from additions to construction work in progress.

Infrastructure Modified Approach

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

A comparison of estimated to actual maintenance and preservation expense is presented in Required Supplementary Information. During 2014, actual road infrastructure maintenance and preservation expense was 3.8 percent more than estimated.

A condition assessment was performed in 2014 and indicated approximately 83.6% of total paved roads as being in good or better condition. This assessment result increased from the assessment results of 77.62% received during the 2011 assessment. The current assessment exceeds the Municipality's plan to maintain 60% of total paved roads in good or better condition. The next scheduled assessment is in 2017.

Long-term Debt

At December 31, 2014, the Municipality had $1,391,985,112in debt outstanding, an increase 14.1 percent from 2013 debt outstanding of $1,220,059,325 (reference Table A-4). More detailed information about the Municipality's long-term debt liabilities is presented in Note 10 - Long-term Obligations in the basic financial statements.

Table A-4
Municipality of Anchorage's Outstanding Debt
(in thousands)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 464,818	$ 451,265	$ -	$ -	$ 464,818	$ 451,265
Revenue bonds	5,719	9,485	551,509	399,716	557,228	409,201
CIVICVentures revenue bonds	103,165	104,720	-	-	103,165	104,720
Capital leases	15,310	9,613	-	-	15,310	9,613
Long-term contracts	4,332	4,433	245,683	239,287	250,015	243,720
HUD loans	1,448	1,541	-	-	1,448	1,541
Total	$ 594,792	$ 581,057	$ 797,192	$ 639,003	$ 1,391,984	$ 1,220,060

In 2014, the Municipality issued $144.5 million of general obligation and refunding bonds and $8 million of capital leases debt in the governmental activities. In 2014, the Municipality issued $202 million in revenue and refunding bonds and $18.2 million in long-term notes to fund capital projects in the business-type activities.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Municipal population decreased .1 percent[1] from the July 2013 estimate to the July 2014 estimate. The 2014 annual average unemployment rate was 5.1 percent for Anchorage-Matsu Region, 6.7 percent for the entire state, and the national average was 6.2 percent[2].

The Municipality's Tax Limit allows for an increase in property taxes to be collected based on inflation, population, new construction and other factors such as debt service, operations and maintenance costs of voter-approved projects, and legal judgments and settlements. In 2014, property tax revenue represents 60.9 percent of the funding sources for the General Government Operating Budget; non-property taxes and program generated revenue account for 32 percent; intra-governmental charges outside of general government 8 percent; Federal and State revenues 4 percent; and fund balance applied constitutes the remaining less than one percent.

The 2015 approved General Government Operating Budget is $432,078,328[3], which is $7,179,306 more than the 2014 revised budget of $424,899,022[4]. Property taxes required to support the 2015 approved budget are $267.2 million compared to $255.6 million in 2014.

The Municipal Utilities and enterprise activities 2015 proposed operating budgets total $240,337,475[5] and 2014 proposed capital budgets total $391,719,000[6]. The 2014 General Government Capital Improvement Budget is $361,976,000[7].

REQUESTS FOR FINANCIAL INFORMATION

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

[1] State of Alaska, Department of Labor and Workforce Development
[2] United States Department of Labor, Bureau of Labor Statistics
[3] AR 2015-107(S) as Amended
[4] AR 2014-94(S) as Amended
[5] AO 2014-119
[6] AO 2014-119
[7] AO 2014-121(S) as Amended

This page intentionally left blank

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Anchorage School District
Assets				
Current assets:				
Cash	$ 75,893	$ 7,125	$ 83,018	$ -
Cash in central treasury	269,636,898	95,899,456	365,536,354	-
Bond acquisition and construction	-	15,216,857	15,216,857	-
Investments	37,557,367	-	37,557,367	197,284,090
Accrued interest on investments	485,620	611,366	1,096,986	-
Interest receivable	-	205,535	205,535	8,155
Receivables (net of allowance for uncollectibles)	25,938,511	33,138,486	59,076,997	23,386,267
Due from primary government	-	-	-	119,788,212
Due from component unit	10,110	-	10,110	-
Intergovernmental receivables	9,580,119	-	9,580,119	-
Inventories	1,801,700	34,662,729	36,464,429	3,923,864
Prepaid items and deposits	3,187,675	120,936	3,308,611	3,378,152
Other assets	-	815,621	815,621	-
Restricted assets:				
Investments	157,544,142	-	157,544,142	-
Investments in Angel Fund programs	1,107,500	-	1,107,500	-
Investments in TCH, LLC	-	-	-	-
Investment, art collection	-	-	-	-
Customer deposits	-	1,228,008	1,228,008	-
Restricted deposits	-	86,654,455	86,654,455	-
Bond acquisition and construction	-	4,519,984	4,519,984	-
Bond operation and maintenance	-	10,100,000	10,100,000	-
Debt service accounts	-	7,648,443	7,648,443	-
Landfill post closure cash reserve	-	11,637,332	11,637,332	-
Master lease agreement escrow	142,939	-	142,939	-
Interm rate escrow investment	-	4,199,147	4,199,147	-
Interest receivable	112,875	-	112,875	-
Intergovernmental receivables	29,793,394	3,796,332	33,589,726	-
Total current assets	536,974,743	310,461,812	847,436,555	347,768,740
Noncurrent assets:				
Other assets	-	16,932,038	16,932,038	-
Prepaid OPEB	13,599,706	-	13,599,706	-
Internal balances	(1,797,910)	1,797,910	-	-
Loans and leases receivable, net	11,088,459	1,684	11,090,143	-
Restricted assets:				
Customer deposits	-	1,927,222	1,927,222	-
Asset retirement obligation sinking fund	-	7,454,506	7,454,506	-
Revenue bond reserve investments	-	23,881,705	23,881,705	-
Capital assets, not being depreciated	2,741,560,988	299,852,760	3,041,413,748	43,308,347
Capital assets, being depreciated, net	550,031,137	1,601,433,966	2,151,465,103	1,147,933,956
Total noncurrent assets	3,314,482,380	1,953,281,791	5,267,764,171	1,191,242,303
Total assets	3,851,457,123	2,263,743,603	6,115,200,726	1,539,011,043
Deferred Outflows of Resources				
Deferred charge on refunding	-	2,895,124	2,895,124	1,268,018
Total deferred outflows of resources	$ -	$ 2,895,124	$ 2,895,124	$ 1,268,018

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Component Units (Continued)		Total Reporting Entity	
	Anchorage Community Development Authority	Alaska Center for the Performing Arts	December 31, 2014	As Restated December 31, 2013
Assets				
Current assets:				
Cash	$ 1,288,466	$ 1,492,534	$ 2,864,018	$ 5,148,259
Cash in central treasury	6,048,982	-	371,585,336	314,981,531
Bond acquisition and construction	-	-	15,216,857	33,152,882
Investments	-	-	234,841,457	208,116,162
Accrued interest on investments	714	-	1,097,700	1,179,762
Interest receivable	-	-	213,690	611,927
Receivables (net of allowance for uncollectibles)	283,049	13,318	82,759,631	76,446,933
Due from primary government	5,959	-	119,794,171	117,463,287
Due from component unit	-	-	10,110	4,114
Intergovernmental receivables	-	-	9,580,119	41,307,075
Inventories	-	-	40,388,293	42,482,388
Prepaid items and deposits	118,960	29,985	6,835,708	11,327,448
Other assets	-	-	815,621	1,151,214
Restricted assets:				
Investments	-	-	157,544,142	156,053,007
Investments in Angel Fund programs	-	-	1,107,500	340,000
Investments in TCH, LLC	-	-	-	373,978
Investment, art collection	-	127,042	127,042	127,042
Customer deposits	-	-	1,228,008	1,808,812
Restricted deposits	67,913	562,999	87,285,367	96,471,351
Bond acquisition and construction	-	-	4,519,984	9,697,610
Bond operation and maintenance	-	-	10,100,000	9,600,000
Debt service accounts	-	-	7,648,443	7,549,516
Landfill post closure cash reserve	-	-	11,637,332	10,015,200
Master lease agreement escrow	-	-	142,939	-
Interm rate escrow investment	-	-	4,199,147	-
Interest receivable	-	-	112,875	189,021
Intergovernmental receivables	-	-	33,589,726	1,536,005
Total current assets	7,814,043	2,225,878	1,205,245,216	1,147,134,524
Noncurrent assets:				
Other assets	5,395,982	-	22,328,020	26,981,767
Prepaid OPEB	-	-	13,599,706	9,072,143
Internal balances	-	-	-	-
Loans and leases receivable, net	-	-	11,090,143	15,671,702
Restricted assets:				
Customer deposits	-	-	1,927,222	-
Asset retirement obligation sinking fund	-	-	7,454,506	-
Revenue bond reserve investments	-	-	23,881,705	31,154,714
Capital assets, not being depreciated	11,059,217	-	3,095,781,312	2,949,124,030
Capital assets, being depreciated, net	13,862,915	-	3,313,261,974	3,315,185,196
Total noncurrent assets	30,318,114	-	6,489,324,588	6,347,189,552
Total assets	38,132,157	2,225,878	7,694,569,804	7,494,324,076
Deferred Outflows of Resources				
Deferred charge on refunding	-	-	4,163,142	4,977,451
Total deferred outflows of resources	$ -	$ -	$ 4,163,142	$ 4,977,451

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Anchorage School District
Liabilities				
Current liabilities:				
Accounts payable and retainages	$ 16,976,349	$ 20,792,595	$ 37,768,944	$ 10,689,253
Accrued interest payable	7,711,372	4,880,958	12,592,330	8,836,355
Accrued payroll liabilities	15,948,726	4,995,349	20,944,075	13,464,508
Current portion of long-term obligations	85,874,317	29,021,934	114,896,251	78,785,600
Notes payable	-	24,700,000	24,700,000	-
Due to primary government	-	-	-	-
Due to component unit	79,858,823	-	79,858,823	-
Unearned revenue	8,781,877	-	8,781,877	12,462,417
Unearned revenue and deposits	-	341,122	341,122	-
Liabilities payable from restricted assets	142,939	26,964,699	27,107,638	-
Total current liabilities	215,294,403	111,696,657	326,991,060	124,238,133
Noncurrent liabilities:				
Other long-term obligations	-	83,118,613	83,118,613	-
Noncurrent portion of long-term obligations	560,818,749	730,647,049	1,291,465,798	545,328,757
Total noncurrent liabilities	560,818,749	813,765,662	1,374,584,411	545,328,757
Total liabilities	776,113,152	925,462,319	1,701,575,471	669,566,890
Deferred Inflows of Resources				
Contributions in aid of construction (net amortization)	-	482,717,058	482,717,058	-
Future natural gas purchases	-	32,780,222	32,780,222	-
Regulatory liability gas sales	-	70,622,412	70,622,412	-
Advanced lease payments	503,498	-	503,498	-
Health permit receipts	491,827	-	491,827	-
Intergovernmental-time requirement	-	-	-	-
General property tax receipts	-	-	-	100,106,500
Debt service tax receipts	-	-	-	19,681,712
Total deferred inflows of resources	995,325	586,119,692	587,115,017	119,788,212
Net Position				
Net investment in capital assets	2,712,415,165	629,847,882	3,342,263,047	614,261,211
Restricted for:				
Debt service	5,488,983	5,667,967	11,156,950	2,733,186
Interim rate escrow requirement	-	2,634,147	2,634,147	-
Maintenance and operations	-	-	-	-
Acquisition and construction	6,504,906	3,598,406	10,103,312	-
Operations	-	10,100,000	10,100,000	-
Convention center operating reserve	11,960,787	-	11,960,787	-
Police and fire retiree medical liability	36,100,397	-	36,100,397	-
Grant activity	17,034,752	-	17,034,752	-
Perpetual care:				
Nonexpendable	150,000	-	150,000	-
MOA trust:				
Nonexpendable	148,990,379	-	148,990,379	-
Endowment	-	-	-	-
Bond rating	-	-	-	23,957,642
Federal Impact Aid 8003(d)	-	-	-	541,753
Unrestricted	135,703,277	103,208,314	238,911,591	109,430,167
Total net position	$ 3,074,348,646	$ 755,056,716	$ 3,829,405,362	$ 750,923,959

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Component Units (Continued)		Total Reporting Entity	
	Anchorage Community Development Authority	Alaska Center for the Performing Arts	December 31, 2014	As Restated December 31, 2013
Liabilities				
Current liabilities:				
Accounts payable and retainages	$ 644,505	395,654	$ 49,498,356	$ 45,395,543
Accrued interest payable	-	-	21,428,685	20,423,388
Accrued payroll liabilities	-	-	34,408,583	31,747,528
Current portion of long-term obligations	-		193,681,851	194,997,020
Notes payable	-		24,700,000	110,100,000
Due to primary government	205,788	156,403	362,191	337,886
Due to component unit	-	-	79,858,823	77,609,677
Unearned revenue	301,665	422,013	21,967,972	9,345,117
Unearned revenue and deposits	-	-	341,122	333,316
Liabilities payable from restricted assets	-	42,413	27,150,051	15,675,629
Total current liabilities	1,151,958	1,016,483	453,397,634	505,965,104
Noncurrent liabilities:				
Other long-term obligations	-	-	83,118,613	69,721,001
Noncurrent portion of long-term obligations	-	-	1,836,794,555	1,688,991,023
Total noncurrent liabilities	-	-	1,919,913,168	1,758,712,024
Total liabilities	1,151,958	1,016,483	2,373,310,802	2,264,677,128
Deferred Inflows of Resources				
Contributions in aid of construction (net amortization)	-	-	482,717,058	487,019,210
Future natural gas purchases	-	-	32,780,222	31,727,421
Regulatory liability gas sales	-	-	70,622,412	81,953,639
Advanced lease payments	-	-	503,498	503,498
Health permit receipts	-	-	491,827	438,287
Intergovernmental-time requirement	-	-	-	2,818,677
General property tax receipts	-	-	100,106,500	97,050,636
Debt service tax receipts	-	-	19,681,712	20,409,199
Total deferred inflows of resources	-	-	706,903,229	721,920,567
Net Position				
Net investment in capital assets	24,922,132	-	3,981,446,390	3,804,964,362
Restricted for:				
Debt service	-	-	13,890,136	79,356,020
Interim rate escrow requirement	-	-	2,634,147	-
Maintenance and operations	-	562,999	562,999	495,938
Acquisition and construction	-	-	10,103,312	9,421,433
Operations	-	-	10,100,000	9,600,000
Convention center operating reserve	-	-	11,960,787	9,453,857
Police and fire retiree medical liability	-	-	36,100,397	36,043,209
Grant activity	-	-	17,034,752	12,645,787
Perpetual care:				
Nonexpendable	-	-	150,000	150,000
MOA trust:				
Nonexpendable	-	-	148,990,379	144,181,374
Endowment	-	60,324	60,324	60,467
Bond rating	-	-	23,957,642	23,550,356
Federal Impact Aid 8003(d)	-	-	541,753	612,805
Unrestricted	12,058,067	586,072	360,985,897	382,168,224
Total net position	$ 36,980,199	$ 1,209,395	$ 4,618,518,915	$ 4,512,703,832

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Activities
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

		Program Revenues			Net (Expense), Revenue and Changes in Net Position
					Primary Government
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**
Primary government:					
Governmental activities:					
General government	$ 28,921,894	$ 7,264,871	$ 13,366,033	$ 58,293	$ (8,232,697)
Fire services	112,672,964	11,174,742	13,526,369	3,175,172	(84,796,681)
Police services	129,723,388	14,623,458	16,874,269	2,884,969	(95,340,692)
Health and human services	26,668,108	2,803,642	13,914,319	-	(9,950,147)
Economic and community development	78,793,403	4,689,244	5,382,036	6,353,263	(62,368,860)
Public transportation	36,937,350	5,243,968	8,663,634	2,831,721	(20,198,027)
Public works	111,694,564	14,389,898	20,274,712	55,136,078	(21,893,876)
Maintenance and operations of roads and facilities	35,860,531	645,552	2,480,440	9,415,119	(23,319,420)
Education	240,752,791	-	217,276	4,172,857	(236,362,658)
Interest on long-term debt	24,517,693	-	-		(24,517,693)
Total governmental activities	826,542,686	60,835,375	94,699,088	84,027,472	(586,980,751)
Business-type activities:					
Electric	123,896,740	142,382,804	-	-	
Water	40,796,522	62,527,066	-	-	
Wastewater	37,609,422	51,774,890	-	-	
Port	16,657,324	12,099,083	-	2,882,353	
Refuse	8,566,651	10,754,905	-	-	
Solid Waste	18,124,824	22,957,169	-	-	
Municipal Airport	3,701,188	1,449,228	260,620	2,138,653	
Total business-type activities	249,352,671	303,945,145	260,620	5,021,006	-
Total primary government	$ 1,075,895,357	$ 364,780,520	$ 94,959,708	$ 89,048,478	$ (586,980,751)
Component Units:					
Anchorage School District	$ 823,144,472	$ 4,893,368	$ 213,075,640	$ 60,800,513	
Anchorage Community Development Authority	9,972,173	9,588,903	-	-	
Alaska Center for the Performing Arts	4,176,983	2,730,830	128,437	997,912	
Total Component Units	$ 837,293,628	$ 17,213,101	$ 213,204,077	$ 61,798,425	

General revenues:	
Property taxes	497,351,213
Motor vehicle taxes	17,366,210
Hotel and motel taxes	25,002,097
Tobacco taxes	21,950,759
Assessments in lieu of taxes	3,052,584
Grants and entitlements not restricted to specific programs	14,831,485
Appropriation from Municipality of Anchorage	-
Investment income	12,510,253
Other	-
Transfers from (to) other funds	28,040,535
Special items (see footnote 23)	-
Extraordinary items (see footnote 23)	-
Total general revenues, transfers, special items and extraordinary items	620,105,136
Change in net position	33,124,385
Net position, beginning of year as restated	3,041,224,261
Net position, end of year	$ 3,074,348,646

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Activities
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

Net (Expense), Revenue and Changes in Net Position (Continued)

Primary Government		Component Units				
Business-Type Activities	**Total**	**Anchorage School District**	**Anchorage Community Development Authority**	**Alaska Center for the Performing Arts**	**Total 2014**	**As Restated Total 2013**
	$ (8,232,697)				$ (8,232,697)	$ (5,024,612)
	(84,796,681)				(84,796,681)	(88,325,820)
	(95,340,692)				(95,340,692)	(99,896,033)
	(9,950,147)				(9,950,147)	(8,178,318)
	(62,368,860)				(62,368,860)	(58,881,754)
	(20,198,027)				(20,198,027)	(16,432,191)
	(21,893,876)				(21,893,876)	135,504
	(23,319,420)				(23,319,420)	(27,096,038)
	(236,362,658)				(236,362,658)	(237,039,175)
	(24,517,693)				(24,517,693)	(25,530,454)
-	(586,980,751)	-	-	-	(586,980,751)	(566,268,891)
18,486,064	18,486,064				18,486,064	10,176,262
21,730,544	21,730,544				21,730,544	20,042,214
14,165,468	14,165,468				14,165,468	13,999,737
(1,675,888)	(1,675,888)				(1,675,888)	1,020,670
2,188,254	2,188,254				2,188,254	157,856
4,832,345	4,832,345				4,832,345	6,380,326
147,313	147,313				147,313	549,147
59,874,100	59,874,100	-	-	-	59,874,100	52,326,212
$ 59,874,100	$ (527,106,651)	$ -	$ -	$ -	$ (527,106,651)	$ (513,942,679)
		$ (544,374,951)			$ (544,374,951)	$ (549,324,408)
			(383,270)		(383,270)	(242,426)
				(319,804)	(319,804)	150,762
		$ (544,374,951)	$ (383,270)	$ (319,804)	$ (545,078,025)	$ (549,416,072)
	497,351,213	-	-	-	497,351,213	493,148,928
	17,366,210	-	-	-	17,366,210	16,652,166
	25,002,097	-	-	-	25,002,097	22,988,779
	21,950,759	-	-	-	21,950,759	22,790,309
	3,052,584	-	-	-	3,052,584	3,135,217
	14,831,485	336,913,160	-	-	351,744,645	360,594,242
	-	233,284,280	-	-	233,284,280	232,606,002
4,539,450	17,049,703	1,059,852	52,712	1,102	18,163,369	31,781,166
	-	10,084,602	-	-	10,084,602	7,626,118
(28,040,535)	-	-	-	-	-	-
-	-	-	-	-	-	4,315,671
-	-	-	-	-	-	(61,562,051)
(23,501,085)	596,604,051	581,341,894	52,712	1,102	1,177,999,759	1,134,076,547
36,373,015	69,497,400	36,966,943	(330,558)	(318,702)	105,815,083	70,717,796
718,683,701	3,759,907,962	713,957,016	37,310,757	1,528,097	4,512,703,832	4,441,986,036
$ 755,056,716	$ 3,829,405,362	$ 750,923,959	$ 36,980,199	$ 1,209,395	$ 4,618,518,915	$ 4,512,703,832

MUNICIPALITY OF ANCHORAGE, ALASKA
Balance Sheet
Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

Assets	**General**	**MOA Trust**	**Capital Projects Roads & Drainage**
Cash	$ 16,509	$ -	$ -
Cash in central treasury	154,233,509	26,892	915,718
Investments	-	-	-
Accrued interest on investments	485,327	-	-
Receivables (net of allowance for uncollectibles)	18,306,158	-	-
Intergovernmental receivables	1,917,705	-	11,642,323
Due from other funds	9,185,232	-	-
Special assessments receivable	3,603,205	-	-
Due from component units	10,110	-	-
Inventories	1,456,430	-	-
Prepaid items and deposits	910,840	-	-
Advances to other funds	1,162,844	-	-
Investments	-	149,006,403	-
Investments in Angel Fund program	-	-	-
Investments in TCH, LLC	-	-	-
Accrued Investments	-	19,375	-
Loans receivable, net	5,560,000	-	-
Total assets	196,847,869	149,052,670	12,558,041
Liabilities			
Accounts payable and retainages	5,318,449	62,291	3,448,981
Accrued payroll liabilities	14,715,810	-	-
Due to other funds	328,033	-	3,772,032
Due to component unit	79,858,823	-	-
Unearned revenue and deposits	1,655,367	-	505,008
Advances from other funds	551,837	-	1,403,876
Total liabilities	102,428,319	62,291	9,129,897
Deferred Inflows of Resources			
Unavailable revenue-long-term loan receivable	5,560,000	-	-
Unavailable revenue-health permit receipts	491,827	-	-
Unavailable revenue-long-term HUD loan receivable	-	-	-
Unavailable revenue-long-term loan repayment from ACDA	-	-	-
Unavailable revenue-property taxes	8,569,031	-	-
Unavailable revenue-risk management claims	98,652	-	-
Unavailable revenue-special assessments	3,984,879	-	-
Total deferred inflows of resources	18,704,389	-	-
Fund Balances			
Nonspendable	3,530,115	-	-
Restricted	189,145	148,990,379	3,126,957
Committed	40,811,180	-	301,187
Assigned	12,733,971	-	-
Unassigned	18,450,750	-	-
Total fund balances	75,715,161	148,990,379	3,428,144
Total liabilities, deferred inflows of resources and fund balances	$ 196,847,869	$ 149,052,670	$ 12,558,041

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Balance Sheet
Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

		Total Governmental Funds	
Assets	**Other Governmental Funds**	**December 31, 2014**	**December 31, 2013**
Cash	$ 59,384	$ 75,893	$ 72,123
Cash in central treasury	66,563,596	221,739,715	195,653,455
Investments	37,557,367	37,557,367	37,528,918
Accrued interest on investments	293	485,620	653,364
Receivables (net of allowance for uncollectibles)	3,238,074	21,544,232	22,285,424
Intergovernmental receivables	25,813,485	39,373,513	41,307,075
Due from other funds	10,743,920	19,929,152	35,819,894
Special assessments receivable	144,714	3,747,919	3,604,483
Due from component units	-	10,110	4,114
Inventories	-	1,456,430	1,431,288
Prepaid items and deposits	1,036,180	1,947,020	1,001,102
Advances to other funds	1,530,000	2,692,844	2,873,746
Investments	8,518,364	157,524,767	152,665,091
Investments in Angel Fund program	1,107,500	1,107,500	340,000
Investments in TCH, LLC	-	-	373,978
Accrued Investments	-	19,375	22,674
Loans receivable, net	5,528,459	11,088,459	15,669,026
Total assets	161,841,336	520,299,916	511,305,755
Liabilities			
Accounts payable and retainages	7,230,891	16,060,612	14,722,228
Accrued payroll liabilities	538,921	15,254,731	13,106,236
Due to other funds	14,492,805	18,592,870	34,915,531
Due to component unit	-	79,858,823	77,609,677
Unearned revenue and deposits	6,621,502	8,781,877	8,443,929
Advances from other funds	1,162,844	3,118,557	2,665,173
Total liabilities	30,046,963	141,667,470	151,462,774
Deferred Inflows of Resources			
Unavailable revenue-long-term loan receivable	503,498	6,063,498	9,718,498
Unavailable revenue-health permit receipts	-	491,827	438,287
Unavailable revenue-long-term HUD loan receivable	2,723,594	2,723,594	2,818,677
Unavailable revenue-long-term loan repayment from ACDA	-	-	-
Unavailable revenue-property taxes	-	8,569,031	9,195,131
Unavailable revenue-risk management claims	-	98,652	102,919
Unavailable revenue-special assessments	96,716	4,081,595	4,037,860
Total deferred inflows of resources	3,323,808	22,028,197	26,311,372
Fund Balances			
Nonspendable	1,180,030	4,710,145	4,082,819
Restricted	83,244,307	235,550,788	226,192,896
Committed	18,444,025	59,556,392	56,857,490
Assigned	25,659,464	38,393,435	32,976,488
Unassigned	(57,261)	18,393,489	13,421,916
Total fund balances	128,470,565	356,604,249	333,531,609
Total liabilities, deferred inflows of resources and fund balances	$ 161,841,336	$ 520,299,916	$ 511,305,755

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Reconciliation of Net Position Between the Government-wide
and Fund Financial Statements
December 31, 2014

Amounts reported as fund balances on the governmental fund balance sheet		$ 356,604,249
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,291,592,125
Police and fire OPEB actuarial calculations reported overpayments for the current fiscal year:		
Police and fire postemployment healthcare benefit asset		13,599,706
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Jail lease receivable, including accrued interest	5,672,875	
Property taxes	8,569,031	
Risk management claims	98,652	
Special assessments	4,727,955	
HUD 108 receivable	1,541,406	
Long-term loan receivable, net activity	1,182,188	
		21,792,107
Internal service funds are used by management to charge the costs of fleet management, cost of insurance, and information technology to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position:		
Total internal service equity related to governmental activities	53,950,054	
Net of amounts included in:		
Capital assets, net of depreciation and amortization	(50,383,490)	
Accrued interest	82,441	
Compensated absences	989,495	
		4,638,500
Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds	(464,818,361)	
Revenue bonds	(5,719,128)	
Pollution remediation	(3,415,822)	
Notes and contracts	(5,813,366)	
CIVICVentures revenue bonds	(103,165,000)	
Compensated absences	(23,268,190)	
Accrued interest payable	(7,678,174)	
		(613,878,041)
Net position of governmental activities		$ 3,074,348,646

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	General	MOA Trust	Capital Projects Roads & Drainage
Revenues:			
Taxes	$ 547,851,288	$ -	$ -
Assessments in lieu of taxes	3,052,584	-	-
Special assessments	305,744	-	-
Licenses and permits	12,941,960	-	-
Intergovernmental	76,038,507	-	31,184,226
Charges for services	24,608,997	-	-
Fines and forfeitures	6,577,509	-	-
E911 surcharges	-	-	-
Investment income	931,836	8,632,940	1,343
Restricted contributions	81,613	-	150,000
Other	3,880,237	-	23,382
Total revenues	676,270,275	8,632,940	31,358,951
Expenditures:			
General government	25,311,902	854,888	-
Fire services	108,850,339	-	-
Police services	123,125,647	-	-
Health and human services	13,631,816	-	-
Economic and community development	44,168,644	-	-
Public transportation	25,511,158	-	-
Public works	33,936,590	-	-
Maintenance and operations of roads and facilities	34,338,414	-	-
Education	236,362,657	-	-
Debt service:			
Principal	33,424,577	-	-
Interest	19,401,692	-	-
Bond issuance costs	245,504	-	115,193
Capital outlay	-	-	65,797,956
Total expenditures	698,308,940	854,888	65,913,149
Excess (deficiency) of revenues over expenditures	(22,038,665)	7,778,052	(34,554,198)
Other financing sources (uses):			
Transfers from other funds	32,364,402	1,930,953	4,185,948
Transfers to other funds	(14,842,524)	(4,900,000)	(2,042)
General obligation bonds and contracts issued	-	-	36,988,561
Refunding bonds issued	78,430,001	-	-
Premium on bond sale	14,537,255	-	6,122,674
Payment to refunded bond escrow agent to extinguish debt	(92,718,032)	-	-
Insurance recoveries	245,515	-	104,018
Sale of capital assets	407,595	-	-
Total other financing sources (uses)	18,424,212	(2,969,047)	47,399,159
Net change in fund balances	(3,614,453)	4,809,005	12,844,961
Fund balances, beginning of year	79,329,614	144,181,374	(9,416,817)
Fund balances, end of year	$ 75,715,161	$ 148,990,379	$ 3,428,144

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Other Governmental Funds	Total Governmental Funds 2014	Total Governmental Funds 2013
Revenues:			
Taxes	$ 14,509,888	$ 562,361,176	$ 555,942,305
Assessments in lieu of taxes	-	3,052,584	3,135,217
Special assessments	1,162,972	1,468,716	1,181,821
Licenses and permits	-	12,941,960	12,553,278
Intergovernmental	69,675,512	176,898,245	156,098,508
Charges for services	4,410,613	29,019,610	33,139,322
Fines and forfeitures	392,791	6,970,300	6,532,511
E911 surcharges	6,766,679	6,766,679	-
Investment income	2,368,628	11,934,747	28,223,078
Restricted contributions	270,161	501,774	4,350,831
Other	2,306,869	6,210,488	5,416,074
Total revenues	101,864,113	818,126,279	806,572,945
Expenditures:			
General government	3,380,455	29,547,245	22,490,280
Fire services	2,927,532	111,777,871	103,203,797
Police services	9,713,661	132,839,308	129,813,796
Health and human services	12,019,119	25,650,935	23,742,769
Economic and community development	9,706,724	53,875,368	46,870,085
Public transportation	6,037,842	31,549,000	30,396,121
Public works	5,555,488	39,492,078	32,429,999
Maintenance and operations of roads and facilities	-	34,338,414	32,977,338
Education	4,390,134	240,752,791	241,279,103
Debt service:			
Principal	5,433,000	38,857,577	35,022,883
Interest	5,496,488	24,898,180	26,658,557
Bond issuance costs	102,257	462,954	-
Capital outlay	39,987,149	105,785,105	108,418,635
Total expenditures	104,749,849	869,826,826	833,303,363
Excess (deficiency) of revenues over expenditures	(2,885,736)	(51,700,547)	(26,730,418)
Other financing sources (uses):			
Transfers from other funds	14,167,419	52,648,722	56,375,764
Transfers to other funds	(6,633,381)	(26,377,947)	(32,447,488)
General obligation bonds and contracts issued	3,446,439	40,435,000	-
Refunding bonds issued	3,735,000	82,165,001	-
Premium on bond sale	1,197,514	21,857,443	-
Payment to refunded bond escrow agent to extinguish debt	(4,305,504)	(97,023,536)	-
Insurance recoveries	-	349,533	133,596
Sale of capital assets	311,376	718,971	6,386,450
Total other financing sources (uses)	11,918,863	74,773,187	30,448,322
Net change in fund balances	9,033,127	23,072,640	3,717,904
Fund balances, beginning of year	119,437,438	333,531,609	329,813,705
Fund balances, end of year	$ 128,470,565	$ 356,604,249	$ 333,531,609

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended December 31, 2014

Net change in fund balance – total governmental funds		$ 23,072,640
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay and equipment purchases	38,131,869	
Contributed assets	16,158,025	
Depreciation expense	(42,584,472)	
Other gain/(loss) on capital assets	(2,214,830)	
		9,490,592
Revenues in the statement of activities that do not provide current financial resources and are deferred in the funds:		
Property taxes	(690,894)	
Special assessments	737,257	
Jail lease receivable, net activity	(3,731,146)	
HUD 108 receivable	(95,083)	
		(3,779,866)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
New issuance of general obligation bonds	(40,435,000)	
Refunding issuance of general obligation bonds	(82,165,001)	
Premium on bond sale	(21,857,443)	
Principal repayment	38,857,577	
Payment to escrow agent for refunding	97,023,536	
Net change in premium/discount	428,572	
Net change in interest accrual	463,486	
		(7,684,273)
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures or revenues in governmental funds:		
Compensated absences		(450,377)
Pollution remediation		(380,000)
Claims and judgments receipts		(4,267)
HUD section 108 loan payable, net activity		1,964
Police and fire postemployment healthcare benefits asset, net activity		4,527,563
Internal service funds are used by management to charge the costs of insurance, fleet management and information technology to individual funds. The net revenue (expenses) of certain activities of internal service funds is reported with governmental activities.		8,330,409
Change in net position of governmental activities		$ 33,124,385

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities – Enterprise Funds			
Assets	**Electric Utility**	**Water Utility**	**Wastewater Utility**	**Port**
Current assets:				
Cash	$ 1,600	$ -	$ 1,700	$ 150
Cash in central treasury	13,870,844	28,007,205	22,103,238	10,205,074
Bond and acquisition and construction accounts	-	-	-	6,988,445
Accrued interest on investments	282,798	194,318	-	47,277
Interest receivable	201,092	-	4,436	-
Receivables (net of allowance for uncollectibles)	18,264,548	4,749,252	3,687,362	1,281,554
Due from other funds		-	-	-
Inventories	32,199,068	1,677,575	392,086	329,079
Prepaid items and deposits	-	36,909	29,674	39,941
Special assessments receivable	-	61,768	88,807	-
Unbilled reimbursable projects	2,756,534	11,903	14,035	-
Other assets	815,621	-	-	-
Restricted assets:				
Customer deposits	1,228,008	-	-	-
Restricted deposits	86,654,455	-	-	-
Master lease agreement escrow	-	-	-	-
Intergovernmental receivables	-	-	-	1,659,452
Bond and acquisition and construction accounts	1,215,105	992,930	2,311,949	-
Landfill post closure cash reserve	-	-	-	-
Revenue bond operations and maintenance accounts	10,100,000	-	-	-
Interim rate escrow investment	-	1,881,616	2,317,531	-
Debt service accounts	2,570,879	5,077,564	-	-
Total current assets	170,160,552	42,691,040	30,950,818	20,550,972
Noncurrent assets:				
Loans receivable, net	-	-	-	-
Advances to other funds	-	-	-	-
Other assets	2,847,036	6,967,453	7,117,549	-
Restricted assets:				
Customer deposits	-	396,031	1,531,191	-
Revenue bond reserve investments	23,881,705	-	-	-
Asset retirement obligation sinking fund	7,454,506	-	-	-
Capital assets, net	692,427,983	519,017,658	387,943,397	168,338,131
Total noncurrent assets	726,611,230	526,381,142	396,592,137	168,338,131
Total assets	896,771,782	569,072,182	427,542,955	188,889,103
Deferred Outflows of Resources				
Deferred charge on refunding	1,301,251	1,593,873	-	-
Total deferred outflows of resources	1,301,251	1,593,873	-	-
Total assets and deferred outflows of resources	$ 898,073,033	$ 570,666,055	$ 427,542,955	$ 188,889,103

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities Enterprise Funds (Continued)			Total Proprietary Funds	
Assets	**Other Enterprise Funds**	**Total Enterprise Funds**	**Governmental Activities – Internal Service Funds**	**December 31, 2014**	**As Restated December 31, 2013**
Current assets:					
Cash	$ 3,675	$ 7,125		$ 7,125	$ 7,125
Cash in central treasury	21,713,095	95,899,456	46,074,333	141,973,789	115,327,040
Bond and acquisition and construction accounts	8,228,412	15,216,857	1,822,850	17,039,707	33,512,882
Accrued interest on investments	86,973	611,366	-	611,366	521,722
Interest receivable	7	205,535	-	205,535	556,574
Receivables (net of allowance for uncollectibles)	2,222,723	30,205,439	-	30,205,439	22,625,563
Due from other funds		-	328,033	328,033	-
Inventories	64,921	34,662,729	345,270	35,007,999	37,014,996
Prepaid items and deposits	14,412	120,936	1,240,655	1,361,591	1,058,308
Special assessments receivable	-	150,575	-	150,575	304,591
Unbilled reimbursable projects	-	2,782,472	-	2,782,472	3,670,697
Other assets	-	815,621	-	815,621	1,151,214
Restricted assets:					
Customer deposits	-	1,228,008	-	1,228,008	1,808,812
Restricted deposits	-	86,654,455	-	86,654,455	95,916,511
Master lease agreement escrow		-	142,939	142,939	-
Intergovernmental receivables	2,136,880	3,796,332	-	3,796,332	1,536,005
Bond and acquisition and construction accounts	-	4,519,984	-	4,519,984	12,702,852
Landfill post closure cash reserve	11,637,332	11,637,332	-	11,637,332	10,015,200
Revenue bond operations and maintenance accounts	-	10,100,000	-	10,100,000	9,600,000
Interim rate escrow investment	-	4,199,147	-	4,199,147	-
Debt service accounts	-	7,648,443	-	7,648,443	7,549,516
Total current assets	46,108,430	310,461,812	49,954,080	360,415,892	354,879,608
Noncurrent assets:					
Loans receivable, net	1,684	1,684	-	1,684	2,676
Advances to other funds	-	-	1,955,713	1,955,713	1,406,427
Other assets	-	16,932,038	-	16,932,038	22,159,474
Restricted assets:					
Customer deposits	-	1,927,222	-	1,927,222	-
Revenue bond reserve investments	-	23,881,705	-	23,881,705	31,154,714
Asset retirement obligation sinking fund	-	7,454,506	-	7,454,506	-
Capital assets, net	133,559,557	1,901,286,726	50,383,490	1,951,670,216	1,821,937,035
Total noncurrent assets	133,561,241	1,951,483,881	52,339,203	2,003,823,084	1,876,660,326
Total assets	179,669,671	2,261,945,693	102,293,283	2,364,238,976	2,231,539,934
Deferred Outflows of Resources					
Deferred charge on refunding	-	2,895,124	-	2,895,124	3,867,375
Total deferred outflows of resources	-	2,895,124	-	2,895,124	3,867,375
Total assets and deferred outflows of resources	$ 179,669,671	$ 2,264,840,817	$ 102,293,283	$ 2,367,134,100	$ 2,235,407,309

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities – Enterprise Funds			
Liabilities	**Electric Utility**	**Water Utility**	**Wastewater Utility**	**Port**
Current liabilities:				
Accounts payable, other accrued liabilities and retainages	$ 16,107,083	$ 659,293	$ 525,117	$ 481,616
Accrued payroll liabilities	1,989,711	1,635,034	453,419	177,472
Capital acquisition and construction accounts and retainage payable	-	-	-	490,850
Compensated absences	2,768,631	945,475	886,735	164,942
Claims payable	-	-	-	-
Claims incurred but not reported	-	-	-	-
Notes payable	24,700,000	-	-	-
Due to other funds	-	-	-	-
Accrued interest payable	1,952,119	1,471,060	1,315,691	33,308
Pollution remediation obligation	-	20,000	60,000	-
Long-term obligations maturing within one year	7,440,000	8,982,338	5,294,258	-
Unearned revenue and deposits	-	-	-	-
Current liabilities payable from restricted assets:				
Customer refunds and deposits payable	1,228,008	1,005,000	560,000	-
Capital acquisition and construction accounts and retainage payable	18,593,940	3,276,822	2,300,929	-
Total current liabilities	74,779,492	17,995,022	11,396,149	1,348,188
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and premiums)	360,881,382	116,076,695	62,775,653	-
Advances from other funds	-	-	-	-
Accumulated provision for rate refunds	-	-	-	-
Alaska clean water loans payable	-	74,443,724	66,699,049	-
Asset retirement obligation	8,106,294	-	-	-
Capital leases payable	-	-	-	-
Claims incurred but not reported	-	-	-	-
Compensated absences	-	267,657	279,475	66,977
Liabilities payable from restricted assets:				
Customer deposits	-	396,031	1,531,191	-
Other liabilities:				
Pollution remediation obligation	-	68,500	384,000	-
Future landfill closure costs	-	-	-	-
Notes payable	-	-	-	40,000,000
Other long-term obligations	-	12,125,600	29,151,000	1,842,013
Total noncurrent liabilities	368,987,676	203,378,207	160,820,368	41,908,990
Total liabilities	443,767,168	221,373,229	172,216,517	43,257,178
Deferred Inflows of Resources				
Contributions in aid of construction (net amortization)	95,398,872	219,290,945	168,027,241	-
Future natural gas purchases	32,780,222	-	-	-
Regulatory liability gas sales	70,622,412	-	-	-
Deferred intergovernmental-time requirement	-	-	-	-
Total deferred inflows of resources	198,801,506	219,290,945	168,027,241	-
Net Position				
Net investment in capital assets	232,279,391	90,685,159	58,308,145	128,338,131
Restricted for:				
Debt service	590,403	5,077,564	-	-
Restricted for interim rate escrow requirement	-	876,616	1,757,531	-
Acquisition and construction	-	-	-	1,659,452
Operations	10,100,000	-	-	-
Unrestricted	12,534,565	33,362,542	27,233,521	15,634,342
Total net position	255,504,359	130,001,881	87,299,197	145,631,925
Total liabilities, deferred inflows of resources and net position	$ 898,073,033	$ 570,666,055	$ 427,542,955	$ 188,889,103

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities Enterprise Funds (Continued)			Total Proprietary Funds	
	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds	December 31, 2014	As Restated December 31, 2013
Liabilities					
Current liabilities:					
Accounts payable, other accrued liabilities and retainages	$ 1,005,181	$ 18,778,290	$ 825,567	$ 19,603,857	$ 16,130,014
Accrued payroll liabilities	739,713	4,995,349	693,995	5,689,344	4,047,063
Capital acquisition and construction accounts and retainage payable	1,523,455	2,014,305	90,170	2,104,475	-
Compensated absences	741,288	5,507,071	819,182	6,326,253	5,683,672
Claims payable	-	-	11,003,474	11,003,474	12,303,180
Claims incurred but not reported	-	-	8,607,969	8,607,969	7,455,377
Notes payable	-	24,700,000	-	24,700,000	110,100,000
Due to other funds	-	-	1,664,315	1,664,315	904,363
Accrued interest payable	108,780	4,880,958	82,441	4,963,399	3,977,733
Pollution remediation obligation	-	80,000	-	80,000	80,000
Long-term obligations maturing within one year	1,718,267	23,434,863	2,907,087	26,341,950	38,952,793
Unearned revenue and deposits	341,122	341,122	-	341,122	343,232
Current liabilities payable from restricted assets:					
Customer refunds and deposits payable	-	2,793,008	-	2,793,008	1,808,812
Capital acquisition and construction accounts and retainage payable	-	24,171,691	142,939	24,314,630	14,778,859
Total current liabilities	6,177,806	111,696,657	26,837,139	138,533,796	216,565,098
Noncurrent liabilities:					
Revenue bonds payable (net of unamortized discounts and premiums)	-	539,733,730	-	539,733,730	374,239,871
Advances from other funds	-	-	1,530,000	1,530,000	1,615,000
Accumulated provision for rate refunds	-	-	-	-	384,718
Alaska clean water loans payable	11,604,234	152,747,007	-	152,747,007	159,731,485
Asset retirement obligation	-	8,106,294	-	8,106,294	7,698,285
Capital leases payable	-	-	12,403,170	12,403,170	7,785,316
Claims incurred but not reported	-	-	5,604,697	5,604,697	5,753,817
Compensated absences	3,026	617,135	170,313	787,448	848,837
Liabilities payable from restricted assets:					
Customer deposits	-	1,927,222	-	1,927,222	-
Other liabilities:					
Pollution remediation obligation	-	452,500	-	452,500	482,500
Future landfill closure costs	27,063,161	27,063,161	-	27,063,161	25,577,765
Notes payable	-	40,000,000	-	40,000,000	40,000,000
Other long-term obligations	-	43,118,613	-	43,118,613	29,721,001
Total noncurrent liabilities	38,670,421	813,765,662	19,708,180	833,473,842	653,838,595
Total liabilities	44,848,227	925,462,319	46,545,319	972,007,638	870,403,693
Deferred Inflows of Resources					
Contributions in aid of construction (net amortization)	-	482,717,058	-	482,717,058	487,019,210
Future natural gas purchases	-	32,780,222	-	32,780,222	31,727,421
Regulatory liability gas sales	-	70,622,412	-	70,622,412	81,953,639
Deferred intergovernmental-time requirement	-	-	-	-	-
Total deferred inflows of resources	-	586,119,692	-	586,119,692	600,700,270
Net Position					
Net investment in capital assets	120,237,056	629,847,882	35,073,233	664,921,115	600,297,262
Restricted for:					
Debt service	-	5,667,967	-	5,667,967	37,639,640
Restricted for interim rate escrow requirement	-	2,634,147	-	2,634,147	-
Acquisition and construction	1,938,954	3,598,406	-	3,598,406	21,321,820
Operations	-	10,100,000	-	10,100,000	9,600,000
Unrestricted	12,645,434	101,410,404	20,674,731	122,085,135	95,444,624
Total net position	134,821,444	753,258,806	55,747,964	809,006,770	764,303,346
Total liabilities, deferred inflows of resources and net position	$ 179,669,671		$ 102,293,283	$ 2,367,134,100	$ 2,235,407,309

1,797,910	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
$ 755,056,716	Net position of business-type activities

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities – Enterprise Funds			
	Electric Utility	**Water Utility**	**Wastewater Utility**	**Port**
Operating revenues:				
Charges for sales and services	$ 140,720,030	$ 59,384,894	$ 50,415,326	$ 6,104,846
Other	(812,298)	1,137,674	1,011,197	4,457,404
Total operating revenues	139,907,732	60,522,568	51,426,523	10,562,250
Operating expenses:				
Operations	78,232,841	23,387,395	25,430,551	6,918,099
Amortization of future landfill closure costs	-	-	-	-
Depreciation and amortization	30,700,970	10,233,693	7,843,888	8,026,147
Total operating expenses	108,933,811	33,621,088	33,274,439	14,944,246
Operating income (loss)	30,973,921	26,901,480	18,152,084	(4,381,996)
Nonoperating revenues (expenses):				
Investment income (loss)	3,085,065	433,930	295,068	211,006
Other revenues	131	1,208,582	20,034	1,536,833
Intergovernmental revenue- non-capital	-	-	-	-
Interest expense	(14,992,360)	(7,102,732)	(4,458,151)	(397,024)
Allowance for funds used during construction	2,474,941	795,916	328,333	-
Gain on sale of capital assets	-	-	-	-
Amortization of deferred charges	(149,230)	(261,439)	(33,120)	-
Other expenses	(233,992)	(7,463)	(601)	(1,367,737)
Net nonoperating revenues (expenses)	(9,815,445)	(4,933,206)	(3,848,437)	(16,922)
Income (loss) before capital contributions, transfers, special item, and extraordinary item	21,158,476	21,968,274	14,303,647	(4,398,918)
Capital contributions	-	-	-	2,882,353
Transfers from other funds	-	-	-	-
Transfers to other funds	(13,530,278)	(7,341,047)	(5,588,171)	(538,731)
Special item	-	-	-	-
Extraordinary item	-	-	-	-
Change in net position	7,628,198	14,627,227	8,715,476	(2,055,296)
Net position, beginning of year	247,876,161	115,374,654	78,583,721	147,687,221
Net position, end of year	$ 255,504,359	$ 130,001,881	$ 87,299,197	$ 145,631,925

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities Enterprise Funds (Continued)			Total Proprietary Funds	
	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds	2014	As Restated 2013
Operating revenues:					
Charges for sales and services	$ 31,937,046	$ 288,562,142	$ 92,163,814	$ 380,725,956	$ 360,077,032
Other	3,224,256	9,018,233	813	9,019,046	10,853,925
Total operating revenues	35,161,302	297,580,375	92,164,627	389,745,002	370,930,957
Operating expenses:					
Operations	22,206,956	156,175,842	79,971,840	236,147,682	228,666,142
Amortization of future landfill closure costs	1,485,396	1,485,396	-	1,485,396	1,853,813
Depreciation and amortization	6,726,359	63,531,057	5,137,192	68,668,249	65,465,206
Total operating expenses	30,418,711	221,192,295	85,109,032	306,301,327	295,985,161
Operating income (loss)	4,742,591	76,388,080	7,055,595	83,443,675	74,945,796
Nonoperating revenues (expenses):					
Investment income (loss)	514,381	4,539,450	650,652	5,190,102	2,197,226
Other revenues	-	2,765,580	125,180	2,890,760	1,786,715
Intergovernmental revenue- non-capital	260,620	260,620	-	260,620	-
Interest expense	(208,404)	(27,158,671)	(513,535)	(27,672,206)	(27,408,092)
Allowance for funds used during construction	-	3,599,190	-	3,599,190	4,490,025
Gain on sale of capital assets	-	-	184,587	184,587	154,280
Amortization of deferred charges	-	(443,789)	-	(443,789)	(502,990)
Other expenses	-	(1,609,793)	(15,516)	(1,625,309)	(1,612,176)
Net nonoperating revenues (expenses)	566,597	(18,047,413)	431,368	(17,616,045)	(20,895,012)
Income (loss) before capital contributions, transfers, special item, and extraordinary item	5,309,188	58,340,667	7,486,963	65,827,630	54,050,784
Capital contributions	2,138,653	5,021,006	125,563	5,146,569	7,072,605
Transfers from other funds	-	-	1,777,960	1,777,960	2,969,832
Transfers to other funds	(1,042,308)	(28,040,535)	(8,200)	(28,048,735)	(26,901,318)
Special item	-	-	-	-	238,737
Extraordinary item	-	-	-	-	(61,562,051)
Change in net position	6,405,533	35,321,138	9,382,286	44,703,424	(24,131,411)
Net position, beginning of year	128,415,911		46,365,678	764,303,346	788,434,757
Net position, end of year	$ 134,821,444		$ 55,747,964	$ 809,006,770	$ 764,303,346
		1,051,877	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.		
		$ 36,373,015	Change in net position of business-type activities.		

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities – Enterprise Funds			
	Electric Utility	Water Utility	Wastewater Utility	Port
Cash flows from operating activities:				
Receipts from customers	$ 140,360,097	$ 60,352,879	$ 51,780,887	$ 11,669,509
Other operating cash receipts	6,692,067	-	-	-
Receipts for interfund services provided	-	-	-	-
Payments to employees	(27,591,104)	(16,225,179)	(14,199,325)	(2,471,588)
Payments to vendors	(62,713,002)	(7,035,270)	(5,722,625)	(4,936,876)
Payments for interfund services used	(2,185,704)	1,377,680	(7,747,936)	(626,392)
Net cash from operating activities	54,562,354	38,470,110	24,111,001	3,634,653
Cash flows from noncapital and related financing activities:				
Grant proceeds operating	-	-	-	-
Transfers to other funds	(13,530,278)	(7,341,047)	(5,588,171)	(538,731)
Transfers from other funds	-	-	-	-
Loan payments on interfund loans	-	-	-	-
Due to other funds	-	-	-	-
Due from other funds	-	-	-	-
Advance to other funds	-	-	-	-
Net cash from noncapital and related financing activities	(13,530,278)	(7,341,047)	(5,588,171)	(538,731)
Cash flows from capital and related financing activities:				
Proceeds from issuance of short-term obligations	98,600,000	-	-	-
Interest payments on short-term obligations	(125,781)	-	-	-
Proceeds from issuance of long-term obligations	202,042,020	7,700,000	5,700,000	-
Principal payments on short-term obligations	(184,000,000)	-	-	-
Principal payments on long-term obligations	(41,330,000)	(12,232,610)	(5,402,093)	-
Grant proceeds capital	-	-	-	1,247,658
Financing costs on long-term obligations	-	-	-	-
Interest payments on long-term obligations	(15,190,286)	(7,140,754)	(4,302,913)	(363,716)
Interest subsidy on build america bonds	2,414,599	-	-	-
Acquisition and construction of capital assets	(114,932,618)	(21,123,389)	(13,657,447)	(6,863,023)
Transfers from other funds	-	-	-	-
Landfill post closure cash reserve	-	-	-	-
Principal payments on interfund loans	-	-	-	-
Interest payments on interfund loans	-	-	-	-
Proceeds from Alaska clean water loans	-	3,097,215	1,672,810	-
Proceeds from issuance of debt	-	-	-	-
Proceeds (loss) from the sale or disposition of capital assets	-	-	-	-
Due to other funds	-	-	-	-
Loan proceeds from interfund loans	-	-	-	-
Capital contributions – customers	1,320,995	471,667	351,374	-
Capital contributions – intergovernmental	646,396	-	560,460	-
Net cash from capital and related financing activities	(50,554,675)	(29,227,871)	(15,077,809)	(5,979,081)
Cash flows from investing activities:				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	8,518,852	(37,220)	-	-
Investment income (loss)	769,043	461,717	299,535	236,164
Net cash from investing activities	9,287,895	424,497	299,535	236,164
Net increase (decrease) in cash	(234,704)	2,325,689	3,744,556	(2,646,995)
Cash, beginning of year	16,550,261	27,070,477	22,203,522	19,840,664
Cash, end of year	16,315,557	29,396,166	25,948,078	17,193,669
Cash	1,600	-	1,700	150
Cash in central treasury	13,870,844	28,007,205	22,103,238	10,205,074
Capital acquisition and construction accounts	1,215,105	992,930	2,311,949	6,988,445
Customer deposits	1,228,008	396,031	1,531,191	-
Cash, December 31	$ 16,315,557	$ 29,396,166	$ 25,948,078	$ 17,193,669

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities Enterprise Funds (Continued)		Governmental Activities – Internal Service Funds	Total Proprietary Funds	
	Other Enterprise Funds	Total Enterprise Funds		2014	2013
Cash flows from operating activities:					
Receipts from customers	$ 35,231,735	$ 299,395,107	$ -	$ 299,395,107	$ 291,791,529
Other operating cash receipts	-	6,692,067	-	6,692,067	-
Receipts for interfund services provided	-	-	92,289,807	92,289,807	100,868,450
Payments to employees	(11,603,394)	(72,090,590)	(11,794,182)	(83,884,772)	(83,520,200)
Payments to vendors	(8,619,048)	(89,026,821)	(64,811,553)	(153,838,374)	(159,164,904)
Payments for interfund services used	(1,231,452)	(10,413,804)	(4,092,115)	(14,505,919)	(12,821,037)
Net cash from operating activities	13,777,841	134,555,959	11,591,957	146,147,916	137,153,838
Cash flows from noncapital and related financing activities:					
Grant proceeds operating	323,177	323,177	-	323,177	121,173
Transfers to other funds	(1,042,308)	(28,040,535)	(8,200)	(28,048,735)	(26,901,318)
Transfers from other funds	-	-	-	-	40,000
Loan payments on interfund loans	-	-	220,449	220,449	548,534
Due to other funds	(261,585)	(261,585)	1,021,537	759,952	(448,897)
Due from other funds	-	-	(548,482)	(548,482)	-
Advance to other funds	-	-	(549,286)	(549,286)	-
Net cash from noncapital and related financing activities	(980,716)	(27,978,943)	136,018	(27,842,925)	(26,640,508)
Cash flows from capital and related financing activities:					
Proceeds from issuance of short-term obligations	-	98,600,000	-	98,600,000	60,100,000
Interest payments on short-term obligations	-	(125,781)	-	(125,781)	(110,671)
Proceeds from issuance of long-term obligations	-	215,442,020	-	215,442,020	27,876,600
Principal payments on short-term obligations	-	(184,000,000)	-	(184,000,000)	-
Principal payments on long-term obligations	(1,704,171)	(60,668,874)	(2,306,618)	(62,975,492)	(37,399,875)
Grant proceeds capital	1,440,548	2,688,206	-	2,688,206	-
Financing costs on long-term obligations	-	-	-	-	(707,003)
Interest payments on long-term obligations	(223,922)	(27,221,591)	(453,628)	(27,675,219)	(26,466,381)
Interest subsidy on build america bonds	-	2,414,599	-	2,414,599	-
Acquisition and construction of capital assets	(15,963,283)	(172,539,760)	(14,758,153)	(187,297,913)	(113,623,949)
Transfers from other funds	-	-	1,777,960	1,777,960	2,929,832
Landfill post closure cash reserve	(1,622,132)	(1,622,132)		(1,622,132)	(1,848,416)
Principal payments on interfund loans	-	-	(85,000)	(85,000)	-
Interest payments on interfund loans	-	-	(40,002)	(40,002)	-
Proceeds from Alaska clean water loans	-	4,770,025	-	4,770,025	10,324,155
Proceeds from issuance of debt	-	-	8,033,000	8,033,000	-
Proceeds (loss) from the sale or disposition of capital assets	146,143	146,143	184,587	330,730	(2,987,266)
Due to other funds	-	-	-	-	85,000
Loan proceeds from interfund loans	-	-	-	-	1,615,000
Capital contributions – customers	-	2,144,036	-	2,144,036	2,255,697
Capital contributions – intergovernmental	-	1,206,856	-	1,206,856	9,467,601
Net cash from capital and related financing activities	(17,926,817)	(118,766,253)	(7,647,854)	(126,414,107)	(68,489,676)
Cash flows from investing activities:					
Proceeds from sale of investments	-	-	-	-	9,919
Purchase of investments	-	8,481,632	-	8,481,632	(16,479,425)
Investment income (loss)	547,497	2,313,956	650,652	2,964,608	2,000,271
Net cash from investing activities	547,497	10,795,588	650,652	11,446,240	(14,469,235)
Net increase (decrease) in cash	(4,582,195)	(1,393,649)	4,730,773	3,337,124	27,554,419
Cash, beginning of year	34,527,377	120,192,301	43,166,410	163,358,711	135,804,292
Cash, end of year	29,945,182	118,798,652	47,897,183	166,695,835	163,358,711
Cash	3,675	7,125	-	7,125	7,125
Cash in central treasury	21,713,095	95,899,456	46,074,333	141,973,789	115,327,040
Capital acquisition and construction accounts	8,228,412	19,736,841	1,822,850	21,559,691	46,215,734
Customer deposits	-	3,155,230	-	3,155,230	1,808,812
Cash, December 31	$ 29,945,182	$ 118,798,652	$ 47,897,183	$ 166,695,835	$ 163,358,711

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities – Enterprise Funds			
	Electric Utility	Water Utility	Wastewater Utility	Port
Reconciliation of change in net position to net cash provided (used) by operating activities:				
Operating income (loss)	$ 30,973,921	$ 26,901,480	$ 18,152,084	$ (4,381,996)
Transfer to escrow account	-	(1,881,616)	(2,317,531)	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Amortization of future landfill closure costs	-	-	-	-
Depreciation and amortization	30,700,970	10,233,693	7,843,888	8,026,147
Allowance for uncollectible accounts	20,100	4,605	(56,415)	-
Security contract	-	-	-	(1,367,737)
Security fees	-	-	-	1,361,865
Right-of-way fees	-	-	-	174,968
Other revenues / expenses	(233,861)	1,201,124	19,433	-
Changes in assets and liabilities which increase (decrease) cash:				
Accounts receivable, net	(6,771,764)	(234,310)	(20,137)	(429,574)
Inventories	2,040,519	3,122	(58,093)	-
Prepaid items and deposits	-	(1,012)	(814)	(1,096)
Unbilled reimbursable projects	876,294	11,888	43	-
Other assets current	335,593	-	-	-
Other assets noncurrent	(393,230)	317,355	(519,046)	-
Accumulated provision for rate refund	(384,718)	-	-	-
Customer deposits and refunds payable	16,107	1,161,436	1,733,875	-
Accounts payable, other accrued liabilities and retainages	(7,986,862)	(233,834)	(415,638)	185,404
Accrued payroll liabilities	690,589	926,838	(282,610)	45,405
Asset retirement obligation	408,009	-	-	-
Compensated absences	366,371	59,341	61,962	23,655
Claims payable	-	-	-	-
Deferred inflows of resources	3,904,316	-	-	-
Unearned revenues and deposits	-	-	-	-
Other long-term obligations	-	-	-	(2,388)
Pollution remediation obligation	-	-	(30,000)	-
Total cash provided by operating activities	$ 54,562,354	$ 38,470,110	$ 24,111,001	$ 3,634,653
Noncash investing, capital, and financing activities:				
Capital purchases on account	18,956,825	739,605	766,500	490,850
Contributed capital and equipment	-	2,390,364	1,801,575	-
Capital in aid of construction funded from deferred inflows of resources	7,973,854	-	-	-
Portion of plant from AFUDC	2,474,941	-	-	-
Total noncash investing, capital, and financing activities	$ 29,405,620	$ 3,129,969	$ 2,568,075	$ 490,850

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Business-Type Activities Enterprise Funds (Continued)		Governmental Activities – Internal Service Funds	Total Proprietary Funds	
	Other Enterprise Funds	Total Enterprise Funds		2014	2013
Reconciliation of change in net position to net cash provided (used) by operating activities:					
Operating income (loss)	$ 4,742,591	$ 76,388,080	$ 7,055,595	$ 83,443,675	$ 74,945,796
Transfer to escrow account	-	(4,199,147)	-	(4,199,147)	-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Amortization of future landfill closure costs	1,485,396	1,485,396	-	1,485,396	1,853,813
Depreciation and amortization	6,726,359	63,531,057	5,137,192	68,668,249	65,465,206
Allowance for uncollectible accounts	-	(31,710)	-	(31,710)	122,635
Security contract	-	(1,367,737)	-	(1,367,737)	(1,325,141)
Security fees	-	1,361,865	-	1,361,865	1,325,901
Right-of-way fees	-	174,968	-	174,968	160,682
Other revenues / expenses	-	986,696	125,180	1,111,876	(761)
Changes in assets and liabilities which increase (decrease) cash:					
Accounts receivable, net	62,627	(7,393,158)	-	(7,393,158)	(1,525,348)
Inventories	-	1,985,548	21,502	2,007,050	(5,083,266)
Prepaid items and deposits	1,736	(1,186)	(302,097)	(303,283)	2,084
Unbilled reimbursable projects	-	888,225	-	888,225	(2,539,461)
Other assets current	-	335,593	-	335,593	(476,453)
Other assets noncurrent	-	(594,921)	-	(594,921)	(2,453,062)
Accumulated provision for rate refund	-	(384,718)	-	(384,718)	384,718
Customer deposits and refunds payable	-	2,911,418	-	2,911,418	34,316
Accounts payable, other accrued liabilities and retainages	592,272	(7,858,658)	(301,986)	(8,160,644)	(9,678,258)
Accrued payroll liabilities	110,503	1,490,725	131,493	1,622,218	(908,098)
Asset retirement obligation	-	408,009	-	408,009	2,051,401
Compensated absences	48,551	559,880	21,312	581,192	(345,395)
Claims payable	-	-	(296,234)	(296,234)	1,650,838
Deferred inflows of resources	-	3,904,316	-	3,904,316	13,193,325
Unearned revenues and deposits	7,806	7,806	-	7,806	223,119
Other long-term obligations	-	(2,388)	-	(2,388)	(10,753)
Pollution remediation obligation	-	(30,000)	-	(30,000)	86,000
Total cash provided by operating activities	$ 13,777,841	$ 134,555,959	$ 11,591,957	$ 146,147,916	$ 137,153,838
Noncash investing, capital, and financing activities:					
Capital purchases on account	1,523,455	22,477,235	233,109	22,710,344	14,641,501
Contributed capital and equipment	-	4,191,939	125,563	4,317,502	104,405,867
Capital in aid of construction funded from deferred inflows of resources	-	7,973,854	-	7,973,854	20,890,839
Portion of plant from AFUDC	-	2,474,941	-	2,474,941	3,154,014
Total noncash investing, capital, and financing activities	$ 1,523,455	$ 37,117,969	$ 358,672	$ 37,476,641	$ 143,092,221

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Net Position
Fiduciary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Pension and Other Post Employment Benefit Trust Funds	
Assets	**2014**	**2013**
Cash in central treasury	$ 127,698	$ 143,076
Cash, cash equivalents held under securities lending program	1,127,123	3,217,251
Contribution receivable	371,272	384,602
Investments, at fair value:		
Cash and money market funds	3,800,789	2,345,901
U.S. treasuries	7,805,344	8,891,660
U.S. TIPS	258,131	248,270
U.S. agencies	582,292	-
Corporate fixed income securities	88,759,603	85,779,584
Asset-backed securities	-	-
Fixed income funds	1,704,739	1,448,865
Certificate of deposit	1,492,655	-
Domestic equity securities	144,507,582	149,405,443
International equity securities	66,848,359	74,644,129
Real estate funds	44,665,708	42,011,857
Total investments	360,425,202	364,775,709
Capital assets, net	665	1,827
Total assets	362,051,960	368,522,465
Liabilities		
Accounts payable	25,548	23,042
Payable under securities lending program	1,127,123	3,217,251
Total liabilities	1,152,671	3,240,293
Net Position		
Held in trust for:		
Employees' pension benefits	344,567,327	349,842,533
Employees' post employment healthcare benefits	16,331,962	15,439,639
Total net position	360,899,289	365,282,172
Total liabilities and net position	$ 362,051,960	$ 368,522,465

See accompanying notes to the financial statements

MUNICIPALITY OF ANCHORAGE, ALASKA
Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Pension and Other Post Employment Benefit Trust Funds	
	2014	**2013**
Additions:		
Contributions from other funds	$ 12,039,480	$ 13,043,961
Contributions from employees	234,853	357,248
Investment income:		
Interest	3,957,144	3,105,881
Dividends	2,779,915	2,734,027
Net increase (decrease) in fair value of investments	13,391,401	50,099,374
Less: investment expense	(1,676,356)	(1,108,087)
Total additions	30,726,437	68,232,404
Deductions:		
Regular benefit payments	34,368,422	33,000,553
Administrative expenses	740,898	741,174
Total deductions	35,109,320	33,741,727
Change in net position	(4,382,883)	34,490,677
Net position, beginning of year	365,282,172	330,791,495
Net position, end of year	$ 360,899,289	$ 365,282,172

MUNICIAPLITY OF ANCHORAGE, ALASKA
Notes to the Basic Financial Statements
December 31, 2014

Index

Notes to Financial Statements: Page

Note 1 Summary of Significant Accounting Policies 45

Note 2 Stewardship, Compliance and Accountability- Related Party Transactions 50

Note 3 Cash and Investments 50

Note 4 Receivables (Including Loans and Leases Receivable) 61

Note 5 Capital Assets 62

Note 6 Port Expansion 64

Note 7 Interfund Receivables, Payables, and Transfers 64

Note 8 Lease Agreements 66

Note 9 Short-Term Obligations 67

Note 10 Long -Term Obligations 67

Note 11 Debt Issued Subsequent to Year End 77

Note 12 Conduit Debt Obligations 78

Note 13 Retirement Plans 78

Note 14 Postemployment Healthcare Benefits 83

Note 15 Fund Balance- Governmental Funds 86

Note 16 Risk Management and Self-Insurance Funds 88

Note 17 MOA Trust Fund 89

Note 18 Regulatory and Other Matters 90

Note 19 Contingencies 93

Note 20 Environmental Issues 94

Note 21 Subsequent Events 97

Note 22 New Accounting Pronouncements 97

Note 23 Other Accounting Matters 98

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Blended Component Units
CIVICVentures is a nonprofit corporation created to finance and construct a new convention center for the Municipality, as well as upgrades and improvements to the existing Egan Center. All of the board members are appointed by the Mayor. As of December 31, 2014, two of CIVICVentures' five-member board of directors are executive employees of the Municipality and management and accounting functions are performed by the Municipality or municipal employees. CIVICVentures is reported as a debt service fund.

Discretely Presented Component Units
The Anchorage School District (ASD) is responsible for elementary and secondary education within the Municipality. Members of the School Board are elected by the voters, however, the ASD is fiscally dependent upon the primary government because the Assembly approves the total budget of the ASD, levies the necessary taxes, and approves the borrowing of money and the issuance of bonds. The ASD has a June 30 fiscal year end, therefore, the financial information presented in these financial statements is as of and for the fiscal year ended June 30, 2014.

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

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

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

- The **General Fund** is the Municipality's primary operating fund. It is used to account for resources which are not required legally or by sound management to be accounted for in any other fund.
- The **MOA Trust Fund** accounts for the endowment fund authorized by the voter's of the Municipality.

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

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

The Municipality reports the following major proprietary funds:

- The **Electric Utility Fund** accounts for the operations of the Municipality owned Electric Utility.

- The **Water Utility Fund** accounts for the operations of the Municipality owned Water Utility.
- The **Wastewater Utility Fund** accounts for the operations of the Municipality owned Wastewater Utility.
- The **Port Fund** accounts for operations of the Municipality owned port. The Port fund is report as a major fund for qualitative purposes, not quantitative.

Additionally, the Municipality reports the following fund types:

- The **Permanent Fund** is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs, like the **Cemetery Perpetual Maintenance Fund** which accounts for contributions, revenues and expenditures for perpetual maintenance of the Anchorage Memorial Park Cemetery.

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

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

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

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

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

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

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

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

Investments
Investments at year end are reported at fair value, except as otherwise disclosed (i.e. Angel Fund). Investment income on cash pool investments is allocated to the various funds based on their average daily cash pool equity balances. Funds that have negative balances in the cash pools are charged interest; the interest income is allocated to those funds having equity in the cash pools. Details regarding investments are discussed in Note 3.

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

All trade and property taxes receivable, including those business-type activities, are shown net of an allowance for uncollectable. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectable, including those related to business-type activities. 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 2014, real and personal property taxes were levied on May 1st. Real property taxes were payable in two installments on June 15 and August 15, and personal property taxes in two installments on August 31 and October 31. ASD had accrued taxes and deferred inflows of $119,788,212 for financing half of the 2014-2015 budget as of June 30, 2014. At December 31, 2014, property taxes receivable was $10,545,707 including penalties and interest of $1,371,039 and excluding allowance for uncollectable property tax receivable of $106,685.

Inventories
Inventories are valued at cost (specific identification), except inventories of the Utilities, which are valued at the lower of average cost or market. All Municipality inventories are recorded as expenditures or expenses when used (consumption method).

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

Restricted Assets
Assets restricted for specific uses by bond covenants, grant provisions or other requirements are classified as restricted assets. The "bond operation and maintenance account" is used to report resources set aside to subsidize potential deficiencies from the Municipality's operations that could adversely affect debt service payments. The "bond acquisition and construction account" is used to report those proceeds of bond issuances that are restricted for use in construction. The "debt service account" is used to segregate resources accumulated for debt service payments. "Intergovernmental receivables" represent grant receivables due from state and federal governments for capital purposes. Liabilities payable from such restricted assets are separately classified.

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

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

The Utilities capitalize interest on construction work in progress in accordance with regulatory requirements. Interest was capitalized in 2014 in the amounts of $2,474,941, $795,916, and $328,333 for the Electric, Water and Wastewater Utilities, respectively.

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

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

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

Buildings and Improvements	3-47 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

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

Compensated Absences

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

Long-Term Obligations

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

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

Contributed Capital

The Utilities receive Contribution In Aid of Construction (CIAC), which they record as contributed plant in service and deferred inflows. For rate-making purposes, the Utilities amortize contributed plant over the life of the respective Utility plant as a reduction of depreciation expense and a reduction of deferred inflows. Consequently, CIAC's are recorded as deferred inflows in the accompanying financial statements. The Utilities' rates also include an Allowance for Funds Used During Construction (AFUDC), which is capitalized in the accompanying financial statements. At December 31, 2014, Electric, Water and Wastewater Utility deferred inflow balances were $95,398,872, $219,290,945, and $168,027,241 respectively.

Fund Balance

The Municipality has implemented the provisions of GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions for reporting fund balance in governmental funds. The Assembly adopted a fund balance policy through resolution, which is used by the Municipality to report fund balance. Detailed disclosures regarding the fund balance policy and reporting is discussed in Note 15.

E. Utility Revenues

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

F. Statement of Cash Flows

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

G. Reclassifications

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

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

A. Excess of Expenditures Over Appropriations

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

For the year ended December 31, 2014, expenditures exceeded appropriations in the following departments of the general fund:

Maintenance & Operations	$ 65,055,234
Fire	15,638,134
Police	3,540,266
Economic & Community Development	3,045,886
Municipal Manager	1,249,179
Public Transportation	1,105,796
Traffic	168,049
Health & Human Services	6,532

B. Negative Fund Balance

As of December 31, 2014, an overall negative unassigned fund balance position was reported in the Other Restricted Resources fund in the amount of ($57,261).

The Other Restricted Resources fund reported an overall negative unassigned fund balance as a result of more than one year of cumulative expenditures being in excess of special assessment revenues.

C. Related Party Transaction

Anchorage Community Development Authority - The Municipality has leased 516 spaces located on four sites to the Authority for a period of 35 years. The agreement included an advance payment of $350 per lot and will terminate in 2019. In 2014, the Municipality paid a total of $297,895 to ACDA for leased parking.

D. Material Violations of Contractual Provisions

There were no material violations of contractual provisions as of December 31, 2014.

NOTE 3 - CASH AND INVESTMENTS

At December 31, 2014, the Municipality had the following cash and investments, with fixed income maturities as noted:

Investment Type	Fair Value*	Fixed Income Investment Maturities (in years) Less Than 1	1 - 5	6 - 10	More Than 10
Petty Cash	$ 83,018				
Master Lease Agreement	142,939				
Interim Rate Increase Escrow	4,199,147				
Central Treasury - Unrestricted					
Cash & Money Market Funds	2,986,970	-	-	-	-
Repurchase Agreements	32,593,655	32,593,655	-	-	-
Commercial Paper	10,789,411	10,789,411	-	-	-
Certificates of Deposit	3,073,542	3,073,542	-	-	-
U.S. Treasuries	134,396,442	14,675,893	112,009,370	7,711,179	-
U.S. TIPS	5,415,041	-	3,060,896	2,031,989	322,156
U.S. Agencies	60,745,165	49,370,233	1,981,137	5,408,512	3,985,283
Municipal Bonds	221,474	-	-	221,474	-
Asset-Backed Securities**	45,009,290	464,642	30,968,105	4,055,610	9,520,933
Corporate Fixed Income Securities	96,081,983	26,183,785	53,323,687	14,232,077	2,342,434
Payables	(9,356,128)	-	-	-	-
	$ 381,956,845	$ 137,151,161	$ 201,343,195	$ 33,660,841	$ 16,170,806
Central Treasury - Restricted					
Cash & Money Market Funds	27,988,270	-	-	-	-
Repurchase Agreements	9,019,845	9,019,845	-	-	-
Commercial Paper	3,984,651	3,984,651	-	-	-
Certificates of Deposit	850,560	850,560	-	-	-
U.S. Treasuries	37,192,365	4,061,351	30,997,051	2,133,963	-
U.S. TIPS	1,498,538	-	847,061	562,325	89,152
U.S. Agencies	38,000,249	24,152,828	11,247,818	1,496,731	1,102,872
Municipal Bonds	61,290	-	-	61,290	-
Asset-Backed Securities**	12,455,701	128,583	8,569,997	1,122,334	2,634,787
Corporate Fixed Income Securities	26,589,366	7,246,003	14,756,596	3,938,531	648,236
Payables	(2,589,179)	-	-	-	-
	$ 155,051,656	$ 49,443,821	$ 66,418,523	$ 9,315,174	$ 4,475,047

* Market value plus accrued income.

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

MOA Trust Fund					
Cash & Money Market Funds	150,215	-	-	-	-
U.S. TIPS	4,485,114	-	-	4,485,114	-
Fixed Income Funds	38,744,922	-	-	38,744,922	-
Domestic Equities & Equity Funds	57,000,695	-	-	-	-
International Equities & Equity Funds	34,761,383	-	-	-	-
Real Estate Funds	13,883,449	-	-	-	-
	$ 149,025,778	$ -	$ -	$ 43,230,036	$ -

Investment Type	Fair Value*	Fixed Income Investment Maturities (in years) Less Than 1	1 - 5	6 - 10	More Than 10
Police & Fire Retiree Medical Trust Fund					
Cash & Money Market Funds	832,411	-	-	-	-
U.S. Treasuries	7,805,344	1,617,720	6,187,624	-	-
U.S. TIPS	258,131	-	-	258,131	-
U.S. Agencies	582,292	-	582,292	-	-
Fixed Income Funds	1,704,739	-	1,704,739	-	-
Certificate of Deposit	1,492,655	1,492,655	-	-	-
Domestic Equity Funds	2,269,688	-	-	-	-
International Equity Funds	1,350,270	-	-	-	-
	$ 16,295,530	$ 3,110,375	$ 8,474,655	$ 258,131	$ -
Police & Fire Retiree Medical Liability Fund					
Cash & Money Market Funds	214,511	-	-	-	-
U.S. TIPS	1,450,461	-	-	1,450,461	-
Fixed Income Funds	7,499,247	-	-	7,499,247	-
Domestic Equities & Equity Funds	13,742,992	-	-	-	-
International Equities & Equity Funds	8,910,608	-	-	-	-
Real Estate Funds	4,275,006	-	-	-	-
	$ 36,092,825	$ -	$ -	$ 8,949,708	$ -
Police and Fire Retirement Pension Trust Fund					
Cash & Money Market Funds	2,968,378	-	-	-	-
Corporate Fixed Income Securities	88,759,603	718,396	61,424,806	26,616,401	-
Domestic Equities & Equity Funds	142,237,893	-	-	-	-
International Equities & Equity Funds	65,498,089	-	-	-	-
Real Estate Funds	44,665,708	-	-	-	-
	$ 344,129,671	$ 718,396	$ 61,424,806	$ 26,616,401	$ -
HUD Section 108 Loan Program Investment					
Cash & Money Market Funds	15,135	-	-	-	-
U.S. Treasuries	1,449,463	1,449,463	-	-	-
	$ 1,464,598	$ 1,449,463	$ -	$ -	$ -
CIVICVentures Component Unit					
Cash & Money Market Funds	1,666,835	-	-	-	-
U.S. Agencies	6,851,529	2,002,869	4,848,660	-	-
	$ 8,518,364	$ 2,002,869	$ 4,848,660	$ -	$ -
Total Cash & Investments	$ 1,096,960,371	$ 193,876,085	$ 342,509,839	$ 122,030,291	$ 20,645,853
Governmental Activities	465,486,942				
Business-Type Activities	270,920,530				
Fiduciary Funds	360,552,899				
	$ 1,096,960,371				

A. Municipal Central Treasury

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

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

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

- Obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
- Corporate Debt Securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
- Taxable and tax-exempt municipal securities having a long-term rating of at least A- by a nationally recognized rating agency or taxable or tax-exempt municipal securities having a short-term rating of at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated AAA by a nationally recognized rating agency.
- Commercial paper, excluding asset-backed commercial paper, rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch.
- Bank debt obligations, including unsecured certificates of deposit, notes, time deposits, and bankers' acceptances (with maturities of not more than 365 days), and deposits with any bank, the short-term obligations of which are rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch and which is either:

    a) Incorporated under the laws of the United States of America, or any state thereof, and subject to supervision and examination by federal or state banking authorities; or
    b) Issued through a foreign bank with a branch or agency licensed under the laws of the United States of America, or any state thereof, or under the laws of a country with a Standard & Poor's sovereign rating of AAA, or a Moody's sovereign rating for bank deposits of Aaa, or a Fitch national rating of AAA, and subject to supervision and examination by federal or state banking authorities.

- Repurchase agreements secured by obligations of the U.S. government, U.S. agencies, or U.S. government-sponsored corporations and agencies.
- Dollar denominated corporate debt instruments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Dollar denominated corporate debt instruments rated lower than BBB- (non-investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency, including emerging markets.
- Dollar denominated debt instruments of foreign governments rated BBB- or better (investment grade) by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Asset Backed Securities (ABS), excluding commercial paper, collateralized by: credit cards, automobile loans, leases and other receivables which must have a credit rating of AA- or above by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Mortgage Backed Securities, including generic mortgage-backed pass-through securities issued by Ginnie Mae, Freddie Mac, and Fannie Mae, as well as non-agency mortgage-backed securities, Collateralized Mortgage Obligations (CMOs), or Commercial mortgage-backed securities (CMBS), which must have a credit rating of AA- or better by Standard & Poor's or the equivalent by another nationally recognized rating agency.
- Debt issued by the Tennessee Valley Authority.
- Money Market Mutual Funds rated Am or better by Standard & Poor's, or the equivalent by another nationally recognized rating agency, as long as they consist of allowable securities as outlined above.
- The Alaska Municipal League Investment Pool (AMLIP).
- Mutual Funds consisting of allowable securities as outlined above.
- Interfund Loans from a Municipal Cash Pool to a Municipal Fund.

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

- Structured Investment Vehicles.
- Asset Backed Commercial Paper.
- Short Sales.
- Securities not denominated in U.S. Dollars.
- Commodities.

- Real Estate Investments.
- Derivatives, except “to be announced” forward mortgage-backed securities (TBAs) and derivatives for which payment is guaranteed by the U.S. government or an agency thereof.

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

Investment Type	Concentration Limit	Working Capital Portfolio Holding % at December 31, 2014	Managed Portfolio Holding % at December 31, 2014
U.S. Government Securities*	50% to 100% of investment portfolio	54%	58%
Repurchase Agreements	0% to 50% of investment portfolio	21%	0%
Certificates of Deposit**	0% to 50% of investment portfolio Maximum 5% per issuer	2%	0%
Bankers Acceptances	0% to 25% of investment portfolio Maximum 5% per issuer	0%	0%
Commercial Paper	0% to 15% of investment portfolio Maximum 5% per issuer	0%	4%
Corporate Bonds	0% to 15% of investment portfolio Maximum 5% per issuer	9%	7%
Alaska Municipal League Investment Pool (AMLIP)***	0% to 25% of investment portfolio	0%	0%
Money Market Mutual Funds	0% to 25% of investment portfolio	14%	31%
Dollar Denominated Fixed Income Securities, other than those listed herein, rated by at least one nationally recognized rating agency	0% to 15% of investment portfolio Maximum 5% per issuer	0%	0%
		100%	100%

*Includes debt obligations issued or guaranteed by the U.S. government, U.S. agencies or U.S. government-sponsered corporations.
**The policy limits CDs that are not secured by U.S. government securities to 20% of the internally managed portfolio.
***The Working Capital portfolio may not be invested in AMLIP.

B. MOA Trust Fund

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

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

- All investments eligible for purchase by the Anchorage Central Treasury.
- Publicly traded equity investments.
- Debt instruments issued by the U.S. Government, its agencies and instrumentalities, and debt instruments that have been issued by domestic and non-domestic entities, subject to the following criteria:

  a) No more than 5 percent of the fixed income portfolio may be invested in the fixed income securities of a single issuer, with the exception of the U.S. Government, its agencies and instrumentalities.
  b) No more than 10 percent of the fixed income portfolio may be invested in domestic fixed income securities rated less than BBB- by Standard & Poor’s or the equivalent by another nationally recognized rating agency.
  c) No more than 30 percent of the fixed income portfolio may be invested in investment grade dollar denominated fixed income securities issued by non-domestic entities.
  d) No more than 5 percent of the MOA Trust may be invested in non-dollar denominated fixed income securities.

- Real Estate investments in a diversified portfolio of institutional quality, income producing properties held in a collective investment vehicle which limits the MOA Trust's liability.
- Alternative basket clause investments utilizing special purpose investment vehicles.
- Fixed income derivative instruments used in an unlevered manner to implement portfolio strategies consistent with other authorized investments.
- Cash and cash equivalents, including but not limited to repurchase agreements, certificates of deposit, and shares in money market or short-term investment funds consistent with the investment criteria outlined above.
- Mutual funds or other commingled investment vehicles that predominantly consist of the authorized investments listed above.

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2014
Domestic Equities	30%	40%	38%
International Equities	22%	28%	24%
Fixed Income (excluding TIPS)	25%	33%	26%
Treasury Inflation Protected Securities (TIPS)	0%	5%	3%
Real Estate	6%	10%	9%
Cash Equivalents	0%	15%	0%
			100%

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

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

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

C. Police and Fire Retiree Medical Trust Fund

The Police and Fire Retiree Medical Trust Fund investment objective is to earn a rate of return on fund assets that exceeds the rate of inflation by at least five percent in order to maintain funding of accrued liabilities and enhance member health benefits. The Police and Fire Retiree Medical Trust investment objective is based upon a 5 - 10 year investment horizon and short-term market volatility is to be viewed with an appropriate perspective.

In accordance with its investment policy, Member Allocated Funds of the Police and Fire Medical Trust must be invested in cash equivalents. The Trust's general funds may be invested in the following instruments:

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

The Police and Fire Retiree Medical Trust investment policy controls risk by stipulating that:
- The use of leverage is prohibited, as are short sales and margin transactions.

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

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2014
General Funds:			
Domestic Equities - Large/Mid Cap	27%	37%	33%
Domestic Equities - Small Cap	6%	12%	9%
International Equities	23%	31%	25%
Domestic Fixed Income (excluding TIPS)	23%	31%	28%
U.S. TIPS	3%	7%	5%
Cash Equivalents	0%	5%	0%
			100%
Member Allocated Funds:			
U.S. Treasuries	53%	63%	71%
Government Agencies	10%	20%	5%
Certificate of Deposit	15%	25%	16%
Cash Equivalents	4%	10%	8%
			100%

D. Police and Fire Retiree Medical Liability Fund

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

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

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

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

Investment Type	Lower Limit	Upper Limit	Investment Holding % at December 31, 2014
Domestic Equities - Large/Mid Cap	29%	37%	32%
Domestic Equities - Small Cap	5%	7%	6%
International Equity	22%	30%	25%
Fixed Income - Nominal	18%	24%	21%
Fixed Income - TIPS	2%	6%	4%
Real Estate	7%	13%	12%
Cash & Cash Equivalents	0%	5%	0%
			100%

E. Police and Fire Retirement Pension Trust Fund

The investment objectives of the Police and Fire Retirement Pension Trust Fund are to be viewed over the long term with investments in both equity and fixed income instruments utilized to maximize return while maintaining

acceptable levels of risk and adequate liquidity for payment of benefits. When evaluating the risk and return tradeoffs of potential investments, safety of principal is a key selection criterion.

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

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

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

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

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, 2014
Domestic Equities:			
Large Cap Core	9%	16%	13%
Large Cap Growth	8%	12%	10%
Large Cap Value	8%	12%	10%
Subtotal Large Cap	29%	35%	33%
Small Cap Growth	2%	6%	4%
Small/Mid Cap Value	2%	6%	4%
Subtotal Small/Mid Cap	4%	12%	8%
Total Domestic Equity	34%	45%	41%
International Equities:			
MSCI ACWI ex US	7%	13%	10%
Growth	7%	13%	10%
Total International Equity	16%	24%	20%
Total All Equity	52%	68%	61%
Fixed Income:			
Domestic Fixed Income	22%	35%	26%
Real Estate Funds:			
Equity Real Estate Investment Trust	1%	9%	3%
Open Ended Proprietary Fund	2%	8%	4%
Farmland	0%	8%	5%
Total Real Estate	5%	15%	12%
Cash & Cash Equivalents:			
Cash Equivalents	0%	4%	1%
			100%

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

- No individual portfolio position shall constitute more than the greater of 5 percent of the security's weight in the agreed upon market index, plus 2 percent, unless specifically authorized by the Police and Fire Retirement Pension Trust's investment board.
- Listed American Depositary Receipts shall constitute no more than 20 percent of the market value of the assets controlled by any fund manager.

- Commercial paper must be rated P-1 by Moody's or A-1 by Standard and Poor's.
- The average credit rating for the fixed income portfolio must be at least BBB+ by both Moody's and Standard and Poor's, and no more than 20 percent of the fixed income portfolio may be in issues rated lower than Baa by Moody's or BBB by Standard and Poor's at the time of purchase.

F. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The externally managed portfolios of the Municipal Central Treasury, the Police and Fire Retiree Medical Trust, and the Police and Fire Retirement Pension Trust utilize the duration method to measure exposure to interest rate risk. All other funds disclose interest rate risk through the segmented time distribution tables within this note, which categorize fixed income investments according to their maturities.

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

AMC 6.50.030 requires the Working Capital Portfolio have a duration of zero to 270 days. At December 31, 2014, the Working Capital Portfolio had a duration of .27 years, or approximately 99 days. AMC 6.50.030 also requires that the Contingency Reserve Portfolio have an average duration within half a year of its benchmark. At December 31, 2014, the contingency Reserve Portfolio had a duration of 1.68 years as compared to its benchmark, Barclays 1-3 Year Government Index, which had a duration of 1.92 years. AMC 6.50.030 requires the Strategic Reserve Portfolio have a maximum duration no greater than one-year in excess of its benchmark. At December 31, 2014, the Strategic Reserve Portfolio had a duration of 3.58 years as compared to its benchmark, Barclays Intermediate Government/Corporate Index, which had a duration of 3.88 years.

The effective durations of the externally managed portfolios of the Municipal Central Treasury (working capital, contingency reserve and strategic reserve) at December 31, 2014, were 0.27 years, 1.68 years, and 3.58 years, respectively, which are within the required durations per the policy.

The Police and Fire Retiree Medical Trust's investment policy requires that the weighted average duration of its fixed income portfolio be within 20 percent of the Barclays Capital Aggregate Index. At December 31, 2014, the duration of the index was 5.55 years and the duration of the Police and Fire Retiree Medical Trust's fixed income portfolio, exclusive of member-allocated funds invested in U.S. Treasuries, was 5.85 years, which is within the required duration per the policy.

The Police and Fire Retirement Pension Trust's investment policy states that the total fixed income portfolio's weighted average duration cannot exceed 120 percent of the market's duration utilizing the Barclays Capital Aggregate Bond Index. At December 31, 2014, the duration of the Barclays Capital Aggregate Index was 5.55 years, and the duration of the Police and Fire Retirement Trust's fixed income portfolio was 4.3 years, which is within the required duration per the policy.

G. Credit Risk

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

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

not exceeding the final maturity date of the bond issue for which they are invested, and investment of any funds that are subject to restrictive covenants contained in an Ordinance or Resolution must be invested in accordance with those covenants.

At December 31, 2014, the Municipal Central Treasury's investment in commercial paper totaled $14,744,062, and was rated A-1 by Standard & Poor's and P-1 by Moody's. All commercial paper is purchased with a maturity of 270 days or less. The Municipal Central Treasury's investment in marketable debt securities, excluding U.S. Treasury and Agency securities, totaled $184,214,020 at December 31, 2014. The distribution of ratings on these securities was as follows:

Moody's		S&P	
Aaa	29%	AAA	18%
Aa	5%	AA	8%
A	21%	A	32%
Baa	34%	BBB	23%
Ba or Lower	1%	BB or Lower	0%
Not Rated	10%	Not Rated	19%
	100%		100%

At December 31, 2014, the Municipal Central Treasury was invested in Asset Backed Securities and Mortgage Backed Securities valued at $234,027 which fell below the minimum credit rating of AA-/Aa3 required by AMC 6.50.030. These circumstances resulted from the downgrade of investments held in the contingency reserve and strategic reserve portfolios. Securities falling outside of compliance are divested as soon as it is prudent to do so. At December 31, 2014, Anchorage's Central Treasury had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2014, securities in the MOA Trust had an investment of $38,744,922 in commingled fixed income funds with a weighted average credit quality rating of A+, and an investment of $4,485,114 in commingled TIPS funds with a weighted average credit quality rating of AAA. At December 31, 2014, the MOA Trust had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2014, the Police and Fire Retiree Medical Trust had an investment of $1,492,655 in commingled fixed income funds with a weighted average credit quality rating of BBB, and an investment of $258,131 in commingled TIPS funds with a weighted average credit quality rating of AAA. At December 31, 2014, the Police and Fire Retiree Medical Trust had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2014, the Police and Fire Retiree Medical Liability Fund had an investment of $5,996,043 in a commingled fixed income fund with a weighted average credit quality rating of BBB, an investment of $1,503,204 in a commingled fixed income fund with a weighted average credit quality rating of AA, and an investment of $1,450,461 in commingled TIPS funds with a weighted average credit quality rating of AAA. At December 31, 2014, the Police and Fire Retiree Medical Liability Fund had no investments in any single issuer exceeding 5 percent of total investments.

At December 31, 2014, 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 $88,759,603, with ratings distributed as follows:

Moody's		S&P	
Aaa	0%	AAA	0%
Aa	3%	AA	4%
A	38%	A	47%
Baa	39%	BBB	30%
Ba or Lower	0%	BB or Lower	0%
Not Rated	20%	Not Rated	19%
	100%		100%

At December 31, 2014, the Police and Fire Retirement Trust had no investments in any single issuer exceeding 5 percent of total investments.

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

At December 31, 2014, the Municipal Central Treasury had no investments in any single issuer exceeding 5 percent of total investments.

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

At December 31, 2014, the Municipal Central Treasury had bank deposit carrying amounts totaling $27,965,546, of which $500,000 was covered by federal depository insurance. Bank deposits of $10,425,008 were secured by collateral held by a third party and deposits of $17,040,538 were secured by collateral held at the depository bank. An additional $4,637,500 was invested in overnight repurchase agreements and was secured by collateral held by a third 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, 2014 cash deposits and investments were not exposed to custodial risk.

H. Securities Lending

During 2014 and 2013, 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, 2014, the amount of the collateral provided by borrowers averaged 102 percent of the value of securities lent. The Police and Fire Retirement Pension Trust is authorized to lend its investment securities by its statement of investment policy, which is approved by the Board. The lending is managed by the Police and Fire Retirement Pension Trust's custodian. All loans can be terminated on demand by either the Police and Fire Retirement Pension Trust or the borrowers. The term of the loans can vary from one week to many months. The agent lends the Police and Fire Retirement Pension Trust's U.S. Government and Agency securities and domestic corporate fixed income and equity securities for securities or cash collateral of 102 percent. The securities lending contracts do not allow the Police and Fire Retirement Pension Trust to pledge or sell any collateral securities. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. At December 31, 2014, the pool had a weighted average maturity of 21 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, 2014:

Securities Lent	Fair Value of Underlying Securities	Collateral Received
Domestic Equities	1,127,123	1,154,854
	$ 1,127,123	$ 1,154,854

The lending agent provides indemnification if the borrowers fail to return the underlying securities (and the collateral is inadequate to replace the securities lent) or if the borrowers fail to pay income distributions on borrowed securities.

I. Foreign Currency Risk

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

The Municipal Central Treasury is not exposed to foreign currency risk because AMC 6.50.030 explicitly prohibits the purchase of securities not denominated in U.S. Dollars. At December 31, 2014, all debt obligations held in the Municipal Central Treasury were payable in U.S. Dollars.

The MOA Trust's investment in commingled international equity funds and individual investments within other funds expose it to exchange risk in various foreign currencies. At December 31, 2014, these investments totaled $34,933,813 and represented 23 percent of the Trust's aggregate portfolio. Exposure to foreign currency risk was as follows:

Investment Type	Underlying Currency	Fair Value (U.S. Dollars)
American Depositary Receipts	Pound Sterling	$ 118,046
	Swiss Franc	54,384
Commingled International Equity Funds	Various	34,761,383
		$ 34,933,813

The Police and Fire Retiree Medical Trust's investment in commingled international equity funds exposes it to exchange risk in various foreign currencies. At December 31, 2014, this investment totaled $1,350,270 and represented 25 percent of the Trust's general funds.

The Police and Fire Retiree Medical Liability Fund's investment in commingled international equity funds exposes it to exchange risk in various foreign currencies. At December 31, 2014, this investment totaled $8,910,608 and represented 25 percent of the Police and Fire Retiree Medical Liability Fund's aggregate portfolio.

The Police and Fire Retirement Pension Trust's investment in commingled international equity funds exposes it to exchange risk in various foreign currencies. At December 31, 2014, this investment totaled $65,498,089 and represented 19 percent of the Police and Fire Retirement Trust's aggregate portfolio.

NOTE 4 - RECEIVABLES (Including Loans and Leases Receivable)

The Municipality's receivables including the applicable allowance for uncollectible accounts were reported as follows at December 31, 2014:

	Governmental Activities	Business-type Activities	Total
Current:			
Property taxes	$ 10,652,392	$ -	$ 10,652,392
Accomodations taxes	3,965,284	-	3,965,284
Unbilled reimbursable projects	-	2,782,472	2,782,472
Special assessments receivable	5,317,648	150,575	5,468,223
Trade accounts, including internal service funds	9,987,811	30,731,921	40,719,732
Total accounts receivable	29,923,135	33,664,968	63,588,103
Allowance for uncollectible accounts	(3,984,624)	(526,482)	(4,511,106)
Total Accounts Receivable, net	25,938,511	33,138,486	59,076,997
Noncurrent:			
Miscellaneous loans	-	1,684	1,684
HUD loans (including section 108)	5,528,459	-	5,528,459
Jail lease	5,560,000	-	5,560,000
Total Loans and Leases, net	$ 11,088,459	$ 1,684	$ 11,090,143

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

NOTE 5 - CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended December 31, 2014, was as follows (in thousands):

	Beginning Balance December 31, 2013	Increase	Decrease	Ending Balance December 31, 2014
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 1,236,509	$ 1,850	$ (1,123)	1,237,236
Artwork	19,652	182	-	19,834
Construction Work-in-Progress	39,020	49,119	(39,388)	48,751
Infrastructure	1,425,485	10,255	-	1,435,740
Total Capital Assets, Not Being Depreciated	2,720,666	61,406	(40,511)	2,741,561
Capital Assets, Being Depreciated				
Buildings & Improvements	$ 640,557	$ 20,286	$ (647)	$ 660,196
Equipment	241,769	11,731	(7,286)	246,214
Infrastructure	484,055	14,710	(746)	498,019
Total Capital Assets, Being Depreciated	1,366,381	46,727	(8,679)	1,404,429
Less Accumulated Depreciation for:				
Buildings & Improvements	373,693	20,126	(138)	393,681
Equipment	177,171	17,303	(6,571)	187,903
Infrastructure	263,232	10,292	(710)	272,814
Total Accumulated Depreciation	814,096	47,721	(7,419)	854,398
Total Capital Assets, Being Depreciated, Net	552,285	(994)	(1,260)	550,031
Total Governmental Activities, Net	$ 3,272,951	$ 60,412	$ (41,771)	$ 3,291,592

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

	As Restated Beginning Balance December 31, 2013	Increase	Decrease	Ending Balance December 31, 2014
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land and Property held for future use	$ 66,723	$ 47	$ (728)	$ 66,042
Construction Work-in-Progress[1]	105,437	204,263	(75,889)	233,811
Total Capital Assets, Not Being Depreciated	172,160	204,310	(76,617)	299,853
Capital Assets, Being Depreciated:				
Distribution and Collection Systems, Infrastructure	2,090,516	58,848	(6,034)	2,143,330
Buildings and Improvements	553,944	18,275	(6,232)	565,987
Total Capital Assets, Being Depreciated	2,644,460	77,123	(12,266)	2,709,317
Less Accumulated Depreciation for:				
Distribution and Collection Systems, Infrastructure	861,005	62,866	(7,181)	916,690
Buildings and Improvements	174,847	21,121	(4,775)	191,193
Total Accumulated Depreciation	1,035,852	83,987	(11,956)	1,107,883
Total Capital Assets, Being Depreciated, Net	1,608,608	(6,864)	(310)	1,601,434
Total Business-Type Activities, Net	$ 1,780,768	$ 197,446	$ (76,927)	$ 1,901,287

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

Construction Work-in-Progress	$ 371	$ 568	$ (636)	$ 303

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

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

Governmental Activities:	
General Government	$ 5,558
Fire Services	4,486
Police Services	1,963
Health and Human Services	1,294
Economic & Community Development	18,227
Public Transportation	4,584
Public Works	10,407
Maintenance and Operations	1,202
Total Governmental Activities	$ 47,721
Business-Type Activities:	
Electric	$ 30,701
Water	10,234
Wastewater	7,844
Refuse	905
Solid Waste	3,494
Port	8,026
Municipal Airport	2,327
Total Business-Type Activities	63,531
Depreciation offset by amortization of regulatory liability- contributed plant	20,456
Gross increase in accumulated depreciation	$ 83,987

The 2014 Utility construction budgets are $56,313, $33,399 and $31,863 for Electric, Water, and Wastewater, respectively (in thousands).

B. Discretely Presented Component Units – Anchorage School District

Capital asset activity for the fiscal year ended June 30, 2014 is as follows (in thousands):

	Beginning Balance July 1, 2013	Increase	Decrease	Ending Balance June 30, 2014
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 42,357	$ -	$ -	$ 42,357
Construction in Progress	1,258	47,802	(48,109)	951
Total Capital Assets not Being Depreciated	43,615	47,802	(48,109)	43,308
Capital Assets Being Depreciated:				
Land Improvements	61,143	2,436	-	63,579
Buildings and Equipment	1,593,666	48,227	(9,377)	1,632,516
Pupil Transportation	9,941	322	-	10,263
Total Capital Assets Being Depreciated	1,664,750	50,985	(9,377)	1,706,358
Less Accumulated Depreciation For:				
Land Improvements	39,657	1,983	-	41,640
Buildings and Equipment	476,381	36,551	(4,820)	508,112
Pupil Transportation	8,498	174	-	8,672
Total Accumulated Depreciation	524,536	38,708	(4,820)	558,424
Total Capital Assets, Being Depreciated, Net	1,140,214	12,277	(4,557)	1,147,934
Governmental Activities Capital Assets, Net	$ 1,183,829	$ 60,079	$ (52,666)	$ 1,191,242

C. Discretely Presented Component Units – Anchorage Community Development Authority

Capital asset activity for the year ended December 31, 2014 is as follows (in thousands):

	Beginning Balance December 31, 2013	Increase	Decrease	Ending Balance December 31, 2014
Business Type Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 12,683	$ -	$ (1,624)	$ 11,059
Total Capital Assets not Being Depreciated	12,683	-	(1,624)	11,059
Capital Assets Being Depreciated				
Parking Garages	38,917	1,482	-	40,399
Lot Improvements	869	110	-	979
Furniture and Fixtures	100	-	-	100
Equipment and Vehicles	4,114	-	-	4,114
Total Capital Assets Being Depreciated	44,000	1,592	-	45,592
Less Accumulated Depreciation For				
Parking Garages	26,055	1,405	-	27,460
Lot Improvements	756	361	-	1,117
Furniture and Fixtures	99	-	-	99
Equipment and Vehicles	3,013	40	-	3,053
Total Accumulated Depreciation Net	29,923	1,806	-	31,729
Total Capital Assets, Being Depreciated, Net	14,077	(214)	-	13,863
Business Type Activities Capital Assets, Net	$ 26,760	$ (214)	$ (1,624)	$ 24,922

NOTE 6 - PORT OF ANCHORAGE EXPANSION

In November 2014, the Mayor selected the concept plan for the Anchorage Port Modernization Project (APMP). The existing marine terminals have reached the end of their design life and suffer from severe corrosion on the wharf piling. The project will replace two general cargo terminals and two petroleum terminals to ensure infrastructure resilience and to accommodate expected growth in core business lines over a 75 year life cycle. The project will enable the Port to accommodate larger ships in the future by allowing for a harbor depth increase from 35 feet to 45 feet. Three new 50-gauge container cranes will increase reach across vessels from 9 containers wide to 14 containers wide. Completion of this project is critically important for the Port to continue to serve 87 percent of the State of Alaska's population and to maintain its role as one of only 22 designated Department of Defense Strategic Seaports.

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:	
Roads & Drainage Capital Projects Fund	$ 3,772,032
Nonmajor governmental funds	3,833,885
Internal service funds	1,579,315
Total interfund payable to General Fund	9,185,232
Interfund payable between nonmajor governmental funds	10,658,920
Interfund payable to nonmajor governmental fund from internal service fund	85,000
Total interfund payable to nonmajor governmental funds	10,743,920
Interfund payable to internal service funds from General Fund	328,033
Total interfund payables	$ 20,257,185

All balances are expected to be settled within the next fiscal year, except for those interfund receivables and payables recorded as advances to/from other funds. Advances payable at December 31, 2014 were as follows:

Advances to internal service fund from Capital Projects Roads and Drainage Fund for capital assets	$ 1,403,876
Advances to internal service fund from General Fund	551,837
Advances to General Fund from nonmajor governmental fund for capital assets	1,162,844
Advances to nonmajor governmental fund from internal service fund for capital assets	1,530,000
Total advances payable	$ 4,648,557

B. Interfund Transfers

A summary of interfund transfers is as follows:

From General Fund to:	
MOA Trust Fund for dividend re-investing	$ 1,930,953
Capital Projects Roads and Drainage Fund for capital assets	4,185,948
Nonmajor governmental funds for debt service	538,168
Nonmajor governmental funds for grant matching	914,079
Nonmajor governmental funds to fund pension liability	1,504,034
Nonmajor governmental funds for capital assets	4,722,626
Internal services fund for capital assets	1,046,716
Total transfers from General Fund	14,842,524
From MOA Trust Fund to:	
General Fund for annual operating subsidy	4,900,000
From Capital Projects Roads and Drainage Fund to:	
General Fund for debt service	2,042
From nonmajor governmental funds to:	
General Fund for debt service	158,069
Nonmajor governmental funds for operating subsidy	13,843
Nonmajor governmental funds for debt service	6,461,469
Total transfers from nonmajor governmental funds	6,633,381
From Electric Utility Fund to:	
General Fund for annual revenue distribution	13,203,392
Internal services fund for SAP labor costs	326,886
Total transfers from Electric Utility fund	13,530,278
From Water Utility Fund to:	
General Fund for annual revenue distribution	7,138,099
Internal services fund for SAP labor costs	202,948
Total transfers from Water Utility fund	7,341,047
From Wastewater Utility fund to:	
General Fund for annual revenue distribution	5,386,761
Internal services fund for SAP labor costs	201,410
Total transfers from Wastewater Utility fund	5,588,171
From Port Fund to:	
General Fund for annual revenue distribution	533,731
Nonmajor governmental funds for grant matching	5,000
Total transfers from Port fund	538,731
From nonmajor enterprise funds to:	
General Fund for annual revenue distribution	1,042,308
From Internal Service Funds to:	
Nonmajor Governmental Funds for grant matching	8,200
Total transfers	$ 54,426,682

NOTE 8 - LEASE AGREEMENTS

A. Operating Leases (Municipality as lessee)

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

	Governmental Activities	Business Type Activities
Years:		
2015	4,347	18
2016	3,944	18
2017	3,736	18
2018	3,736	18
2019	3,791	18
2020-2024	19,213	89
2025-2029	4,422	78
2030-2034	-	9
2035-2039	-	7
2040-2044	-	5
2045-2049	-	5
2050-2054	-	5
2055-2057	-	1
Totals	43,189	289
2014 Rent Expense	$ 7,287	$ 153

B. Capital Leases (Municipality as lessee)

The Municipality has entered into revolving Master Tax-Exempt Lease/Purchase agreements with Key Bank and Sun Life Trust to finance various capital expenditures. The capitalized leases in place at year end have financed $20,595,250 of information technology equipment and software, all of which is currently in service or being installed. As of December 31, 2014, all of the outstanding principal balance is recorded in the internal service funds. The annual debt service to maturity for the outstanding capital leases at is as follows (in thousands):

	Governmental Activities		
	Principal	Interest	Total
Years:			
2015	2,907	312	3,219
2016	2,603	251	2,854
2017	2,464	197	2,661
2018	2,518	143	2,661
2019	2,573	88	2,661
2020-2022	2,246	44	2,290
	$ 15,311	$ 1,035	$ 16,346

C. Operating Leases (Municipality as lessor)

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

	Port of Anchorage	Merrill Field Airport
Years:		
2015	3,717	632
2016	709	615
2017	313	592
2018	246	592
2019	246	576
2020-2024	916	2,558
2025-2029	997	2,219
2030-2034	649	2,196
2035-2039	-	2,173
2040-2044	-	1,288
2045-2048	-	343
Totals	7,793	13,784
Lease revenue for 2014	4,182	660
Carrying value of leased assets:		
Original cost	15,879	2,600
Accumulated depreciation	4,852	-
Net Book Value	$ 11,027	$ 2,600

NOTE 9 - SHORT-TERM OBLIGATIONS

A. Tax Anticipation Notes

On March 11, 2014 the Municipality issued tax anticipation notes in the General Fund with a face value of $95,000,000. The purpose of the issuance was to raise money to pay current expenditures in anticipation of the collection of property taxes.

Short-term debt activity for the year ended December 31, 2014 was as follows (in thousands):

	Beginning Balance January 1, 2014	Issued	Redeemed	Ending Balance December 31, 2014
Tax Anticipation Notes	$ -	$ 95,000,000	$ 95,000,000	$ -

B. Commercial Paper

Electric Utility Commercial Paper

In February 2012, the Assembly authorized the issuance of commercial paper in one or more series in the aggregate principal amount not to exceed $300 million. During 2014, 2013 and 2012 the Electric Utility issued commercial paper notes for $98.6 million, $60.1 million and $50 million, respectively, at 0.05 percent to 0.23 percent interest for terms of up to 245 days. In November 2014, the Electric Utility issued revenue bonds and used proceeds from those bonds to retire the $184 million in commercial paper outstanding at that time. The Electric Utility continues to use the commercial paper program to complete construction of Generation Plant 2A. At December 31, 2014 the outstanding balance of commercial paper notes was $24,700,000. It is anticipated that the commercial paper outstanding will be refunded by long term revenue bonds. The Electric Utility's financial statements show the commercial paper as a current liability since the lending term is less than one year.

NOTE 10 – LONG TERM OBLIGATIONS

A. Changes in Long-Term Liabilities

Long-term liability activity, net of related premium and discount amortizations, for the year ended December 31, 2014, was as follows (in thousands):

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 451,265	$ 140,095	$ (126,542)	$ 464,818	$ 39,365
Revenue Bonds	9,485	-	(3,766)	5,719	3,952
CIVICVentures	104,720	-	(1,555)	103,165	1,690
Capital Leases	9,613	8,033	(2,336)	15,310	2,907
Long-Term Contracts	4,433	4,362	(4,463)	4,332	149
HUD Section 108 Loan	1,541	-	(93)	1,448	98
Total Debt Payable	581,057	152,490	(138,755)	594,792	48,161
Compensated Absences	22,796	19,689	(19,217)	23,268	18,014
Pollution Remediation	3,035	500	(120)	3,415	88
Claims Payable and IBNR	25,513	56,367	(56,663)	25,217	19,611
Total Governmental Activities	$ 632,401	$ 229,046	$ (214,755)	$ 646,692	$ 85,874
Business-type Activities:					
Revenue Bonds	$ 399,716	$ 202,042	$ (50,249)	$ 551,509	$ 11,775
Long-Term Contracts	239,287	18,170	(11,773)	245,684	11,660
Total Debt Payable	639,003	220,212	(62,022)	797,193	23,435
Compensated Absences	5,564	6,216	(5,656)	6,124	5,507
Asset Retirement Obligation	7,698	408	-	8,106	-
Pollution Remediation	563	-	(30)	533	80
Landfill Closure Liability	25,578	1,485	-	27,063	-
Total Business-type Activities	$ 678,406	$ 228,321	$ (67,708)	$ 839,019	$ 29,022

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

B. General Obligation Bonds

The Municipality issues general obligation (GO) bonds to provide funds for capital acquisition and construction. GO bonds are direct obligations and pledge the full faith and credit of the government. They are generally issued as 20-year serial bonds with principal and interest payments due each year. As of December 31, 2014, the Municipality reported total outstanding general obligation bonds in the amount of $437,600,000.

Description	Amount Outstanding
$21,465,000 2004A General Obligation General Purpose Refunding Bonds due in annual installments of $795,000 to $8,560,000 through 2017, interest rate from 3.00% to 5.25%. This issue is for refunding 1994A GO Bonds, 1997A GO Bonds, a portion of 2000A GO Bonds, and a portion of 2002A GO bonds.	$ 13,075
$18,145,000 2005C General Obligation General Purpose Refunding Bonds due in annual installments of $3,485,000 to $7,635,000 through 2020, interest rate fixed at 5.00%. The issue is for the purpose of refunding a portion of 1999A and a portion of 2000A.	14,660
$43,110,000 2005D General Obligation General Purpose Refunding Bonds due in annual installments of $3,540,000 to $13,830,000 through 2020, interest rate fixed at 5.00%. The issue is for the purpose of refunding a portion of 1999A, a portion of 2000A, and a portion of 2002A.	43,110
$96,805,000 2005F General Obligation General Purpose Bonds due in annual installments of $3,295,000 to $6,910,000 through 2025, interest rate from 3.50% to 5.00%. The issue is for the purpose of public safety, road and drainage, and public transit capital improvements within the Municipality.	4,640

Description	Amount Outstanding
$32,245,000 2007A General Obligation General Purpose Refunding Bonds due in annual installments of $130,000 to $6,605,000 through 2023, interest rate from 4.00% to 4.25%. The issue is for the purpose of refunding a portion of 2002A and all of 2003A.	28,185
$52,795,000 2007C General Obligation General Purpose Bonds due in annual installments of $1,745,000 to $4,150,000 through 2027, interest rate from 4.25% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.	40,930
$58,005,000 2008A General Obligation General Purpose Bonds due in annual installments of $1,245,000 to $4,600,000 through 2028, interest rate from 4.00% to 5.125%. The issue is for the purpose of general capital projects within the Municipality.	47,890
$11,560,000 2010A-1 General Obligation General Purpose Bonds due in annual installments of $2,185,000 to $2,440,000 through 2016, interest rate from 2.50% to 3.00%. The issue is for the purpose of general capital projects within the Municiaplity.	4,810
$43,300,000 2010A-2 General Obligation General Purpose Bonds (Build America) due in annual installments of $2,505,000 to $3,845,000 through 2030, interest rate from 3.897% to 5.91%. The issue is for the purpose of general capital projects within the Municipality.	43,300
$23,750,000 2010C General Obligation General Purpose Refunding Bonds, due in annual installments of $155,000 to $4,830,000, interest rate from 2.00% to 4.00%. The issue is for the purpose of refunding a portion of 1999A, a portion of 2002A, a portion of 2007C, and a portion of 2008A.	12,760
$28,390,000 2011A General Obligation General Purpose Bonds due in annual installments of $855,000 to $2,015,000 through 2031, interest rate from 2.00% to 4.125%. The issue is for the purpose of general capital projects within the Municiaplity.	25,450
$23,570,000 2012A General Obligation General Purpose Bonds due in annual installments of $860,000 to $1,840,000 through 2032, interest rate from 2.00% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.	22,710
$30,215,000 2012B General Obligation General Purpose Refunding Bonds due in annual installments of $1,925,000 to $8,425,000 through 2018, interest rate from 2.00% to 5.00%. The issue is for the purpose of refunding the remainder of 2002A.	17,215
$40,435,000 2014A General Obligation General Purpose Bonds due in annual installments of $1,355,000 to $3,005,000 through 2034, interest rate from 1.25% to 5.00%. The issue is for the purpose of general capital projects within the Municipality.	40,435
$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 5.00%. The issue was for the purpose of refunding the remainder of 2004C and partially refunding 2005F.	78,430
Total General Obligation Debt	$ 437,600

ASD GO bonds are reported as obligations of the component unit since they are expected to be repaid from ASD revenues; such amounts total $580,485,000 at June 30, 2014. ASD GO bonds are discussed in detail in section J. All other Municipality GO bonds are reported in the government-wide financial statements.

The Municipality issued new GO and Refunding debt in 2014. Refunding debt is discussed in detail in Section G. Series A in the amount of $40,435,000 was issued to fund Municipality-wide capital projects. Annual debt service requirements to maturity for general obligation bonds are as follows (in thousands):

	Governmental Activities		
	Principal	Interest	Total
Years:			
2015	$ 35,650	$ 19,376	$ 55,026
2016	35,970	19,059	55,029
2017	37,735	17,290	55,025
2018	39,540	15,418	54,958
2019	36,115	13,546	49,661
2020-2024	145,330	45,777	191,107
2025-2029	80,550	16,731	97,281
2030-2034	26,710	2,929	29,639
Subtotal	437,600	150,126	587,726
Add unamortized premiums/(discounts), net	27,218	-	27,218
Total	$ 464,818	$ 150,126	$ 614,944

C. Revenue Bonds

Jail Lease Revenue Bonds

In April 2000, the Municipality issued revenue bonds to construct and operate the new municipal jail facility that is leased to the State of Alaska. Jail revenue bond covenants require an “absolute net lease” pursuant to which the Municipality shall not be expected or required to make any payment of any kind under the Agreement of Lease. The State of Alaska Department of Administration (DOA) is required to make all payments under the Agreement of Lease. The DOA’s obligation to make lease payments and to perform and observe all other covenants and agreements is absolute and unconditional except as expressly provided in the Agreement of Lease. In 2005, the Municipality issued $40,835,000 in Lease Revenue Refunding Bonds to refund the 2000 Revenue Bonds. In October 2011, the Municipality defeased $20,615,000 in Lease Revenue Refunding Bonds with proceeds provided by the State of Alaska. As of December 31, 2014, the Municipality reported total outstanding Lease revenue Refunding Bonds in the amount of $5,560,000.

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

	Governmental Activities		
	Principal	Interest	Total
Years:			
2015	$ 3,840	$ 178	$ 4,018
2016	1,720	43	1,763
Subtotal	5,560	221	5,781
Add unamortized premiums, net	159	-	159
Total	$ 5,719	$ 221	$ 5,940

CIVICVentures Revenue Bonds

In February 2006, CIVICVentures, a blended component unit, issued $110,920,000 in Tax-exempt, Non-recourse Revenue 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.

The bonds are due in semi-annual installments ranging annually from $6,467,810 to $8,448,825 including interest at 4 percent to 5 percent through 2038. As of December 31, 2014, the Municipality reported as blended total outstanding Tax-exempt non-recourse Revenue Bonds in the amount of $103,165,000.

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

	CIVICVentures		
	Principal	Interest	Total
Years:			
2015	$ 1,690	$ 4,778	$ 6,468
2016	1,835	4,710	6,545
2017	1,985	4,637	6,622
2018	2,165	4,538	6,703
2019	2,330	4,451	6,781
2020-2024	14,570	20,536	35,106
2025-2029	20,505	16,689	37,194
2030-2034	28,310	11,108	39,418
2035-2038	29,775	3,445	33,220
Total	$ 103,165	$ 74,892	$ 178,057

Utility Revenue Bonds

Electric, Water, and Wastewater revenue bond covenants require establishment of certain cash reserves. Revenue bond covenants further stipulate that operating income, as defined in the covenants, will be at least equal to 1.35 times the debt service requirement for that year.

The proceeds of the bonds, together with other legally available funds, are used for the following purposes: (i) to provide for the cost of certain capital improvement projects; (ii) to reimburse the Utility for costs of such capital improvement projects; (iii) to pay costs of issuance; and (iv) to provide funds for deposit in the Reserve Account. As of December 31, 2014, the Municipality reported total outstanding Utility Revenue bonds in the amount of $526,700,000.

In 2014, the Electric Utility issued $180,575,000 in Senior Lien Refunding Revenue Bonds. The purpose of these bonds are to pay off the Commercial Paper Note, which is discussed in Note 9, to defease the 1996 Senior Lien Refunded Revenue Bonds, which is discussed in Section H, and to refund the 2005A Senior Lien Revenue Bonds, which is discussed in Section G. The details of those bonds are as follows (in thousands):

Description	Amount Outstanding
Electric Utility	
$109,350,000 2005 Electric Senior Lien Revenue Bonds due in annual installments of between $105,000 and $11,100,000 through 2026, interest rate from 3.00% to 5.13%.	$ 35,220
$15,240,000 2009 Electric Senior Lien Revenue Bonds due in annual installments of between $1,265,000 and $3,050,000 through 2024, interest rate from 4.00% to 5.00%.	15,240
$114,760,000 2009 Electric Senior Lien Revenue Bonds (BABS) due in annual installments of between $1,925,000 and $10,350,000 through 2039, interest rate from 5.88% to 6.56%. The United States Treasury will provide a subsidy to the Electric Utility in the	114,760
$180,575,000 2014A Electric Senior Lien Revenue Bonds due in annual installments of between $2,390,000 to $11,140,000 through 2044, interest rate from 3.00% to 5.00%. A portion of the proceeds were used to refund the remainder of 1996 and a portion of 200	180,575
Total Electric Utility Outstanding	$ 345,795
Water Utility	
$18,595,000 2004 Water Senior Lien Revenue Bonds due in annual installments of between $20,000 to $2,075,000 through 2021, interest rate from 2.00% to 4.80%.	$ 1,855
$91,315,000 2007 Water Senior Lien Revenue Bonds due in annual installments of between $105,000 and $8,010,000 through 2037, interest rate from 4.00% to 5.00%.	88,350
$49,680,000 2009 Water Senior Lien Revenue Bonds due in annual installments of between $2,625,000 and $4,730,000 through 2023, interest rate from 1.50% to 5.00%.	27,620
Total Water Utility Outstanding	$ 117,825

Description	Amount Outstanding
Wastewater Utility	
$22,620,000 2004 Wastewater Senior Lien Revenue Bonds due in annual installments of between $420,000 to $835,000 through 2023, interest rate from 3.00% to 5.00%.	$ 4,255
$59,665,000 2007 Wastewater Senior Lien Revenue Bonds due in annual installments of between $40,000 to $5,405,000 through 2037, interest rate from 4.00% to 5.00%.	58,825
Total Wastewater Utility Outstanding	63,080
Total Utility Revenue Bonds Outstanding	$ 526,700

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

	Business-Type Activities		
	Principal	Interest	Total
Years:			
2015	$ 11,775	$ 27,172	$ 38,947
2016	11,975	26,230	38,205
2017	12,215	25,723	37,938
2018	12,730	25,203	37,933
2019	12,835	24,631	37,466
2020-2024	73,605	113,925	187,530
2025-2029	92,520	94,138	186,658
2030-2034	122,000	65,697	187,697
2035-2039	125,745	29,960	155,705
2040-2044	51,300	6,626	57,926
Subtotal	526,700	439,305	966,005
Add: unamortized premiums/discounts, net	24,809		24,809
Total	$ 551,509	$ 439,305	$ 990,814

D. Notes and Contracts

PAC Roof Loan

In 2004, the Municipality entered into a loan agreement with the Alaska Municipal Bond Bank Authority to provide funding for repairs to the Anchorage Center for the Performing Arts roof. This loan will be repaid with revenues from an ACPA ticket surcharge. In 2014, the PAC Roof Note was refinanced in the amount of $3,735,000 with annual debt service payments ranging from $120,000 to $285,000, with an interest rate between 1.25% and 5.00%. The net present value savings of this refinancing is $639,734. The Municipality reported an outstanding balance on this loan of $3,735,000 on December 31, 2014.

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

	Governmental Activities		
	Principal	Interest	Total
Years:			
2015	$ 120	$ 162	$ 282
2016	120	174	294
2017	125	172	297
2018	130	167	297
2019	140	162	302
2020-2024	800	699	1,499
2025-2029	1,010	480	1,490
2030-2034	1,290	200	1,490
Subtotal	3,735	2,216	5,951
Add unamortized bond premiums net	597		597
Total	$ 4,332	$ 2,216	$ 6,548

Water Utility Commercial Bank Loan Agreement

In March 2013, the Water Utility entered into a Loan Agreement for up to $75,000,000 with a commercial bank. It is anticipated that the amount outstanding under the Loan Agreement will be refunded by long term revenue bonds. The amount borrowed under the Loan Agreement is shown as a non-current liability since the lending term under the Loan Agreement is up to three years with no principal payments due before the end of the loan term. In 2014, the Water Utility obtained additional loans to bring the loan balance to $12,125,600 through this program. Under the terms of the Loan Agreement, the Water Utility pays fees quarterly of 0.5 percent per annum based upon the amount of the authorized, but not drawn, loan amount calculated on a weekly basis. The interest rate on the loan varies. As of December 31, 2014, the interest rate for the loan was 0.56 percent; 0.06 percent plus a 0.5 percent lender margin.

Wastewater Utility Commercial Bank Loan Agreement

In March 2013, the Wastewater Utility entered into a Loan Agreement for up to $60,000,000 with a commercial bank. It is anticipated that the amount outstanding under the Loan Agreement will be refunded by long term revenue bonds. The amount borrowed under the Loan Agreement is shown as a non-current liability since the lending term under the Loan Agreement is up to three years with no principal payments due before the end of the loan term. In 2014, the Wastewater Utility obtained additional loans to bring the loan balance to $29,151,000 through this program. Under the terms of the Loan Agreement, the Wastewater Utility pays fees quarterly of 0.5 percent per annum based upon the amount of the authorized, but not drawn, loan amount calculated on a weekly basis. The interest rate on the loan varies. As of December 31, 2014, the interest rate for the loan was 0.56 percent; 0.06 percent plus a 0.5 percent lender margin.

Port Revolving Credit Agreement

In June 2013, the Port entered into a $40,000,000 Revolving Credit Agreement (Agreement) with a commercial bank. A draw in the amount of $40,000,000 under the Agreement on June 24, 2013 was used to refinance the Port's outstanding commercial paper notes. The outstanding balance under the Agreement as of December 31, 2014 was $40,000,000. It is anticipated that the amount outstanding under the Agreement will be refunded by long term revenue bonds. The Port financial statements show the Agreement's note as a non-current liability since the lending term under the Agreement is up to three years.

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 $164,406,870 on December 31, 2014.

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

	Business-Type Activities		
	Principal	Interest	Total
Years:			
2015	$ 11,660	$ 2,424	$ 14,084
2016	93,860	2,711	96,571
2017	12,039	2,102	14,141
2018	12,068	1,922	13,990
2019	11,817	1,741	13,558
2020-2024	52,535	6,161	58,696
2025-2029	41,090	2,513	43,603
2030-2034	9,734	390	10,124
2035-2039	881	13	894
Total	$ 245,684	$ 19,977	$ 265,661

E. HUD Section 108 Loan

The Municipality entered into an agreement with the U.S. Department of Housing and Urban Development (HUD) in August 2005 to borrow up to $5,000,000 in HUD Section 108 Loan funds. On September 21, 2009, the Municipality notified HUD that no additional funds would be utilized under this agreement. The total amount of funds that had been borrowed as of that date was $2,000,000. As of December 31, 2014, the Municipality reported an outstanding loan balance of $1,448,000.

Annual debt service requirements to maturity for the HUD Section 108 Loan are as follows (in thousands):

	Governmental Activities		
	Principal	Interest	Total
Years:			
2015	$ 98	$ 80	$ 178
2016	104	75	179
2017	110	69	179
2018	116	64	180
2019	122	57	179
2020-2024	727	177	904
2025	171	10	181
Total	$ 1,448	$ 532	$ 1,980

F. Bonds Authorized But Unissued

At December 31, 2014, the Municipality has the following authorized but unissued general obligation bonds (in thousands):

Purpose	Ordinance Date	Interest Limitation	Amount Authorized	Amount Issued	Remaining Authorized
Anchorage Parks & Recreation	April 2012	None	$ 2,750	$ 2,250	$ 500
	April 2013	None	2,500	160	2,340
	April 2014	None	2,550	50	2,500
Anchorage Roads & Drainage	April 2011	None	21,455	11,820	9,635
	April 2012	None	27,472	8,597	18,875
	April 2013	None	20,525	6,807	13,718
	April 2014	None	20,200	1,450	18,750
Area Wide Transportation Capital Improvement	April 2012	None	548	-	548
	April 2014	None	573	-	573
Public Safety/Transportation- Areawide	April 2013	None	525	-	525
Public Safety/Transportation- EMS	April 2013	None	2,095	795	1,300
Public Safey/Transportation- EMS	April 2014	None	520	-	520
Public Safety/Transportation- Areawide	April 2014	None	700	-	700
Anchorage Fire	April 2014	None	1,950	-	1,950
Anchorage Police	April 2014	None	650	-	650
					$ 73,084

In 2015, the Municipality voters approved the issuance of $28,340,000 in area wide, road and drainage, public safety, fire protection, parks and recreation, and transportation bonds.

G. Refunded Bond Issues

Municipality General Obligation Refunding Bonds

In October 2014, Anchorage issued $78,430,000 in General Purpose Refunding Bonds Series B. Proceeds of $92,967,256 were used to refund of a total of $89,590,000 of principal from all of 2004C General Purpose Refunding Bonds and a portion of the 2005F General Purpose GO Bonds and to pay costs of issuance of the General Obligation Bonds. The refunding resulted in an economic gain as well as a savings from refunding. The economic gain realized in this refunding was $2,341,704 and the savings resulting from the refunding was $10,446,307.

Electric Utility Advance Refunding of 2005A Senior Lien Refunded Revenue Bonds

On November 13, 2014, the Electric Utility issued $180,575,000 in Senior Lien Electric Revenue Refunding Bonds. Some of proceeds of those bonds were used to refund portions of Series 2005A Senior Lien Electric Revenue Bonds. Proceeds from the sales were placed in an irrevocable trust to be used to service the future debt requirements of the refunded debt. The refunding resulted in an economic gain as well as savings from refunding.

The economic gain realized in this refunding was $1,444,736 and the savings resulting from the refunding was as follows:

Cash flow requirements to service refunded debt	$	15,647,813
Less: Cash flow requirements for new debt		(13,926,913)
Net savings from refunding	$	1,720,900

H. Defeasance of Debt

The Municipality defeased certain general obligation and revenue bonds by placing the proceeds of new bonds and other available funds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, trust account assets and liabilities for defeased bonds are not included in the Municipality's financial statements. At December 31, 2014, the defeased balance of general obligation and revenue bonds remaining to be paid by the escrow agent was $91,035,000 for general government, including $12,285,000 of revenue bonds from the Electric Utility. ASD has defeased $93,585,000 of bonds at June 30, 2014.

Electric Utility Defeasance of 1996 Senior Lien Revenue Bonds

In addition to the advance refunding noted above, on September 30, 2014 the Electric Utility defeased all outstanding Series 1996 Senior Lien Electric Revenue Bonds by placing funds in an irrevocable trust to be used to service the future debt requirements on the defeased debt.

All trust account assets and the liability for the refunded and defeased bonds are not included in the Electric Utility's financial statements. At December 31, 2014 the remaining defeased balances of revenue bonds remaining to be paid by the escrow agent were as follows:

Senior Lien Refunding Electric Revenue Bonds, 1996	$	11,135,000
Senior Lien Electric Revenue Refunding Bonds, Series 2005A		12,285,000
Total defeased bonds outstanding	$	23,420,000

I. Electric Utility Asset Retirement Obligation

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

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

Beginning Asset Retirement Obligation	$ 7,698,285
Current year additions to the liability balance	-
Current year amounts settled	-
Current year accretion	408,009
Change in assumptions or cash flow revisions	-
Ending Asset Retirement Obligation	$ 8,106,294

As of December 2014, the Electric Utility recognized total asset retirement obligation of $8,106,294. Because the Electric Utility follows regulated reporting for rate-making purposes, this increase in the liability was offset to a regulatory asset, therefore having no effect on the current year operating expenses.

J. ASD Debt

The following is a summary of long-term ASD debt transactions for fiscal year ended June 30, 2014 (in thousands):

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Amount Due within 1 year
General Obligation Bonds	$ 598,480	$ 39,345	$ 57,340	$ 580,485	$ 59,290
Compensated Absences	10,471	12,276	11,886	10,861	5,702
Workers Compensation	15,406	3,374	5,303	13,477	5,569
Unemployment	86	357	372	71	71
Medical Claims	7,041	32,719	31,606	8,154	8,154
Total	$ 631,484	$ 88,071	$ 106,507	613,048	$ 78,786
Unamortized premium on GO Bonds				11,066	
Total				$ 624,114	

Bonds payable at June 30, 2014 are comprised of the following individual issues (in thousands):

General Obligation Bonds	Amount
$60,000,000 1995 Series A School Construction Serial Bonds due in annual installments of $4,710,000 to $5,030,000 through October 2015; interest at 5.00% to 6.00%.	$ 9,740
$20,735,000 1998 Series A School Construction Refunding Bonds due in annual installments of $4,880,000 to $5,120,000 through July 2014; interest at 5.00%.	5,120
$126,770,000 2003 Series B School Construction Serial Bonds due in annual installments of $5,835,000 to $6,080,000 through September 2014; interest at 4.13% to 4.25%.	6,080
$80,735,000 2004 Series B School Construction Refunding Bonds due in annual installments of $3,000,000 to $27,390,000 through December 2017; interest at 3.80% to 5.25%.	73,150
$86,240,000 2004 Series D School Construction Serial Bonds due in annual installments of $3,775,000 to $4,170,000 through December 2015; interest at 5.00%.	8,135
$63,850,000 2005 Series A School Construction Serial Bonds due in annual installments of $2,820,000 to $3,050,000 through March 2016; interest at 4.00% to 5.00%.	5,985
$29,155,000 2005 Series B School Construction Refunding Bonds due in annual installments of $55,000 to $8,140,000 through December 2020; interest at 4.00% to 5.00%.	25,405
$14,790,000 2005 Series E School Construction Refunding Bonds due in annual installments of $3,735,000 to $4,110,000 through December 2018; interest at 5.00%.	11,755
$48,495,000 2006 Series A School Construction Serial Bonds due in annual installments of $2,000,000 to $3,640,000 through October 2026; interest at 4.00% to 5.00%.	36,015
$28,885,000 2006 Series B School Construction Refunding Bonds due in annual installments of $5,890,000 to $6,185,000 through October 2020; interest at 5.00%.	12,075
$51,705,000 2006 Series C School Construction Refunding Bonds due in annual installments of $65,000 to $9,770,000 through July 2021; interest at 4.00% to 5.00%.	50,475

General Obligation Bonds	Amount
$171,155,000 2007 Series B School Construction Refunding Bonds due in annual installments of $60,000 to $29,530,000 through September 2024; interest at 4.00% to 5.00%.	169,730
$63,790,000 2007 Series D School Construction Serial Bonds due in annual installments of $2,450,000 to $4,885,000 through August 2027; interest at 4.25% to 5.00%.	50,505
$29,840,000 2008 Series B School Construction Serial Bonds due in annual installments of $1,105,000 to$2,285,000 through August 2028; interest at 4.00% to 5.25%.	24,730
$20,025,000 2010 Series B School Construction Serial Bonds due in annual installments of $830,000 to $1,345,000 through April 2030; interest at 2.00% to 5.91%.	16,910
$4,940,000 2011 Series B School Construction Serial Bonds due in annual installments of $460,000 to $550,000 through August 2021; interest at 2.00% to 3.00%.	4,030
$28,310,000 2011 Series C School Construction Refunding Bonds due in annual installments of $1,285,000 to $10,050,000 through August 2020; interest at 4.00% to 5.00%.	8,675
$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 2.00% to 5.00%.	13,810
$24,080,000 2012 Series D School Construction Refunding Bonds due in annual installments of $4,290,000 to $15,265,000 through August 2015; interest at 2.00% to 5.00%.	8,815
$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 4.00% to 5.00%.	39,345
	$ 580,485

The annual requirements to amortize all general obligation debt outstanding as of June 30, 2014 are as follows (in thousands):

	Anchorage School District		
	Principal	Interest	Total
Years:			
2015	$ 59,290	$ 27,035	$ 86,325
2016	57,165	23,932	81,097
2017	55,030	21,093	76,123
2018	52,285	18,430	70,715
2019	51,330	15,883	67,213
2020-2024	215,850	44,697	260,547
2025-2029	71,020	10,860	81,880
2030-2034	18,515	1,808	20,323
Total	$ 580,485	$ 163,738	$ 744,223

The amount of bonds payable that is due within one year as of June 30, 2014 is $59,290,000. The Debt Service Fund has $2,733,186 available to service the general obligation bonds. There are a number of restrictions contained in the various bond indentures. ASD is in compliance with all significant restrictions.

NOTE 11 - DEBT ISSUED SUBSEQUENT TO YEAR END

Municipality of Anchorage

On April 30, 2015, the Municipality issued $97,000,000 of General Obligation Tax Anticipation Notes. The interest rate on the Notes is 0.5% with a maturity date of September 17, 2015.

Water Utility
In January 2015, the Water Utility borrowed $14,850,000 from the State of Alaska Drinking Water Fund for the purpose of financing a portion of seven capital improvement water projects.

Wastewater Utility
In January 2015, the Wastewater Utility borrowed $17,750,000 from the State of Alaska Drinking Water Fund for the purpose of financing a portion of ten capital improvement wastewater projects.

Anchorage School District
In October 2014, ASD issued $59,075,000 in Series C General Obligation School Bonds and $37,150,000 in Series D General Obligation Refunding School Bonds. The ASD year ended on June 30, 2014 and these bonds are not reflected in these financial statements.

NOTE 12 - CONDUIT DEBT OBLIGATIONS

A. Nonrecourse Revenue Bonds - United Way of Anchorage

On November 1, 2000, the Municipality issued $850,000 of Nonrecourse Revenue Bonds on behalf of the United Way of Anchorage. On July 30, 2001, the Municipality issued $900,000 of Nonrecourse Revenue Bonds on behalf of the United Way of Anchorage. The Municipality has no direct involvement with the administration of these bonds except to allow their issuance under the name of the Municipality of Anchorage. These revenue bonds are issued under provisions of State and Federal law that provide that the bonds do not constitute an indebtedness of the Municipality. The bonds do not constitute a general obligation or pledge of the full faith and credit of the Municipality. Accordingly, the bonds and the related assets are not reflected in the accompanying financial statements.

A schedule of the remaining debt service on the 2000 issue bonds follows:

	Principal
Years:	
2015	$ 80,007
Total	$ 80,007

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

	Principal
Years:	
2015	$ 54,204
2016	57,824
2017	61,712
2018	65,840
2019	70,180
2020-2021	119,723
Total	$ 429,483

NOTE 13 - RETIREMENT PLANS

Substantially all regular employees of the Municipality are members of a public employees' retirement system except for employees who are members of the International Brotherhood of Electrical Workers (IBEW) and International Union of Operating Engineers, Local 302 (Local 302) (effective July 1, 2004).

IBEW members participate in a union sponsored cost-sharing defined benefit plan. Employer contributions are determined from hours of work reported by participating employers and the contractual employer contribution rate in effect. The current agreement increased contributions during 2014. Contributions to the plan for each hour worked by a covered employee were $7.00 and increased to $7.25 (as of August 15) for 2014 and $7.00 and $6.75 for 2013 and 2012 respectively. As well, the current agreement requires employer contributions to be made in an amount of 1.8% of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Annuity Plan). The total employer contributions (both hourly contributions and percentage contributions for the Annuity Plan) for 2014, 2013, and 2012 were $3,953,001, $3,768,739, and $3,904,628, respectively. One

hundred percent of the Municipality's required contributions to the IBEW plan have been made through these contributions to the Alaska Electrical Trust Fund. Each year, IBEW issues audited financial statements that can be obtained by writing the plan administrator, Alaska Electrical Trust Fund, 2600 Denali Street, Suite 200, Anchorage, Alaska, 99503.

Local 302 members participate in a union sponsored cost-sharing defined benefit plan. Employer contributions are determined from compensable work hours and the contractual employer contribution rate in effect. The current agreement provides for contributions of $5.00 per hour worked by a covered employee in 2014, 2013 and 2012. Further, seasonal employees are provided for contributions at .75 cents per hour worked in 2014, 2013, and 2012.Total employer contributions (covered and seasonal employees) for 2014, 2013, and 2012 were $1,519,659, $1,588,775, and $1,676,415, respectively. One hundred percent of the Municipality's required contributions to the Local 302 plan have been made through these contributions to the Local 302 International Operating Engineers Employers Construction Industry Retirement Fund. Each year, Local 302 issues audited financial statements that can be obtained by writing the plan administrator, Welfare and Pension Administration Service, Inc., P.O. Box 34203, Seattle, Washington, 98124.

All Municipal employees who are members of a public employees' retirement system participate in the State of Alaska Public Employees' Retirement System (PERS) except for police officers hired prior to October 6, 1994, paramedics, and fire fighters hired prior to July 18, 1994, and command officers hired prior to May 24, 1994, who participate in either Plan I, Plan II, or Plan III of the Anchorage Police and Fire Retirement System. Police officers, command officers, paramedics, and fire fighters hired subsequent to these dates are in the State of Alaska Plan. All pension and postemployment healthcare benefit obligations of the Municipality are included on the government-wide, proprietary, or fiduciary financial statements.

A. State of Alaska Public Employees' Retirement System

Plan Descriptions

Employees hired prior to July 1, 2006, and employees hired after July 1, 2006 who have PERS enrollment from prior employment, participate in PERS Tiers I-III, a defined benefit cost sharing plan that acts as a common investment and administrative agent for political subdivisions within the State of Alaska. Employees hired on or after July 1, 2006 who have no prior PERS participating employment participate in PERS Tier IV, a defined contribution plan with a component of defined benefit postemployment healthcare.

The defined benefit plan was originally established as an agent multiple-employer plan, but was converted by legislation to a cost-sharing plan, effective July 1, 2008. Under the cost-sharing arrangement, the State of Alaska Division of Retirement and Benefits no longer tracks individual employer assets and liabilities. Rather, all plan costs and past service liabilities will be shared among all participating employers. Both plans are administered by the State of Alaska (State) to provide pension, postemployment healthcare, death, and disability benefits to eligible employees.

All full-time and regular part-time Municipal employees not covered by the State of Alaska Teacher's Retirement System (TRS) or another retirement plan are eligible to participate in PERS. For both the defined benefit plan and the defined contribution plan, benefit and contribution provisions are established by State law and may be amended only by the State Legislature.

Each fiscal year, PERS issues publicly available financial reports that include financial statements and required supplementary information. They may be obtained by writing to the State of Alaska, Department of Administration, Division of Retirement and Benefits, P.O. Box 110203, Juneau, Alaska, 99811-0203, by phoning (907) 465-4460, or via the web at www.state.ak.us/drb/pers/ .

Funding Policy and Annual Pension and Postemployment Healthcare Cost - PERS Tier I-III Defined Benefit Plan

Participating employees are required to contribute 6.75 percent of their annual covered salary, Police Officers and Firefighters contribute 7.5 percent. Employer contribution rates are established by State statute. Employer contribution rates are established annually by the State's sanctioned management board. The funding policy for PERS provides for periodic employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

The employer contribution rate is statutorily capped at 22 percent of annual covered salary. State legislation currently provides that the State contribute any amount over 22 percent such that the total contribution equals the

Alaska Retirement Management Board adopted rate, but not the same as the Governmental Accounting Standards Board (GASB) Statement No. 43 accounting rate.

Detailed contribution rates for the Municipality and actuarial methods for the plan for the year ended 2014 are as follows:

	Employee Rate		Contractual Rate		Rate		GASB 43*	
	1/1 to	7/1 to	1/1 to	7/1 to	1/1 to	7/1 to	1/1 to	7/1 to
Police Officers and Firefighters	6/30/14	12/31/14	6/30/14	12/31/14	6/30/14	12/31/14	6/30/14	12/31/14
Pension	3.86%	3.62%	10.64%	12.54%	18.38%	25.09%	27.94%	33.05%
Postemployment Healthcare	3.64%	3.88%	11.36%	9.46%	17.30%	18.94%	52.55%	55.07%
Total Contribution Rate	7.50%	7.50%	22.00%	22.00%	35.68%	44.03%	80.49%	88.12%
Other Employees								
Pension	3.48%	3.26%	10.64%	12.54%	18.38%	25.09%	27.94%	33.05%
Postemployment Healthcare	3.27%	3.49%	11.36%	9.46%	17.30%	18.94%	52.55%	55.07%
Total Contribution Rate	6.75%	6.75%	22.00%	22.00%	35.68%	44.03%	80.49%	88.12%

* This rate uses an 8.00% pension discount rate and a 4.90% healthcare discount rate from 1/1/2014 to 12/31/2014 and disregards future Medical Part D payments.

Annual Pension and Postemployment Healthcare Cost

Effective beginning July 1, 2014, the State passed additional legislation appropriating a one-time funding contribution into the plan in the amount of $1 billion. This $1 billion is allocated among all participating employers and will be recorded as an on-behalf payment. This amount significantly exceeds the required on-behalf payments established as the difference between the ARM Board rate and the employers effective rate. In addition, prior to July 1, 2015, there are no constraints or restrictions in 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 the past service liabilities using a level percent of pay method over a closed 25 year term which ends in 2039, resulting in lower ARM Board rates. As a result of these changes, the State fiscal year 2015 on-behalf will be significantly higher than under the previous calculations, and in State fiscal year 2016 the on-behalf amounts will be lower than under the previous calculations.

The Municipality is required to contribute 22 percent of covered payroll, subject to a wage floor. In addition, the State contributed approximately 13.68 percent from January 1 through June 30 and 42.41 percent between July 1 and December 31, 2014 of covered payroll to the Plan. In accordance with the provisions of GASB Statement No. 24, the Municipality has recorded the State contribution in the General Fund in the amount of $57,184,705 as a PERS on-behalf payment. However, because the Municipality is not statutorily obligated for these payments, this amount has been excluded from pension and OPEB cost as described here. Pension and OPEB payments for the three years from December 31, 2012 to December 31, 2014 are shown in thousands below:

Year	Annual Pension Cost	Annual OPEB Cost	Total Benefit Cost (TBC)	Anchorage Contributions	% of TBC Contributed
2014	21,509	16,226	37,735	37,735	100%
2013	19,111	17,988	37,099	37,099	100%
2012	16,088	20,518	36,606	36,606	100%

Funding Policy and Annual Pension and Postemployment HealthCare Costs – PERS Tier IV Defined Contribution Plan

Employees first enrolling into PERS after July 1, 2006 participate in PERS Tier IV. PERS Tier IV is a defined contribution retirement plan that includes a component of defined benefit post-employment health care. 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%
Health Reimbursement Arrangement *	3.00%	3.00%	3.00%	3.00%
Retiree Medical Plan	0.48%	1.66%	0.48%	1.66%
Death & Disability Benefit	1.14%	1.06%	0.20%	0.22%
Total Employer Contribution	9.62%	10.72%	8.68%	9.88%

*Health Reimbursement Arrangement - AS 39.30.370 requires that the employer contribute "an amount equal to three percent of the employer's average annual employee compensation." For actual remittance, this amount is calculated as a flat rate per full time employee and a flat rate per hour for part time employees. Prior to July 1, 2014 a rate of $72.95 per full time employee per pay period and $1.22 per part time hour worked was paid. For pay periods ending after July 1, 2014, a flat rate of approximately $1,961 per year for full time employees and $1.26 per part time hour worked were paid.

For the year ended December 31, 2014, the Municipality contributed $3,630,792 to PERS Tier IV for retirement and retiree medical, and $1,414,337 to PERS Tier IV for Health Reimbursement Arrangement on-behalf of its employees. Employee contributions to the plan totaled $4,405,491.

Under the newly adopted cost-sharing arrangement for the PERS defined benefit plan (Tiers I – III), the State statute employer contribution rate of 22 percent, includes Tier IV employees. In addition to the amounts above, the Municipality contributed approximately 11.28 percent on Police & Fire Tier IV employee payroll and approximately 12.12 percent on other Tier IV employee payroll. This amount was applied to the obligation of the PERS defined benefit plan and is included in the contributions (ARC) recorded in the defined benefit cost-sharing plan.

B. Police and Fire Pension System Plans

Plans I, II and III are defined benefit single-employer plans established by Chapter 3.85 of the Code. The plans are administered by the Police and Fire Retirement Board (Retirement Board). The cost of administering the plans is financed by the Retirement System assets held in a trust account. The Board consists of nine members: three appointed by the Mayor, three elected by the Fire members, and three elected by the Police members.

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

- Plan I - Members employed on or before June 30, 1977
- Plan II - Members employed between July 1, 1977, and April 16, 1984, and
- Plan III - Members employed between April 16, 1984, and July 18, 1994. Members of Plans I and II were also permitted to elect into Plan III at its inception.

Members of Plan I, II, and III are required to contribute an amount not to exceed 6 percent of compensation if the assets to liabilities ratio falls below 100 percent. Additionally, the Municipality is required to contribute 2.5:1 Municipality/member contribution ratio and any additional contributions to ensure that Plans I, II, and III are adequately funded as determined by the actuary and approved by the Retirement Board.

Benefit and contribution provisions are established by Code and may be amended only by the Assembly. The January 1, 2015 actuarial valuation recommended contribution rates for Plans I, II and III are 6 percent for the employee and $8.8 million for the Municipality for year-end December 31, 2014. All past contributions were made in accordance with actuarial recommendations.

Benefits for all three plans include voluntary normal, early, and deferred retirement benefits and occupational and non-occupational disability and death benefits. The extent of benefits varies by plan and basic benefit provisions are discussed in the following paragraphs. Benefits vest after five years of service for all plans, retirement benefits are paid monthly for life and are equal to 2.5 percent of average monthly compensation times years of credited service. A member may retire after 20 years of credited service and immediately begin receiving a monthly benefit. For Plans I and II average monthly compensation is the amount paid during the period of the highest three consecutive calendar years divided by the number of months for which compensation was received. For

Plan III, final average compensation is the greater of the average of the two highest consecutive tax years of base compensation or average of total base compensation for the last 52 pay periods.

Plan I and II members may elect early retirement after five years of credited service and attainment of age 55 and receive a retirement benefit. Plan III members may elect early retirement after 15 years of credited service and either withdraw their contributions or start receiving a retirement benefit. All three plans have deferred retirement options for members who have at least five years credited service and have not reached age 55. Plan I and II members may either withdraw their contributions or remain in the plan and begin receiving a retirement benefit upon reaching age 55. Plan III members may either withdraw their contributions or receive a retirement benefit beginning the date on which he or she would have completed 20 years of credited service or upon reaching age 55. All benefits or refunds of the Plans are recognized when due and payable in accordance with the plan terms as noted. Disability benefits may be either occupational or non-occupational.

Benefits are payable for life, and are subject to certain restrictions. To be eligible for non-occupational benefits, a member must have five years credited service prior to date of disability. Plan I and II members receive an occupational benefit of 66 2/3 percent of gross monthly compensation at time of disability and a non-occupational disability of 50 percent of monthly compensation. Plan III members receive an occupational benefit of 50 percent of final average compensation at time of disability and a non-occupational disability of 25 percent of final average compensation at time of disability with more than five but less than ten years credited service. For each additional year of service up to 20 years, the benefit shall increase by 2.5 percent of final average compensation.

Plan III beneficiaries are entitled to receive limited cost of living adjustments and children's benefits until dependent children reach age eighteen.

Information regarding the Plans is available upon request and may be obtained by writing to Anchorage Police and Fire Retirement System, 3650 E. Tudor Road, P.O. Box 196650, Anchorage, Alaska 99519-6650 or by phoning (907) 343-8400.

Funding Status and Funding Progress

Annual pension cost and the related information for 2014 and the two prior years are as follows:

	Police and Fire Retirement Systems		
2014:	Plan I	Plan II	Plan III
Annual pension cost (in thousands)	$1,952	$1,520	$5,297
Contributions made (in thousands)	$1,952	$1,520	$5,297
Percentage of Pension Costs Contributed	100%	100%	100%
Actuarial valuation date	January 1, 2014	January 1, 2014	January 1, 2014
Actuarial cost method	Modified Aggregate	Modified Aggregate	Modified Aggregate
Amortization period	15 years	15 years	15 years
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Inflation rate	3.0%	3.0%	3.0%
Investment rate of return	8.0%	8.0%	8.0%
Projected salary increase	3.5%	3.5%	3.5%
Cost of living adjustment	N/A	N/A	0.75% to 1.50% *
2013:	Plan I	Plan II	Plan III
Annual pension cost (in thousands)	$2,246	$1,755	$5,999
Contributions made (in thousands)	$2,246	$1,755	$5,999
Percentage of Pension Costs Contributed	100%	100%	100%
Actuarial valuation date	January 1, 2013	January 1, 2013	January 1, 2013
Actuarial cost method	Modified Aggregate	Modified Aggregate	Modified Aggregate
Amortization period	15 years	15 years	15 years
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Inflation rate	3.0%	3.0%	3.0%
Investment rate of return	7.9%	7.9%	7.9%
Projected salary increase	3.5%	3.5%	3.5%
Cost of living adjustment	N/A	N/A	0.75% to 1.50% *

2012:	Police and Fire Retirement Systems		
	Plan I	Plan II	Plan III
Annual pension cost (in thousands)	$1,220	$1,127	$3,893
Contributions made (in thousands)	$1,220	$1,127	$3,893
Percentage of Pension Costs Contributed	100%	100%	100%
Actuarial valuation date	January 1, 2012	January 1, 2012	January 1, 2012
Actuarial cost method	Modified Aggregate	Modified Aggregate	Modified Aggregate
Amortization period	15 years	15 years	15 years
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Inflation rate	3.0%	3.0%	3.0%
Investment rate of return	8.0%	8.0%	8.0%
Projected salary increase	3.5%	3.5%	3.5%
Cost of living adjustment	N/A	N/A	0.75% to 1.50% *

.75% for present retrees and after retirement for current active members after 20th anniversary of hier, and 1.50% after 25th anniversary of hire

Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan. The current plan uses a discount of 7.8 percent.

The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (in thousands).

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
January 1, 2015:						
Plan I	$ 75,471	$ 87,365	$ 11,894	86.40%	$ -	0.00%
Plan II	57,092	65,512	8,420	87.10%	133	6330.80%
Plan III	211,912	247,643	35,731	85.60%	3,538	1009.90%
January 1, 2014:						
Plan I	$ 78,262	$ 88,793	$ 10,531	88.10%	$ -	0.00%
Plan II	58,510	66,010	7,500	88.60%	119	6302.50%
Plan III	212,964	238,977	26,013	89.10%	4,817	540.00%
January 1, 2013:						
Plan I	$ 72,633	$ 89,266	$ 16,633	81.40%	$ -	0.00%
Plan II	53,655	66,588	12,933	80.60%	257	5032.30%
Plan III	190,281	232,841	42,560	81.70%	6,161	690.80%

Contribution Requirements

In May 2003, the Retirement Board elected to change the methodology for calculating contributions to the modified aggregate actuarial cost method, effective with the plan year beginning January 1, 2004.

Member contributions, if needed, are calculated to be 40 percent of the Municipality contributions (ratio of 2.5:1) subject to a maximum level of 6 percent of salary. Employer contributions are calculated annually as part of the Actuarial Valuation of the Plans Assets. Based on this methodology, Municipality required contributions of $7.1 million are expected in 2015.

C. Investments

The State Plan and the Police & Fire Retirement System do not own any notes, bonds, or other instruments of the Municipality.

NOTE 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Members of the Police & Fire Retirement Plan participate in one of two post-employment health benefit plans.

A. Gentile Group

Members of the Police & Fire Retirement Plan who retired prior to January 1, 1995, and command personnel who were employed prior to that date, but not retired at that date, participate in the "Gentile Group" Plan. The Municipality pays 100 percent of a defined benefit insurance premium including health for all eligible retirees as well as dental, audio and vision coverage for police retirees. Optional dental, audio and vision coverage is paid by the fire and command retirees. The plan is accounted for on a "pay as you go" method with costs recognized as expenditures as premiums are paid. At December 31, 2014, there were 246 retiree participants. For 2014, the monthly contribution for each member ranged between $2,689 and $3,274 per member depending on age and years of service. Benefit costs totaled $9,141,681 in 2014. There are no plans in place to terminate or discontinue this benefit for eligible members.

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

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

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

Retirement Age	Service at Retirement	Annual Adjustment
60 or older	25 years	75% of medical CPI
55 – 59		50% of medical CPI
50 – 54	20 – 24 years	50% of medical CPI (with a maximum of 6%)
Less than 50	0 – 19 years	25% of medical CPI (with a maximum of 3%)

For 2014, the monthly contribution for each member ranges between $498 and $838 per member depending on age and years of service. The Municipality contributed $3,270,404 to the Police and Fire Retiree Medical Trust Fund in 2014.

Concurrent with the establishment of the plan, the Municipality initiated a "Prefunding" arrangement. The terms of the prefunding call for annual deposits through 2014 into a special revenue fund for the purpose of accumulating resources to pay the annual required contributions to the Police and Fire Retiree Medical Plan beginning in 2014. Based on an actuarial report dated June 2012, the original payment schedule would not fully prefund the plan by 2014. The Municipality opted to continue contributions to the Trust through 2021 to fully prefund the plan. This change required an Amendment to the Anchorage Municipal Code, which was approved by the Assembly in December 2009. In accordance with the current prefunding arrangement, the Municipality is required to contribute $1,504,034 to the special revenue fund on an annual basis in order to fully fund the actuarially determined liability by 2021.

In 2014, the Municipality contributed the annual $1,504,034 to the fund. The Municipality will perform an actuarial funding study every two years and adjust the required annual contribution as needed and/or extend the final payment, as authorized in Anchorage Municipal Code 3.88.020.

Detailed information regarding rates and actuarial methods for the plan for the year ended 2014 are as follows:

	Gentile	Police and Fire
Actuarial Valuation Date	January 1, 2013	January 1, 2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Dollar, closed	Level Dollar, closed
Amortization Period	24 Years	24 Years
Asset Valuation Method	Unfunded	Unfunded
Actuarial Assumptions:		
Inflation Rate	Note (1)	3.4%
Annual Discount Rate	4.5%	8.0%
Healthcare Cost Trend Rate	9% assumed to decrease 0.5% until reaching 5%	9% assumed to decrease 0.5% until reaching 5%

Note (1) No inflation rate as there is no trust associated with the Gentile Plan

The components of annual postemployment healthcare costs for the year ended 2014 (in thousands) are as follows:

	Postemployment Healthcare	
	Gentile Group	Police and Fire Retiree Medical Group
Annual Required Contribution (ARC)	$ 6,012	$ 2,835
Interest on the Net OPEB Obligation (NOO)	(356)	(93)
Adjustment to the ARC	519	63
Annual OPEB Cost (APC)	6,175	2,805
Contributions made	(9,142)	(4,366)
Increase (Decrease) in NOO	(2,967)	(1,561)
NOO, beginning of year	(7,907)	(1,164)
NOO (Asset), end of year	$ (10,874)	$ (2,725)
Percentage of Post-Employment Health Care Cost Contributed (2014)	165.78%	155.66%
Percentage of Post-Employment Health Care Cost Contributed (2013)	144.47%	139.13%
Percentage of Post-Employment Health Care Cost Contributed (2012)	132.39%	116.49%

Postemployment Healthcare Benefits (in thousands)

	Actuarial Valuation Year	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Gentile Group	2014	-	$ 87,466	$ 87,466	0%	$ 119	73501%
	2013	-	$ 87,466	$ 87,466	0%	$ 257	34033%
	2012	-	96,100	96,100	0%	262	36679%
Police & Fire	2014	$ 12,948	$ 41,275	$ 28,327	31%	$ 4,817	588%
	2013	12,948	41,275	28,327	31%	6,161	460%
	2012	11,123	42,833	31,710	26%	6,489	489%

MOA Premium Discount

In 2013 as authorized in Anchorage Municipal Code 3.87.050A, the Municipality provided a premium discount to all members of the Police and Fire Retiree Medical Trust that purchase municipal health insurance. At December 31, 2014 the Municipality contributed $1,095,478 for that plan.

State Public Employee Retirement Plan

Police officers and fire fighters hired after January 1, 1995 participate in the State Public Employee Retirement Plan, rather than the Police and Fire Retirement System Plan, thus, those individuals receive postemployment medical benefits as determined by that Plan.

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

NOTE 15 - FUND BALANCE - GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

In 2011, the Assembly approved AR2011-345(S) which set the fund balance policy in accordance with GASB 54. In 2014, the Assembly approved AR2014-221 which revised the method of calculating certain components of the fund balance categories, to better aid in assessing the needs of the Municipality. Managements spending policy is to use restricted fund balance first when expenditures are incurred to which any resource is available, then to use unrestricted fund balances in the following order; committed, assigned, and unassigned.

The Municipality has implemented the provisions of GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions. Fund balance, reported in aggregate on the governmental funds balance sheet is subject to the following constraints:

	General	MOA Trust	Capital Projects Road & Drainage	Other Governmental Funds	Total
Nonspendable					
Inventory	$ 1,456,430	$ -	$ -	$ -	$ 1,456,430
Prepaid Items	910,841	-	-	1,030,030	1,940,871
Long-term Loans	1,162,844	-	-	-	1,162,844
Cemetery Perpetual Fund	-	-	-	150,000	150,000
Total Nonspendable	3,530,115	-	-	1,180,030	4,710,145

	General	MOA Trust	Capital Projects Road & Drainage	Other Governmental Funds	Total
Restricted					
State Statute	189,145	-	-	-	189,145
Capital Improvements	-	-	3,126,957	3,611,058	6,738,015
MOA Trust Fund	-	148,990,379	-	-	148,990,379
Police & Fire Retiree Medical Liability	-	-	-	36,100,397	36,100,397
Federal Grants	-	-	-	1,952,587	1,952,587
State Grants	-	-	-	624,579	624,579
Federal/State Fines & Forfeitures	-	-	-	944,074	944,074
Misc Operations Grants	-	-	-	888,298	888,298
Convention Center Operating Fund	-	-	-	10,960,787	10,960,787
49th State Angel Fund	-	-	-	12,595,184	12,595,184
Debt Service	-	-	-	15,567,343	15,567,343
Total Restricted	189,145	148,990,379	3,126,957	83,244,307	235,550,788
Committed					
10% Bond Rating	39,558,080	-	-	-	39,558,080
Original Budget	1,253,100	-	-	-	1,253,100
Capital Improvements	-	-	301,187	11,651,857	11,953,044
Heritage Land Bank	-	-	-	6,792,168	6,792,168
Total Committed	40,811,180	-	301,187	18,444,025	59,556,392
Assigned					
TAPS (Trans-Alaska Pipeline System)	6,260,000	-	-	-	6,260,000
2014 Budget Appropriations	6,473,971	-	-	-	6,473,971
Capital Improvements	-	-	-	1,114,356	1,114,356
Cemetery Perpetual Fund	-	-	-	321,774	321,774
State Grants	-	-	-	19,809,365	19,809,365
Federal Grants	-	-	-	630,064	630,064
Federal/State Fines & Forfeitures	-	-	-	1,258,021	1,258,021
Misc Operating Grants	-	-	-	245,355	245,355
Convention Center Operating Fund	-	-	-	2,271,691	2,271,691
Debt Service	-	-	-	8,838	8,838
Total Assigned	12,733,971	-	-	25,659,464	38,393,435
Unassigned					
2% Working Capital Reserve	8,867,425	-	-	-	8,867,425
Other Unassigned	9,583,325	-	-	(57,261)	9,526,064
Total Unassigned	18,450,750	-	-	(57,261)	18,393,489
Total Fund Balance	$ 75,715,161	$ 148,990,379	$ 3,428,144	$ 128,470,565	$ 356,604,249

Alaska State Statute 29.35.460 states that taxes levied within a differential tax zone that exceed the amount that would have otherwise been levied may only be used for the services provided in that zone. The Municipality has $189,145 of restricted fund balance in one of the sub funds of the General Fund. The Municipality, by resolution, established a bond rating that is included in committed fund balance and a Working Capital Reserve that is included in unassigned fund balance. In addition, the Trans-Alaska Pipeline System (TAPS) payment of property taxes is included in assigned fund balance.

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

Bond Rating:	
Committed	$ 39,558,080
	39,558,080

TAPS:	
Assigned	6,260,000
	6,260,000
Working Capital Reserve:	
Unassigned	8,867,425
	$ 8,867,425

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

Major Funds:	
Capital Projects Roads & Drainage Fund	$ 33,410,082
Non Major Capital Project Funds:	
Public Safety	2,713,644
Parks & Recreation	743,421
Areawide	9,692,452
Public Transportation	380,701
Miscellaneous	3,389,219
Total Non Major Capital Project Funds	16,919,437
Non Major Special Revenue Funds	
State Grants	31,253,687
Total Non Major Special Revenue Funds	$ 31,253,687

NOTE 16 - RISK MANAGEMENT AND SELF-INSURANCE

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

The Municipality provides coverage up to the maximum of $2,500,000 per occurrence for automobile and general liability claims and $2,000,000 for each workers' compensation claim. No settled claim exceeded this commercial coverage in 2014 or 2013 while one claim exceeded this coverage in 2012.

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, 2014, is dependent upon future developments. At December 31, 2014, claims incurred but not reported included in the liability accounts are $14,212,666 in the General Liability/Workers' Compensation Fund and Medical/Dental Self Insurance Fund.

Changes in the funds' claim liability amounts in 2014 and 2013 are as follows:

	Balance January 1, 2014	Current Year Claims and Changes in Estimates	Claims Payment	Balance December 31, 2014
General Liability/Workers' Compensation	18,484,350	8,590,527	(9,043,949)	18,030,928
Medical/Dental	6,933,274	47,412,207	(47,258,680)	7,086,801
Unemployment	94,750	364,529	(360,868)	98,411
	$ 25,512,374	$ 56,367,263	$ (56,663,497)	$ 25,216,140

	Balance January 1, 2013	Current Year Claims and Changes in Estimates	Claims Payment	Balance December 31, 2013
General Liability/Workers' Compensation	$ 16,714,555	8,977,822	(7,208,027)	$ 18,484,350
Medical/Dental	7,028,349	52,485,460	(52,580,535)	6,933,274
Unemployment	118,632	443,265	(467,147)	94,750
	23,861,536	61,906,547	(60,255,709)	25,512,374

At December 31, 2014, the Medical and Dental Self Insurance Fund had unrestricted net position of $10,288,292, an improvement of $6,152,609 from 2013. Medical and Dental rates were increased by a margin of 3 percent in 2014 to ensure an adequate reserve.

At December 31, 2014, the General Liability and Worker's Compensation Fund had positive unrestricted net position of $3,260,400. Insurance rates were increased to offset the deficit in 2012.

NOTE 17 - MOA TRUST FUND

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

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

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

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

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

In 2014, consistent with the policy limitations described above, $4,900,000 of the MOA Trust Fund balance was determined to be expendable and transferred to the General Fund.

NOTE 18 - REGULATORY AND OTHER MATTERS

A. Electric Utility

Beluga River Unit (BRU) Underlift Cash Settlement
Each of the three participants in the BRU has a right to take one-third of the gas produced by the Unit each year. Imbalances between the Unit owners are resolved each year in accordance with the BRU Gas Balancing Agreement. "Over lifted" parties (parties that have taken more than one-third of the Unit output) must offer to "under lifted" parties (parties that have taken less than one-third of the Unit output) the option to either accept a cash settlement for their under lift for the year, or accept a right to take the under lift in future years, subject to certain restrictions.

The Electric Utility received monetary settlements totaling $22,950,406 after lease burdens and taxes were satisfied for the 2005 under lift in April 2006. The Electric Utility proposed to use this money to fund future gas purchases beginning in approximately 2018, and to preserve the value of the cash until that time by setting up a loan from the Gas Fund to the Electric Fund for the purpose of replacing the retired Unit 3. Repayment of the loan is scheduled to make funds available for future natural gas purchases by the time those purchases are needed. The RCA approved this plan in Order U-06-89(2). The Electric Utility recorded a deferred inflow for future natural gas purchases as of December 31, 2014 and 2013, which includes original principal plus interest earnings of $32,780,222 and $31,727,421 respectively.

The Electric Utility elected to receive a monetary settlement for its 2014 under lift from its BRU partners totaling $2,594,857. The RCA ordered in Order U-06-089(2) that the Electric Utility receive approval of proposed treatment of under lift settlement proceeds. Therefore, the Electric Utility will seek RCA approval for a dispensation plan associated with the 2014 under lift settlement proceeds in 2015. While it is awaiting the RCA's ruling, the Electric Utility will place the 2014 under lift monetary settlement funds in a deferred regulatory liability account until the Electric Utility's proposed dispensation plan is fully adjudicated.

Regulatory Debits/Credits
The Electric Utility files a COPA quarterly with the RCA to recover cost of power expenses that would not be recovered in base rates. Every COPA is filed in accordance with Alaska regulations, 3 AAC 52.501 - 52.519. The COPA is based on the projected cost of fuel and purchased power for the applicable quarter, the projected kilowatt hour sales for the applicable quarter, and the over/under recovered balance in the cost of power clearing account. The Electric Utility records in the cost of power clearing account an asset and credit for under recovered costs or a liability and debit for over recovered costs. The Electric Utility over recovered as of both December 31, 2014 and 2013 in the amounts of $4,230,876 and $190,711 respectively.

The Electric Utility annually sets the GTP, which is the price its Gas Fund charges its Electric Fund for gas used to generate electricity. Through the GTP, the Electric Utility recovers the Gas Fund's annual net revenue requirement associated with its one-third ownership interest in BRU and any over/recovery from the prior year. The Electric Utility records in the cost of gas clearing account an asset and credit for under recovered costs or a liability and debit for over recovered costs.

The Electric Utility over recovered as of both December 31, 2014 and 2013 in the amounts of $3,316,454 and $1,051,841, respectively.

Adjustment of the Gas Transfer Price Methodology
Under former methodology, the Electric Utility included revenue from third-party gas sales to CEA and Enstar Natural Gas Company (Enstar) in calculating the revenue requirement for the GTP. The Electric Utility predicted in early 2007 that unexpectedly higher revenues from these gas sales would create rate instability. The RCA granted the Electric Utility's unopposed petition on May 15, 2007 in Order U-07-045(2), to remove third party gas sales from the revenue requirement calculation and use these proceeds for future BRU construction or natural gas purchases. These funds are recorded as a deferred inflow in the Future BRU Construction or Natural Gas Purchases account, also known as Deferred Regulatory Liability from Gas Sales (DRLGS) Account. The balances of the DRLGS account, as of December 31, 2014 and 2013, were $70,622,412 and $81,953,639, respectively.

Funding of Future BRU Gas Field Retirements
On May 15, 2014, in Order U-14-009(2), the RCA granted the Electric Utility's petition to fund future retirement of the BRU gas field with a one-time use of funds from the DRLGS Account and from an ARO surcharge collected by modifying the GTP calculation. Pursuant to this ruling, the Electric Utility created a sinking fund account, and

during the second quarter of 2014, it transferred $6,208,888 into it from the DRLGS account. Further, in the fourth quarter of 2014 the Electric Utility began collecting an ARO surcharge and depositing it in the sinking fund account. The ARO surcharge is reviewed annually. As of December 31, 2014, the sinking fund account balance was $7,454,506.

Revenue Requirement Study

In December 2012, the Electric Utility filed a request for rate relief with the RCA based on a 2011 test year revenue requirement study requesting a 9.72% permanent across-the-board rate increase to demand and energy charges. The RCA granted a 7.78% interim and refundable increase, effective March 1, 2013 in Order U-13-006(1). The RCA issued its final order May 27, 2014 setting a revenue requirement equating to a 6.57% increase in rates and ordering the Electric Utility to refund the difference between the interim and permanent rates to customers, which totaled $589,527.

While U-13-006 was pending, the Electric Utility filed a request for a two phase permanent across the board rate increase to demand and energy charges based on a 2012 test year revenue requirement study. Phase One is a proposed 24.32% across-the board increase to the retail interim demand and energy charges approved in Order U-13-006(1). Phase Two is a proposed increase of 5.79% to the Phase One rates, resulting in a total 31.52% across the board increase to the retail interim demand and energy charges approved in U-13-006, to be effective one year after the effective date of the Phase One permanent increase. Proposed Phase One rates are lower than Phase Two because the Electric Utility has requested to use up to $5.5 million from the DRLGS account established in accordance with RCA Order U-07-045(2). The RCA suspended the Electric Utility's request for permanent rate relief into docket U-13-184 for further investigation and granted a 24.32% interim and refundable increase, effective October 24, 2013. Hearing on the matter was initially set for October 2014, but the hearing was vacated and a revised procedural schedule was established to allow the Electric Utility to file supplemental direct testimony on intra-governmental costs and a hypothetical tax assessment and the intervening parties to conduct discovery on those topics. The RCA extended the statutory deadline of AS 42.05.175(c) for issuance of a final order. Hearing occurred in this matter April 6 through 17, and a final order is due by July 16, 2015.

Dockets Involving Wheeling

The Electric Utility intervened in CEA's rate case, filed November 19, 2013. At issue for the Electric Utility was CEA's proposed increases to transmission and ancillary charges, which would affect the Electric Utility's economy energy sales and purchases. In Order U-14-001(9), issued February 12, 2015, the RCA settled issues and accepted a stipulation concerning rates. CEA filed another rate case on February 13, 2015 requesting approval of amongst other things, higher wheeling costs, which would affect the Electric Utility. It is likely that the RCA will open a docket for this filing, and the Electric Utility is considering whether to intervene. In its rate case, filed November 15, 2013, Homer Electric Association, Inc. (HEA) requested Commission approval of postage stamp rates for Bradley Lake energy wheeled over HEA's system. The Electric Utility intervened and is party to a separate Alaska Superior Court case challenging the RCA's jurisdiction over the Bradley Lake Agreements, which govern the rights and obligations of Bradley Lake participants. If the Electric Utility is unsuccessful in court and/or the RCA retains jurisdiction, the Electric Utility's wheeling rates could be affected.

Enstar Rate Case

The RCA granted the Electric Utility intervenor status in Enstar's rate case filed September 5, 2014. Enstar requests interim and permanent rate increases to compensate it for infrastructure investments and increased operating costs. The RCA's approval of Enstar's request could impact the Electric Utility by raising its fixed monthly customer charge by 13.64%, its volumetric charge by 119.95%, and its transportation rates by 51.5%. If approved, this would equate to approximately $1 million increase in the Electric Utility's annual natural gas transportation expenses. Hearing is set in this matter for August 24 through September 11, 2015, and a final order is due by December 11, 2015.

Eklutna Hydroelectric Project

On October 2, 1997, the ownership of the Eklutna Hydroelectric Project was formally transferred from the Alaska Power Administration, a unit of the United States Department of Energy, to the three participating utilities: the Electric Utility, CEA and Matanuska Electric Association (MEA). The project is jointly owned and operated by the participating utilities and each contributes their proportionate share for operation, maintenance, and capital improvement costs, as well as maintenance of the transmission line between Anchorage and the hydroelectric plant. The Electric Utility has a 53.33% ownership interest in the project and recorded costs of $2,232,647 and $538,015 in 2014 and 2013, respectively.

Bradley Lake Hydroelectric Project
The Electric Utility agreed to acquire a portion of the output of the Bradley Lake Hydroelectric Project (Project) pursuant to a Power Sales Agreement (Agreement). The Agreement specifies the Electric Utility acquire 25.9% of the output of the Project. The Project went on line September 1, 1991. The Electric Utility made payments to the Alaska Energy Authority (AEA) of $4,670,862 in 2014 for its portion of costs, and received 127,651 megawatt hours of power in 2014 from the Project. The Electric Utility received a budget surplus refund in the amount of $340,371 for 2014. The Electric Utility's estimated cost of power from the Project for 2015 is $4,771,002.

AEA issued the Power Revenue bonds, First and Second Series in September 1989 and August 1990, respectively, for the long term financing of the construction costs of the Project. On July 1, 2010, AEA issued $28,800,000 principal amount of Power Revenue Bonds, Sixth Series. The Sixth Series Bonds were issued for the purpose of refunding the Power Revenue Bonds, Fifth Series Bonds to take advantage of lower interest rates. The total amount of debt outstanding as of December 31, 2014 is $71,613,906. The pro rata share of the debt service costs of the Project for which the Electric is responsible, given its 25.9% share of the Project, is $18,548,002. In the event of payment defaults by other power purchasers, the Electric Utility's share could be increased by up to 25%, which would then cause the Electric Utility's pro rata share of Project debt service to be a total of $23,185,002: the Utility does not now know of or anticipate any such defaults.

Southcentral Power Project
The Electric Utility entered into a participation agreement with CEA on August 28, 2008, to proceed with the joint development, construction and operation of SPP. SPP went into service on January 31, 2013. It has a capacity of 200.3 MW, of which the Electric Utility's proportionate share is 60.1 MW, or 30%. The Electric Utility has recorded costs of $4,739,069 and $4,767,860 in 2014 and 2013, respectively.

B. Water Utility

2011 Test Year / 2013 Rates
On November 14, 2012, the Water Utility filed a revenue requirement study requesting an interim refundable rate increase of 6.0% to become effective January 1, 2013. On December 21, 2012, the RCA issued a letter order approving the requested rate increase on a permanent basis without suspension into a docket for further investigation.

2012 Test Year / 2014 Rates
On November 14, 2013, the Water Utility filed a revenue requirement study requesting an interim refundable rate increase of 4.0% to become effective January 1, 2014. The RCA granted the requested interim rate increase effective January 1, 2014. On April 28, 2015, the Water Utility and the Office of the Attorney General, Regulatory Affairs and Public Advocacy section (RAPA) agreed to a stipulation resolving this matter which will result in a partial refund of interim rates. The Water Utility anticipates an order from the Commission requiring refunds on revenues collected in 2014 of approximately $1.0 million to its customers. This anticipated refund, associated with 2014 sales, was recorded as a liability payable from restricted assets in the Water Utility's financial statements.

C. Wastewater Utility

2011 Test Year / 2013 Rates
On November 14, 2012, the Wastewater Utility filed a revenue requirement study requesting an interim refundable rate increase of 4.5% to become effective January 1, 2013. On December 21, 2012, the RCA issued a letter order approving the requested rate increase on a permanent basis without suspension into a docket for further investigation.

2012 Test Year / 2014 Rates
On November 14, 2013, the Wastewater Utility filed a revenue requirement study requesting an interim refundable rate increase of 5.5% to become effective January 1, 2014. The RCA granted the requested interim rate increase effective January 1, 2014. On April 28, 2015, the Wastewater and the Office of the Attorney General, Regulatory Affairs and Public Advocacy section (RAPA) agreed to a stipulation resolving this matter which will result in a partial refund of interim rates. The Wastewater Utility anticipates an order from the Commission requiring refunds on revenues collected in 2014 of approximately $0.6 million to its customers. This anticipated refund, associated with 2014 sales, was recorded as a liability payable from restricted assets in the Wastewater Utility's financial statements.

NOTE 19 - CONTINGENCIES

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

A. Litigation

Appeal of Property Taxes

These are a series of actions filed by the Trans-Alaska Pipeline System (TAPS) owners for partial refund of taxes paid under protest to the Municipality for 2007 through 2011 tax years under Alaska Statute 43.56. The actions have been filed as a protective measure while the court, in separate captioned matters, resolves the issue of whether the State over or undervalued TAPS' property for those years. In an earlier case involving the 2006 taxes, the Supreme Court upheld the Superior Court's revaluation of the property at a substantially higher amount than the State valued the property. For the 2007-2009 years, the Superior Court again revalued the property at substantially higher amount than the State and TAPS paid the Municipality approximately $4.5 million under the new assessment for those years. If the Supreme Court reverses the Superior Court's decision, those amounts may be subject to refund with interest at a rate of 8 percent. Given the Supreme Court's decision in the 2006 matter, however, that risk is reduced. Finally, for the 2010 and 2011 tax years, the matter has not yet been adjudicated in the Superior Court. For those years, TAPS paid approximately $5 million in taxes, some portion of which may be a risk of refund with interest depending on any adjustments to value that may be made by either the Superior or Supreme Court in subsequent proceedings.

Petroleum Severance Tax Appeal

For the period from January 1, 1999 through December 31, 2005, the Electric Utility paid under protest unrefunded severance taxes on BRU gas of $4,524,351. The Electric Utility is not liable for taxes on BRU gas used to internally generate electricity and has allocated its BRU gas to its use for electric generation rather than to satisfy its gas sale obligations to third-parties. The State of Alaska Department of Revenue (DOR) contends the Electric Utility was required to limit its allocation of BRU gas for its own use to one-third of its requirements, with the remaining requirements satisfied through gas purchase contracts with Chevron and ConocoPhillips, and therefore the Electric Utility's additional BRU production is taxable due to its sale to third parties. On July 7, 2008, the Appeals Officer for DOR denied the Electric Utility's refund claims and, in addition, upheld additional assessments for the relevant period. The Electric Utility paid under protest the additional assessments plus accrued interest in the amount of $282,524 in November 2007, and timely appealed DOR's denial of refund claims and additional assessments to the State of Alaska Office of Administrative Hearings (OAH). On May 22, 2013, the OAH issued a decision denying the Electric Utility's refund request. The Electric Utility timely appealed the OAH decision to the Alaska Superior Court. The Electric Utility appealed to the Alaska Supreme Court a Superior Court decision affirming the Office of Administrative Hearings' decision denying it a refund for oil and gas production taxes paid under protest from 1999 through 2005. The appeal is in the briefing stage, and a ruling is expected within a year. The Electric Utility may receive a refund if the Supreme Court reverses the Superior Court's decision. If the decision is not reversed on appeal the Utility will not owe any additional taxes.

Port Expansion

During 2003, the Municipality began expanding its port facilities. The project encountered problems and work was suspended on May 31, 2012. In March 2013, the Municipality filed suit in the State of Alaska Superior Court against the engineers involved in the bulkhead design and ICRC, the design builder under contract with MARAD, to recover damages sustained as a result of design defects and faulty project oversight. The case was subsequently removed to the United States District Court, Alaska, where it is actively pending. In February 2014, the Municipality filed suit against MARAD to recover damages sustained as a result of its mishandling of the project. That case is pending before the United States Court of Federal Claims in Washington DC. None of the defendants in either case have asserted claims against the Municipality.

B. Grants

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

NOTE 20 - ENVIRONMENTAL ISSUES

The Municipality has adopted an aggressive proactive policy designed to identify and mitigate the potential effects of past, present and future activity that may result in environmental impact. It is accounting policy to record a liability when the likelihood of responsibility for an environmental impact is probable and the cost of mitigating the impact is estimable within reasonable limits. At December 31, 2014, there are environmental issues that meet both of these criteria and, accordingly, a provision has been made in the accompanying financial statements for the cost of mitigating environmental concerns of underground fuel and hazardous waste contamination. The following is a summary of environmental concerns.

A. Solid Waste Landfill Sites

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

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

B. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the Municipality to place a final cover on its current regional landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the landfill for thirty years after closure. To properly account for these future closure and postclosure costs each year, Solid Waste Services Utility (SWS) records an operating expense based on landfill capacity. During 2005, the future closure and postclosure care costs were reevaluated and adjusted to reflect current conditions. At December 31, 2014, SWS had a recorded liability of $27,063,161 associated with these future costs, based on the use of 45 percent of the landfill's estimated capacity. Based upon the 2005 study, it is estimated SWS will recognize an additional $33,372,207 in liability expense between 2015 and 2043, the current estimated date the landfill is expected to reach full capacity. These amounts are based upon what it would cost to perform all the closure and postclosure functions in 2014. Future inflation costs and additional costs that might arise from changes in requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both. Activity in the long term liability for landfill closure and postclosure care cost was as follows:

	Balance January 1, 2014	Addition	Deletion	Balance December 31, 2014	Due in One Year
Future Landfill Closure Costs	$ 25,577,765	$ 1,485,396	$ -	$ 27,063,161	$ -

State laws and federal regulations require the Municipality to provide financial assurances for future closure and postclosure costs by one of a number of allowable mechanisms available. The Municipality elected to use the "Local Government Test" financial assurance mechanism to comply with the regulation. Pursuant to AO2008-46, the Anchorage Assembly amended the Anchorage Municipal Code to establish a restricted account to fund the liability for landfill closure and postclosure purposes. At December 31, 2014, SWS reported $11,637,332 of restricted assets for payment of closure and postclosure care costs.

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

During the 1964 earthquake, approximately 250,000-400,000 gallons of diesel fuel spilled on the ground. Based on numerous environmental investigations, the spill impacted soil and groundwater at the Hank Nikkels Power Plant 1 and properties west/northwest of the plant. During the 2006-2007 subsurface investigation, in addition to diesel contamination known from the 1964 spill, PCBs were detected in the soil. All soil disturbing activities at the site are governed by the Risk-Based Disposal Plan (RBDP) administered by the Alaska Department of

Environmental Conservation (ADEC) and the Environmental Protection Agency (EPA). In 2015, the Electric Utility does not have any plans for large-scale soil disturbing activities that will result in significant environmental cost.

In 2009, PCB contaminated soil was discovered near the Operations/Dispatch building during excavation to install water lines for a fire suppression system. In 2010, an additional site investigation was conducted to determine a horizontal and vertical extent of PCB contamination. The Electric Utility is currently communicating with EPA and preparing a work plan to assess the groundwater quality at the site. The cost associated with this work plan cannot be determined at this time.

D. Electric Utility New Generation Permitting at Plant Two

Environmental permits have been obtained prior to the construction of new generation units. ADEC issued a revised air quality permit in December 2014 that requires the Electric Utility to perform emissions testing prior to the operation of the new turbines. The Electric Utility will oversee environmental compliance and contract qualified third-party experts to perform necessary services. Environmental permitting and compliance will continue to require a consultant's expertise. The cost of compliance cannot be determined at this time.

E. Changes in Environmental Regulations Affecting Electric Utilities

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

Environmental mandates imposed by the Federal and State governments will continue to add to the cost of environmental compliance. Scoping of environmental alternatives and pre-permitting assessments associated with equipment replacements, new generation, and services expansion will require effort to assure continued regulatory compliance. On June 2, 2014 Environmental Protection Agency's (EPA) released a proposed rule for the existing power plants under Section 111(d) of the Clean Air Act that mandates to reduce emissions of carbon dioxide. The EPA intends to issue a final rule in June of 2015, and states will then have one year to develop implementation plans or seek a 1-year extension from EPA.

F. Pollution Remediation Obligation

Water Utility
Beginning in 1993, in accordance with the State of Alaska Department of Environmental Conservation (ADEC) regulations, the Water Utility commenced activities to remove three leaking, underground fuel storage tanks and the surrounding contaminated soils. Additional contamination was identified on the affected property (unrelated to the tank leakage) requiring additional removal of soils. In 2010, the Water Utility completed additional site characterization. In 2011, the Water Utility submitted work plans and received approval from ADEC for continued groundwater monitoring while working towards closure of the case on this site.

The Water Utility used the expected cash flow technique to measure the liability. The Water Utility estimated a reasonable range of potential outlays of $70,000 to $255,000 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $88,500. The potential for a material change in the estimate is possible depending upon the response received from ADEC.

Wastewater Utility
In accordance with the State of Alaska Department of Environmental Conservation (ADEC) regulations, the Wastewater Utility is engaging in activities to remove four leaking, underground fuel storage tanks and the surrounding contaminated soils. In 2011, the Wastewater Utility submitted work plans and received approval form ADEC for continued groundwater monitoring while working towards closure of the cases on these sites.
The Wastewater Utility used the expected cash flow technique to measure the liability. The Wastewater Utility estimated a reasonable range of potential outlays of $330,000 to $558,000 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $444,000. The potential for a material change in the estimate is possible depending upon the response received from ADEC.

Port
In February 2012, the Port entered into an agreement with the Department of Defense to acquire 48 acres of undeveloped land (Tract J) for fair market value of $10,305,000. In exchange, the Port has committed to provide a

permanent access road connecting Joint Base Elmendorf-Richardson to the Port and to accept responsibility for the environmental condition of the transferred land, this obligation is reflected on the Port's Statement of Net Position as a non-current liability totaling $1,842,013 at December 31, 2014. In 2011, the Port recognized a capital contribution in the amount of $8,425,612. See Note 8 for a description of environmental issues affecting this land.

Both Tract H and Tract J at the Port of Anchorage are ADEC designated contaminated sites. The Port is required to submit annual ground water monitoring reports to ADEC for both tracts. In 2014, the monitoring and reporting costs for Tract H was $10,486 and Tract J was $15,623.

Other Environmental Issues

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

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

The Municipality used the expected cash flow technique to measure liability. The Municipality estimated a reasonable range of potential outlays of $50,000 to $100,000 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $87,501. The potential for a material change in the estimate is possible depending on the final outcome of the remediation.

The presence of soil contamination of subsurface hydraulic oil was discovered in 1990 at the Public Works Transit Facility. Bus hydraulic lifts 4, 6, 9 and 10 were the source of leak. In November 2011, a work plan was proposed to repair existing monitoring of wells, measure product thickness, collect ground water samples for laboratory analysis and conduct a short-term product recovery assessment. The new lifts were installed in 2014. The first year cost was $48,556 and the estimated total cost is $445,000.

Shannon and Wilson are in the process of developing a 9 year work plan for ADEC. This plan will be to review, install, develop, and sample on an additional recovery well, install passive skimmer in (4 wells: 4333 Bering Street, 4350 MacInnes Street, 3939 West 84th Avenue, and 1021 East Third Avenue) and conduct product recovery for one year from the passive skimmers. Shannon and Wilson will conduct one groundwater sampling event, investigate derived waste disposal, provide updates after field events and prepare a summary report. The estimated total costs for this cleanup for the 1021 East Third Avenue property is $500,000. There are no estimates at this time for the other three properties. ADEC would like to have the product recovery started as soon as possible. The potential for a material change in the estimate is possible depending on the final outcome of the remediation.

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

The Municipality used the expected cash flow technique to measure liability. The Municipality estimated a reasonable range of potential outlays of $922,344 to $3,844,297 and multiplied those outlays by their probability of occurring to estimate a pollution remediation obligation of $2,388,321. The potential for a material change in the estimate is possible depending on the final outcome of the remediation.

The presence of pesticides were spilled or sprayed on the ground at Muldoon and Debarr. The site was occupied by two greenhouses. Based off an assessment from the EPA, in 2012, the clean-up is to remove the soils from the area which has been identified. The cleanup was completed in 2014 at a total cost of $33,146. No further reporting will be done after 2014.

NOTE 21 - SUBSEQUENT EVENTS

A. Port Subsequent Events

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

New Construction-Storage Facility
On April 30, 2015 Delta Western, Inc. (a tenant at the Port) broke ground on their new refined petroleum storage facility. The storage facility will contain a storage tank and a truck rack for distribution. This is the first new construction in four decades for the Port. The first product to be offered from the facility will be methanol which will be shipped to the North Slope Oil Fields. This project is expected to be completed in the fall of 2015.

B. Municipality Subsequent Events

Master Lease Agreement for SAP Implementation
The Municipal Assembly authorized a Master Lease Agreement with Key Bank for an amount not to exceed $21.6 million for the completion and implementation of the SAP software system.

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

NOTE 22 - NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has passed several new accounting standards. Effective in 2014, none of these standards had any material effect of the financial statements.

- GASB 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. The objective of this standard is to improve financial reporting by state and local governmental pension plans. This standard results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this standard will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope.

- GASB 69 – Government Combinations and Disposals of Government Operations. This standard establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this standard, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

- GASB 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

The following standards will be implemented in future reporting periods.

- GASB 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. The primary objective of this standard is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This standard results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and

interperiod equity, and creating additional transparency. This standard is required to be implemented for the 2015 financial reporting period and will result in a significant reporting change.

- GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68, which is required to be implemented for the 2015 financial reporting period.

- GASB 72 – Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are required to be implemented for the 2016 financial reporting period.

NOTE 23 - OTHER ACCOUNTING MATTERS

A. Extraordinary and Special Items - 2013 Comparative Statements

Water Utility Special Item
The Municipality sold the Water Utility a parcel of land for $384,000, a price determined to be the Fair Market Value (FMV) of the land. The carrying value of the land at the time of the transaction on the Municipality's statement of net position was $145,263. As required by GAAP, the Municipality recorded a transfer from the Water Utility for the difference between the FMV and carrying cost on the governmental fund statements and the statement of activities.

The Water Utility follows regulatory accounting and as such, has recorded the full FMV of the purchased land in its statement of net position as it is probable that future revenue in an amount at least equal to the FMV of the purchased land will be included as an allowable cost for rate-making purposes and the RCA will permit recovery of such cost. To properly reflect the rate-making adjustments, the Water Utility has shown a special item of $238,737 to offset the transfer to the Municipality in connection with the land purchase as described above.

Heritage Land Bank Land Sale Special Item
The Municipality's special revenue fund Heritage Land Bank sold a parcel of land to Alaska Master Park LLC for $4,500,000, a price determined to be the Fair Market Value (FMV) of the land. The carrying value of the land at the time of the transaction on the Municipality's statement of net position was $423,066 which resulted in a significant gain in the amount of $4,076,934. Although these types of transactions are typical for the Heritage Land Bank, this significant of a gain is unusual. Since this transaction was unusual in nature and within the control of management, the Municipality reported this transaction as a special item.

Port Extraordinary Item
In 2003, the Port and the Federal Maritime Administration (MARAD) began a project to expand the Port, operating under a Memorandum of Understanding (MOU). The MOU appointed MARAD as the project manager and $163 million was advanced to MARAD which derived from state and local sources. In 2012, investigative reports determined that the project design was flawed and that significant aspects of the work performed was constructed incorrectly. (See Note 6- Port Expansion for discussion on subsequent legal issues). In 2013, it was determined that some of the assets built with the advances were viable for use. The Port capitalized $101,377,568 in land improvements and infrastructure, leaving $61,562,051 remaining in advances related to assets that will never be realized. Since this transaction is infrequent in occurrence and unusual in nature, and was outside management's control, the Port reported this write-off as an extraordinary item.

B. Prior Period Adjustments

Port Prior Period Adjustment

In 2014, the Port identified certain costs that were improperly recorded to construction work in progress prior to 2013. During a review of the balance in construction work in progress, the Port determined that the following items should not have been recorded:

Expenses associated with the calculation of the extraordinary item write-off	$ 5,099,561
Interest expense for the expansion project that was not capitalizable	1,159,916
Other administrative costs that are not capitalizable	62,186
Total decrease to 2013 beginning net position	$ 6,321,663

All of these costs were incurred prior to 2013. The Port has recorded a prior period adjustment in the amount of $6,321,663 to remove these costs from construction work in progress and beginning net position as follows:

	As Reported	Adjustment	As Restated
Construction work in progress	$ 14,850,305	$ (6,321,663)	$ 8,528,642
Opening net positon	154,008,884	(6,321,663)	147,687,221

C. 49th State Angel Fund Investment

The Municipality is administering the 49th State Angel Fund, a federally funded program designed to provide venture capital to encourage economic expansion and to grow start-up and early stage businesses. The Angel Fund does not provide grants but rather it “invests” in start-up and small businesses through the issuance of loans or equity investments (stock purchases, etc.). The goal of the Angel Fund is to invest in start-ups and small businesses that show the promise of success and an ability to repay the investment. The Municipality, in administering the program, has hired external fund managers to assist in fund management and takes efforts to fully vet all applications and to make wise investments that will ultimately be successful. Administrative costs are expensed as incurred. Venture capital payments are reported as investments at the fund level and at the government-wide level. Investments are generally in the form of equity investments; however, because these investments do not have readily determinable fair values, they are not subject to fair-value reporting under GASB Statement No. 31 and are therefore reported as cost. Investments are reviewed for valuation, and are written down in the event of other than temporary value declines. Investments made under the program are reported as Current Assets - Investment in Angel Fund Program at the fund level, and Restricted Assets - Investment in Angel Fund programs at the government-wide level.

Through December 31, 2014, the Municipality has invested $1.3 million in six separate ventures. After review for performance, one investment has been written down, leaving the balance of the investments at $1.1 million. As the majority of these investments were made in the current year, no return of capital or return on investment has been realized to date.

This page intentionally left blank

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information- Budgetary Comparison Schedule
with Expenditures by Function for the General Fund and Sub-funds
For the year ended December 31, 2014

	Budget		Actual		Budget to GAAP	Actual	Variance With
	Original	Final	Budgetary Basis		Difference	GAAP Basis	Final Budget
Revenues:							
Taxes	$ 51,919,681	$ 545,364,389	$ 547,851,288		$ -	$ 547,851,288	$ 2,486,899
Assessments in lieu of taxes	3,155,285	3,139,267	3,052,584		-	3,052,584	(86,683)
Special assessments	220,000	220,000	305,744		-	305,744	85,744
Licenses and permits	10,034,429	10,410,234	12,941,960		-	12,941,960	2,531,726
Intergovernmental	18,661,164	18,683,963	18,853,802	(1)	57,184,705	76,038,507	169,839
Charges for services	23,970,805	23,216,764	24,608,997		-	24,608,997	1,392,233
Fines and forfeitures	6,147,608	5,930,938	6,577,509		-	6,577,509	646,571
Investment income	2,606,293	2,606,293	931,836		-	931,836	(1,674,457)
Restricted contributions	2,428,745	176,626	81,613		-	81,613	(95,013)
Other revenues	2,689,459	3,085,010	3,880,237		-	3,880,237	795,227
Total revenues	121,833,469	612,833,484	619,085,570		57,184,705	676,270,275	6,252,086
Expenditures:							
Current:							
General government	17,397,790	19,226,774	17,831,513	(1)	7,480,389	25,311,902	1,395,261
Fire services	93,129,866	96,213,141	96,252,261	(1)	12,598,078	108,850,339	(39,120)
Police services	108,746,147	109,464,794	108,506,870	(1)	14,618,777	123,125,647	957,924
Health and human services	11,896,069	11,821,419	11,543,812	(1)	2,088,004	13,631,816	277,607
Economic and community development	41,291,644	42,531,385	41,303,960	(1)	2,864,684	44,168,644	1,227,425
Public transportation	23,861,645	22,859,388	22,536,412	(1)	2,974,746	25,511,158	322,976
Public works	22,683,639	194,548	21,279,080	(1)	12,657,510	33,936,590	(21,084,532)
Education	700,000	237,198,047	236,362,657		-	236,362,657	835,390
Maintenance and operations	35,137,218	35,443,072	32,435,897	(1)	1,902,517	34,338,414	3,007,175
Debt service:							
Principal	33,424,578	33,424,578	33,424,577		-	33,424,577	1
Interest	20,236,543	20,237,545	19,647,196		-	19,647,196	590,349
Total expenditures	408,505,139	628,614,691	641,124,235		57,184,705	698,308,940	(12,509,544)
Deficiency of revenues over expenditures	(286,671,670)	(15,781,207)	(22,038,665)		-	(22,038,665)	(6,257,458)
Other financing sources (uses):							
Transfers in – from other funds	33,379,214	32,320,700	32,364,402		-	32,364,402	43,702
Transfers out – to other funds	(9,849,235)	(14,978,898)	(14,842,524)		-	(14,842,524)	136,374
Proceeds from bond sale	-	-	78,430,001		-	78,430,001	78,430,001
Proceeds from premium on bond sale	-	-	14,537,255		-	14,537,255	14,537,255
Payment to refunded bond escrow agent	-	-	(92,718,032)		-	(92,718,032)	(92,718,032)
Sale of capital assets	620,000	797,991	407,595		-	407,595	(390,396)
Insurance recoveries	41,500	66,808	245,515		-	245,515	178,707
Total other financing source (uses)	24,191,479	18,206,601	18,424,212		-	18,424,212	217,611
Net change in fund balance	(262,480,191)	2,425,394	(3,614,453)		-	(3,614,453)	(6,039,847)
Fund balance, beginning of year	79,329,614	79,329,614	79,329,614		-	79,329,614	-
Fund balance, end of year	$ (183,150,577)	$ 81,755,008	$ 75,715,161		$ -	$ 75,715,161	$ (6,039,847)

Explanation of differences:

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

Note: This schedule is for informational purposes only. The budget presented by function for the General Fund and Sub-Funds 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 government-wide financial statement presentation.

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

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

The Assembly approved 2014 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 2014 capital budgets with anticipated appropriation of resources for the general government and appropriations for each utility. Upon certification by the Chief Fiscal Officer that actual resources have become available for specific general government capital projects; e.g., when a grant is accepted, a bond sale or interfund transfer is approved, or a special assessment district is created, a supplemental appropriation is submitted to the Assembly for final approval. Supplemental appropriations are also submitted for approval upon certification by the Chief Fiscal Officer that operating grant funds have become available. The legal level of a budgetary control is the fund or sub-fund level for revenues and expenditures and the department level for expenditures and other financing uses.

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

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

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

Annual budgets are adopted for the General Fund, Heritage Land Bank (a Special Revenue Fund), the Convention Center Operating Reserve (a Special Revenue Fund), Debt Service Funds except CIVICVentures Bond Fund, and the administrative operating costs of the Pension Trust Fund. Appropriations for these funds lapse at year end to the extent they have not been expended or encumbered. The General Fund is the only major fund required to be included as required supplementary information.

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

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Required Supplementary Information- Condition Rating of Anchorage's Road Network
December 31, 2014

	Percentage of Lane – Miles in Good or Better Condition		
	2014	2011	2008
Anchorage Road District	80.20%	72.81%	75.51%
Chugiak/Eagle River Road District	95.60%	93.79%	95.87%
Girdwood Road District	93.20%	88.01%	94.32%
Other Road Districts	79.00%	71.71%	74.46%
New Road District	87.10%	0.00%	0.00%
Overall System	83.60%	77.62%	80.18%

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

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

	2014	2013	2012	2011	2010
Anchorage Road District:					
Needed	$ 26,810	25,145	21,883	13,782	$ 11,772
Actual	26,801	24,412	21,860	12,966	11,800
Chugiak/Eagle River Road District:					
Needed	5,393	5,916	4,582	2,468	2,990
Actual	5,901	6,333	4,062	2,775	3,778
Girdwood Road District:					
Needed	323	641	316	282	313
Actual	528	744	391	444	263
Other Road Districts:					
Needed	7,917	2,439	1,015	1,012	1,059
Actual	8,738	3,566	1,758	1,443	1,509
Overall System:					
Needed	40,443	34,141	27,796	17,544	16,134
Actual	41,968	35,055	28,071	17,658	17,349
Difference	1,525	914	275	114	1,216

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Defined Benefit Single-Employer Pension Plan
Schedule of Funding Progress
Police and Fire Retirement System
Valuation Years 2013 through 2015

The following schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (in thousands).

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
January 1, 2015:						
Plan I	$ 75,471	$ 87,365	$ 11,894	86.40%	$ -	0.00%
Plan II	57,092	65,512	8,420	87.10%	133	6330.80%
Plan III	211,912	247,643	35,731	85.60%	3,538	1009.90%
January 1, 2014:						
Plan I	$ 78,262	$ 88,793	$ 10,531	88.10%	$ -	0.00%
Plan II	58,510	66,010	7,500	88.60%	119	6302.50%
Plan III	212,964	238,977	26,013	89.10%	4,817	540.00%
January 1, 2013:						
Plan I	$ 72,633	$ 89,266	$ 16,633	81.40%	$ -	0.00%
Plan II	53,655	66,588	12,933	80.60%	257	5032.30%
Plan III	190,281	232,841	42,560	81.70%	6,161	690.80%

MUNICIPALITY OF ANCHORAGE, ALASKA
Other Postemployment Benefits Information
Schedule of Funding Progress
Police and Fire Retirement Systems
Valuation Years 2014 through 2012
(in thousands)

	Gentile Group		
	2014	2013	2012
Actuarial valuation date	January 1, 2014	January 1, 2013	January 1, 2012
Actuarial value of plan assets	$ -	$ -	$ -
Actuarial accrued liability (AAL)*	87,466	87,466	96,100
Unfunded actuarial accrued liability (UAAL)	87,466	87,466	96,100
Funded ratio	0%	0%	0%

	Police & Fire Retiree Medical Group		
	2014	2013	2012
Actuarial valuation date	January 1, 2014	January 1, 2013	January 1, 2012
Actuarial value of plan assets	$ 12,948	$ 12,948	$ 11,123
Actuarial accrued liability (AAL)*	41,275	41,275	42,833
Unfunded actuarial accrued liability (UAAL)	28,327	28,327	31,710
Funded ratio	31%	31%	26%

* Based on projected unit credit actuarial cost method.

	Postemployment Healthcare Benefits (in thousands)						
	Actuarial Valuation Year	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	Unfunded Liability as Percentage of Covered Payroll
Gentile Group	2014	-	$ 87,466	$ 87,466	0%	$ 119	73501%
	2013	-	$ 87,466	$ 87,466	0%	$ 257	34033%
	2012	-	96,100	96,100	0%	262	36679%
Police & Fire	2014	$ 12,948	$ 41,275	$ 28,327	31%	$ 4,817	588%
	2013	12,948	41,275	28,327	31%	6,161	460%
	2012	11,123	42,833	31,710	26%	6,489	489%

SUPPLEMENTARY INFORMATION

Additional Budgetary Comparison Schedules

The **General Fund and Sub-Funds** budgetary comparison schedule and reconciliation to GAAP is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the fund and sub-fund level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

The **Department** budgetary comparison schedule and reconciliation to GAAP **for the General Fund and Sub-Funds** is presented for perspective purposes to demonstrate Anchorage's legal level of adopted budget for estimated revenues and appropriations at the department level, which is different than the GAAP fund structure format presented in the Required Supplementary Information section.

MUNICIPALITY OF ANCHORAGE, ALASKA
Additional Supplementary Information- Budgetary Comparison Schedule
by General Fund and Sub-funds
For the year ended December 31, 2014

	Budget		Actual	Budget to GAAP	Actual	Variance With
	Original	Final	Budgetary Basis	Difference	GAAP Basis	Final Budget
Revenues & other financing sources:						
Areawide Service Area	$ 123,670,613	$344,451,137	$ 354,424,090	$ -	$354,424,090	$ 9,972,953
Former City Service Area	-	-	(18)	-	(18)	(18)
Chugiak Fire Service Area	72,714	1,187,675	1,300,005	-	1,300,005	112,330
Glen Alps Service Area	15,210	324,484	320,385	-	320,385	(4,099)
Girdwood Valley Service Area	61,821	2,114,692	2,137,405	-	2,137,405	22,713
Former Borough Roads & Drainage Service Area	-	-	1,411	-	1,411	1,411
Fire Service Area	2,828,806	79,583,272	90,229,740	-	90,229,740	10,646,468
Roads & Drainage Service Area	4,175,179	66,531,410	134,690,507	-	134,690,507	68,159,097
Limited Service Areas	323,116	9,625,368	9,709,457	-	9,709,457	84,089
Anchorage Metropolitan Police Service Area	12,955,433	109,858,236	114,155,162	-	114,155,162	4,296,926
Anchorage Bowl Parks & Recreation Service Area	2,812,106	19,862,706	23,480,751	-	23,480,751	3,618,045
Eagle River - Chugiak Parks & Recreational Service Area	533,620	4,152,316	4,260,674	-	4,260,674	108,358
Building Safety Service Area	6,637,350	6,757,350	8,383,564	-	8,383,564	1,626,214
Public Finance & Investment	1,787,605	1,787,605	1,977,800	-	1,977,800	190,195
Police/Fire Retiree Medical Defined Contribution Support	610	194,548	(595)	-	(595)	(195,143)
SOA PERs On-Behalf Payments	-	-	-	(1) 57,184,705	57,184,705	-
Total revenues & other finance sources	155,874,183	646,430,799	745,070,338	57,184,705	802,255,043	98,639,539
Expenditures & other financing uses:						
Areawide Service Area	115,377,160	357,625,376	363,509,363	-	363,509,363	(5,883,987)
Chugiak Fire Service Area	1,133,941	1,187,675	1,012,337	-	1,012,337	175,338
Glen Alps Service Area	318,038	324,484	247,224	-	247,224	77,260
Girdwood Valley Service Area	2,094,330	2,410,951	2,303,259	-	2,303,259	107,692
Fire Service Area	76,485,665	77,909,604	87,293,357	-	87,293,357	(9,383,753)
Roads & Drainage Service Area	69,580,283	69,710,473	135,593,775	-	135,593,775	(65,883,302)
Limited Service Areas	10,036,624	11,083,834	9,904,351	-	9,904,351	1,179,483
Anchorage Metropolitan Police Service Area	109,919,523	110,639,172	113,087,515	-	113,087,515	(2,448,343)
Anchorage Parks & Recreation Service Area	19,884,266	20,887,589	23,495,202	-	23,495,202	(2,607,613)
Eagle River - Chugiak Parks & Recreational Service Area	4,466,313	4,152,316	3,693,181	-	3,693,181	459,135
Building Safety Service Area	7,193,389	7,075,618	6,752,871	-	6,752,871	322,747
Public Finance & Investment	1,670,492	1,663,063	1,643,135	-	1,643,135	19,928
Police/Fire Retiree Medical Defined Contribution Support	194,350	194,350	149,221	-	149,221	45,129
SOA PERs On-Behalf Payments	-	-	-	(1) 57,184,705	57,184,705	-
Total expenditures & other financing uses	418,354,374	664,864,505	748,684,791	57,184,705	805,869,496	(83,820,286)
Net change in fund balance	(262,480,191)	(18,433,706)	(3,614,453)	-	(3,614,453)	14,819,253
Fund balance, beginning of year	79,329,614	79,329,614	79,329,614	-	79,329,614	-
Fund balance, end of year	$ (183,150,577)	$ 60,895,908	$ 75,715,161	$ -	$ 75,715,161	$ 14,819,253

Explanation of differences:

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

MUNICIPALITY OF ANCHORAGE, ALASKA
Additional Supplementary Information - Bugetary Comparison Schedule
by Department for the General Fund and Sub-funds
For the year ended December 31, 2014

	Budget		Actual		Budget to GAAP	Actual	Variance With
	Original	Final	Budgetary Basis		Difference	GAAP Basis	Final Budget
Expenditures & other financing uses:							
Assembly	$ 3,239,388	$ 3,573,104	$ 3,070,317	(1)	$ 307,248	$ 3,377,565	$ 502,786
Chief Fiscal Officer	618,809	2,558,168	2,479,213	(1)	363,309	2,842,522	78,955
Development Services	9,106,265	9,014,337	8,762,221	(1)	4,603,362	13,365,583	252,116
Economic & Community Development	23,124,969	22,616,193	25,436,830	(1)	1,563,430	27,000,260	(2,820,637)
Education	-	236,498,047	236,362,657		-	236,362,657	135,390
Employee Relations	3,557,062	3,810,335	3,336,314	(1)	598,908	3,935,222	474,021
Office of Equal Opportunity	237,461	238,474	164,510	(1)	21,073	185,583	73,964
Equal Rights Commission	757,578	742,357	677,181	(1)	121,933	799,114	65,176
Finance	13,880,196	13,637,504	12,740,841	(1)	1,845,321	14,586,162	896,663
Fire	89,708,876	92,996,796	108,240,416	(1)	12,603,333	120,843,749	(15,243,620)
Health & Human Services	10,429,357	10,299,858	10,299,646	(1)	2,093,259	12,392,905	212
Heritage Land Bank/Real Estate Services	7,369,904	7,858,739	7,824,831	(1)	142,662	7,967,493	33,908
Information Technology	1,249,181	1,237,709	1,164,917	(1)	1,726,642	2,891,559	72,792
Internal Audit	750,144	722,693	680,751	(1)	143,422	824,173	41,942
Maintenance & Operations	93,455,295	94,402,551	159,457,785	(1)	1,907,772	161,365,557	(65,055,234)
Management & Budget	812,421	804,658	744,950	(1)	112,844	857,794	59,708
Mayor	2,312,215	2,864,131	2,846,533	(1)	278,930	3,125,463	17,598
Municipal Attorney	7,740,053	8,055,502	7,703,293	(1)	1,100,591	8,803,884	352,209
Municipal Manager	3,009,578	3,150,116	4,399,295	(1)	387,234	4,786,529	(1,249,179)
Non Departmental - TANS	110,914	110,914	89,192		-	89,192	21,722
Parks & Recreation	16,125,978	17,589,513	16,620,930	(1)	1,023,398	17,644,328	968,583
Planning	4,024,538	4,823,986	4,707,496	(1)	293,621	5,001,117	116,490
Police	96,245,979	97,653,300	101,193,566	(1)	14,624,032	115,817,598	(3,540,266)
Police/Fire Retiree Medical	193,480	193,480	148,478		-	148,478	45,002
Project Management & Engineering	9,274,634	9,077,375	8,827,046	(1)	4,637,380	13,464,426	250,329
Public Transportation	23,157,836	23,010,654	24,116,450	(1)	2,980,001	27,096,451	(1,105,796)
Purchasing	1,751,470	1,698,760	1,570,187	(1)	272,467	1,842,654	128,573
Traffic	6,594,417	6,363,023	6,531,072	(1)	3,432,533	9,963,605	(168,049)
Total expenditures & other financing uses	428,837,998	675,602,277	760,196,918		57,184,705	817,381,623	(84,594,641)
Less: net intragovernmental costs & billings	(10,483,624)	(10,735,772)	(11,512,127)		-	(11,512,129)	776,355
Total expenditures & other financing uses	$ 418,354,374	$ 664,866,505	$ 748,684,791		$ 57,184,705	$ 805,869,494	$ (83,818,285)

Explanation of differences:

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

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

This page intentionally left blank

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Debt Service Funds

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

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

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

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The **Areawide Capital Projects Fund** accounts for general government construction projects not accounted for in other funds.

The **Public Safety Capital Projects Fund** accounts for capital improvement projects in support of police, fire and rescue operations.

The **Public Transportation Capital Projects Fund** accounts for capital improvement projects for transit facilities and equipment.

The **Miscellaneous Capital Projects Fund** accounts for capital improvement projects for out-of-service area roads and drainage, gas lines and pass-thru grants.

The **Parks and Recreation Capital Projects Fund** accounts for parks and recreation capital improvement projects in the taxing districts which receive parks and recreation services.

The **Historic Preservation Capital Projects Fund** accounts for the preservation of historic structures.

The **Heritage Land Bank Capital Projects Fund** accounts for capital improvement projects recommended by the Board of Heritage Land Bank and approved by the Assembly.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

The **Cemetery Perpetual Maintenance Permanent Fund** accounts for contributions, revenues and expenditures for perpetual maintenance of the Anchorage Memorial Park Cemetery.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Special Revenue						
	Heritage Land Bank	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund
Assets							
Cash	$ -	$ 59,384	$ -	$ -	$ -	$ -	$ -
Cash in central treasury	5,203,863	2,176,582	18,679,991	-	19,623,378	-	11,487,686
Investments	-	-	-	-	-	1,464,541	-
Accrued interest on investments	-	-	-	-	-	57	-
Due from other funds	85,000	-	-	-	-	-	-
Due from component units	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	2,135,623	923,369	-	-	-
Intergovernmental receivables	-	-	-	-	4,553,382	5,286,673	-
Special assessments receivable	-	-	-	-	-	-	-
Prepaid items and deposits	-	5,876	1,000,000	-	30,304	-	-
Loans receivable	-	-	-	-	-	5,528,459	-
Advances to other funds	1,530,000	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	-	1,107,500
Investments in TCH, LLC	-	-	-	-	-	-	-
Total assets	6,818,863	2,241,842	21,815,614	923,369	24,207,064	12,279,730	12,595,186
Liabilities							
Accounts payable and retainages	4,079	39,747	1,109,289	13,619	2,252,848	183,446	-
Accrued payroll liabilities	22,616	-	-	-	415,084	92,391	2
Due to other funds	-	-	6,473,847	909,750	-	2,647,137	-
Unearned revenue and deposits	-	-	-	-	1,075,158	4,050,511	-
Advances from other funds	-	-	-	-	-	-	-
Total liabilities	26,695	39,747	7,583,136	923,369	3,743,090	6,973,485	2
Deferred Inflows of Resources							
Unavailable revenue-advanced lease payments	-	-	-	-	-	-	-
Unavailable revenue-intergovernmental revenues	-	-	-	-	-	2,723,594	-
Unavailable revenue-special assessments	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	2,723,594	-
Fund Balances (Deficits)							
Nonspendable	-	-	1,000,000	-	30,030	-	-
Restricted	-	944,074	10,960,787	-	624,579	1,952,587	12,595,184
Committed	6,792,168	-	-	-	-	-	-
Assigned	-	1,258,021	2,271,691	-	19,809,365	630,064	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	6,792,168	2,202,095	14,232,478	-	20,463,974	2,582,651	12,595,184
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 6,818,863	$ 2,241,842	$ 21,815,614	$ 923,369	$ 24,207,064	$ 12,279,730	$ 12,595,186

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Special Revenue (Continued)				Debt Service	
	Police/Fire Retiree Medical Liability	Miscellaneous Operational Grants	Other Restricted Resources	Total Special Revenue	Jail Revenue Bond	ACPA Surcharge Revenue Bond
Assets						
Cash	$ -	$ -	$ -	$ 59,384	$ -	$ -
Cash in central treasury	7,571	1,164,313	-	58,343,384	512,100	468,229
Investments	36,092,826	-	-	37,557,367	-	-
Accrued interest on investments	-	-	-	57	236	-
Due from other funds	-	-	-	85,000	-	-
Due from component units	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	22,679	-	3,081,671	-	156,403
Intergovernmental receivables	-	-	-	9,840,055	-	-
Special assessments receivable	-	-	142,751	142,751	-	-
Prepaid items and deposits	-	-	-	1,036,180	-	-
Loans receivable	-	-	-	5,528,459	-	-
Advances to other funds	-	-	-	1,530,000	-	-
Investments	-	-	-	-	-	-
Investments in Angel Fund program	-	-	-	1,107,500	-	-
Investments in TCH, LLC	-	-	-	-	-	-
Total assets	36,100,397	1,186,992	142,751	118,311,808	512,336	624,632
Liabilities						
Accounts payable and retainages	-	30,543	27,425	3,660,996	-	35,000
Accrued payroll liabilities	-	117	-	530,210	-	-
Due to other funds	-	-	172,587	10,203,321	-	-
Unearned revenue and deposits	-	22,679	-	5,148,348	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	-	53,339	200,012	19,542,875	-	35,000
Deferred Inflows of Resources						
Unavailable revenue-advanced lease payments	-	-	-	-	503,498	-
Unavailable revenue-intergovernmental revenues	-	-	-	2,723,594	-	-
Unavailable revenue-special assessments	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	2,723,594	503,498	-
Fund Balances (Deficits)						
Nonspendable	-	-	-	1,030,030	-	-
Restricted	36,100,397	888,298	-	64,065,906	-	589,632
Committed	-	-	-	6,792,168	-	-
Assigned	-	245,355	-	24,214,496	8,838	-
Unassigned	-	-	(57,261)	(57,261)	-	-
Total fund balances (deficits)	36,100,397	1,133,653	(57,261)	96,045,339	8,838	589,632
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 36,100,397	$ 1,186,992	$ 142,751	$ 118,311,808	$ 512,336	$ 624,632

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Debt Service (Continued)		Capital Projects			
	CIVICVentures	Total Debt Service	Areawide	Public Safety	Public Transportation	Miscellaneous
Assets						
Cash	$ -	$ -	$ -	$ -	$ -	$ -
Cash in central treasury	-	980,329	1,513,824	2,403,785	-	-
Investments	-	-	-	-	-	-
Accrued interest on investments	-	236	-	-	-	-
Due from other funds	6,459,347	6,459,347	4,199,573	-	-	-
Due from component units	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	156,403	-	-	-	-
Intergovernmental receivables	-	-	3,715,127	1,374,831	871,157	6,602,027
Special assessments receivable	-	-	-	-	-	1,963
Prepaid items and deposits	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Investments	8,518,364	8,518,364	-	-	-	-
Investments in Angel Fund program	-	-	-	-	-	-
Investments in TCH, LLC	-	-	-	-	-	-
Total assets	14,977,711	16,114,679	9,428,524	3,778,616	871,157	6,603,990
Liabilities						
Accounts payable and retainages	-	35,000	1,395,231	159,796	38,325	1,034,058
Accrued payroll liabilities	-	-	-	-	8,711	-
Due to other funds	-	-	89,911	278,006	771,404	3,150,163
Unearned revenue and deposits	-	-	-	32,790	-	1,391,732
Advances from other funds	-	-	1,162,844	-	-	-
Total liabilities	-	35,000	2,647,986	470,592	818,440	5,575,953
Deferred Inflows of Resources						
Unavailable revenue-advanced lease payments	-	503,498	-	-	-	-
Unavailable revenue-intergovernmental revenues	-	-	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-	96,716
Total deferred inflows of resources	-	503,498	-	-	-	96,716
Fund Balances (Deficits)						
Nonspendable	-	-	-	-	-	-
Restricted	14,977,711	15,567,343	230,583	2,398,477	52,717	929,281
Committed	-	-	6,549,955	887,244	-	2,040
Assigned	-	8,838	-	22,303	-	
Unassigned	-	-	-	-	-	
Total fund balances (deficits)	14,977,711	15,576,181	6,780,538	3,308,024	52,717	931,321
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 14,977,711	$ 16,114,679	$ 9,428,524	$ 3,778,616	$ 871,157	$ 6,603,990

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Balance Sheet
Nonmajor Governmental Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Capital Projects (Continued)				Permanent Fund	Total Nonmajor Governmental Funds	
	Parks and Recreation	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	December 31, 2014	December 31, 2013
Assets							
Cash	$ -	$ -	$ -	$ -	$ -	$ 59,384	$ 55,297
Cash in central treasury	1,951,884	157,682	740,934	6,768,109	471,774	66,563,596	56,117,566
Investments	-	-	-	-	-	37,557,367	37,528,918
Accrued interest on investments	-	-	-	-	-	293	57
Due from other funds	-	-	-	4,199,573	-	10,743,920	9,982,588
Due from component units	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	3,238,074	2,044,208
Intergovernmental receivables	3,410,288	-	-	15,973,430	-	25,813,485	30,666,323
Special assessments receivable	-	-	-	1,963	-	144,714	68,880
Prepaid items and deposits	-	-	-	-	-	1,036,180	1,001,102
Loans receivable	-	-	-	-	-	5,528,459	6,454,026
Advances to other funds	-	-	-	-	-	1,530,000	1,615,000
Investments	-	-	-	-	-	8,518,364	8,478,771
Investments in Angel Fund program	-	-	-	-	-	1,107,500	340,000
Investments in TCH, LLC	-	-	-	-	-	-	373,978
Total assets	5,362,172	157,682	740,934	26,943,075	471,774	161,841,336	154,726,714
Liabilities							
Accounts payable and retainages	907,012	-	473	3,534,895	-	7,230,891	5,535,580
Accrued payroll liabilities	-	-	-	8,711	-	538,921	340,739
Due to other funds	-	-	-	4,289,484	-	14,492,805	18,373,861
Unearned revenue and deposits	48,632	-	-	1,473,154	-	6,621,502	6,344,811
Advances from other funds	-	-	-	1,162,844	-	1,162,844	1,258,746
Total liabilities	955,644	-	473	10,469,088	-	30,046,963	31,853,737
Deferred Inflows of Resources							
Unavailable revenue-advanced lease payments	-	-	-	-	-	503,498	503,498
Unavailable revenue-intergovernmental revenues	-	-	-	-	-	2,723,594	2,818,677
Unavailable revenue-special assessments	-	-	-	96,716	-	96,716	113,364
Total deferred inflows of resources	-	-	-	96,716	-	3,323,808	3,435,539
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	150,000	1,180,030	1,150,000
Restricted	-	-	-	3,611,058	-	83,244,307	68,556,147
Committed	3,472,157	-	740,461	11,651,857	-	18,444,025	25,824,596
Assigned	934,371	157,682	-	1,114,356	321,774	25,659,464	24,872,398
Unassigned	-	-	-	-	-	(57,261)	(965,703)
Total fund balances (deficits)	4,406,528	157,682	740,461	16,377,271	471,774	128,470,565	119,437,438
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 5,362,172	$ 157,682	$ 740,934	$ 26,943,075	$ 471,774	$ 161,841,336	$ 154,726,714

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances Nonmajor Governmental Funds
the year ended December 31, 2014
(summarized financial info at December 31, 2013)

	Special Revenue						
	Heritage Land Bank	Federal/State Fines and Forfeitures	Convention Center Operating Reserve	E911 Surcharge	State Grants	Federal Grants	49th State Angel Fund
Revenues:							
Hotel and motel taxes	$ -	$ -	$ 14,509,888	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	25,194,403	7,758,155	4,477,239
Charges for services	318,493	-	-	-	-	-	-
Fines and forfeitures	-	392,791	-	-	-	-	-
E911 surcharges	-	-	-	6,766,679	-	-	-
Investment income (loss)	105,883	29,776	202,759	-	1,468	12,625	9,919
Restricted contributions	-	-	-	-	5,575	9,000	-
Other	525,000	75,799	132,971	-	-	565,261	990
Total revenues	949,376	498,366	14,845,618	6,766,679	25,201,446	8,345,041	4,488,148
Expenditures:							
Current:							
General government	827,381	-	-	-	975,390	-	362,924
Fire services	-	-	-	1,143,717	(52,618)	287,492	-
Police services	-	540,189	-	5,622,962	223,959	1,587,993	-
Health and human services	-	-	-	-	10,618,530	1,377,681	-
Economic and community development	-	-	6,079,657	-	2,376,169	1,133,550	-
Public transportation	-	-	-	-	1,821,586	4,216,256	-
Public works	-	-	-	-	5,544,608	10,880	-
Education	-	-	-	-	4,390,134	-	-
Debt service:							
Principal	-	-	-	-	-	93,000	-
Interest	-	-	-	-	-	84,390	-
Bond issuance costs	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total expenditures	827,381	540,189	6,079,657	6,766,679	25,897,758	8,791,242	362,924
Excess (deficiency) of revenues over expenditures	121,995	(41,823)	8,765,961	-	(696,312)	(446,201)	4,125,224
Other financing sources (uses):							
Transfers from other funds	-	-	538,168	-	474,631	466,148	-
Transfers to other funds	-	-	(6,461,469)	-	(343)	-	-
General obligation bonds issued	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bond sale	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(5,923,301)	-	474,288	466,148	-
Net change in fund balances	121,995	(41,823)	2,842,660	-	(222,024)	19,947	4,125,224
Fund balances (deficits), beginning of year	6,670,173	2,243,918	11,389,818	-	20,685,998	2,562,704	8,469,960
Fund balances (deficits), end of year	$ 6,792,168	$ 2,202,095	$ 14,232,478	$ -	$ 20,463,974	$ 2,582,651	$ 12,595,184

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances Nonmajor Governmental Funds
the year ended December 31, 2014
(summarized financial info at December 31, 2013)

	Special Revenue (Continued)				Debt Service	
	Police/Fire Retiree Medical Liability	Miscellaneous Operational Grants	Other Restricted Resources	Total Special Revenue	Jail Revenue Bond	ACPA Surcharge Revenue Bond
Revenues:						
Hotel and motel taxes	$ -	$ -	$ -	$ 14,509,888	$ -	$ -
Special assessments	-	-	1,167,211	1,167,211	-	-
Intergovernmental	-	-	-	37,429,797	-	-
Charges for services	-	15	-	318,508	4,017,275	-
Fines and forfeitures	-	-	-	392,791	-	-
E911 surcharges	-	-	-	6,766,679	-	-
Investment income (loss)	1,886,310	16,398	(10,278)	2,254,860	60	7,808
Restricted contributions	-	138,938	-	153,513	-	-
Other	-	-	-	1,300,021	-	468,708
Total revenues	1,886,310	155,351	1,156,933	64,293,268	4,017,335	476,516
Expenditures:						
Current:						
General government	46,657	68,216	1,099,887	3,380,455	-	-
Fire services	1,547,941	1,000	-	2,927,532	-	-
Police services	1,738,558	-	-	9,713,661	-	-
Health and human services	-	22,908	-	12,019,119	-	-
Economic and community development	-	117,348	-	9,706,724	-	-
Public transportation	-	-	-	6,037,842	-	-
Public works	-	-	-	5,555,488	-	-
Education	-	-	-	4,390,134	-	-
Debt service:						
Principal	-	-	-	93,000	3,655,000	130,000
Interest	-	-	-	84,390	362,275	209,813
Bond issuance costs	-	-	-	-	-	91,523
Capital projects	-	-	-	-	-	-
Total expenditures	3,333,156	209,472	1,099,887	53,908,345	4,017,275	431,336
Excess (deficiency) of revenues over expenditures	(1,446,846)	(54,121)	57,046	10,384,923	60	45,180
Other financing sources (uses):						
Transfers from other funds	1,504,034	-	-	2,982,981	-	-
Transfers to other funds	-	-	-	(6,461,812)	-	(157,877)
General obligation bonds issued	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	3,735,000
Premium on bond sale	-	-	-	-	-	627,027
Payment to refunded bond escrow agent	-	-	-	-	-	(4,305,504)
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	1,504,034	-	-	(3,478,831)	-	(101,354)
Net change in fund balances	57,188	(54,121)	57,046	6,906,092	60	(56,174)
Fund balances (deficits), beginning of year	36,043,209	1,187,774	(114,307)	89,139,247	8,778	645,806
Fund balances (deficits), end of year	$ 36,100,397	$ 1,133,653	$ (57,261)	$ 96,045,339	$ 8,838	$ 589,632

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances Nonmajor Governmental Funds
the year ended December 31, 2014
(summarized financial info at December 31, 2013)

	Debt Service (Continued)		Capital Projects			
	Reviewed					
	CIVICVentures Revenue Bond	Total Debt Service	Areawide	Public Safety	Public Transportation	Miscellaneous
Revenues:						
Hotel and motel taxes	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	305	-	-	(4,544)
Intergovernmental	-	-	5,497,599	7,111,217	2,831,721	12,110,724
Charges for services	-	4,017,275	63,230	-	-	-
Fines and forfeitures	-	-	-	-	-	-
E911 surcharges	-	-	-	-	-	-
Investment income (loss)	46,825	54,693	27,906	39	-	-
Restricted contributions	-	-	-	-	-	-
Other	-	468,708	477,136	13,522	20,018	-
Total revenues	46,825	4,540,676	6,066,176	7,124,778	2,851,739	12,106,180
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Fire services	-	-	-	-	-	-
Police services	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Economic and community development	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal	1,555,000	5,340,000	-	-	-	-
Interest	4,840,010	5,412,098	-	-	-	-
Bond issuance costs	-	91,523	2,130	-	2,012	-
Capital projects	-	-	8,363,755	7,199,300	3,156,030	12,227,196
Total expenditures	6,395,010	10,843,621	8,365,885	7,199,300	3,158,042	12,227,196
Excess (deficiency) of revenues over expenditures	(6,348,185)	(6,302,945)	(2,299,709)	(74,522)	(306,303)	(121,016)
Other financing sources (uses):						
Transfers from other funds	6,461,469	6,461,469	2,663,054	437,499	65,214	40,000
Transfers to other funds	-	(157,877)	(38)	-	(36)	-
General obligation bonds issued	-	-	683,954	-	646,100	-
Refunding bonds issued	-	3,735,000	-	-	-	-
Premium on bond sale	-	627,027	113,214	-	106,948	-
Payment to refunded bond escrow agent	-	(4,305,504)	-	-	-	-
Sale of capital assets	-	-	(1,726)	313,102	-	-
Total other financing sources (uses)	6,461,469	6,360,115	3,458,458	750,601	818,226	40,000
Net change in fund balances	113,284	57,170	1,158,749	676,079	511,923	(81,016)
Fund balances (deficits), beginning of year	14,864,427	15,519,011	5,621,789	2,631,945	(459,206)	1,012,337
Fund balances (deficits), end of year	$ 14,977,711	$ 15,576,181	$ 6,780,538	$ 3,308,024	$ 52,717	$ 931,321

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances Nonmajor Governmental Funds
the year ended December 31, 2014
(summarized financial info at December 31, 2013)

	Capital Projects (Continued)				Permanent Fund	Total Nonmajor Governmental Funds	
	Parks and Recreation	Historic Preservation	Heritage Land Bank	Total Capital Projects	Cemetery Perpetual Maintenance	2014	2013
Revenues:							
Hotel and motel taxes	$ -	$ -	$ -	$ -	$ -	$ 14,509,888	$ 13,376,783
Special assessments	-	-	-	(4,239)	-	1,162,972	1,067,705
Intergovernmental	4,694,454	-	-	32,245,715	-	69,675,512	83,953,825
Charges for services	-	-	-	63,230	11,600	4,410,613	4,871,730
Fines and forfeitures	-	-	-	-	-	392,791	790,989
E911 surcharges	-	-	-	-	-	6,766,679	-
Investment income (loss)	23,339	1,613	-	52,897	6,178	2,368,628	5,703,395
Restricted contributions	116,648	-	-	116,648	-	270,161	1,326,299
Other	27,464	-	-	538,140	-	2,306,869	1,670,405
Total revenues	4,861,905	1,613	-	33,012,391	17,778	101,864,113	112,761,131
Expenditures:							
Current:							
General government	-	-	-	-	-	3,380,455	2,062,739
Fire services	-	-	-	-	-	2,927,532	2,685,439
Police services	-	-	-	-	-	9,713,661	5,410,898
Health and human services	-	-	-	-	-	12,019,119	11,955,814
Economic and community development	-	-	-	-	-	9,706,724	8,229,332
Public transportation	-	-	-	-	-	6,037,842	5,845,803
Public works	-	-	-	-	-	5,555,488	6,789,556
Education	-	-	-	-	-	4,390,134	4,239,928
Debt service:							
Principal	-	-	-	-	-	5,433,000	5,108,000
Interest	-	-	-	-	-	5,496,488	5,741,056
Bond issuance costs	6,592	-	-	10,734	-	102,257	-
Capital projects	9,023,662	7,690	9,516	39,987,149	-	39,987,149	57,468,170
Total expenditures	9,030,254	7,690	9,516	39,997,883	-	104,749,849	115,536,735
Excess (deficiency) of revenues over expenditures	(4,168,349)	(6,077)	(9,516)	(6,985,492)	17,778	(2,885,736)	(2,775,604)
Other financing sources (uses):							
Transfers from other funds	1,516,859	343	-	4,722,969	-	14,167,419	18,492,321
Transfers to other funds	(118)	(13,500)	-	(13,692)	-	(6,633,381)	(10,501,740)
General obligation bonds issued	2,116,385	-	-	3,446,439	-	3,446,439	-
Refunding bonds issued	-	-	-	-	-	3,735,000	-
Premium on bond sale	350,325	-	-	570,487	-	1,197,514	-
Payment to refunded bond escrow agent	-	-	-	-	-	(4,305,504)	-
Sale of capital assets	-	-	-	311,376	-	311,376	5,777,569
Total other financing sources (uses)	3,983,451	(13,157)	-	9,037,579	-	11,918,863	13,768,150
Net change in fund balances	(184,898)	(19,234)	(9,516)	2,052,087	17,778	9,033,127	10,992,546
Fund balances (deficits), beginning of year	4,591,426	176,916	749,977	14,325,184	453,996	119,437,438	108,444,892
Fund balances (deficits), end of year	$ 4,406,528	$ 157,682	$ 740,461	$ 16,377,271	$ 471,774	$ 128,470,565	$ 119,437,438

MUNICIPALITY OF ANCHORAGE, ALASKA
Budgetary Comparison Schedule
Heritage Land Bank
Special Revenue Fund
For the year ended December 31, 2014

	Budget			
	Original	Final	Actual	Variance With Final Budget
Revenues:				
Charges for services	$ 191,000	$ 191,000	$ 318,493	$ 127,493
Investment income	23,500	23,500	105,883	82,383
Other	5,000	5,000	525,000	520,000
Total revenues	219,500	219,500	949,376	729,876
Expenditures:				
General government	1,274,412	1,271,277	827,381	443,896
Total expenditures	1,274,412	1,271,277	827,381	443,896
Deficiency of revenues over expenditures	(1,054,912)	(1,051,777)	121,995	1,173,772
Other financing sources (uses):				
Transfers to other funds	(80,000)	(80,000)	-	80,000
Sale of capital assets	410,000	410,000	-	(410,000)
Total other financing sources (uses)	330,000	330,000	-	(330,000)
Net change in fund balance	(724,912)	(721,777)	121,995	843,772
Fund balance, beginning of year	(1,460,214)	(458,299)	6,670,173	7,128,472
Fund balance, end of year	$ (2,185,126)	$ (1,180,076)	$ 6,792,168	$ 7,972,244

MUNICIPALITY OF ANCHORAGE, ALASKA
Budgetary Comparison Schedule
Convention Center Operating Reserve
Special Revenue Fund
For the year ended December 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Hotel and motel taxes	$ 14,004,521	$ 14,183,824	$ 14,509,888	$ 326,064
Investment income	-	-	202,759	202,759
Other	-	-	132,971	132,971
Total revenues	14,004,521	14,183,824	14,845,618	661,794
Expenditures:				
Economic and community development	6,010,512	6,269,584	6,079,657	189,927
Total expenditures	6,010,512	6,269,584	6,079,657	189,927
Excess of revenues over expenditures	7,994,009	7,914,240	8,765,961	851,721
Other financing sources (uses):				
Transfers to other funds	(6,554,810)	(6,554,810)	(6,461,469)	93,341
Transfers from other funds	525,653	525,653	538,168	12,515
Total other financing sources (uses)	(6,029,157)	(6,029,157)	(5,923,301)	105,856
Net change in fund balance	1,964,852	1,885,083	2,842,660	957,577
Fund balance, beginning of year	8,127,477	8,052,343	11,389,818	3,337,475
Fund balance, end of year	$ 10,092,329	$ 9,937,426	$ 14,232,478	$ 4,295,052

MUNICIPALITY OF ANCHORAGE, ALASKA
Budgetary Comparison Schedule
E911 Surcharge
Special Revenue Fund
For the year ended December 31, 2014

	Budget			
	Original	Final	Actual	Variance With Final Budget
Revenues:				
E911 surcharges	$ 6,730,439	$ 6,766,679	$ 6,766,679	$ -
Total revenues	6,730,439	6,766,679	6,766,679	-
Expenditures:				
Fire services	1,426,013	1,462,253	1,143,717	318,536
Police services	5,304,426	5,304,426	5,622,962	(318,536)
Total expenditures	6,730,439	6,766,679	6,766,679	-
Revenues over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

MUNICIPALITY OF ANCHORAGE, ALASKA
Budgetary Comparison Schedule
Police/Fire Retiree Medical Liability
Special Revenue Fund
For the year ended December 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Investment income	$ 90,000	$ 90,000	$ 1,886,310	$ 1,796,310
Total revenues	90,000	90,000	1,886,310	1,796,310
Expenditures:				
General government	88,000	63,000	46,657	16,343
Fire services	1,511,131	1,585,296	1,547,941	37,355
Police services	1,697,216	1,780,512	1,738,558	41,954
Total expenditures	3,296,347	3,428,808	3,333,156	95,652
Deficiency of revenues over expenditures	(3,206,347)	(3,338,808)	(1,446,846)	1,891,962
Other financing sources:				
Transfers from other funds	1,504,120	1,504,120	1,504,034	(86)
Total other financing sources	1,504,120	1,504,120	1,504,034	(86)
Net change in fund balance	(1,702,227)	(1,834,688)	57,188	1,891,876
Fund balance, beginning of year	26,540,751	26,495,259	36,043,209	9,547,950
Fund balance, end of year	$ 24,838,524	$ 24,660,571	$ 36,100,397	$ 11,439,826

MUNICIPALITY OF ANCHORAGE, ALASKA
Budgetary Comparison Schedule
Jail Revenue Bond
Debt Service Fund
For the year ended December 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Charges for services	$ 5,034,675	$ 5,034,675	$ 4,017,275	$ (1,017,400)
Investment income	-	-	61	61
Total revenues	5,034,675	5,034,675	4,017,336	(1,017,339)
Expenditures:				
Debt service:				
Principal	3,470,000	3,470,000	3,655,000	(185,000)
Interest	1,564,675	1,564,675	362,275	1,202,400
Total expenditures	5,034,675	5,034,675	4,017,275	1,017,400
Excess of revenues over expenditures	-	-	61	61
Net change in fund balance	-	-	61	61
Fund balance, beginning of year	8,639	8,639	8,778	139
Fund balance, end of year	$ 8,639	$ 8,639	$ 8,839	$ 200

MUNICIPALITY OF ANCHORAGE, ALASKA
Budgetary Comparison Schedule
ACPA Surcharge Revenue Bond
Debt Service Fund
For the year ended December 31, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Investment income	$ -	$ -	$ 7,808	$ 7,808
Other	339,813	339,813	468,708	128,895
Total revenues	339,813	339,813	476,516	136,703
Expenditures:				
Debt service:				
Principal	130,000	130,000	130,000	-
Interest	209,813	209,813	209,813	-
Bond issuance costs	-	35,000	91,523	(56,523)
Total expenditures	339,813	374,813	431,336	(56,523)
Excess of revenues over expenditures	-	(35,000)	45,180	80,180
Other financing sources (uses):				
Transfers to other funds	-	(157,877)	(157,877)	-
Refunding bonds issued	-	-	3,735,000	(3,735,000)
Premium on bond sale	-	-	627,027	(627,027)
Payment to refunded bond escrow agent	-	-	(4,305,504)	4,305,504
Total other financing sources	-	(157,877)	(101,354)	(56,523)
Net change in fund balance	-	(192,877)	(56,174)	23,657
Fund balance, beginning of year	458,165	458,165	645,806	187,641
Fund balance, end of year	$ 458,165	$ 265,288	$ 589,632	$ 211,298

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for activities for which a fee is charged to external users for goods or services received.

The **Refuse Utility Fund** accounts for the Municipal-owned refuse collection services.

The **Solid Waste Fund** accounts for the Municipal-owned landfill and transfer station operations.

The **Municipal Airport Fund** accounts for the operations of Merrill Field, a Municipal-owned airport.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Nonmajor Enterprise Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

				Total Nonmajor Enterprise Funds	
Assets	**Refuse Utility**	**Solid Waste**	**Municipal Airport**	**December 31, 2014**	**December 31, 2013**
Current assets:					
Cash	$ 700	$ 2,775	$ 200	$ 3,675	$ 3,675
Cash in central treasury	7,735,783	13,977,312	-	21,713,095	16,738,599
Capital acquisition and construction accounts	1,323,109	3,400,732	3,504,571	8,228,412	17,785,103
Accrued interest on investments	86,973	-	-	86,973	120,083
Interest receivable	-	-	7	7	13
Intergovernmental receivables	-	-	2,136,880	2,136,880	1,511,248
Receivables (net of allowance for uncollectibles)	748,566	1,472,989	1,168	2,222,723	2,284,358
Inventories	-	64,921	-	64,921	64,921
Prepaid items and deposits	1,478	3,653	9,281	14,412	16,148
Restricted assets:					
Landfill post closure cash reserve	-	11,637,332	-	11,637,332	10,015,200
Total current assets	9,896,609	30,559,714	5,652,107	46,108,430	48,539,348
Noncurrent assets:					
Loans receivable, net	-	-	1,684	1,684	2,676
Capital assets, net	3,783,972	69,500,520	60,275,065	133,559,557	123,653,857
Total noncurrent assets	3,783,972	69,500,520	60,276,749	133,561,241	123,656,533
Total assets	13,680,581	100,060,234	65,928,856	179,669,671	172,195,881
Liabilities					
Current liabilities:					
Accounts payable and retainages	174,446	791,751	38,984	1,005,181	412,909
Accrued interest payable	-	108,780	-	108,780	124,298
Accrued payroll liabilities	111,335	548,662	79,716	739,713	629,210
Capital acquisition and construction accounts and retainage payable	284,509	1,208,353	30,593	1,523,455	708,536
Compensated absences	151,821	501,727	87,740	741,288	690,206
Due to other funds	-	-	-	-	261,585
Long-term obligations maturing within one year	-	1,718,267	-	1,718,267	1,718,267
Unearned revenues	98,047	157,147	85,928	341,122	343,232
Total current liabilities	820,158	5,034,687	322,961	6,177,806	4,888,243
Noncurrent liabilities:					
Alaska clean water loans payable	-	11,604,234	-	11,604,234	13,308,405
Compensated absences	-	-	3,026	3,026	5,557
Total noncurrent liabilities	-	11,604,234	3,026	11,607,260	13,313,962
Other liabilities:					
Future landfill closure costs	-	27,063,161	-	27,063,161	25,577,765
Total liabilities	820,158	43,702,082	325,987	44,848,227	43,779,970
Deferred Inflows of Resources					
Deferred intergovernmental-time requirement	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Net Position					
Net investment in capital assets	3,783,972	56,178,019	60,275,065	120,237,056	108,627,184
Restricted for capital construction	-	-	1,938,954	1,938,954	1,511,248
Unrestricted	9,076,451	180,133	3,388,850	12,645,434	18,277,479
Total net position	12,860,423	56,358,152	65,602,869	134,821,444	128,415,911
Total liabilities, deferred inflows of resources and net position	$ 13,680,581	$ 100,060,234	$ 65,928,856	$ 179,669,671	$ 172,195,881

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
The year ended December 31, 2014
(with summarized financial info at December 31, 2013)

	Refuse Utility	Solid Waste	Municipal Airport	Total Nonmajor Enterprise Funds 2014	Total Nonmajor Enterprise Funds 2013
Operating revenues:					
Charges for sales and services	$ 10,707,829	$ 19,779,989	$ 1,449,228	$ 31,937,046	$ 30,331,953
Other	47,076	3,177,180	-	3,224,256	2,341,362
Total operating revenues	10,754,905	22,957,169	1,449,228	35,161,302	32,673,315
Operating expenses:					
Operations	7,742,399	13,065,154	1,399,403	22,206,956	22,253,900
Amortization of future landfill closure costs	-	1,485,396	-	1,485,396	1,853,813
Depreciation and amortization	905,372	3,494,426	2,326,561	6,726,359	6,504,090
Total operating expenses	8,647,771	18,044,976	3,725,964	30,418,711	30,611,803
Operating income (loss)	2,107,134	4,912,193	(2,276,736)	4,742,591	2,061,512
Nonoperating revenues (expenses):					
Investment income	100,650	371,835	41,896	514,381	164,674
Other revenues	-	-	-	-	4,421
Intergovernmental revenue- non-capital	-	-	260,620	260,620	121,173
Interest expense	-	(208,404)	-	(208,404)	(233,631)
Gain (loss) on sale of capital assets	-	-	-	-	33,357
Net nonoperating revenues (expenses)	100,650	163,431	302,516	566,597	89,994
Income before capital contributions and transfers	2,207,784	5,075,624	(1,974,220)	5,309,188	2,151,506
Capital contributions	-	-	2,138,653	2,138,653	4,822,810
Transfers to other funds	(56,573)	(941,084)	(44,651)	(1,042,308)	(1,021,980)
Change in net position	2,151,211	4,134,540	119,782	6,405,533	5,952,336
Net position, beginning of year	10,709,212	52,223,612	65,483,087	128,415,911	122,463,575
Net position, end of year	$ 12,860,423	$ 56,358,152	$ 65,602,869	$ 134,821,444	$ 128,415,911

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Refuse Utility	Solid Waste	Municipal Airport	Total Nonmajor Enterprise Funds 2014	Total Nonmajor Enterprise Funds 2013
Cash flows from operating activities:					
Receipts from customers	$ 10,671,379	$ 23,123,607	$ 1,436,749	$ 35,231,735	$ 32,482,033
Payments to employees	(2,745,135)	(7,737,422)	(1,120,837)	(11,603,394)	(11,730,609)
Payments to vendors	(3,255,926)	(4,777,537)	(585,585)	(8,619,048)	(9,085,774)
Payments to interfund services used	(1,579,729)	-	348,277	(1,231,452)	(2,141,144)
Net cash from operating activities	3,090,589	10,608,648	78,604	13,777,841	9,524,506
Cash flows from noncapital and related financing activities:					
Grant proceeds non-capital	-	-	323,177	323,177	121,173
Transfers to other funds	(56,573)	(941,084)	(44,651)	(1,042,308)	(1,021,980)
Due to other funds	-	-	(261,585)	(261,585)	(458,141)
Net cash from noncapital and related financing activities	(56,573)	(941,084)	16,941	(980,716)	(1,358,948)
Cash flows from capital and related financing activities:					
Principal payments on long-term obligations	-	(1,704,171)	-	(1,704,171)	(1,718,268)
Interest payments on long-term obligations	-	(223,922)	-	(223,922)	(248,985)
Acquisition and construction of capital assets	(628,278)	(12,716,129)	(2,618,876)	(15,963,283)	(11,200,608)
Landfill post closure cash reserve	-	(1,622,132)	-	(1,622,132)	(1,848,416)
Proceeds (loss) from the sale or disposition of capital assets	-	146,143	-	146,143	33,479
Grant proceeds capital	-	-	1,440,548	1,440,548	3,911,591
Net cash from capital and related financing activities	(628,278)	(16,120,211)	(1,178,328)	(17,926,817)	(11,071,207)
Cash flows from investing activities:					
Investment income	33,802	471,793	41,902	547,497	142,214
Net cash from investing activities	33,802	471,793	41,902	547,497	142,214
Net increase (decrease) in cash	2,439,540	(5,980,854)	(1,040,881)	(4,582,195)	(2,763,435)
Cash, beginning of year	6,620,052	23,361,673	4,545,652	34,527,377	37,290,812
Cash, end of year	$ 9,059,592	$ 17,380,819	$ 3,504,771	$ 29,945,182	$ 34,527,377
Cash	700	2,775	200	3,675	3,675
Cash in central treasury	7,735,783	13,977,312	-	21,713,095	16,738,599
Capital acquisition and construction accounts	1,323,109	3,400,732	3,504,571	8,228,412	17,785,103
Cash, December 31	$ 9,059,592	$ 17,380,819	$ 3,504,771	$ 29,945,182	$ 34,527,377
Reconciliation of change in net position to net cash provided by operating activities:					
Operating income (loss)	$ 2,107,134	$ 4,912,193	$ (2,276,736)	$ 4,742,591	$ 2,061,512
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Amortization of landfill closure costs	-	1,485,396	-	1,485,396	1,853,813
Depreciation and amortization	905,372	3,494,426	2,326,561	6,726,359	6,504,090
Other revenues	-	-	-	-	4,421
Changes in assets and liabilities which increase (decrease) cash:					
Accounts receivable, net	(94,146)	155,562	1,211	62,627	(418,821)
Inventories	-	-	-	-	(64,921)
Prepaid items and deposits	(41)	(100)	1,877	1,736	2,873
Accounts payable and retainages	125,695	448,956	17,621	592,272	(603,222)
Accrued payroll liabilities	24,140	70,515	15,848	110,503	(29,160)
Compensated absences payable	11,815	30,824	5,912	48,551	(9,198)
Unearned revenue and deposits	10,620	10,876	(13,690)	7,806	223,119
Total cash provided (used) by operating activities	3,090,589	10,608,648	78,604	13,777,841	9,524,506
Noncash investing, capital, and financing activities:					
Capital purchases on account	284,509	1,208,353	30,593	1,523,455	708,536
Total noncash investing, capital, and financing activities	$ 284,509	$ 1,208,353	$ 30,593	$ 1,523,455	$ 708,536

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis.

Three **Risk Management Funds** account for money received from other Municipal funds to pay for the costs of self-insurance claims in the following categories:

- General liability, automobile liability, workers' compensation
- Medical/Dental
- Unemployment compensation

The **Equipment Maintenance Fund** accounts for the management and maintenance of general government equipment and vehicles.

The **Information Technology Fund** accounts for management information services.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Internal Service Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Risk Management			
Assets	**General Liability/ Workers' Compensation**	**Medical/ Dental**	**Unemployment Compensation**	**Equipment Maintenance**
Current assets:				
Cash in central treasury	$ 18,906,423	$ 17,377,481	$ 1,059,978	$ 8,730,451
Capital acquisition and construction accounts	-	-	-	1,822,850
Receivables (net of allowance for uncollectibles)	-	-	-	-
Due from other funds	328,033	-	-	-
Inventories	-	-	-	345,270
Prepaid items and deposits	419,692	-	-	-
Restricted assets:				
Master lease agreement escrow	-	-	-	-
Capital acquisition and construction accounts	-	-	-	-
Total current assets	19,654,148	17,377,481	1,059,978	10,898,571
Noncurrent assets:				
Advances to other funds	1,955,713	-	-	-
Capital assets, net	-	-	-	18,247,413
Total noncurrent assets	1,955,713	-	-	18,247,413
Total assets	21,609,861	17,377,481	1,059,978	29,145,984
Liabilities				
Current liabilities:				
Accounts payable and retainages	280,071	-	-	246,454
Accrued payroll liabilities	15,802	2,388	-	196,745
Capital acquisition and construction accounts and retainage payable	-	-	-	9,272
Compensated absences	6,706	-	-	246,355
Claims payable	9,919,875	985,188	98,411	-
Claims incurred but not reported	2,506,356	6,101,613	-	-
Due to other funds	-	-	-	85,000
Accrued interest payable	-	-	-	-
Long-term obligations maturing within one year	-	-	-	-
Current liabilities payable from restricted assets:				
Capital acquisition and construction accounts and retainage payable	-	-	-	-
Total current liabilities	12,728,810	7,089,189	98,411	783,826
Noncurrent liabilities:				
Advances from other funds	-	-	-	1,530,000
Compensated absences	15,954	-	-	-
Capital leases payable	-	-	-	-
Claims incurred but not reported	5,604,697	-	-	-
Total noncurrent liabilities	5,620,651	-	-	1,530,000
Total liabilities	18,349,461	7,089,189	98,411	2,313,826
Net Position				
Net investment in capital assets	-	-	-	18,247,413
Restricted for capital acquisitions	-	-	-	-
Unrestricted	3,260,400	10,288,292	961,567	8,584,745
Total net position	3,260,400	10,288,292	961,567	26,832,158
Total liabilities, deferred inflows of resources and net position	$ 21,609,861	$ 17,377,481	$ 1,059,978	$ 29,145,984

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Internal Service Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

		Total Internal Service Funds	
Assets	**Information Technology**	**December 31, 2014**	**December 31, 2013**
Current assets:			
Cash in central treasury	$ -	$ 46,074,333	$ 39,801,168
Capital acquisition and construction accounts	-	1,822,850	2,478,855
Receivables (net of allowance for uncollectibles)	-	-	-
Due from other funds	-	328,033	-
Inventories	-	345,270	366,772
Prepaid items and deposits	820,963	1,240,655	938,558
Restricted assets:			
Master lease agreement escrow	142,939	142,939	-
Capital acquisition and construction accounts	-	-	886,387
Total current assets	963,902	49,954,080	44,471,740
Noncurrent assets:			
Advances to other funds	-	1,955,713	1,406,427
Capital assets, net	32,136,077	50,383,490	41,168,117
Total noncurrent assets	32,136,077	52,339,203	42,574,544
Total assets	33,099,979	102,293,283	87,046,284
Liabilities			
Current liabilities:			
Accounts payable and retainages	299,042	825,567	1,127,553
Accrued payroll liabilities	479,060	693,995	562,502
Capital acquisition and construction accounts and retainage payable	80,898	90,170	236,660
Compensated absences	566,121	819,182	772,183
Claims payable	-	11,003,474	12,303,180
Claims incurred but not reported	-	8,607,969	7,455,377
Due to other funds	1,579,315	1,664,315	642,778
Accrued interest payable	82,441	82,441	47,020
Long-term obligations maturing within one year	2,907,087	2,907,087	1,798,559
Current liabilities payable from restricted assets:			
Capital acquisition and construction accounts and retainage payable	142,939	142,939	384,661
Total current liabilities	6,136,903	26,837,139	25,330,473
Noncurrent liabilities:			
Advances from other funds	-	1,530,000	1,615,000
Compensated absences	154,359	170,313	196,000
Capital leases payable	12,403,170	12,403,170	7,785,316
Claims incurred but not reported	-	5,604,697	5,753,817
Total noncurrent liabilities	12,557,529	19,708,180	15,350,133
Total liabilities	18,694,432	46,545,319	40,680,606
Net Position			
Net investment in capital assets	16,825,820	35,073,233	31,584,242
Restricted for capital acquisitions	-	-	501,726
Unrestricted	(2,420,273)	20,674,731	14,279,710
Total net position	14,405,547	55,747,964	46,365,678
Total liabilities, deferred inflows of resources and net position	$ 33,099,979	$ 102,293,283	$ 87,046,284

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
The year ended December 31, 2014
(with summarized financial info at December 31, 2013)

	Risk Management			
	General Liability/ Workers' Compensation	**Medical/ Dental**	**Unemployment Compensation**	**Equipment Maintenance**
Operating revenues:				
Charges for sales and services	$ 11,534,560	$ 55,608,270	$ 475,239	$ 9,916,523
Other	813	-	-	-
Total operating revenues	11,535,373	55,608,270	475,239	9,916,523
Operating expenses:				
Operations	11,541,221	49,632,708	365,529	7,406,484
Depreciation and amortization	-	-	-	4,148,592
Total operating expenses	11,541,221	49,632,708	365,529	11,555,076
Operating income (loss)	(5,848)	5,975,562	109,710	(1,638,553)
Nonoperating revenues (expenses):				
Investment income (loss)	363,114	177,047	12,990	134,528
Other revenues	-	-	-	122,180
Other expenses	-	-	-	-
Interest expense	-	-	-	(40,002)
Gain on sale of capital assets	-	-	-	184,587
Net nonoperating revenues (expenses)	363,114	177,047	12,990	401,293
Income (loss) before capital contributions and transfers	357,266	6,152,609	122,700	(1,237,260)
Capital contributions	-	-	-	98,563
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Change in net position	357,266	6,152,609	122,700	(1,138,697)
Net position, beginning of year	2,903,134	4,135,683	838,867	27,970,855
Net position, end of year	$ 3,260,400	$ 10,288,292	$ 961,567	$ 26,832,158

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
The year ended December 31, 2014
(with summarized financial info at December 31, 2013)

	Information Technology	Total Internal Service Funds 2014	Total Internal Service Funds 2013
Operating revenues:			
Charges for sales and services	$ 14,629,222	$ 92,163,814	$ 102,684,484
Other	-	813	540
Total operating revenues	14,629,222	92,164,627	102,685,024
Operating expenses:			
Operations	11,025,898	79,971,840	89,213,950
Depreciation and amortization	988,600	5,137,192	6,082,273
Total operating expenses	12,014,498	85,109,032	95,296,223
Operating income (loss)	2,614,724	7,055,595	7,388,801
Nonoperating revenues (expenses):			
Investment income (loss)	(37,027)	650,652	107,279
Other revenues	3,000	125,180	101,793
Other expenses	(15,516)	(15,516)	(11,790)
Interest expense	(473,533)	(513,535)	(50,520)
Gain on sale of capital assets	-	184,587	120,923
Net nonoperating revenues (expenses)	(523,076)	431,368	267,685
Income (loss) before capital contributions and transfers	2,091,648	7,486,963	7,656,486
Capital contributions	27,000	125,563	316,639
Transfers from other funds	1,777,960	1,777,960	2,969,832
Transfers to other funds	(8,200)	(8,200)	-
Change in net position	3,888,408	9,382,286	10,942,957
Net position, beginning of year	10,517,139	46,365,678	35,422,721
Net position, end of year	$ 14,405,547	$ 55,747,964	$ 46,365,678

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Risk Management			
	General Liability/ Workers' Compensation	Medical/ Dental	Unemployment Compensation	Equipment Maintenance
Cash flows from operating activities:				
Receipts for interfund services provided	$ 11,535,373	$ 55,608,270	$ 475,239	$ 10,038,703
Payments to employees	(286,616)	(154,842)	-	(4,051,048)
Payments to vendors	(10,268,134)	(49,364,953)	(361,869)	(1,554,503)
Payments for interfund services used	(1,440,977)	(767)	-	(1,667,488)
Net cash from operating activities	(460,354)	6,087,708	113,370	2,765,664
Cash flows from noncapital and related financing activities:				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Loan payments received on interfund loans	220,449	-	-	-
Due to other funds	-	-	-	-
Due from other funds	(548,482)	-	-	-
Advance to other funds	(549,286)	-	-	-
Non-operating cash receipts	-	-	-	-
Net cash from noncapital and related financing activities	(877,319)	-	-	-
Cash flows from capital and related financing activities:				
Principal payments on long-term obligations	-	-	-	-
Interest payments on long-term obligations	-	-	-	-
Acquisition and construction of capital assets	-	-	-	(2,759,173)
Transfers from other funds	-	-	-	-
Due to other funds	-	-	-	-
Loan proceeds from interfund loans	-	-	-	-
Principal payments on interfund loans	-	-	-	(85,000)
Interest payments on interfund loans	-	-	-	(40,002)
Proceeds from issuance of debt	-	-	-	-
Proceeds (loss) from the sale or disposition of capital assets	-	-	-	184,587
Net cash from capital and related financing activities	-	-	-	(2,699,588)
Cash flows from investing activities:				
Investment income (loss)	363,114	177,047	12,990	134,528
Net cash from investing activities	363,114	177,047	12,990	134,528
Net increase (decrease) in cash	(974,559)	6,264,755	126,360	200,604
Cash, beginning of year	19,880,982	11,112,726	933,618	10,352,697
Cash, end of year	$ 18,906,423	$ 17,377,481	$ 1,059,978	$ 10,553,301
Cash in central treasury	18,906,423	17,377,481	1,059,978	8,730,451
Capital acquisition and construction accounts	-	-	-	1,822,850
Cash, December 31	$ 18,906,423	$ 17,377,481	$ 1,059,978	$ 10,553,301
Reconciliation of change in net position to net cash provided (used) by operating activities:				
Operating income (loss)	(5,848)	5,975,562	109,710	(1,638,553)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	-	-	-	4,148,592
Other revenues	-	-	-	122,180
Changes in assets and liabilities which increase (decrease) cash:				
Accounts receivable, net	-	-	-	-
Prepaid items and deposits	(29,133)	-	-	-
Inventories	-	-	-	21,502
Accounts payable and retainages	25,512	(40,166)	-	(5,062)
Accrued payroll liabilities	1,464	2,363	-	53,969
Compensated absences payable	1,073	(3,579)	-	63,036
Deferred revenue and deposits	-	-	-	-
Claims payable	(453,422)	153,528	3,660	-
Total cash provided (used) by operating activities	(460,354)	6,087,708	113,370	2,765,664
Noncash investing, capital, and financing activities:				
Capital purchases on account	-	-	-	9,272
Contributed capital and equipment	-	-	-	98,563
Total noncash investing, capital, and financing activities	$ -	$ -	$ -	$ 107,835

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Information Technology	Total Internal Service Funds 2014	Total Internal Service Funds 2013
Cash flows from operating activities:			
Receipts for interfund services provided	$ 14,632,222	$ 92,289,807	$ 102,786,817
Payments to employees	(7,301,676)	(11,794,182)	(11,132,372)
Payments to vendors	(3,262,094)	(64,811,553)	(70,276,639)
Payments for interfund services used	(982,883)	(4,092,115)	(6,638,832)
Net cash from operating activities	3,085,569	11,591,957	14,738,974
Cash flows from noncapital and related financing activities:			
Transfers from other funds	-	-	40,000
Transfers to other funds	(8,200)	(8,200)	-
Loan payments received on interfund loans	-	220,449	548,534
Due to other funds	1,021,537	1,021,537	9,244
Due from other funds	-	(548,482)	-
Advance to other funds	-	(549,286)	-
Non-operating cash receipts	-	-	-
Net cash from noncapital and related financing activities	1,013,337	136,018	597,778
Cash flows from capital and related financing activities:			
Principal payments on long-term obligations	(2,306,618)	(2,306,618)	(1,925,907)
Interest payments on long-term obligations	(453,628)	(453,628)	(38,855)
Acquisition and construction of capital assets	(11,998,980)	(14,758,153)	(10,575,126)
Transfers from other funds	1,777,960	1,777,960	2,929,832
Due to other funds	-	-	85,000
Loan proceeds from interfund loans	-	-	1,615,000
Principal payments on interfund loans	-	(85,000)	-
Interest payments on interfund loans	-	(40,002)	-
Proceeds from issuance of debt	8,033,000	8,033,000	-
Proceeds (loss) from the sale or disposition of capital assets	-	184,587	124,754
Net cash from capital and related financing activities	(4,948,266)	(7,647,854)	(7,785,302)
Cash flows from investing activities:			
Investment income (loss)	(37,027)	650,652	107,279
Net cash from investing activities	(37,027)	650,652	107,279
Net increase (decrease) in cash	(886,387)	4,730,773	7,658,729
Cash, beginning of year	886,387	43,166,410	35,507,681
Cash, end of year	$ -	$ 47,897,183	$ 43,166,410
Cash in central treasury	-	46,074,333	39,801,168
Capital acquisition and construction accounts	-	1,822,850	3,365,242
Cash, December 31	$ -	$ 47,897,183	$ 43,166,410
Reconciliation of change in net position to net cash provided (used) by operating activities:			
Operating income (loss)	2,614,724	$ 7,055,595	$ 7,388,801
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	988,600	5,137,192	6,082,273
Other revenues	3,000	125,180	101,793
Changes in assets and liabilities which increase (decrease) cash:			
Accounts receivable, net	-	-	65,751
Prepaid items and deposits	(272,964)	(302,097)	(14,770)
Inventories	-	21,502	22,758
Accounts payable and retainages	(282,270)	(301,986)	(248,032)
Accrued payroll liabilities	73,697	131,493	(136,755)
Compensated absences payable	(39,218)	21,312	(87,587)
Deferred revenue and deposits	-	-	(86,096)
Claims payable	-	(296,234)	1,650,838
Total cash provided (used) by operating activities	3,085,569	11,591,957	14,738,974
Noncash investing, capital, and financing activities:			
Capital purchases on account	223,837	233,109	621,321
Contributed capital and equipment	27,000	125,563	316,639
Total noncash investing, capital, and financing activities	$ 250,837	$ 358,672	$ 937,960

This page intentionally left blank

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

The **Police and Fire Retirement Trust Funds** account for the contributions, revenues, expenses and distributions of the three Municipal Police and Fire Retirement Plans.

The **Police and Fire Retiree Medical Trust Fund** accounts for contributions and distributions on behalf of the Police and Fire retirees who are eligible for the plan covered by the Trust.

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Fiduciary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Police/Fire Retirement Trust Funds			
	Police/Fire Retirement System Plan I	**Police/Fire Retirement System Plan II**	**Police/Fire Retirement System Plan III**	**Total**
Assets				
Cash in central treasury	$ 28,032	$ 20,956	$ 76,278	$ 125,266
Cash, cash equivalents held under securities lending program	246,943	186,800	693,380	1,127,123
Contribution receivable	75,083	58,470	203,719	337,272
Investments, at fair value:				
Cash and money market funds	650,346	491,955	1,826,077	2,968,378
U.S. treasuries	-	-	-	-
U.S. TIPS	-	-	-	-
U.S. agencies	-	-	-	-
Corporate fixed income securities	19,446,471	14,710,299	54,602,833	88,759,603
Asset-backed securities	-	-	-	-
Fixed income funds	-	-	-	-
Certificate of deposit	-	-	-	-
Domestic equity securities	31,163,109	23,573,358	87,501,427	142,237,894
International equity securities	14,350,072	10,855,123	40,292,894	65,498,089
Real estate funds	9,785,875	7,402,533	27,477,300	44,665,708
Total investments	75,395,873	57,033,268	211,700,531	344,129,672
Capital assets, net	149	111	405	665
Total assets	75,746,080	57,299,605	212,674,313	345,719,998
Liabilities				
Accounts payable	5,717	4,274	15,557	25,548
Payable under securities lending program	246,943	186,800	693,380	1,127,123
Total liabilities	252,660	191,074	708,937	1,152,671
Net Position				
Held in trust for:				
Employees' pension benefits	75,493,420	57,108,531	211,965,376	344,567,327
Employees' postemployment healthcare benefits	-	-	-	-
Total net position	75,493,420	57,108,531	211,965,376	344,567,327
Total liabilities and net position	$ 75,746,080	$ 57,299,605	$ 212,674,313	$ 345,719,998

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Net Position
Fiduciary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Police/Fire Retiree Medical Trust Fund	Total Fiduciary Funds	
		December 31, 2014	December 31, 2013
Assets			
Cash in central treasury	$ 2,432	$ 127,698	$ 143,076
Cash, cash equivalents held under securities lending program		1,127,123	3,217,251
Contribution receivable	34,000	371,272	384,602
Investments, at fair value:			
Cash and money market funds	832,411	3,800,789	2,345,901
U.S. treasuries	7,805,344	7,805,344	8,891,660
U.S. TIPS	258,131	258,131	248,270
U.S. agencies	582,292	582,292	-
Corporate fixed income securities	-	88,759,603	85,779,584
Asset-backed securities	-	-	-
Fixed income funds	1,704,739	1,704,739	1,448,865
Certificate of deposit	1,492,655	1,492,655	-
Domestic equity securities	2,269,688	144,507,582	149,405,443
International equity securities	1,350,270	66,848,359	74,644,129
Real estate funds	-	44,665,708	42,011,857
Total investments	16,295,530	360,425,202	364,775,709
Capital assets, net		665	1,827
Total assets	16,331,962	362,051,960	368,522,465
Liabilities			
Accounts payable	-	25,548	23,042
Payable under securities lending program	-	1,127,123	3,217,251
Total liabilities	-	1,152,671	3,240,293
Net Position			
Held in trust for:			
Employees' pension benefits	-	344,567,327	349,842,533
Employees' postemployment healthcare benefits	16,331,962	16,331,962	15,439,639
Total net position	16,331,962	360,899,289	365,282,172
Total liabilities and net position	$ 16,331,962	$ 362,051,960	$ 368,522,465

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Police/Fire Retirement Pension Trust Funds			
	Police/Fire Retirement System Plan I	**Police/Fire Retirement System Plan II**	**Police/Fire Retirement System Plan III**	**Total**
Additions:				
Contributions from other funds	$ 1,952,161	$ 1,520,220	$ 5,296,694	$ 8,769,075
Contributions from employees	-	11,279	223,574	234,853
Interest	844,839	635,051	2,333,526	3,813,416
Dividends	579,231	435,238	1,598,370	2,612,839
Net increase (decrease) in fair value of investments	2,966,433	2,230,015	8,194,953	13,391,401
Less: investment expense	(377,563)	(283,758)	(1,042,416)	(1,703,737)
Total additions	5,965,101	4,548,045	16,604,701	27,117,847
Deductions:				
Regular benefit payments	8,604,796	5,852,713	17,241,271	31,698,780
Administrative expenses	156,049	116,296	421,928	694,273
Total deductions	8,760,845	5,969,009	17,663,199	32,393,053
Change in net position	(2,795,744)	(1,420,964)	(1,058,498)	(5,275,206)
Net position, beginning of year	78,289,164	58,529,495	213,023,874	349,842,533
Net position, end of year	$ 75,493,420	$ 57,108,531	$ 211,965,376	$344,567,327

MUNICIPALITY OF ANCHORAGE, ALASKA
Combining Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2014
(with summarized financial information at December 31, 2013)

	Police/Fire Retiree Medical Trust Fund	Total Fiduciary Funds December 31, 2014	Total Fiduciary Funds December 31, 2013
Additions:			
Contributions from other funds	$ 3,270,405	$ 12,039,480	$ 13,043,961
Contributions from employees	-	234,853	357,248
Interest	143,728	3,957,144	3,105,881
Dividends	167,076	2,779,915	2,734,027
Net increase (decrease) in fair value of investments	-	13,391,401	50,099,374
Less: investment expense	27,381	(1,676,356)	(1,108,087)
Total additions	3,608,590	30,726,437	68,232,404
Deductions:			
Regular benefit payments	2,669,642	34,368,422	33,000,553
Administrative expenses	46,625	740,898	741,174
Total deductions	2,716,267	35,109,320	33,741,727
Change in net position	892,323	(4,382,883)	34,490,677
Net position, beginning of year	15,439,639	365,282,172	330,791,495
Net position, end of year	$ 16,331,962	$ 360,899,289	$ 365,282,172

This page intentionally left blank

STATISTICAL SECTION

The **Financial Trend Data** presented in Tables 1-6 is provided to help understand and assess how our financial position has changed over the past five years.

The **Revenue Capacity Data** presented in Tables 7-12 is provided to help understand and assess our ability to generate own-source revenues, such as property taxes.

The **Debt Capacity Data** presented in Tables 13-17 is provided to help understand and assess our debt burden and ability to issue additional debt in the future.

The **Demographic and Economic Information** presented in Tables 18-19 is provided to help understand our demographic and economic environment and facilitate comparisons of financial statement information over time.

The **Operating Information** presented in Tables 20-21 is provided to help understand our operations and resources as well as provide a context for understanding and assessing our economic condition.

Table 1

MUNICIPALITY OF ANCHORAGE, ALASKA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	As Restated 2013	2012	As Restated 2011	2010	As Restated 2009	As Restated 2008	As Restated 2007	2006	2005
Governmental activities:										
Net investment in capital assets	$ 2,712,415,165	$ 2,711,369,340	$ 2,645,081,616	$ 2,637,498,499	$ 2,690,946,874	$ 2,689,939,470	$ 2,620,279,025	$ 2,549,539,076	$ 2,537,136,632	$ 2,485,270,733
Restricted	226,230,204	221,075,432	206,054,655	184,705,421	175,099,975	165,637,114	168,742,562	259,806,239	241,714,127	212,619,180
Unrestricted	135,703,277	108,779,489	123,707,347	105,856,844	58,377,890	18,194,337	35,463,284	(103,725,438)	(77,746,279)	(84,043,560)
Total governmental activities net position	3,074,348,646	3,041,224,261	2,974,843,618	2,928,060,764	2,924,424,739	2,873,770,921	2,824,484,871	2,705,619,877	2,701,104,480	2,613,846,353
Business-type activities:										
Net investment in capital assets	629,847,882	493,665,151	525,892,917	499,643,067	453,327,512	419,148,666	430,705,921	397,162,624	388,614,000	318,829,727
Restricted	22,000,520	77,596,655	184,402,233	182,771,686	166,914,727	136,376,232	113,883,731	101,772,016	105,727,434	103,454,088
Unrestricted	103,208,314	153,743,558	48,518,687	42,089,727	76,809,449	80,917,057	61,571,494	54,823,246	50,592,777	88,048,950
Total business-type activities net position	755,056,716	725,005,364	758,813,837	724,504,480	697,051,688	636,441,955	606,161,146	553,757,886	544,934,211	510,332,765
Total primary government:										
Net investment in capital assets	3,342,263,047	3,269,933,535	3,170,974,533	3,137,141,566	3,144,274,386	3,109,088,136	3,050,984,946	2,946,701,700	2,925,750,632	2,804,100,460
Restricted	248,230,724	286,892,971	390,456,888	367,477,107	342,014,702	302,013,346	282,626,293	361,578,255	347,441,561	316,073,268
Unrestricted	238,911,591	209,403,119	172,226,034	147,946,571	135,187,339	99,111,394	97,034,778	(48,902,192)	(27,153,502)	4,005,390
Total primary government net position	$ 3,829,405,362	$ 3,766,229,625	$ 3,733,657,455	$ 3,652,565,244	$ 3,621,476,427	$ 3,510,212,876	$ 3,430,646,017	$ 3,259,377,763	$ 3,246,038,691	$ 3,124,179,118

Notes:
In 2007, Anchorage Community Development Authority (ACDA) and Alaska Center for the Performing Arts (ACPA) were reclassified from blended component units to discretely presented component units.
As a result, the ACDA and ACPA net position will not be included as part of the totals for 2007 and subsequent years.

In 2007, the Cooperative Services Authority was reclassified from a discretely presented component unit to a blended component unit.

Net position for 2007 Business-type activities have been restated for a prior period adjustment to the Port.

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2014	2013	2012	As Restated 2011	2010	As Restated 2009	As Restated 2008	As Restated 2007	2006	2005
Expenses:										
Governmental activities:										
General government	$ 28,921,894	$ 23,954,989	$ 21,709,649	$ 21,999,859	$ 22,466,640	$ 29,050,467	$ 26,337,901	$ 40,462,811	$ 44,414,290	$ 33,149,639
Fire services	112,672,964	105,134,071	96,285,981	94,499,296	88,837,324	80,454,433	81,588,328	72,220,757	39,818,913	82,517,923
Police services	129,723,388	127,840,572	118,098,035	116,362,828	107,677,900	104,474,503	102,916,651	87,247,323	52,291,313	98,669,291
Health and human services	26,668,108	24,620,859	25,029,632	28,268,547	26,632,684	27,082,391	26,458,471	25,972,527	25,045,197	31,155,930
Economic & community development	78,793,403	68,950,920	78,494,540	83,174,571	78,941,612	82,988,652	76,303,695	70,057,933	62,090,686	47,652,399
Public transportation	36,937,350	35,985,169	34,906,057	34,185,440	30,240,829	34,517,002	29,953,660	27,579,961	24,039,863	21,162,017
Public works	111,694,564	99,892,660	85,163,740	80,989,860	56,127,232	107,527,253	78,337,320	80,368,055	92,686,550	60,434,830
Education	35,860,531	241,279,103	238,519,174	240,834,968	235,125,354	231,378,123	212,266,737	200,028,978	184,566,884	170,393,368
Maintenance and operations of roads and facilities	240,752,791	34,057,619	47,777,794	36,316,900	35,241,475	33,758,467	35,404,978	30,325,886	32,036,221	27,657,703
Interest on long-term debt	24,517,693	25,530,454	26,120,599	29,132,941	28,201,071	29,600,473	29,822,096	29,613,108	29,723,363	21,568,745
Total governmental activities expenses	826,542,686	787,246,416	772,105,201	765,765,210	709,492,121	760,831,764	699,389,837	663,877,339	586,713,280	594,361,845
Business-type activities:										
Water	40,796,522	39,520,676	40,675,916	39,754,921	38,759,459	38,484,886	39,388,902	36,269,883	37,215,822	35,840,802
Wastewater	37,609,422	36,466,069	35,200,550	33,988,296	32,916,342	30,491,470	31,803,895	28,457,829	28,187,998	26,702,698
Electric	123,896,740	109,982,575	110,603,719	126,040,240	122,331,031	105,530,769	90,760,462	78,901,165	99,850,090	101,351,360
Port	16,657,324	12,346,924	11,840,713	11,489,233	10,518,074	11,105,399	11,533,424	10,710,625	10,076,243	9,676,376
Municipal airport	3,701,188	3,632,872	4,196,663	4,093,756	3,325,730	3,279,054	3,229,657	2,980,806	2,983,778	2,569,643
Solid waste	18,124,824	18,285,807	18,973,897	17,233,393	16,177,197	16,326,313	15,555,914	17,261,224	14,250,955	13,613,706
Refuse	8,566,651	8,649,190	8,644,522	8,262,213	8,176,402	7,816,221	7,367,979	6,548,379	6,304,451	5,938,896
Cooperative Services Authority	-	-	-	-	-	-	1,314,503	1,255,318	-	-
Anchorage Community Development Authority	-	-	-	-	-	-	-	-	6,533,183	5,304,643
Alaska Center for the Performing Arts	-	-	-	-	-	-	-	-	1,986,912	1,934,907
Total business-type expenses	249,352,671	228,884,113	230,135,980	240,862,052	232,204,235	213,034,112	200,954,736	182,385,229	207,389,432	202,933,031
Total primary government expenses	$ 1,075,895,357	$ 1,016,130,529	$ 1,002,241,181	$ 1,006,627,262	$ 941,696,356	$ 973,865,876	$ 900,344,573	$ 846,262,568	$ 794,102,712	$ 797,294,876
Program revenues: (see also Table 3)										
Governmental activities:										
Charges for services:										
General government	$ 7,264,871	$ 7,901,979	$ 7,306,404	$ 9,497,748	$ 7,656,683	$ 6,519,429	$ 8,176,803	$ 13,310,411	$ 17,450,777	$ 11,525,168
Fire services	11,174,742	8,547,852	8,347,086	8,224,213	7,494,561	7,551,666	8,864,033	8,267,074	7,672,974	6,636,585
Police services	14,623,458	14,481,855	14,227,236	22,021,740	18,521,825	17,866,612	18,649,891	21,147,627	12,194,471	12,707,148
Health and human services	2,803,642	2,411,024	2,932,137	4,022,702	3,680,732	3,748,435	3,669,266	3,715,952	3,787,127	4,334,673
Economic & community development	4,689,244	4,498,090	5,036,711	4,369,182	5,875,611	5,875,077	5,406,449	7,666,960	7,555,914	6,278,744
Public transportation	5,243,968	5,227,218	5,140,290	5,121,736	4,659,923	4,435,263	4,545,387	3,987,108	3,941,306	3,250,901
Public works	14,389,898	12,770,454	14,426,299	10,423,089	8,669,482	9,202,667	8,256,833	15,136,381	16,911,964	30,394,761
Maintenance and operations of roads and facilities	645,552	367,072	170,343	191,729	191,534	319,034	202,171	744,928	1,418,615	1,553,757
Total charges for services revenues	60,835,375	56,205,544	57,586,506	63,872,139	56,750,351	55,518,183	57,770,833	73,976,441	70,933,148	76,681,737
Operating grants and contributions	94,699,088	70,455,494	76,838,701	60,469,943	47,876,617	64,619,647	47,769,996	34,531,461	53,470,466	29,048,223
Capital grants and contributions	84,027,472	94,316,487	61,810,688	59,335,217	66,986,287	108,286,565	68,209,477	61,844,863	48,274,799	18,358,385
Total governmental activities program revenues	239,561,935	220,977,525	196,235,895	183,677,299	171,613,255	228,424,395	173,750,306	170,352,765	172,678,413	124,088,345
Business-type activities:										
Charges for services	303,945,145	274,454,359	279,360,413	275,133,149	260,970,568	245,176,485	227,754,831	215,858,228	231,062,446	225,779,021
Operating grants and contributions	260,620	121,173	116,452	111,731	108,584	108,584	1,615,050	1,600,351	975,495	-
Capital grants and contributions	5,021,006	6,634,793	8,797,587	11,981,787	47,442,806	14,581,877	39,135,924	5,666,752	7,555,178	4,137,718
Total business-type activities revenues	309,226,771	281,210,325	288,274,452	287,226,667	308,521,958	259,866,946	268,505,805	223,125,331	239,593,119	229,916,739
Total primary government program revenues	548,788,706	502,187,850	484,510,347	470,903,966	480,135,213	488,291,341	442,256,111	393,478,096	412,271,532	354,005,084
Net (Expense)/Revenue										
Governmental activities	(586,980,751)	(566,268,891)	(575,869,306)	(582,087,911)	(537,878,866)	(532,407,369)	(525,639,531)	(493,524,574)	(414,034,867)	(470,273,500)
Business-type activities	59,874,100	52,326,212	58,138,472	46,364,615	76,317,723	46,832,834	67,551,069	40,740,102	32,203,687	26,983,708
Total primary government net expense	$ (527,106,651)	$ (513,942,679)	$ (517,730,834)	$ (535,723,296)	$ (461,561,143)	$ (485,574,535)	$ (458,088,462)	$ (452,784,472)	$ (381,831,180)	$ (443,289,792)

MUNICIPALITY OF ANCHORAGE, ALASKA
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	As Restated 2011	As Restated 2010	As Restated 2009	As Restated 2008	As Restated 2007	2006	2005
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$ 497,351,213	$ 493,148,928	$ 490,581,658	$ 482,411,497	$ 479,409,921	$ 461,906,542	$ 435,202,824	$ 381,995,766	$ 392,314,240	$ 362,963,283
Motor vehicle taxes	17,366,210	16,652,166	15,990,553	9,878,069	9,512,490	9,078,006	10,535,938	10,291,028	10,021,797	9,962,376
Hotel and motel taxes	25,002,097	22,988,779	23,013,548	21,033,287	19,604,118	17,846,829	22,173,862	20,209,303	19,093,196	11,933,792
Tobacco taxes	21,950,759	22,790,309	22,219,610	19,716,300	17,334,746	16,581,627	16,658,407	16,560,416	17,676,774	14,060,448
Assessments in lieu of taxes	3,052,584	3,135,217	3,050,828	2,232,706	2,284,762	2,324,750	2,086,576	1,775,622	16,200,594	14,933,858
Grants and entitlements not restricted to specific programs	14,831,485	14,697,818	21,154,092	19,984,139	15,053,452	15,018,748	15,112,751	13,536,127	-	-
Investment earnings (loss)	12,510,253	28,258,065	24,297,147	4,601,926	20,838,767	35,064,547	(47,269,808)	33,098,513	39,161,900	15,590,837
Other	-	-	-	-	-	1,252,159	-	-	-	-
Transfers	28,040,535	26,901,318	26,571,906	25,981,595	24,494,428	22,620,211	21,042,141	20,573,196	6,824,493	598,704
Special item - NPO/OPEB write-off	-	-	-	-	-	-	22,986,984	-	-	-
Retroactive infrastructure capitalization	-	-	-	-	-	-	-	-	-	54,803,648
Special item - (see footnote 23)	-	4,076,934	-	-	-	-	-	-	-	-
Total governmental activities	620,105,136	632,649,534	626,879,342	585,839,519	588,532,684	581,693,419	498,529,675	498,039,971	501,292,994	484,846,946
Business-type activities:										
Investment earnings	4,539,450	2,089,947	5,562,131	6,071,914	8,457,540	9,288,490	1,796,671	12,399,226	9,222,252	6,505,202
Other	-	-	-	-	-	(95,304)	-	-	-	-
Regulatory adjustment	-	-	-	-	-	-	-	-	-	19,852,555
Special item - NPO/OPEB write-off	-	-	-	-	-	-	4,097,662	-	-	-
Transfers	(28,040,535)	(26,901,318)	(26,571,906)	(25,981,595)	(24,165,530)	(25,745,211)	(21,042,141)	(20,573,196)	(6,824,493)	(598,704)
Special item - (see footnote 23)	-	238,737								
Extraordinary item - (see footnote 23)	-	(61,562,051)								
Total business-type activities	(23,501,085)	(86,134,685)	(21,009,775)	(19,909,681)	(15,707,990)	(16,552,025)	(15,147,808)	(8,173,970)	2,397,759	25,759,053
Total primary government	$ 596,604,051	$ 546,514,849	$ 605,869,567	$ 565,929,838	$ 572,824,694	$ 565,141,394	$ 483,381,867	$ 489,866,001	$ 503,690,753	$ 510,605,999
Change in net position:										
Governmental activities	33,124,385	66,380,643	51,010,036	3,751,608	50,653,818	49,286,050	(27,109,856)	4,515,397	87,258,127	14,573,446
Business-type activities	36,373,015	(33,808,473)	37,128,697	26,454,934	60,609,733	30,280,809	52,403,261	32,566,132	34,601,446	52,742,761
Total primary government	$ 69,497,400	$ 32,572,170	$ 88,138,733	$ 30,206,542	$ 111,263,551	$ 79,566,859	$ 25,293,405	$ 37,081,529	$ 121,859,573	$ 67,316,207

Notes:
In 2007, Alaska Community Development Authority (ACDA) and Alaska Center for the Performing Arts (ACPA) were reclassified from blended component units to discretely presented component units.
As a result, the ACDA and ACPA expenses, revenues, and net position will not be included as part of totals for 2007 and subsequent years.

In 2007, the Cooperative Services Authority was reclassified from a discretely presented component unit to a blended component unit.

Source: Municipality of Anchorage, Finance Department.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 3

Charges for Services by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	As Restated 2009	As Restated 2008	As Restated 2007	2006	2005
Program revenues - charges for services:										
Governmental activities:										
General government	$ 7,264,871	$ 7,901,979	$ 7,306,404	$ 9,497,748	$ 7,656,683	$ 6,519,429	$ 8,176,803	$ 13,310,411	$ 12,030,314	$ 11,525,168
Fire services	11,174,742	8,547,852	8,347,086	8,224,213	7,494,561	7,551,666	8,864,033	8,267,074	7,672,974	6,636,585
Police services	14,623,458	14,481,855	14,227,236	22,021,740	18,521,825	17,866,612	18,649,891	21,147,627	17,614,934	12,707,148
Health and human services	2,803,642	2,411,024	2,932,137	4,022,702	3,680,732	3,748,435	3,669,266	3,715,952	3,787,127	4,334,673
Economic & community development	4,689,244	4,498,090	5,036,711	4,369,182	5,875,611	5,875,077	5,406,449	7,666,960	7,555,914	6,278,744
Public transportation	5,243,968	5,227,218	5,140,290	5,121,736	4,659,923	4,435,263	4,545,387	3,987,108	3,941,306	3,250,901
Public works	14,389,898	12,770,454	14,426,299	10,423,089	8,669,482	9,202,667	8,256,833	15,136,381	16,911,964	30,394,761
Maintenance and operations of roads and facilities	645,552	367,072	170,343	191,729	191,534	319,034	202,171	744,928	1,418,615	1,553,757
Total governmental activities	60,835,375	56,205,544	57,586,506	63,872,139	56,750,351	55,518,183	57,770,833	73,976,441	70,933,148	76,681,737
Business-type activities:										
Water	62,527,066	59,562,890	55,664,095	52,081,778	51,056,732	48,248,827	43,613,176	43,870,404	39,545,747	38,473,142
Wastewater	51,774,890	50,465,806	48,135,325	42,894,791	37,994,692	37,019,347	35,151,553	35,157,366	31,269,830	28,746,892
Electric	142,382,804	120,158,837	128,070,159	139,609,558	131,520,920	120,008,455	108,272,636	100,606,033	115,656,934	117,032,992
Port	12,099,083	11,555,611	11,701,746	11,819,075	11,452,966	11,140,822	12,574,534	11,768,704	11,881,314	11,793,322
Municipal airport	1,449,228	1,406,032	6,051,859	1,340,577	1,227,073	1,236,229	1,289,585	1,235,026	1,196,622	1,111,842
Solid waste	22,957,169	22,498,137	20,949,679	18,566,616	18,974,151	19,007,456	18,197,048	15,493,404	15,185,485	15,593,309
Refuse	10,754,905	8,807,046	8,787,550	8,820,754	8,744,034	8,515,349	8,013,803	7,177,811	6,785,718	6,596,336
Cooperative Services Authority	-	-	-	-	-	-	642,496	549,480	-	-
Anchorage Community Development Authority	-	-	-	-	-	-	-	-	5,361,114	5,335,641
Alaska Center for the Performing Arts	-	-	-	-	-	-	-	-	1,244,739	1,095,545
Total business-type activities	303,945,145	274,454,359	279,360,413	275,133,149	260,970,568	245,176,485	227,754,831	215,858,228	228,127,503	225,779,021
Total primary government	$ 364,780,520	$ 330,659,903	$ 336,946,919	$ 339,005,288	$ 317,720,919	$ 300,694,668	$ 285,525,664	$ 289,834,669	$ 299,060,651	$ 302,460,758

Notes:
In 2007, the Anchorage Community Development Authority and the Alaska Center for the Performing Arts were reclassified from blended component units to discretely presented component units.

In 2007, the Cooperative Services Authority was reclassified from a discretely presented component unit to a blended component unit.

In 2008, the Cooperative Services Authority was dissolved.

Source: Municipality of Anchorage, Finance Department.

MUNICIPALITY OF ANCHORAGE, ALASKA
Fund Balances- Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Pre-GASB 54 Presentation	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Reserved	$ -	$ -	$ -	$ -	$ -	$ 3,881,505	$ 1,297,581	$ 1,210,130	$ 2,174,624	$ 2,702,499
Unreserved - designated	-	-	-	-	-	33,059,151	19,782,164	28,613,168	53,275,788	30,278,253
Unreserved - undesignated	-	-	-	-	-	8,256,412	4,988,645	12,529,965	16,311,739	13,280,944
Total general funds	-	-	-	-	-	45,197,068	26,068,390	42,353,263	71,762,151	46,261,696
Reserved	-	-	-	-	-	210,745,488	228,973,762	254,532,582	241,709,679	206,582,469
Unreserved - designated	-	-	-	-	-	23,300,577	20,655,423	91,182,914	-	-
Unreserved - undesignated, reported in:										
Special revenue funds	-	-	-	-	-	554,232	752,158	837,020	7,905,228	10,396,106
Capital project funds	-	-	-	-	-	(31,211,824)	(21,620,598)	2,468,555	88,689,016	87,658,628
Total all other governmental funds	-	-	-	-	-	203,388,473	228,760,745	349,021,071	338,303,923	304,637,203
Reserved	-	-	-	-	-	214,626,993	230,271,343	255,742,712	243,884,303	209,284,968
Unreserved - designated	-	-	-	-	-	56,359,728	40,437,587	119,796,082	53,275,788	30,278,253
Unreserved - undesignated, reported in:										
General fund	-	-	-	-	-	8,256,412	4,988,645	12,529,965	16,311,739	13,280,944
Special revenue funds	-	-	-	-	-	554,232	752,158	837,020	7,905,228	10,396,106
Capital project funds	-	-	-	-	-	(31,211,824)	(21,620,598)	2,468,555	88,689,016	87,658,628
Total governmental funds fund balance	$ -	$ -	$ -	$ -	$ -	$ 248,585,541	$ 254,829,135	$ 391,374,334	$ 410,066,074	$ 350,898,899

Post GASB 54 Presentation	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Nonspendable	$ 3,530,115	$ 2,932,819	$ 3,060,774	$ 3,332,167	$ 3,750,639	$ -	$ -	$ -	$ -	$ -
Restricted	189,145	2,595,783	3,441,095	13,443,010	17,039,469	-	-	-	-	-
Committed	40,811,180	37,267,885	37,093,804	25,257,793	19,680,810	-	-	-	-	-
Assigned	12,733,971	8,104,090	21,031,217	13,467,816	7,645,324	-	-	-	-	-
Unassigned	18,450,750	28,429,037	17,210,990	9,340,583	15,205,649	-	-	-	-	-
Total general funds	75,715,161	79,329,614	81,837,880	64,841,369	63,321,891	-	-	-	-	-
Restricted	148,990,379	144,181,374	127,632,975	116,757,912	120,279,315	-	-	-	-	-
Total MOA trust fund	148,990,379	144,181,374	127,632,975	116,757,912	120,279,315	-	-	-	-	-
Restricted	3,126,957	4,443,990	10,671,120	15,896,418	25,998,937	-	-	-	-	-
Committed	301,187	180,611	170,250	325,490	247,343	-	-	-	-	-
Assigned	-	-	1,056,588	975,033	948,786	-	-	-	-	-
Unassigned (deficit)	-	(14,041,418)	-	-	(9,922,181)	-	-	-	-	-
Total capital projects roads & drainage fund	3,428,144	(9,416,817)	11,897,958	17,196,941	17,272,885	-	-	-	-	-
Nonspendable	1,180,030	1,150,000	1,155,252	1,167,429	1,150,000	-	-	-	-	-
Restricted	83,244,307	74,971,749	60,947,704	53,416,639	64,384,701	-	-	-	-	-
Committed	18,444,025	19,408,994	18,908,485	18,724,646	20,753,368	-	-	-	-	-
Assigned	25,659,464	24,872,398	28,069,626	23,404,223	17,356,453	-	-	-	-	-
Unassigned (deficit)	(57,261)	(965,703)	(636,175)	(316,444)	(5,088,907)	-	-	-	-	-
Total other governmental funds	128,470,565	119,437,438	108,444,892	96,396,493	98,555,615	-	-	-	-	-
Nonspendable	4,710,145	4,082,819	4,216,026	4,499,596	4,900,639	-	-	-	-	-
Restricted	235,550,788	226,192,896	202,692,894	199,513,979	227,702,422	-	-	-	-	-
Committed	59,556,392	56,857,490	56,172,539	44,307,929	40,681,521	-	-	-	-	-
Assigned	38,393,435	32,976,488	50,157,431	37,847,072	25,950,563	-	-	-	-	-
Unassigned	18,393,489	13,421,916	16,574,815	9,024,139	194,561	-	-	-	-	-
Total governmental funds fund balance	$ 356,604,249	$ 333,531,609	$ 329,813,705	$ 295,192,715	$ 299,429,706	$ -	$ -	$ -	$ -	$ -

Notes:

In 2011, the Municipality adopted a fund balance designation policy to support the municipal bond rating. This designation is 10.0% of prior year revenues.

In 2011, the Municipality adopted a fund balance designation policy to mitigate the risk of funding shortfalls, stabilize tax rates, and to facilitate long-range planning. The "working capital reserve" is within a range of 2% to 3% of prior year revenues and is calculated after the 10.0% bond rating designation.

Source: Municipality of Anchorage, Finance Department.

Table 5

MUNICIPALITY OF ANCHORAGE, ALASKA
Changes in Fund Balance- Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	As Restated 2009	As Restated 2008	As Restated 2007	2006	2005
Revenues:										
Taxes and assessments in lieu of taxes	$ 565,413,760	$ 559,077,522	$ 555,052,111	$ 534,724,811	$ 527,757,094	$ 506,700,676	$ 486,293,914	$ 429,372,924	$ 455,172,329	$ 398,135,665
Special assessments	1,468,716	1,181,821	1,273,593	1,410,956	1,559,801	1,080,120	1,159,628	1,250,564	1,287,799	1,717,412
Licenses and permits	12,941,960	12,553,278	10,372,797	11,367,098	9,727,381	11,137,072	10,950,551	12,288,396	13,840,537	13,012,040
Intergovernmental	176,898,245	156,098,508	149,037,822	119,711,543	121,565,389	172,943,841	124,425,213	102,611,734	82,592,145	49,406,608
Charges for services	29,019,610	33,139,322	33,242,521	34,161,923	35,151,606	31,898,045	34,112,140	31,845,148	35,348,493	41,918,152
Fines and forfeitures	6,970,300	6,532,511	6,232,471	8,468,178	7,761,674	8,372,541	8,996,470	10,043,220	5,678,880	9,098,207
E911 surcharges	6,766,679	-	-	-	-	-	-	-	-	-
Investment income	11,934,747	28,223,078	23,591,633	4,518,123	19,923,545	33,133,010	(47,288,530)	31,072,851	37,853,203	12,455,565
Restricted contributions	501,774	4,350,831	2,870,846	3,932,885	1,852,653	746,194	3,326,186	1,855,989	1,203,042	485,249
Other	6,210,488	5,416,074	6,121,264	7,987,619	5,095,912	5,140,839	4,802,460	5,004,863	5,440,632	3,457,580
Total revenues	818,126,279	806,572,945	787,795,058	726,283,136	730,395,055	771,152,338	626,778,032	625,345,689	638,417,060	529,686,478
Expenditures:										
General government	29,547,245	22,490,280	20,596,164	21,982,842	17,931,545	21,529,868	25,049,556	25,927,198	25,864,299	17,373,936
Fire services	111,777,871	103,203,797	95,195,623	90,763,653	83,670,491	76,265,286	76,322,626	69,692,211	63,512,191	58,252,110
Police services	132,839,308	129,813,796	115,967,228	111,510,172	102,926,771	99,974,274	101,537,582	90,424,063	82,191,066	74,316,323
Health and human services	25,650,935	23,742,769	24,115,392	26,823,415	25,144,569	26,589,623	25,953,139	25,043,484	24,360,212	26,190,221
Economic and community development	53,875,368	46,870,085	58,099,851	60,989,689	63,627,692	62,988,984	61,635,730	54,158,211	53,881,037	44,120,594
Public transportation	31,549,000	30,396,121	30,241,731	28,169,896	21,556,120	22,220,628	24,625,761	21,512,366	20,644,987	19,819,015
Public works	39,492,078	32,429,999	27,953,465	20,907,921	20,934,441	22,822,998	26,436,195	23,556,542	20,456,482	16,774,304
Education	34,338,414	241,279,103	238,519,174	240,834,968	235,125,354	231,378,123	212,266,737	200,028,978	185,077,206	170,393,368
Maintenance and operations of roads and facilities	240,752,791	32,977,338	35,482,336	33,805,423	34,484,210	32,752,300	35,830,185	29,719,944	30,028,685	27,206,940
Capital outlay	105,785,105	108,418,635	98,950,246	82,333,411	105,694,920	145,213,610	172,099,343	151,545,463	130,232,159	75,629,256
Debt service										
Principal	38,857,577	35,022,883	39,242,119	31,137,139	20,647,950	30,823,332	30,371,078	29,432,234	34,949,110	30,128,791
Interest	24,898,180	26,658,557	27,013,982	31,072,474	27,581,071	28,686,622	29,269,039	29,342,270	28,066,471	19,837,168
Bond issuance costs	462,954	-	232,046	224,194	497,504	-	441,158	102,345	2,722,984	1,281,946
Total expenditures	869,826,826	833,303,363	811,609,357	780,555,197	759,822,638	801,245,648	821,838,129	750,485,309	701,986,889	581,323,972
Deficiencies of revenues over expenditures	(51,700,547)	(26,730,418)	(23,814,299)	(54,272,061)	(29,427,583)	(30,093,310)	(195,060,097)	(125,139,620)	(63,569,829)	(51,637,494)
Other financing sources (uses):										
Transfers in	52,648,722	56,375,764	52,186,974	52,622,964	47,683,059	56,159,016	71,752,640	47,630,377	47,837,359	20,395,441
Transfers out	(26,377,947)	(32,447,488)	(25,618,993)	(32,111,908)	(23,525,181)	(33,433,469)	(46,779,615)	(27,207,181)	(41,012,866)	(19,996,737)
Contributions to component unit	-	-	-	-	-	-	-	-	-	(300,000)
Bonds issued	122,600,001	-	53,785,000	52,298,250	78,610,000	-	60,000,000	54,630,000	110,920,000	198,895,000
Other long-term debt issues	-	-	-	-	-	-	-	-	-	350,000
Premium on bonds	21,857,443	-	7,875,284	796,626	945,968	-	788,975	1,681,507	33,142	8,504,209
Payment to bond escrow agent	(97,023,536)	-	(33,418,560)	(23,860,769)	(24,047,975)	-	-	-	-	(109,094,800)
Capital leases	-	-	-	-	-	-	-	-	673,553	-
Loan Proceeds	-	-	-	-	507,250	-	175,000	-	-	-
Insurance recoveries	349,533	133,596	194,229	96,076	-	133,334	38,720	22,316	41,915	114,300
Sale of capital assets	718,971	6,386,450	3,431,355	193,831	98,627	990,835	1,152,346	1,071,446	4,243,901	870,285
Net other financing sources (uses)	74,773,187	30,448,322	58,435,289	50,035,070	80,271,748	23,849,716	87,128,066	77,828,465	122,737,004	99,737,698
Net change in fund balances	$ 23,072,640	$ 3,717,904	$ 34,620,990	$ (4,236,991)	$ 50,844,165	$ (6,243,594)	$ (107,932,031)	$ (47,311,155)	$ 59,167,175	$ 48,100,204

Notes:
For years 2007 and later, Municipal Utility/Enterprise Service Assessments have been reclassified from tax revenue to transfers in accordance with GAAP.

Source: Municipality of Anchorage, Finance Department

Table 6

MUNICIPALITY OF ANCHORAGE, ALASKA
Debt Service as a Percentage of Noncapital Expenditures
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenditures:										
General government	$ 29,547,245	$ 22,490,280	$ 20,596,164	$ 21,982,842	$ 17,931,545	$ 21,529,868	$ 25,049,556	$ 25,927,198	$ 25,864,299	$ 17,373,936
Fire services	111,777,871	103,203,797	95,195,623	90,763,653	83,670,491	76,265,286	76,322,626	69,692,211	63,512,191	58,252,110
Police services	132,839,308	129,813,796	115,967,228	111,510,172	102,926,771	99,974,274	101,537,582	90,424,063	82,191,066	74,316,323
Health and human services	25,650,935	23,742,769	24,115,392	26,823,415	25,144,569	26,589,623	25,953,139	25,043,484	24,360,212	26,190,221
Economic and community development	53,875,368	46,870,085	58,099,851	60,989,689	63,627,692	62,988,984	61,635,730	54,158,211	53,881,037	44,120,594
Public transportation	31,549,000	30,396,121	30,241,731	28,169,896	21,556,120	22,220,628	24,625,761	21,512,366	20,644,987	19,819,015
Public works	39,492,078	32,429,999	27,953,465	20,907,921	20,934,441	22,822,998	26,436,195	23,556,542	20,456,482	16,774,304
Education	240,752,791	241,279,103	238,519,174	240,834,968	235,125,354	231,378,123	212,266,737	200,028,978	185,077,206	170,393,368
Maintenance and operations of roads and facilities	34,338,414	32,977,338	35,482,336	33,805,423	34,484,210	32,752,300	35,830,185	29,719,944	30,028,685	27,206,940
Capital outlay	105,785,105	108,418,635	98,950,246	82,333,411	105,694,920	145,213,610	172,099,343	151,545,463	126,763,050	75,629,256
Debt service										
Principal	38,857,577	35,022,883	39,242,119	31,137,139	20,647,950	30,823,332	30,371,078	29,432,234	34,949,110	30,128,791
Interest	25,361,134	26,658,557	27,013,982	31,072,474	27,581,071	28,686,622	29,269,039	29,342,270	28,066,471	19,837,168
Total expenditures	869,826,826	833,303,363	811,377,311	780,331,003	759,325,134	801,245,648	821,396,971	750,382,964	695,794,796	580,042,026
Less:										
Debt service										
Amounts capitalized	38,131,869	44,186,983	32,391,715	23,211,817	75,494,226	60,343,117	155,946,242	104,733,796	78,490,668	87,813,000
Total non-capital expenditures	$ 831,694,957	$ 789,116,380	$ 778,985,596	$ 757,119,186	$ 683,830,908	$ 740,902,531	$ 665,450,729	$ 645,649,168	$ 617,304,128	$ 492,229,026
Debt service as a percentage of non-capital expenditures	7.72%	7.82%	8.51%	8.22%	7.05%	8.03%	8.96%	9.10%	10.21%	10.15%

Source: Municipality of Anchorage, Finance Department

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 7

Tax Revenue by Source- Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Real Property	Personal Property	Motor Vehicle	Motor Vehicle Rental	Hotel - Motel	Tobacco	Assessments In Lieu of Taxes & MUSA	Other	Total
2014	$446,813,325	$ 48,181,620	$ 11,818,369	$ 5,637,102	$ 24,936,211	$ 21,926,133	$ -	$ 3,048,416	$ 559,312,760
2013	443,778,926	46,571,533	11,448,632	5,265,282	22,949,191	22,789,454	-	3,139,287	555,942,305
2012	437,675,314	48,684,789	11,303,053	4,817,450	22,700,161	22,219,610	-	4,600,906	552,001,283
2011	436,812,135	42,069,391	4,823,011	5,074,906	20,967,057	19,672,105	-	3,073,500	532,492,105
2010	426,969,356	47,371,702	4,881,941	4,692,648	19,530,750	17,321,934	-	4,704,001	525,472,332
2009	414,139,893	43,437,488	4,700,829	4,357,508	17,763,896	16,550,062	-	3,426,250	504,375,926
2008	393,226,611	37,984,281	5,183,112	5,339,159	22,081,280	16,524,753	-	3,868,142	484,207,338
2007	342,486,565	35,067,327	5,156,698	5,088,735	20,162,405	16,559,744	-	3,075,828	427,597,302
2006	351,930,570	36,852,875	5,283,655	4,756,868	19,021,469	17,662,355	-	3,463,943	438,971,735
2005	324,720,303	34,635,366	5,200,151	4,525,798	11,836,725	14,050,603	-	3,166,719	398,135,665

Notes: Beginning in 2005, local Assessments in Lieu of Taxes and Municipal Utility Service Assessment (MUSA) payments have been removed from the tax category. "Other" consists of aircraft, tax cost recoveries, and penalties and interest.

Source: Municipality of Anchorage, Finance Department.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 8

Use of Property Taxes
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Anchorage School District Property Taxes	Anchorage School District Enrollment	Property Tax Support Per Pupil	Municipality of Anchorage Property Taxes	Municipality of Anchorage Population	Property Tax Support Per Citizen	Total Property Taxes
2014	$ 236,498,047	47,929	$ 4,934	$ 267,464,583	300,549	$ 890	$ 503,962,630
2013	236,691,495	48,028	4,928	253,218,733	301,134	841	489,910,228
2012	238,775,383	48,734	4,900	247,584,720	298,842	828	486,360,103
2011	236,173,709	48,761	4,843	242,707,817	296,197	819	478,881,526
2010	233,853,777	48,570	4,815	240,487,281	291,826	824	474,341,058
2009	225,459,645	49,381	4,566	232,117,736	290,588	799	457,577,381
2008	212,165,785	48,440	4,380	219,045,107	284,994	769	431,210,892
2007	198,981,074	48,707	4,085	178,572,818	283,823	629	377,553,892
2006	184,379,644	49,320	3,738	204,403,801	282,813	723	388,783,445
2005	170,080,162	49,182	3,458	189,275,507	278,241	680	359,355,669

Source: Municipality of Anchorage Finance Department; Anchorage School District Annual Financial Reports; and the U.S. Census Bureau.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 9

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Residential Property	Real Commercial Property	Real Total Real	Personal Property	Total Taxable Assessed Value	Areawide Tax Rate (mils)
2014	$ 20,727,659,820	$ 9,726,237,558	$ 30,453,897,378	$ 3,207,149,855	$ 33,661,047,233	6.71
2013	19,844,447,084	9,394,322,157	29,238,769,241	3,072,941,642	32,311,710,883	6.92
2012	19,617,776,607	9,152,490,728	28,770,267,335	2,944,070,041	31,714,337,376	7.28
2011	19,734,533,714	9,095,615,110	28,830,148,824	2,766,391,727	31,596,540,551	7.61
2010	19,538,749,838	8,982,605,974	28,521,355,812	2,942,321,080	31,463,676,892	7.89
2009	19,669,462,275	8,964,468,173	28,633,930,448	2,819,418,266	31,453,348,714	7.67
2008	19,467,058,556	8,706,338,583	28,173,397,139	2,407,424,007	30,580,821,146	7.31
2007	18,938,470,451	7,771,561,687	26,710,032,138	2,559,073,381	29,269,105,519	7.02
2006	17,043,312,074	6,622,078,149	23,665,390,223	2,178,724,534	25,844,114,757	7.59
2005	14,498,860,789	5,682,627,289	20,181,488,078	1,908,057,825	22,089,545,903	8.23

Notes: Municipality of Anchorage assesses properties at 100% of estimated actual value

Source: Municipality of Anchorage, Property Appraisal Division

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 10

Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 assessed value)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Areawide:										
General Government	(0.35)	(0.43)	(0.29)	0.09	0.45	0.49	0.37	0.23	0.46	0.64
Schools	7.06	7.35	7.57	7.52	7.44	7.18	6.94	6.79	7.13	7.59
Property Tax Credit	0.00	0.00	0.00	0.00	0.00	(0.57)	(0.51)	0.00	0.00	0.00
Total Areawide	6.71	6.92	7.28	7.61	7.89	7.10	6.80	7.02	7.59	8.23
Former City Service Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.02	0.01
Chugiak Service Area	0.95	1.00	1.00	0.97	0.96	0.97	0.99	1.00	0.91	1.00
Glen Alps Service Area	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Girdwood Service Area	3.97	4.29	4.14	3.68	3.87	3.83	3.03	4.00	3.97	3.47
Former Borough Roads and Drainage Service Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fire Service Area	2.44	2.21	2.13	2.09	1.83	1.75	1.77	1.73	1.76	1.97
Roads and Drainage Service Area	2.36	2.60	2.78	2.46	2.13	2.77	2.60	2.59	2.80	2.75
Limited Service Areas	1.29	1.29	1.31	1.33	1.33	1.32	1.30	1.28	1.21	1.31
Anchorage Metropolitan Police Service Area	2.95	3.23	2.76	2.70	2.67	2.61	2.56	2.60	2.57	2.71
Parks and Recreation Service Area	0.59	0.60	0.62	0.62	0.66	0.70	0.65	0.60	0.56	0.62
Building Safety Service Area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Eagle River/Chugiak Parks & Recreation Service Area	0.97	0.95	1.00	0.90	0.91	1.05	1.08	1.11	1.13	1.17

Source: Municipality of Anchorage, Assembly Ordinances.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 11

Principle Property Tax Payers
Current Year and Nine Years Ago

2014

Taxpayer	Assessed Value	Percentage of Total Assessed Value
GCI Communications Corp	$ 198,256,680	0.59%
Calais Co Inc	177,279,919	0.53%
ACS of Anchorage Inc	166,404,216	0.49%
Fred Meyer Stores Inc	135,729,163	0.40%
BP Exploration (Alaska) Inc	134,363,428	0.40%
Galen Hospital Alaska Inc	132,984,668	0.39%
WEC 2000A-Alaska LLC	131,523,465	0.39%
Enstar Natural Gas Company	119,171,195	0.35%
Anchorage Fueling & Svs Co	112,786,221	0.33%
Hickel Investment Co	99,311,809	0.29%
	$1,407,810,764	4.18%

2005

Taxpayer	Assessed Value	Percentage of Total Assessed Value
ACS of Anchorage Inc	$263,578,677	1.18%
Fred Meyer Stores Inc	128,620,355	0.58%
Calais Co Inc	104,697,640	0.47%
Galen Hospital Alaska Inc	100,196,611	0.45%
WEC 2000A-Alaska LLC	92,968,220	0.42%
GCI Communications Corp	87,063,951	0.39%
BP Exploration (Alaska) Inc	84,099,961	0.38%
Anchorage Fueling & Svs Co	77,199,622	0.35%
Hickel Investment Co	65,519,447	0.29%
Enstar Natural Gas Company	61,314,478	0.27%
	$1,065,258,962	4.77%

Notes: Assessed values include both real and personal property.

Source: Municipality of Anchorage, Property Appraisal Division.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 12

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Balance
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2014	$ 503,962,630	$ 500,381,108	99.29%	$ (6,412,951)	$ 493,968,157	98.02%	$ 9,994,473
2013	480,422,072	480,393,854	99.99%	(7,365,626)	473,028,228	98.46%	7,393,844
2012	477,009,470	477,142,831	100.03%	(2,509,692)	474,633,139	99.50%	2,376,331
2011	475,771,921	470,361,847	98.86%	5,211,978	475,573,825	99.96%	198,096
2010	463,732,284	454,799,895	98.07%	8,634,507	463,434,402	99.94%	297,882
2009	438,158,786	430,346,262	98.22%	7,521,535	437,867,797	99.93%	290,989
2008	386,615,505	378,829,566	97.99%	7,629,884	386,459,450	99.96%	156,055
2007	398,955,490	389,483,559	97.63%	9,468,920	398,952,479	100.00%	3,011
2006	357,895,662	353,993,904	98.91%	3,900,372	357,894,276	100.00%	1,386
2005	337,190,170	325,033,543	96.39%	12,155,680	337,189,223	100.00%	947

Source: Municipality of Anchorage, Treasury Division.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 13

Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Revenue Bonds (1)	Special Assessment Bonds	Certificates of Participation	Notes and Loans	Capital Lease	Total Governmental Activities
2014	$ 464,818,361	$ 108,884,128	$ -	$ -	$ 5,780,168	$ 15,310,257	$ 594,792,914
2013	451,264,548	114,205,696	-	-	5,973,442	9,613,451	581,057,137
2012	482,046,822	119,212,265	-	-	6,188,701	11,634,331	619,082,119
2011	488,862,810	123,923,833	-	-	6,393,960	3,794,941	622,975,544
2010	487,341,763	148,375,000	-	-	6,535,000	3,642,532	645,894,295
2009	448,590,369	152,430,000	-	-	6,719,000	3,143,291	610,882,660
2008	475,781,420	156,180,000	-	-	6,894,000	4,088,564	642,943,984
2007	441,657,000	159,175,000	335,000	-	7,060,000	1,558,751	609,785,751
2006	411,256,115	161,725,000	600,000	-	7,160,000	2,014,682	582,755,797
2005	440,262,898	53,620,000	630,000	3,360,000	9,255,000	1,565,243	508,693,141

	Business-type Activities							
Fiscal Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Notes and Loans	Total Business-Type Activities	Total Primary Government	Percentage of Personal Income	Total Debt to Population
2014	$ -	$ 551,508,730	$ -	$ 245,683,469	$ 797,192,199	$ 1,391,985,113	8.12%	$ 4,631
2013	-	399,715,871	-	239,286,318	639,002,189	1,220,059,326	6.97%	4,052
2012	-	419,246,245	-	172,754,534	592,000,779	1,211,082,898	7.48%	4,053
2011	-	442,161,368	-	177,208,651	619,370,019	1,242,345,563	8.30%	4,194
2010	-	463,891,471	-	158,588,588	622,480,059	1,268,374,354	8.76%	4,346
2009	503,673	486,026,173	-	132,016,611	618,546,457	1,229,429,117	8.93%	4,231
2008	970,177	375,390,296	-	114,647,859	491,008,332	1,133,952,316	7.84%	3,979
2007	1,401,428	396,391,269	40,000	98,010,000	495,842,697	1,105,628,448	8.42%	3,895
2006	1,798,224	316,923,801	109,630	84,657,947	403,489,602	986,245,399	7.93%	3,487
2005	8,165,166	334,214,124	186,446	72,107,899	414,673,635	923,366,776	7.99%	3,319

Notes: Details regarding the Municipality of Anchorage's outstanding debt can be found in the notes to the financial statements. The Municipality of Anchorage routinely issues debt on an annual basis to finance new construction and refund prior existing debt for lower cost.

This schedule excludes debt related to the Anchorage School District, the Municipality of Anchorage's largest component unit.

(1) Includes CIVICVentures revenue bonds issued in 2006.

Source: Municipality of Anchorage, Finance Department.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 14

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Population (Table 18)	Assessed Value	General Obligation Bonds (Table 13)	Less: Available Resources	Net General Obligation Bonds	Ratio of GO Debt to Assessed Value of Property	Net GO Debt Per Capita
2014	300,549	33,304,523,825	464,818,361	3,603,206	461,215,155	1.38%	1,535
2013	301,134	32,599,587,241	451,264,548	3,535,603	447,728,945	1.37%	1,487
2012	298,576	31,714,337,376	482,046,822	3,789,823	478,256,999	1.51%	1,602
2011	296,197	31,596,540,551	488,862,809	774,548	488,088,261	1.54%	1,648
2010	291,826	31,463,676,892	487,341,763	1,070,990	486,270,773	1.55%	1,666
2009	290,588	31,453,348,714	449,094,042	814,460	448,279,582	1.43%	1,543
2008	284,994	30,580,821,146	476,751,597	1,007,077	475,744,520	1.56%	1,669
2007	283,823	29,269,105,519	443,058,428	1,139,219	441,919,209	1.51%	1,557
2006	282,813	25,844,114,757	413,054,339	1,230,134	411,824,205	1.59%	1,456
2005	278,241	22,089,545,903	448,428,064	1,855,430	446,572,634	2.02%	1,605

Notes: This schedule includes all general obligation bonds of the Municipality of Anchorage including both governmental activities and business-type activities.

This schedule excludes the general obligation debt of the Anchorage School District. That debt is reported in Table 15, direct and overlapping debt.

Source: Municipality of Anchorage, Treasury Division and Finance Division

MUNICIPALITY OF ANCHORAGE, ALASKA Table 15

Direct and Overlapping Debt

December 31, 2014

	Debt Outstanding	Percentage Overlap	Share of Direct and Overlapping Debt
Anchorage School District overlapping debt	580,485,000	100%	$ 580,485,000
Anchorage's direct debt (Table 13)			594,792,914
Total direct and overlapping debt			$ 1,175,277,914

Notes: Anchorage School District overlapping debt includes general obligation school bonds.
The Municipality of Anchorage's direct debt includes all debt reported for governmental activities (see Table 13).

Percentage of overlap is based on assessed property values.

Source: Debt outstanding balance obtained from Anchorage School District 2014 CAFR.

MUNICIPALITY OF ANCHORAGE, ALASKA Table 16

Legal Debt Margin

December 31, 2014

Legal Debt Margin

The Municipality of Anchorage has no legal debt limit mandated by the Municipal Charter, Municipal Code or state law.

Source: Municipality of Anchorage, Finance Department.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 17

Pledged- Revenue Coverage

Last Ten Fiscal Years

Electric Utility

Fiscal Year	Revenue (1)(2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis) Principal (4)	Interest (2)(4)	Total	Coverage (5)
2014	$ 140,578,329	$ 85,614,254	$ 54,964,075	$ 17,910,000	$ 10,719,674	$ 28,629,674	1.92
2013	116,439,242	69,979,738	46,459,504	17,085,000	10,684,851	27,769,851	1.67
2012	122,973,354	73,853,642	49,119,712	16,915,000	13,953,484	30,868,484	1.59
2011	138,326,743	88,336,864	49,989,879	16,945,000	14,969,376	31,914,376	1.57
2010	134,571,665	82,342,389	52,229,276	16,995,000	15,974,962	32,969,962	1.58
2009	120,484,857	71,496,357	48,988,500	17,270,000	9,460,410	26,730,410	1.83
2008	108,120,323	56,737,791	51,382,532	17,295,000	9,775,653	27,070,653	1.90
2007	103,846,120	42,968,092	60,878,028	17,725,000	10,714,687	28,439,687	2.14
2006	122,317,974	61,133,040	61,184,934	21,225,000	11,675,721	32,900,721	1.86
2005	119,283,380	71,146,481	48,136,899	13,310,000	12,650,207	25,960,207	1.85

(1) Excludes interest charged to construction and interest restricted for construction.
(2) Excludes Federal subsidy for 2013 and 2014
(3) Includes Municipal Utility Service Assessment per Municipal Ordinance AO 83-58 and excludes depreciation.
(4) 2014 Principal and Interest do not include the debt service for 1996 Senior Lien Bonds defeased during the year.
5) The required minimum revenue bond coverage is 1.35 and the all-debt minimum coverage is 1.10.
Commercial paper is not reflected on this schedule. If it were included, all-debt coverage for fiscal years 2014 and 2013 would be 1.53 and 1.33, respectively.

Solid Waste

Fiscal Year	Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis) Principal	Interest	Total	Coverage (3)
2014	$ 23,329,004	$ 14,536,455	$ 8,792,549	$ -	$ -	$ -	-
2013	22,622,652	14,986,951	7,635,701	-	-	-	-
2012	20,668,046	14,207,765	6,460,281	-	-	-	-
2011	19,015,890	12,893,218	6,122,672	-	-	-	-
2010	19,384,938	12,150,796	7,234,142	-	-	-	-
2009	20,094,151	12,546,222	7,547,929	360,000	4,837	364,837	20.69
2008	18,319,902	12,310,770	6,009,132	340,000	23,919	363,919	16.51
2007	16,638,808	14,320,344	2,318,464	320,000	41,925	361,925	6.41
2006	16,004,058	11,723,024	4,281,034	305,000	58,923	363,923	11.76
2005	16,250,609	9,837,244	6,413,365	290,000	74,844	364,844	17.58

(1) Excludes interest charged to construction.
(2) Excludes depreciation and Municipal Utility Service Assessment.
(3) Required minimum coverage 1.25.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 17 (continued)

Pledged- Revenue Coverage

Last Ten Fiscal Years

Port

Fiscal Year	Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis) Principal	Interest	Total	Coverage (3)
2014			-			-	(1)
2013	11,633,618	8,315,872	3,317,746	-	-	-	-
2012	12,062,773	7,863,295	4,199,478	-	-	-	-
2011	12,252,134	6,158,691	6,093,443	-	-	-	-
2010	12,427,622	5,818,956	6,608,666	-	-	-	-
2009	12,978,363	6,549,724	6,428,639	-	-	-	-
2008	12,543,838	6,900,782	5,643,056	-	-	-	-
2007	12,981,129	6,212,308	6,768,821	-	-	-	-
2006	12,599,691	4,270,976	8,328,715	1,330,000	39,900	1,369,900	6.08
2005	12,888,242	3,788,630	9,099,612	1,250,000	117,300	1,367,300	6.66

(1) Excludes interest charged to construction.

(2) Excludes depreciation and Municipal Utility Service Assessment.

(3) Required minimum coverage 1.35.

Water Utility

Fiscal Year	Revenue (1)	Assessment Collections (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis) Principal (4)	Interest	Total	Coverage (5)
2014	62,165,080	471,667	30,728,442	31,908,305	4,880,000	5,588,355	10,468,355	3.05
2013	59,140,595	248,752	29,916,083	29,473,264	6,015,000	5,785,568	11,800,568	2.50
2012	55,900,765	241,708	31,362,002	24,780,471	5,810,000	6,000,111	11,810,111	2.10
2011	52,238,591	351,036	30,811,206	21,778,421	4,760,000	6,206,089	10,966,089	1.99
2010	50,860,139	312,253	29,456,391	21,716,001	5,255,000	6,094,343	11,349,343	1.91
2009	50,391,141	301,479	28,054,018	22,638,602	4,095,000	7,632,687	11,727,687	1.93
2008	44,264,376	326,820	27,725,271	16,865,925	4,250,000	7,836,288	12,086,288	1.40
2007	44,755,119	292,321	26,714,777	18,332,663	3,960,000	5,549,972	9,509,972	1.93
2006	39,480,462	605,444	18,964,994	21,120,912	5,375,000	5,174,576	10,549,576	2.00
2005	39,214,137	475,004	18,733,157	20,955,984	5,185,000	5,394,050	10,579,050	1.98

(2) Assessment collections represent payments made by benefited property owners.

(3) Excludes depreciation and PERS relief distributed to labor for years 2006 through 2008, but includes special items and transfers to other funds commencing in 2007.

(4) Does not include Mini-Bonds of $1,956,000 repaid in 2014 as they have no debt service coverage requirements.

(5) Required minimum coverage is 1.15.

MUNICIPALITY OF ANCHORAGE, ALASKA
Pledged- Revenue Coverage
Last Ten Fiscal Years

Wastewater Utility

Fiscal Year	Revenue (1)	Assessment Collections (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirement (accrual basis) Principal (4)	Interest (4)	Total	Coverage (5)
2014	$ 51,711,625	$ 351,374	$ 31,018,722	$ 21,044,277	$ 5,402,093	$ 4,118,817	$ 9,520,910	2.21
2013	49,606,871	254,484	29,856,569	20,004,786	705,000	3,099,794	3,804,794	5.26
2012	47,373,573	308,997	29,383,573	18,298,997	670,000	3,127,634	3,797,634	4.82
2011	42,523,838	344,946	28,790,317	14,078,467	650,000	3,153,650	3,803,650	3.70
2010	37,853,165	501,616	27,872,010	10,482,771	615,000	3,181,475	3,796,475	2.76
2009	37,346,056	420,981	26,417,348	11,349,689	595,000	3,204,697	3,799,697	2.99
2008	34,954,522	842,664	24,844,546	10,952,640	575,000	3,225,638	3,800,638	2.88
2007	35,566,755	481,651	23,627,253	12,421,153	520,000	1,672,649	2,192,649	5.66
2006	31,163,232	1,017,357	17,576,955	14,603,634	95,000	1,361,319	1,456,319	10.03
2005	29,168,118	919,373	16,401,620	13,685,871	90,000	1,365,706	1,455,706	9.40

(1) Excludes allowance for funds used during construction and includes transfers from funds and non-operating revenue.
(2) Assessment Collections represent payments made by benefited property owners.
(3) Excludes Depreciation, PERS relief distributed to labor for years 2006 through 2008, but includes transfers to other funds commencing in 2007.
(4) Represents total principal and interest payments on all debt: Revenue bonds, Alaska Clean Water Fund and loan payable-other.
(5) Required Minimum Coverage is 1.15.

Roads and Drainage Special Assessments

Fiscal Year	Assessment Collected	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirement Principal	Interest	Total	Coverage
2014	305,744	n/a	305,744	-	-	-	-
2013	114,125	n/a	114,125	-	-	-	-
2012	226,889	n/a	226,889	-	-	-	-
2011	297,055	n/a	297,055	-	-	-	-
2010	652,751	n/a	652,751	-	-	-	-
2009	193,337	n/a	193,337	-	-	-	-
2008	195,300	n/a	195,300	145,000	11,056	156,056	1.25
2007	172,235	n/a	172,235	35,000	13,725	48,725	3.53
2006	252,409	n/a	252,409	30,000	51,083	81,083	3.11
2005	349,442	n/a	349,442	60,000	55,658	115,658	3.02

CIVICVentures

Fiscal Year	Hotel & Motel Tax Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirement Principal	Interest	Total	Coverage
2014	$ 6,461,469	n/a	$ 6,461,469	$ 1,555,000	$ 4,840,010	$ 6,395,010	1.01
2013	6,373,713	n/a	6,373,713	1,425,000	4,897,010	6,322,010	1.01
2012	6,322,010	n/a	6,322,010	1,300,000	4,945,760	6,245,760	1.01
2011	6,198,549	n/a	6,198,549	1,180,000	4,990,010	6,170,010	1.00
2010	6,125,400	n/a	6,125,400	1,070,000	5,027,460	6,097,460	1.00
2009	5,448,157	n/a	5,448,157	920,000	5,059,660	5,979,660	0.91
2008	5,827,392	n/a	5,827,392	305,000	5,070,335	5,375,335	1.08
2007	5,241,006	n/a	5,241,006	-	5,070,335	5,070,335	1.03
2006	5,053,453	n/a	5,053,453	-	2,943,611	2,943,611	1.72

Source: Municipality of Anchorage Finance Department; Municipal Light & Power Finance Department, Anchorage Water & Wastewater Finance Department, and Port of Anchorage Finance Department.

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 18

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Personal Income (1)	Total Personal Income (in thousands)	School Enrollment	Unemployment Rate (2)	Registered Voters
2014	300,549	$ 57,072	$ 17,152,933	47,929	5.1	199,606
2013	301,134	58,156	17,512,749	48,028	4.9	204,360
2012	298,842	54,196	16,196,041	48,734	5.6	211,989
2011	296,197	50,540	14,969,796	48,761	6.1	261,121
2010	291,826	49,629	14,483,033	48,570	6.9	262,792
2009	290,588	47,381	13,768,350	49,381	6.6	257,334
2008	284,994	50,755	14,464,870	48,440	5.9	264,880
2007	283,823	46,243	13,124,827	48,707	6.0	244,452
2006	282,813	43,957	12,431,611	49,320	5.0	201,440
2005	278,241	41,522	11,553,123	49,182	5.4	201,007

Notes:

(1) The Alaska Department of Labor and Workforce Development (ADLWD) has not published 2013 or 2014 Per Capita Personal Income for the Anchorage Municipal Area yet. Per capita income was estimated using the five previous years average increase for 2013 and 2014.

(2) The Alaska Department of Labor and Workforce Development amends every month the unemployment rate data for the previous month and again at the end of every calendar year. We change the prior fiscal year to match updated statistical information reported. For some consistency, other prior years remain unchanged.

Source:

Alaska Department of Labor and Workforce Development, Research and Analysis Section;
U.S. Census Bureau; and the Anchorage School District, Annual Financial Report; Bureau of Economic Analysis.

Information on per capita personal income in the Anchorage Municipal area is not available from the Alaska Department of Labor and Workforce Department.

MUNICIPALITY OF ANCHORAGE, ALASKA
Principle Employment by Industry
Current Year and Nine Years Ago

Table 19

2014 (*)				2005		
Industry		Average Quarterly Employment	% of Total Employment	Industry	Average Quarterly Employment	% of Total Employment
Retail Salespersons		6,621	19.33%	Retail Salespersons	7,121	22.60%
Cashiers		3,801	11.10%	Office Clerks, General	3,713	11.78%
Office and Admin Support Workers, All Other	(1)	3,469	10.13%	Combined Food Preparation and Serving Workers, Including Fast Food	3,232	10.26%
Personal Care Aides		3,426	10.00%	Cashiers	3,187	10.12%
Registered Nurses	(2)	3,390	9.90%	Waiters and Waitresses	2,701	8.57%
Office Clerks, General		3,091	9.02%	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,492	7.91%
Waiters and Waitresses		2,893	8.45%	Registered Nurses	2,411	7.65%
Combined Food Preparation and Serving Workers, Including Fast Food		2,849	8.32%	Executive Secretaries and Executive Administrative Assistants	2,316	7.35%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners		2,575	7.52%	Office and Admin Support Workers, All Other	2,259	7.17%
Laborers and Freight, Stock, and Material Movers, Hand		2,139	6.24%	Bookkeeping, Accounting, and Auditing Clerks	2,075	6.59%
Total Employment		34,254			31,507	

Note: Due to new federal confidentiality laws, the data for this table will now be based on major industry rather than principal employers.

(*) The 2014 Average Quarterly Worker count utilized 2013 fourth quarter worker counts due to insufficient 2014 fourth quarter data.
(1) The Office and Admin Support Workers, All Other occupation for 2014 includes Financial Clerks, All Other.
(2) The Registered Nurses occupation for 2014 includes the worker counts for Nurse Anesthetists, Nurse Midwives, and Nurse Practitioners.

Source: State of Alaska Department of Labor Workforce and Development, Research and Analysis Section

MUNICIPALITY OF ANCHORAGE, ALASKA

Table 20

Full-time Equivelant Employees

Last Ten Fiscal Years

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function										
General Government										
Fire services	376	372	383	355	377	395	403	401	385	363
Police services	484	505	529	522	537	572	552	532	521	517
Subtotal - public safety	860	877	912	877	914	967	955	933	906	880
General government	315	318	309	299	324	365	345	369	337	331
Health and human services	103	98	120	128	141	148	141	166	145	159
Economic and community development	238	218	226	200	219	230	202	259	215	192
Public transportation	152	147	142	152	158	158	159	158	156	153
Public works	287	278	285	358	379	412	405	430	408	386
Subtotal - other	1,095	1,059	1,082	1,137	1,221	1,313	1,252	1,382	1,261	1,221
Total - general government	1,955	1,936	1,994	2,014	2,135	2,280	2,207	2,315	2,167	2,101
Enterprise Funds										
Water	122	127	133	131	129	138	133	129	126	129
Wastewater	122	127	133	131	129	139	134	129	125	128
Electric	215	230	228	236	245	244	240	240	235	227
Port	19	22	21	21	22	22	21	25	21	20
Municipal airport	9	8	9	9	8	9	9	10	10	10
Solid waste	68	66	72	73	75	72	72	76	68	60
Refuse	27	27	21	21	21	20	20	20	21	20
Total - enterprise funds	582	607	617	622	629	644	629	629	606	594
Total	2,537	2,543	2,611	2,636	2,764	2,924	2,836	2,944	2,773	2,695

Note:
This table includes regular, seasonal and temporary full-time employees.
All election workers, Assembly members, and Board and Commission members were excluded.

Source: Municipality of Anchorage, Employee Relations Department.

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Table 21

Function	Fiscal Year 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fire services										
Number of stations	13	13	14	14	14	14	14	14	19	19
Fire suppression incidents	10,426	11,497	11,323	10,845	10,252	10,463	9,645	9,936	9,032	9,044
Emergency medical service incidents	20,719	21,183	21,485	19,505	19,749	19,072	18,716	18,297	18,730	17,480
Police services										
Number of stations	11	13	12	14	14	17	16	16	14	14
Health and human services										
Health clinic visits:										
Disease prevention and control	12,079	11,094	12,628	12,102	13,441	17,114	14,005	14,519	17,423	18,750
Reproductive health clinic	4,694	9,217	5,768	7,978	9,081	8,263	7,003	6,704	9,370	10,467
Maternal child health clinic	-	-	-	-	-	-	-	-	1,011	3,167
Women, Infants and Children	71,056	68,873	67,802	74,863	79,693	77,859	59,647	49,575	51,695	16,054
Environmental service customers:										
Customer service counter	9,224	7,404	6,135	12,894	14,302	10,726	10,238	21,390	21,890	27,565
Public facility inspections	2,327	2,260	2,225	2,519	1,801	2,650	3,002	3,683	3,210	2,587
Noise, nuisance, housing	733	817	1,169	973	1,046	1,370	1,141	760	361	1,080
Air quality and vehicle IM **(1)**	-	-	-	91,444	96,215	98,037	92,514	103,765	105,037	110,131
Daycare assistance families **(2)**	-	-	-	3,170	3,111	2,254	2,838	2,075	2,000	3,007
Licensed child care centers	117	112	106	109	104	109	111	118	113	124
Licensed child care homes	150	159	157	167	170	168	207	215	210	225
Economic and community development										
Cultural and recreation services:										
Total park acres **(3)**	16,061	16,061	16,061	16,000	16,000	16,000	16,000	16,000	16,000	10,938
Parks	262	262	248	248	248	248	248	248	248	242
Swim pools, indoor	6	6	6	6	6	6	5	5	6	5
Bike/ski trails (Miles)	282	282	270	270	270	270	270	270	270	250
Ski trails (Km)	212	212	149	149	149	134	134	134	na	na
Community recreation centers	15	15	15	16	16	16	16	16	16	4
Historic sites	27	27	27	27	27	27	27	27	27	27
Anchorage Museum at Rasmuson Center:										
Number of visitors	200,000	179,052	186,603	186,529	212,514	95,000	119,854	132,309	142,843	164,311
Value of museum collection	11,911,955	11,837,463	11,215,858	10,275,327	10,009,399	9,946,210	9,732,176	9,623,771	9,442,409	9,211,480
Value of 1% for Art collection	13,632,930	13,169,276	12,843,530	12,709,330	12,129,948	11,387,908	11,104,208	10,331,978	9,875,328	8,033,818
Anchorage Public Library:										
Branches	5	5	5	5	6	6	6	5	5	5
Items	1,677,756	604,716	624,477	611,663	623,162	644,677	605,000	675,000	644,332	654,418
Items circulated **(4)**	1,834,266	1,520,188	1,743,508	1,579,366	1,642,303	1,500,716	1,600,000	1,542,800	1,542,800	1,442,997
Reference responses	84,193	99,966	158,414	172,762	216,528	188,141	219,043	115,903	181,414	180,877
William Egan Civic and Convention Center:										
Events	268	211	231	254	203	248	443	513	458	323
Attendance	133,092	106,481	118,488	125,673	114,351	141,918	196,102	219,643	263,946	232,882

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Table 21 (continued)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function										
Dena'ina Civic and Convention Center:										
Events (*)	398	445	412	422	425	413	-	-	-	-
Attendance (*)	220,171	198,411	211,315	203,754	159,134	206,358	-	-	-	-
Alaska Center for the Performing Arts:										
Events	497	532	602	505	524	607	597	542	483	598
Attendance	228,705	220,391	266,205	226,799	231,556	300,293	251,258	230,436	221,744	238,300
George Sullivan Sports Arena:										
Events	136	130	105	140	150	167	163	169	172	171
Attendance	296,296	267,404	269,981	290,380	310,219	395,382	347,993	385,738	380,043	384,952
Anchorage Golf Course:										
Rounds played	29,721	28,088	31,303	34,968	28,624	34,454	27,861	31,564	29,075	35,250
Department of Neighborhoods:										
Weatherization clients **(5)**										
Total dwellings upgraded	-	-	-	693	596	535	226	187	171	142
Number of people served	-	-	-	1,852	1,555	1,165	601	506	607	436
Public transportation										
Average daily ridership:										
Weekdays	13,079	13,511	13,848	14,027	14,100	14,294	14,297	13,564	13,401	13,498
Saturdays	6,351	6,640	6,797	6,821	6,821	7,062	6,864	6,632	6,529	6,619
Sundays	3,753	3,777	3,848	3,881	3,899	3,816	3,670	3,486	3,518	3,499
Total annual ridership	3,860,714	3,986,877	4,088,549	4,148,501	4,145,569	4,184,141	4,220,677	3,989,137	3,948,228	3,975,074
Annual mileage	1,906,241	1,882,191	1,955,591	2,131,576	2,216,276	2,458,195	2,578,229	2,318,543	2,433,270	2,417,503
Timetable revenue hours	124,826	123,303	122,673	123,734	126,655	131,125	132,120	130,184	130,324	131,037
Public works										
Miles of streets and alleys:										
Anchorage Road Service Area										
Unpaved	6	6	7	7	7	9	12	12	12	12
Paved	663	617	614	613	608	606	600	596	595	594
Limited Road Service Area	315	313	316	313	307	298	298	298	297	297
Alleys	42	44	44	44	44	44	44	44	53	53
Water										
Number of customers	55,854	55,557	55,362	55,185	54,976	54,835	54,697	54,525	54,316	53,906
Average treatment plant production **(6)** (gallons/day)	22,183,241	22,900,000	22,100,000	22,700,000	23,100,000	22,600,000	21,930,000	22,850,000	22,095,359	22,958,708
Treatment plant capacity (gallons/day) **(7)**	64,000,000	65,000,000	65,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	59,000,000	59,000,000
Average well production (gallons/day) **(8)**	2,078,812	1,523,288	728,767	1,611,233	8,394,000	1,400,000	1,400,000	2,540,000	3,941,915	4,164,856
Miles of water mains	839	838	836	836	834	829	828	828	882	864
Public fire hydrants	5,949	5,917	5,897	5,887	5,874	5,851	5,817	5,786	5,775	5,724
Private fire hydrants	-	-	1,368	1,367	1,357	1,356	1,204	1,344	1,255	1,115

MUNICIPALITY OF ANCHORAGE, ALASKA
Miscellaneous Statistical Data by Function
Last Ten Fiscal Years

Table 21 (continued)

Function	Fiscal Year 2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Wastewater										
Number of customers	56,711	56,432	56,251	56,107	55,898	55,783	55,635	55,470	55,272	54,892
Average treatment (gallons/day) **(9)**	28,700,000	30,800,000	29,500,000	26,800,000	28,500,000	29,900,000	31,210,000	29,400,000	30,141,960	30,170,000
Treatment plant capacity (gallons/day)	61,100,000	61,100,000	61,100,000	61,100,000	61,100,000	61,270,000	61,270,000	61,270,000	61,270,000	61,100,000
Miles of wastewater lines:										
Interceptors	45	45	45	45	45	45	45	45	45	45
Trunks	84	83	83	83	83	83	82	82	82	82
Laterals	625	622	634	624	623	623	616	596	594	590
Electric										
Number of customers	30,791	30,786	30,747	30,603	30,481	30,406	30,352	30,244	30,091	30,100
Number of street lights	3,900	3,908	3,924	3,930	3,948	4,027	4,132	4,146	4,167	4,187
Circuit miles of overhead distribution lines	122	123	124	125	130	131	136	136	135	137
Miles of underground distribution lines	254	248	250	252	257	254	243	237	236	232
Plant generation capacity										
(30 degrees Fahrenheit) - KW	424,560	424,560	364,500	364,500	364,500	366,100	366,100	366,100	333,200	333,200
Port										
Tonnage	3,455,707	3,396,544	3,754,231	4,135,214	3,962,962	3,798,272	4,370,277	4,316,392	4,347,289	5,101,816
Municipal airport										
Landings and take-offs	125,588	128,031	131,777	130,779	150,146	168,062	169,313	174,848	187,798	190,816
Solid waste										
Total landfill/disposal customers	253,397	253,872	256,479	242,646	238,993	245,590	247,788	273,262	267,639	279,735
Total waste land filled (tons)	306,723	308,164	331,413	308,646	317,891	320,983	338,499	359,165	356,387	368,182
Refuse collection										
Average residential billed customers	9,974	10,002	10,020	10,000	9,994	9,912	9,879	10,102	9,929	9,978
Residential tons collected	8,723	9,516	9,644	9,810	10,673	11,824	12,528	13,246	13,519	13,946
Average commercial billed customers	1,855	1,847	1,880	1,898	1,890	1,878	1,884	1,895	1,895	1,824
Commercial tons collected	24,802	26,985	26,922	26,896	26,749	26,818	27,100	27,958	28,401	29,146

Note:

(*) Dena'ina Civic and Convention Center first opened for operation in September 2008. The first available information for events and attendance was in the fiscal year 2009.

1 The I/M Program made up the vast majority of customers counted in 2011. This statistic is no longer tracked due to the termination of the program.

2 The Daycare Assistance family program no longer exist.

3 Increase acreage is due to the conveyance of 61 acres of land located on the Campbell Creek Estuary from Great Land Trust in the form of a donation to the Municipality of Anchorage.

4 In 2014, the "Number of Items Circulated" increased because it now includes downloadable materials(electronic books) as well as data base usage.

5 As of 2012, the Weatherization Program has been discontinued and transferred to Rural Cap.

6 The decreased difference in treatment plant production from 2013 is the weather was cooler in 2014 than 2013. Also 2013 average treatment plant was changed from 22,900,000 to 23,262,274 due to the average did not include Girdwood wells.

7 In 2012, the change in capacity is due to standardization of the numbers being used. There has been some mixing of design capacity numbers with plant flow capacity in the past. The numbers represent the agreed upon system capacity at the current time.

8 In 2014 well production increased because Eklutna treatment plant was shut down for a couple of months for maintenance in the fall which increased well production. A change was made to 2013 average well production because Girdwood wells were not included in the average well production.

9 In 2014, the change in the average wastewater treatment is attributed to the reduction in rainfall, water production and repairs of the wastewater collection system.

Source: Municipality of Anchorage, Various Departments.

Source: Municipality of Anchorage, Various Departments.

This page intentionally left blank