

Anchorage Community Development Authority

**(A Component Unit of the Municipality of
Anchorage, Alaska)**

**Basic Financial Statements, Required
Supplementary Information, Supplementary
Information, and Other Information
Years Ended December 31, 2024 and 2023**

Anchorage Community Development Authority
(A Component Unit of the Municipality of Anchorage, Alaska)

Basic Financial Statements, Required Supplementary Information,
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Years Ended December 31, 2024 and 2023

Anchorage Community Development Authority

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Independent Auditor's Report

The Board of Directors
Anchorage Community Development Authority
Anchorage, Alaska

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Anchorage Community Development Authority (the "Authority"), a component unit of the Municipality of Anchorage, Alaska, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and 2023, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matters

As discussed in Note 1, the financial statements present only the Authority and do not purport to, and do not, present fairly the financial position of the Municipality of Anchorage, Alaska as of December 31, 2024 and 2023, the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-9 and the schedules of the Authority's proportionate share of the net pension and net other postemployment benefits (OPEB) liability (asset) and contributions on pages 54-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the



basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The 2024 Schedule of Revenue and Expenses and the 2023 Schedule of Revenue and Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the 2024 Schedule of Revenue and Expenses and the 2023 Schedule of Revenue and Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage, Alaska
September 5, 2025

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Management's Discussion and Analysis

Anchorage Community Development Authority

Management's Discussion and Analysis December 31, 2024

The Anchorage Community Development Authority ("ACDA" or the "Authority") was originally established as the Anchorage Parking Authority by Municipality of Anchorage Assembly ordinance 84-10(S) in 1984. In 2005, the new Authority was established by the Municipality of Anchorage Assembly ordinance 2004-181(S-1) and Easy Park remains a department within the larger Authority. The following is a discussion and analysis of ACDA's financial performance, providing an overview of the activities for the year ending December 31, 2024. This discussion and analysis contains other supplementary information, in addition to the basic financial statements for the year ended December 31, 2024. Please read it in conjunction with the ACDA's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows by \$25.2 million (net position) at the close of 2024. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25.6 million (net position) at the close of 2023. The Authority had an unrestricted net position at the end of 2024 of \$8.5 million and an unrestricted net position of \$7.0 million at the end of 2023.
- Operating revenue in 2024 was \$7.2 million which is a decrease of \$366,578 or 4.9% from 2023. Operating revenue in 2023 was \$7.5 million which is a decrease of \$127,407 or 1.7% less than the previous year. Non-operating revenue decreased in 2024 by \$3 million from the prior year, net of the gains and losses from the lease termination and the sale of the 716 West 4th Avenue building to the Municipality of Anchorage, which occurred in 2023.
- Operating expenses in 2024 were \$8.2 million which is an increase of \$.6 million or 7.9% over the previous year. Operating expenses in 2023 were \$7.6 million which was a decrease of \$1.5 million or 16.1% less than in 2022.

Overview of the Financial Statements

ACDA is a component unit of the Municipality of Anchorage. It is governed by a board of directors appointed by the mayor and subject to confirmation by the Anchorage Municipal Assembly.

The financial statements of ACDA are prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied on an accrual basis. Under the accrual method of accounting, the same method used by private-sector businesses, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred. The three basic financial statements of ACDA are as follows:

Statements of Net Position - These statements present information regarding the ACDA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Net position represents the total amount of assets and deferred outflows of resources less the total of liabilities and deferred inflows of resources. The Statement of Net Position classifies assets and liabilities as current or noncurrent.

Statements of Revenues, Expenses and Changes in Net Position - These statements present ACDA's operating revenues and expenses and nonoperating revenues and expenses for the fiscal year with the difference—the net income or loss—being combined with any capital contributions or repayments to determine the net change in net position for the fiscal year. That change, combined

Anchorage Community Development Authority

Management's Discussion and Analysis December 31, 2024

with last year's ending net position total, reconciles to the net position total at the end of this fiscal year.

Statements of Cash Flows - These statements report cash and investment activities for the fiscal year resulting from operating activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning-of-the-year cash balance reconciles to the cash and investment balance at the end of the current fiscal year. ACDA presents its statements of cash flows using the direct method of reporting.

Financial Analysis

The following condensed financial information was derived from the ACDA's financial statements and reflects the ACDA's changes during the fiscal year:

	Net Position			Percentage Change	
	2024	2023	2022	(2024-2023)	(2023-2022)
Current assets	\$ 9,572,045	\$ 11,015,574	\$ 27,676,255	(13.10%)	(60.20%)
Noncurrent assets	32,488,658	19,148,867	35,575,798	69.66%	(46.17%)
Total assets	42,060,703	30,164,441	63,252,053	39.44%	(52.31%)
Deferred outflows of resources	211,770	247,961	292,142	(14.60%)	(15.12%)
Total assets and deferred outflows of resources	42,272,473	30,412,402	63,544,195	39.00%	(52.14%)
Current liabilities	1,172,199	1,239,450	1,856,491	(5.43%)	(33.24%)
Noncurrent liabilities	3,865,382	2,611,822	15,447,788	48.00%	(83.09%)
Total liabilities	5,037,581	3,851,272	17,304,279	30.80%	(77.74%)
Deferred inflows of resources	12,049,552	918,338	24,086,041	1212.10%	(96.19%)
Total liabilities and deferred inflows of resources	17,087,133	4,769,610	41,390,320	258.25%	(88.48%)
Net position:					
Investment in capital assets	15,691,998	17,567,235	20,936,509	(10.67%)	(16.09%)
Restricted	1,038,112	1,042,481	-	(0.42%)	100.00%
Unrestricted	8,455,230	7,033,076	1,217,366	20.22%	563.36%
Total net position	\$ 25,185,340	\$ 25,642,792	\$ 22,153,875	(1.78%)	(15.75%)

The largest portion of the ACDA's net position, \$15.7 million in 2024 and \$17.6 million in 2023 is invested in capital assets (e.g., land, buildings, equipment, etc.). Outstanding debt is attributable to these assets for the LED Garage Retrofit, the purchase of new parking meters and lessee lease liability totaling \$1,659,925 for 2024 and \$539,151 for 2023. The ACDA uses its capital assets to provide parking spaces for the public on a monthly, daily or hourly basis and to provide retail or

Anchorage Community Development Authority

Management's Discussion and Analysis December 31, 2024

office space in their garage facilities. In 2024, ACDA entered into 3 new lessor leases which added \$11,119,459 in lease receivable and deferred inflow of resources to the financial statements. In 2023, the 716 West 4th Avenue building was sold, which accounts for the majority of the change in outstanding debt between 2023 and 2022.

	Change in Net Position			Increase/ Decrease	
	2024	2023	2022	(2024-2023)	(2023-2022)
Operating revenue:					
Parking revenue	\$ 6,740,666	\$ 6,302,006	\$ 5,835,278	\$ 438,660	\$ 466,728
Lease revenue	441,516	1,246,754	1,840,889	(805,238)	(594,135)
Total operating revenue	7,182,182	7,548,760	7,676,167	(366,578)	(127,407)
Operating expense	8,155,241	7,556,147	9,008,682	599,094	(1,452,535)
Operating income (loss)	(973,059)	(7,387)	(1,332,515)	(965,672)	1,325,128
Nonoperating revenue (expense), net	515,607	3,496,304	(203,990)	(2,980,697)	3,700,294
Change in net position	(457,452)	3,488,917	(1,536,505)	(3,946,369)	5,025,422
Net Position - beginning of the year	25,642,792	22,153,875	23,690,380	3,488,917	(1,536,505)
Net Position - ending	\$ 25,185,340	\$ 25,642,792	\$ 22,153,875	\$ (457,452)	\$ 3,488,917

The majority of the ACDA's assets were contributed by the Municipality of Anchorage. Effective in 2003, the municipal ordinance requires ACDA to make an annual payment for Municipal Enterprise Service Assessment (MESA) in lieu of property tax payments. In 2024 and 2023, ACDA incurred expenses relating to MESA of \$379,998 and \$591,505, respectively. In 2023, ACDA sold the building at 716 West 4th Avenue and terminated the lessor lease agreement with the Municipality of Anchorage. ACDA also impaired the Sockeye parking lot and reclassified it as an asset held for resale. The resulting gain on the sale, loss on the termination of the lease agreement, and the impairment of the parking lot asset caused a significant fluctuation in non-operating revenue (expense) between 2022 to 2024.

Capital Assets

During 2024, the Authority completed the installation of the new on-street parking meters. The project was valued at \$1.2 million. The Authority began the stairwell replacement project for the 7th Avenue garage. Costs incurred for 2024 were \$572,010 and \$21,636 in 2023. The Authority retired several assets in 2024. These included \$30,432 in lot improvements, and \$16,485 in security vehicles.

Total net capital assets decreased by \$754,463 in 2024. The \$736,214 net increase in non-depreciable and depreciable assets was offset by a net increase in accumulated depreciation and amortization of \$1.5 million. The majority of the increase in net capital assets was from continuing renovation of the 7th Ave garage stairwells and additional parking meters and vehicles.

Anchorage Community Development Authority

Management's Discussion and Analysis December 31, 2024

Net capital assets decreased by \$16,477,760 in 2023. A \$16,491,427 decrease in non-depreciable and depreciable assets was added to a net decrease in accumulated depreciation and amortization of \$13,667. The decrease was mostly due to the sale of the building in 2023. See more detail at Note 4.

Long-Term Debt

ACDA completed the LED lighting conversion for the 5th, 6th, and 7th avenue garages during 2022. ACDA has a 15-year long-term debt for the new equipment and installation. The balance on the note was \$360,087 as of December 31, 2024.

ACDA installed new street parking meters in 2024, and secured financing through Bank of America. The balance on the note was \$1,240,573 as of December 31, 2024. See more detail at Note 6.

Contacting the ACDA's Financial Management

This financial report is intended to provide an overview of the finances of the Anchorage Community Development Authority for those with an interest in this organization. If you have any questions about this report or need additional financial information, contact the Director of Finance for ACDA at 907-276-7275.

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Basic Financial Statements

Anchorage Community Development Authority

Statements of Net Position

December 31,	2024	2023
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 7,517,371	\$ 6,572,826
Restricted cash	526,331	500,470
Accounts receivable	1,284,626	619,514
Current portion of lease receivable	133,928	893,486
Prepaid expenses	50,939	213,928
Land held for resale	58,850	2,215,350
Total Current Assets	9,572,045	11,015,574
Noncurrent Assets		
Capital assets:		
Land and land improvements	12,728,795	12,728,795
Other capital assets, net of accumulated depreciation and amortization	4,623,128	5,377,591
Capital assets, net of accumulated depreciation and amortization	17,351,923	18,106,386
Note receivable	2,340,820	-
Lease receivable, net of current portion	11,757,803	-
Restricted asset- Net other postemployment benefits asset	1,038,112	1,042,481
Total Noncurrent Assets	32,488,658	19,148,867
Total Assets	42,060,703	30,164,441
Deferred Outflows of Resources		
Related to pensions	130,612	158,485
Related to other postemployment benefits	81,158	89,476
Total Deferred Outflows of Resources	211,770	247,961
Total Assets and Deferred Outflows of Resources	\$ 42,272,473	\$ 30,412,402

See accompanying notes to basic financial statements.

Anchorage Community Development Authority

Statements of Net Position, continued

<i>December 31,</i>	2024	2023
Liabilities, Deferred Inflows of Resources and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 116,716	\$ 503,208
Accrued expenses	132,542	52,182
Compensated absences	72,904	68,942
Unearned revenue	515,159	367,689
Current portion of lease liability	59,265	66,872
Deposits payable	5,262	1,880
Current portion of long-term debt	147,793	53,001
Due to Municipality of Anchorage	122,558	125,676
Total Current Liabilities	1,172,199	1,239,450
Noncurrent Liabilities		
Long-term debt, net of current portion	1,452,867	360,012
Lease liability, net of current portion	-	59,266
Net pension liability	2,412,515	2,192,544
Total Noncurrent Liabilities	3,865,382	2,611,822
Total Liabilities	5,037,581	3,851,272
Deferred Inflows of Resources		
Related to leases	11,754,831	853,100
Related to note receivable interest	249,346	-
Related to other postemployment benefits	45,375	65,238
Total Deferred Inflows of Resources	12,049,552	918,338
Net Position		
Net investment in capital assets	15,691,998	17,567,235
Restricted for net OPEB benefits	1,038,112	1,042,481
Unrestricted	8,455,230	7,033,076
Total Net Position	25,185,340	25,642,792
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 42,272,473	\$ 30,412,402

See accompanying notes to basic financial statements.

Anchorage Community Development Authority
Statements of Revenues, Expenses, and Changes in Net Position

<i>Years Ended December 31,</i>	2024	2023
Operating Revenues		
Parking violations	\$ 654,270	\$ 746,960
Parking fees:		
Garage and off-street lots	4,194,066	3,674,501
On-street meters	1,892,330	1,880,545
Lease rentals	441,516	1,246,754
Total Operating Revenues	7,182,182	7,548,760
Operating Expenses		
Wages and benefits	2,860,625	2,130,451
Professional fees	362,544	354,648
Contract services	1,245,550	968,559
Information services	153,948	139,784
Direct maintenance	370,881	321,166
Facility maintenance and contract services	272,792	175,896
Utilities	358,037	297,135
General expenses	906,865	1,187,296
Office expenses	34,812	49,450
Employee expenses	49,993	47,452
Development contributions	1,600	9,275
Depreciation and amortization	1,537,594	1,875,035
Total Operating Expenses	8,155,241	7,556,147
Operating loss	(973,059)	(7,387)
Nonoperating Revenues (Expenses)		
Gain on sale of capital assets	812	5,105,146
Loss on termination of lease	-	(936,237)
Interest income	425,908	475,825
PERS on behalf	100,082	(17,345)
Interest expense	(11,195)	(59,585)
Impairment loss	-	(1,071,500)
Total Nonoperating Revenues (Expenses)	515,607	3,496,304
Change in Net Position	(457,452)	3,488,917
Net Position, beginning of year	25,642,792	22,153,875
Net Position, end of year	\$ 25,185,340	\$ 25,642,792

See accompanying notes to basic financial statements.

Anchorage Community Development Authority

Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash Flows from Operating Activities		
Cash received from parking patrons and tenants	\$ 6,568,026	\$ 8,187,309
Cash paid for development contributions	(1,600)	(9,275)
Cash paid to suppliers and service providers	(3,928,668)	(4,405,920)
Cash paid to employees	(2,485,546)	(2,432,026)
Net cash from operating activities	152,212	1,340,088
Cash Flows from Capital and Related Financing Activities		
Purchase of capital assets	(783,131)	(1,110,103)
Issuance of long-term debt	1,240,573	-
Principal payments on long-term debt	(52,926)	(555,345)
Proceeds from sale of assets	812	5,105,146
Cash received from promissory note interest	65,026	-
Payments on leases	(66,873)	(68,313)
Cash paid for interest	(11,195)	(361,315)
Net cash from capital and related financing activities	392,286	3,010,070
Cash Flows from Investing Activities		
Interest received on investments	425,908	475,825
Net Increase in Cash and Investments	970,406	4,825,983
Cash and Investments, beginning of year	7,073,296	2,247,313
Cash and Investments, end of year	\$ 8,043,702	\$ 7,073,296
Reconciliation of Cash and Investments to Statements of Net Position		
Cash and investments	\$ 7,517,371	\$ 6,572,826
Restricted cash	526,331	500,470
Total Cash and Investments	\$ 8,043,702	\$ 7,073,296

See accompanying notes to basic financial statements.

Anchorage Community Development Authority

Statements of Cash Flows, continued

Years Ended December 31,	2024	2023
Reconciliation of Operating Loss to Net Cash Flows		
from Operating Activities:		
Operating loss	\$ (973,059)	\$ (7,387)
Adjustments to reconcile operating loss		
to net cash flows from operating activities:		
Depreciation and amortization	1,537,594	1,875,035
Noncash expense - PERS and OPEB on behalf	100,082	(17,345)
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable	(665,112)	(147,158)
Lease receivable	(10,998,245)	22,999,761
Prepaid expenses	162,989	(145,676)
Net other postemployment benefits asset	4,369	(50,829)
Deferred outflows of resources related to pensions	27,873	32,214
Deferred outflows of resources		
related to other postemployment benefits	8,318	11,967
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	(386,492)	169,582
Accrued expenses	80,360	47,481
Compensated absences	3,962	6,361
Unearned revenue	147,470	(18,295)
Deposits payable	3,382	(2,576)
Due to Municipality of Anchorage	(3,118)	2,920
Net pension liability	219,971	(248,264)
Deferred inflows related to leases	10,901,731	(23,131,996)
Deferred inflows of resources		
related to other postemployment benefits	(19,863)	(35,707)
Net Cash from Operating Activities	\$ 152,212	\$ 1,340,088

See accompanying notes to basic financial statements.

Anchorage Community Development Authority

Notes to Financial Statements Years Ended December 31, 2024 and 2023

1. Organization and Summary of Significant Accounting Policies

Organization

Anchorage Community Development Authority (“ACDA”, the “Authority”) was originally established as the Anchorage Parking Authority by the Municipality of Anchorage Assembly Ordinance 84-10(S) in 1984. In 2005, Anchorage Community Development Authority was reorganized by the Municipality of Anchorage Assembly Ordinance 2004-181(S-1).

The accompanying financial statements include the activities of the Authority, a public corporate authority of the Municipality of Anchorage (the “Municipality”). The Authority is a component unit of the Municipality but exists independently of and separately from the Municipality. This determination is based on the fact that the Board of Directors and Executive Director are appointed by the Mayor of Anchorage. The Authority has the power to purchase, construct, develop, operate facilities (including parking structures), and incur debt in furtherance of its corporate purpose.

The Authority has two primary purposes: buying, selling and developing property and other economic development activities, and the responsibility for operating, managing and controlling on-street and off-street parking throughout the municipality.

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheets, and revenues and expenses for the period. Actual results could differ from those estimates. The more significant policies and estimates applied in the preparation of the financial statements are discussed below.

Basis of Accounting and Financial Reporting

The financial statements of ACDA are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred; regardless of the timing of related cash flows. Operating revenues and expenses generally result from providing services in connection with ACDA’s principal ongoing operations.

Income Taxes

No provisions have been made for income taxes since the Authority is a governmental entity exempt from taxes. The Authority is not required to file a tax return.

Cash and Investments

Cash and investments are generally comprised of highly liquid instruments with original maturities of three months or less.

Anchorage Community Development Authority

Notes to Financial Statements

The Authority is also authorized to secure investments through the Municipality of Anchorage either by trading in the open market or participating in the Municipal Investment Pool. The Municipal Investment Pool is not registered with the Securities and Exchange Commission. The fair value of the pool is the same as the value of pool shares. As of December 31, 2024 and 2023, the Authority holds \$526,331 and \$500,470, respectively, of investments in the pool which represents less than 1% of the total investment pool. The Anchorage Municipal Code (AMC) 6.50.030 functions as the regulation oversight of the investment pool. According to AMC 6.50.030, the Municipality is authorized to purchase investments which meet the following rating and issuer requirements:

1. Obligations issued or guaranteed by the U.S. Government, U.S. agencies or U.S. government sponsored corporations and agencies.
2. Corporate debt securities that are guaranteed by the U.S. government or the Federal Deposit Insurance Corporation (FDIC) as to principal and interest.
3. Taxable and tax-exempt municipal securities having a long-term rating of at least “A-” by a nationally recognized rating agency or a taxable or tax-exempt municipal security having a short-term rating of at least “A-1” by S&P, “P-1” by Moody's or “F-1” by Fitch.
4. Debt securities issued and guaranteed by the International Bank for Reconstruction and Development (IBRD) and rated “AAA” by a nationally recognized rating agency.
5. Commercial paper, excluding asset-backed commercial paper, rated at least “A-1” by S&P, “P-1” by Moody's or “F-1” by Fitch.
6. Bank debt obligations, including unsecured certificates of deposit, notes, time deposits and bankers' acceptance (with maturities of not more than 365 days), and deposits with any bank, short-term obligations of which are rated at least “A-1” by S&P, “P-1” by Moody's or “F-1” by Fitch and 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 Moody's sovereign rating for bank deposits of “Aaa”, or an S&P sovereign rating of “AAA”, or a Fitch national rating of “AAA”, and subject to supervision and examination by federal or state banking authorities.
7. Repurchase agreements secured by obligations of the U.S. government, U.S. agencies or U.S. government-sponsored corporations and agencies.
8. Dollar denominated corporate debt instruments rated “BBB-” or better by S&P's Rating Service (investment grade) or the equivalent by another nationally recognized rating agency.
9. Dollar denominated corporate debt instruments rated below “BBB-” by S&P's Rating Service or the equivalent by another nationally recognized rating agency, including emerging market.

Anchorage Community Development Authority

Notes to Financial Statements

10. Dollar denominated debt instruments of foreign governments rated “BBB” or better by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
11. Asset-backed securities (ABS), other than commercial paper, collateralized by credit cards, automobile loans, leases and other receivables which must have a credit rating of “AA-” or above by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
12. Mortgage-backed securities (MBS), including generic mortgage-backed pass-through securities issued by GNMA, FHLMC, FNMA, nonagency mortgage-backed securities, collateralized mortgage obligations (CMOs), or commercial mortgage-backed securities (CMBS), which must have a credit rating of “AA-” or above by S&P’s Rating Service or the equivalent by another nationally recognized rating agency.
13. Debt issued by the Tennessee Valley Authority.
14. Money market mutual funds rated “Am” or better by S&P Rating Service, or the equivalent by another nationally recognized rating agency, and consisting of any or all of the securities authorized for investment in this section of the Code.
15. Alaska Municipal League Investment Pool (AMLIP), consistent with all other provisions of this Code.
16. Mutual fund investments so long as the overall nature of the fund is generally consistent with this section of the Code.
17. Interfund loans from a Municipal Cash Pool to a Municipal Fund.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Compensated Absences

The Authority records leave, including sick leave, as it is earned by the employees.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts, as well as bond issuance costs, are recognized during the current period.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability and net OPEB asset, and related deferred outflows of resources and deferred inflows of resources, and pension and OPEB expense, information about the fiduciary net position of the State of Alaska Public Employees’ Retirement System (PERS) and additions to/from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Anchorage Community Development Authority

Notes to Financial Statements

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of the net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These items are amortized to expense over time.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These items are amortized as a reduction to pension expense over time.

Land Held for Resale

The Authority acquires land, either through donations from the Municipality or by direct purchase, for the purpose of preparing it for development and reselling it to meet the Authority's long-term community revitalization goals. The land and all associated costs with preparing it for resale are classified as land held for resale. At the time of sale, the costs are transferred to cost of sales. Donated land is recorded at the estimated fair market value at the date the Authority has an enforceable legal claim to the property.

Revenue Recognition

Operating revenue is recognized when services are performed. The Authority generates revenue by offering hourly parking in its facilities. The Authority offers monthly passes to various businesses at the Authority's garages. The Authority controls all on-street meters within downtown Anchorage. By enforcing on-street parking, the Authority receives revenue from violations.

Accounts Receivable

An allowance for doubtful accounts for accounts receivable has not been established, as all receivables are considered fully collectible.

Capital Assets

Capital assets are stated at cost if purchased by the Authority. ACDA capitalizes assets with a useful life over one year or those purchased with monies from the capital budget. Capital assets contributed by the Municipality are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Depreciation is computed by use of the straight-line method over the estimated economic life of the asset. Additions are recorded at the original cost of contracted services, direct labor and material, interest and indirect overhead charges. The Authority assesses capital assets for impairment whenever events of changes in circumstance indicate that the service utility of the capital asset have both significantly and unexpectedly declined.

Anchorage Community Development Authority

Notes to Financial Statements

Estimated lives of major capital asset categories are as follows:

	Life in Years
Parking garages & upgrades	40
Garage improvements	10
Lot improvements	5
Furniture and fixtures	5
Equipment and vehicles	3-5
Parking meters	3-6

Retirement Plan

All full-time employees and certain permanent part-time employees of the Authority participate in the State of Alaska Public Employees' Retirement System (PERS). The Authority follows GASB Statement No. 68, *Accounting and Financial Reporting by Employers for Pensions*, which establishes standards for the measurement, recognition and display of pension expenditures/expense and related liabilities, assets, note disclosure and applicable required supplementary information in the financial reports of state and local governmental employers. In addition, the Authority follows GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses accounting and reporting issues of costs and obligations related to postemployment healthcare and other non-pension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB.

Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is ACDA's policy to use externally restricted resources first, then unrestricted resources.

Leases

Lessee:

The Authority is party to multiple leases of nonfinancial assets as a lessee. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statements of net position.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Anchorage Community Development Authority

Notes to Financial Statements

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

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

Lessor:

The Authority has leased to third-parties multiple nonfinancial assets. The Authority recognizes a lease receivable and a deferred inflow of resources in the statements of net position.

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

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

2. Cash and Investments

The following is a reconciliation of the Authority's cash and investment balances to the financial statements as of December 31, 2024.

<i>December 31, 2024</i>	Carrying Value	Bank Balances
Bank deposits	\$ 7,501,955	\$ 7,686,163
Restricted Municipal Pool Investments	526,331	526,331
Cash on hand	15,416	-
Total Cash and Investments	\$ 8,043,702	\$ 8,212,494

Anchorage Community Development Authority

Notes to Financial Statements

The following is a reconciliation of the Authority's cash and investment balances to the financial statements as of December 31, 2023.

<i>December 31, 2023</i>	Carrying Value	Bank Balances
Bank deposits	\$ 6,557,233	\$ 6,583,610
Restricted Municipal Pool Investments	500,470	500,470
Cash on hand	15,593	-
Total Cash and Investments	\$ 7,073,296	\$ 7,084,080

Cash and investments are reported as follows:

<i>December 31,</i>	2024	2023
Cash and investments	\$ 7,517,371	\$ 6,572,826
Restricted deposits	526,331	500,470
Total Cash and Investments	\$ 8,043,702	\$ 7,073,296

Custodial credit risk for deposits and investments is the risk that in the event of the failure of a depository financial institution a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The deposits in the bank are Federal Deposit Insurance Corporation (FDIC) insured up to \$250,000 and the partial amounts over that are protected with a Federal Farm Credit Bank Bond. As of December 31, 2024 and 2023, all bank deposits of the Authority were insured or covered under this collateralization agreement.

The Authority reports restricted cash for amounts received in escrow accounts established under debt agreements that is required to be spent on the related capital improvements. At December 31, 2024 and 2023, the Authority reported \$526,331 and \$500,470 in restricted deposits for capital.

3. Land Held for Resale and Impairment Loss

Land held for resale consists of the following at December 31, 2024 and 2023:

<i>December 31,</i>	2024	2023
Northpoint Bluff	\$ 58,850	\$ 58,850
Sockeye Lot 3 rd & C	-	2,156,500
Total Land Held for Resale	\$ 58,850	\$ 2,215,350

In December 2023, the Authority entered into a purchase and sale agreement with Mash, LLC for the Sockeye Lot, located at 220 West 3rd Avenue and the land was reappraised. The carrying value prior to the land appraisal was \$3,228,000 which resulted in an impairment loss of \$1,071,500 for fiscal year ending December 31, 2023. The land value was reduced to \$2,156,500 and reclassified to land held for sale at December 31, 2023.

Anchorage Community Development Authority

Notes to Financial Statements

In February 2024, the Authority closed the sale of its Sockeye parking lot to Mash, LLC. The sale is owner financed with an interest only period for the first 3 years at 5.75%. The Authority will recognize \$359,058 in interest revenue over those 3 years, with full principal due from buyer at 36 months. The remaining note receivable as of December 31, 2024 was \$2,340,820 and the deferred inflow of resources for the interest was \$249,346.

4. Capital Assets

A summary of capital assets at December 31, 2024 is as follows:

	January 1, 2024	Additions	Deletions	December 31, 2024
Capital assets not being depreciated:				
Land and land improvements	\$ 12,728,795	\$ -	\$ -	\$ 12,728,795
Capital assets being depreciated and amortized:				
Parking garages	48,539,218	572,010	-	49,111,228
Lot improvements	591,965	-	(30,432)	561,533
Furniture and fixtures	25,472	-	-	25,472
Equipment and vehicles	2,317,641	60,897	(16,485)	2,362,053
Parking meters	1,148,035	150,224	-	1,298,259
Right-to-use vehicles	23,552	-	-	23,552
Right-to-use buildings	283,816	-	-	283,816
Total capital assets being depreciated and amortized	52,929,699	783,131	(46,917)	53,665,913
Less accumulated depreciation and amortization for:				
Parking garages	44,554,632	1,224,066	-	45,778,698
Lot improvements	591,966	-	(30,432)	561,534
Furniture and fixtures	23,720	1,752	-	25,472
Equipment and vehicles	2,085,065	159,822	(16,485)	2,228,402
Parking meters	111,715	86,360	-	198,075
Right-to-use leased vehicles	14,721	8,831	-	23,552
Right-to-use leased buildings	170,289	56,763	-	227,052
Total accumulated depreciation and amortization	47,552,108	1,537,594	(46,917)	49,042,785
Total capital assets being depreciated and amortized, net	5,377,591	(754,463)	-	4,623,128
Total Capital Assets, net	\$ 18,106,385	\$ (754,463)	\$ -	\$ 17,351,923

Depreciation and amortization expense in 2024 was \$1,537,594.

Anchorage Community Development Authority

Notes to Financial Statements

A summary of capital assets at December 31, 2023 is as follows:

	January 1, 2023	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land and land improvements	\$ 15,956,795	\$ -	\$ (3,228,000)	\$ 12,728,795
Capital assets being depreciated and amortized:				
Parking garages	62,744,396	66,573	(14,271,751)	48,539,218
Lot improvements	638,531	-	(46,566)	591,965
Furniture and fixtures	25,472	-	-	25,472
Equipment and vehicles	2,363,903	7,210	(53,472)	2,317,641
Parking meters	113,456	1,036,320	(1,741)	1,148,035
Right-to-use vehicles	23,552	-	-	23,552
Right-to-use buildings	283,816	-	-	283,816
Total capital assets being depreciated and amortized:	66,193,126	1,110,103	(14,373,530)	52,929,699
Less accumulated depreciation and amortization for:				
Parking garages	44,719,217	1,622,337	(1,786,922)	44,554,632
Lot improvements	638,128	404	(46,566)	591,966
Furniture and fixtures	21,808	1,912	-	23,720
Equipment and vehicles	1,956,695	181,842	(53,472)	2,085,065
Parking meters	113,457	-	(1,742)	111,715
Right-to-use leased vehicles	2,944	11,777	-	14,721
Right-to-use leased buildings	113,526	56,763	-	170,289
Total accumulated depreciation and amortization	47,565,775	1,875,035	(1,888,702)	47,552,108
Total capital assets being depreciated and amortized, net	18,627,351	(764,932)	(12,484,828)	5,377,591
Total Capital Assets, net	\$ 34,584,146	\$ (764,932)	\$ (15,712,828)	\$ 18,106,386

Depreciation and amortization expense in 2023 was \$1,875,035.

On August 1, 2023, the Authority sold its multistory building on 716 W. 4th Avenue to the Municipality of Anchorage. The Authority formerly leased the building to the Municipality. The Authority received \$18,300,000 in proceeds from the sale, of which \$13,040,173 was used to settle the remaining principal balance of the Authority's mortgage on the property. The net book value of the building at the time of sale was \$12,484,829. After liquidation of the loan and adjustment for the lease arrangement with the Municipality of Anchorage, the gain on the sale of the building was \$5,105,146.

Anchorage Community Development Authority

Notes to Financial Statements

5. Leases

Lease payable

The Authority, as lessee, has entered into multiple lease agreements for various nonfinancial assets. As of December 31, 2024 and 2023, the outstanding balance of the leases was \$59,265 and \$126,138, respectively. The Authority is required to make monthly principal and interest payments. The Authority has used an incremental borrowing rate of 2.28% as the discount rate for leases. The nonfinancial assets have various useful lives. No material direct costs payments were made. The value of the right-to-use asset as of December 31, 2024, was \$307,368 and had accumulated amortization of \$250,604.

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

<i>Year Ending December 31,</i>	Principal	Interest	Total
2025	59,265	735	60,000
Total	\$ 59,265	\$ 735	\$ 60,000

Lease receivable

The Authority, as lessor, has entered into multiple-year lease agreements to third parties for various nonfinancial assets. The lengths of the lease terms vary, and the Authority has used an incremental borrowing rate of 4.58% as the discount rate when the stated interest rate was not included in the contract. The Authority received payments totaling \$214,964 and \$2,058,134 for the years ended December 31, 2024 and 2023, respectively. The Authority recognized \$225,630 and \$1,246,754 in lease revenue and \$73,608 and \$94,383 in interest revenue for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the Authority's receivable for lease payments was \$11,891,731 and \$893,486, respectively. The Authority recognized a deferred inflow of resource associated with the leases of \$11,754,831 and \$853,100, respectively, on December 31, 2024 and 2023, that will be recognized as revenue over the remainder of the lease terms.

6. Long-term Liabilities

Direct Borrowings - Long-term Loans

In June 2018, the ACDA board of directors approved the purchase of a building located at 716 W. 4th Avenue. On August 2, 2018, ACDA closed on this purchase. ACDA utilized the 7th Avenue parking garage as collateral for the loan from direct borrowing with Key Government Finance, Inc. The carrying value of the collateral was zero at December 31, 2023. It is a 15-year loan for \$14,432,000 at 5.35% interest rate. Loan payments were made twice a year on February 1st and August 1st, and would mature on August 1, 2038. As of December 31, 2022, the balance was \$12,988,361. On August 1, 2023 the building was sold to Municipality of Anchorage, and the loan including the interest accrued through July 31, 2023 was paid off.

In April 2021, ACDA entered into a \$537,300 loan through the Municipality of Anchorage's Master Lease Agreement with Key Government Finance, Inc. to fund the LED Garage Retrofit project. The loan is repaid quarterly over 10 years through April 2031 at an interest rate of 2.28% and is secured by the assets of the Municipality. The balance at December 31, 2024 and 2023 was \$360,087 and \$413,013, respectively.

Anchorage Community Development Authority

Notes to Financial Statements

In November 2024, ACDA entered into a \$1,240,573 loan through the Municipality of Anchorage's Master Equipment Lease Agreement with Bank of America Public Capital Corp to fund the parking meter financing. The loan is repaid monthly over 11 years through January 2035 at an interest rate of 4.5863% and it is secured by the assets of Municipality. The balance at December 31, 2024 and 2023 was \$1,240,573 and \$0, respectively.

Changes in Long-term Liabilities

Changes in the long-term liabilities for the year ended December 31, 2024 were as follows:

	Balance January 1, 2024	Addition	Reductions	Balance December 31, 2024	Due Within One Year
Direct borrowing - Loans	\$ 413,013	\$ 1,240,573	\$ (52,926)	\$ 1,600,660	\$ 147,793
Lease payable	126,138	-	(66,873)	59,265	59,265
Net pension liability	2,192,544	219,971	-	2,412,515	-
Compensated absences*	68,942	3,962	-	72,904	72,904
Total long-term liabilities	\$ 2,800,637	\$ 1,464,506	\$ (119,799)	\$ 4,145,344	\$ 279,962

*For compensated absences, the implementation of GASB Statement No. 101 allows for the disclosure of the net change for the changes in long-term liabilities, instead of compensated absences earned and taken.

Changes in the long-term liabilities for the year ended December 31, 2023 were as follows:

	Balance January 1, 2023	Addition	Reductions	Balance December 31, 2023	Due Within One Year
Direct borrowing - Loans	\$ 13,453,186	\$ -	\$ (13,040,173)	\$ 413,013	\$ 53,001
Lease payable	194,451	-	(68,313)	126,138	66,872
Net pension liability	2,440,808	-	(248,264)	2,192,544	-
Compensated absences	62,581	150,022	(143,661)	68,942	68,942
Total long-term liabilities	\$ 16,151,026	\$ 150,022	\$ (13,500,411)	\$ 2,800,637	\$ 188,815

The annual debt service requirement of this loan from direct borrowings is as follows:

Year Ending December 31,	Principal	Interest	Total Payment
2025	\$ 147,793	\$ 55,621	\$ 203,414
2026	159,419	58,818	218,237
2027	165,552	52,685	218,237
2028	171,941	46,296	218,237
2029	178,599	39,639	218,238
2030-2034	777,356	96,354	873,710
	\$ 1,600,660	\$ 349,413	\$ 1,950,073

Total interest expense was \$11,195 and \$59,585 at December 31, 2024 and 2023, respectively.

Anchorage Community Development Authority

Notes to Financial Statements

7. Retirement Plans

General Information About the Plan

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

The Plan is included in a comprehensive annual financial report that includes financial statements and other required supplemental information. That report is available via the internet at <https://drb.alaska.gov/docs/reports/#pers>. Actuarial valuation reports, audited financial statements, and other detailed plan information are also available on this website.

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

(a) Defined Benefit (DB) Pension Plan

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

Historical Context and Special Funding Situation

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

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

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

Anchorage Community Development Authority

Notes to Financial Statements

Employee Contribution Rates

Regular employees are required to contribute 6.75% of their annual covered salary.

Employer and Other Contribution Rates

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

Employer Effective Rate: This is the contractual employer pay-in rate. Under current legislation, the amount calculated for the statutory employer effective contribution rate is 22% on eligible wages. This 22% rate is calculated on all PERS participating wages, including those wages attributable to employees in the DC plan. Contributions derived from the DC employee payroll is referred to as the Defined Benefit Unfunded Liability or DBUL contribution.

ARM Board Adopted Rate: This is the rate formally adopted by the Alaska Retirement Management Board. This rate is actuarially determined and used to calculate annual Plan funding requirements, without regard to the statutory rate cap or the GASB accounting rate. Effective July 1, 2015, the Legislature requires the ARM Board to adopt employer contribution rates for past service liabilities using a level percent of pay method over a closed 25-year term which ends in 2039. This change results in lower ARM Board Rates than previously adopted.

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

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Anchorage Community Development Authority

Notes to Financial Statements

The Authority's contribution rates for the 2024 calendar year were as follows:

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

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

The Authority's contribution rates for the 2023 calendar year were as follows:

<i>January 1, 2023 to June 30, 2023</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	18.38%	2.79%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.41%	-%
Total Contribution Rates	24.79%	2.79%

<i>July 1, 2023 to December 31, 2023</i>	ARM Board Adopted Rate	State Contribution Rate
Defined benefit plans:		
Pension	18.47%	3.10%
Postemployment healthcare (ARHCT)	-%	-%
Defined contribution - Pension	6.63%	-%
Total Contribution Rates	25.10%	3.10%

Anchorage Community Development Authority

Notes to Financial Statements

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

In 2024, the Authority was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2023 to June 30, 2024	Authority Fiscal Year January 1, 2024 to December 31, 2024
Employer contributions (including DBUL)	\$ 200,455	\$ 210,684
Nonemployer contributions (on-behalf)	43,187	59,118
Total Contributions	\$ 243,642	\$ 269,802

In 2023, the Authority was credited with the following contributions to the pension plan:

	Measurement Period July 1, 2022 to June 30, 2023	Authority Fiscal Year January 1, 2023 to December 31, 2023
Employer contributions (including DBUL)	\$ 215,992	\$ 196,333
Nonemployer contributions (on-behalf)	42,112	42,154
Total Contributions	\$ 258,104	\$ 238,487

In addition, employee contributions to the Plan totaled \$12,340 and \$13,378 during the Authority's fiscal years 2024 and 2023, respectively.

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Anchorage Community Development Authority

Notes to Financial Statements

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

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

	2024	2023
Authority proportionate share of NPL	\$ 2,412,515	\$ 2,192,544
State's proportionate share of NPL associated with the Authority	902,149	728,650
Total Net Pension Liability	\$ 3,314,664	\$ 2,921,194

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net pension liability as of that date. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 to calculate the net pension liability as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, including the State, actuarially determined. At the June 30, 2024 measurement date, the Authority's proportion was 0.04399 percent, which was an increase of 0.00171 from its proportion measured as of June 30, 2023. At the June 30, 2023 measurement date, the Authority's proportion was 0.04789 percent, which was a decrease of 0.00561 from its proportion measured as of June 30, 2022.

For the years ended December 31, 2024 and 2023, the Authority recognized pension expense of \$500,819 and 77,673 respectively, and on-behalf revenue of \$43,187 and \$42,112, respectively, for support provided by the State. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 23,224	\$ -
Authority contributions subsequent to the measurement date	107,388	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 130,612	\$ -

Anchorage Community Development Authority

Notes to Financial Statements

At December 31, 2023, the Authority reported deferred outflow of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 57,229	\$ -
Authority contributions subsequent to the measurement date	101,256	-
Total Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions	\$ 158,485	\$ -

The \$107,388 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,

2025	\$ (64,660)
2026	120,375
2027	(17,769)
2028	(14,722)
Total Amortization	\$ 23,224

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Anchorage Community Development Authority

Notes to Financial Statements

Actuarial Assumptions

The total pension liability for the measurement period ended June 30, 2024 and 2023 was determined by an actuarial valuation as of June 30, 2023 and 2022, respectively, using the actuarial assumptions listed below, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024 and 2023, respectively:

June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2025 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Anchorage Community Development Authority

Notes to Financial Statements

June 30, 2023:

Actuarial cost method	Entry age normal
Amortization methodology	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50%
Salary increases	Increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions for the Plan for the fiscal years 2024 to 2039. The liability is expected to go to zero at 2039.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

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

Anchorage Community Development Authority

Notes to Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return, excluding the inflation component of 2.39% and 2.82%, for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 and 2023, respectively are summarized in the following table:

June 30, 2024:

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

June 30, 2023:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.17%
Global equity (non-U.S.)	18%	+/- 4%	6.55%
Aggregate bonds	19%	+/- 10%	1.63%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.87%
Private equity	14%	+/- 7%	11.57%
Cash equivalents	-%	-%	0.49%

Discount Rate

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

Anchorage Community Development Authority

Notes to Financial Statements

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

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

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
2024				
Authority's proportionate share of the net pension liability	0.04399%	\$ 3,213,697	\$ 2,412,515	\$ 1,734,523

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
2023				
Authority's proportionate share of the net pension liability	0.04228%	\$ 2,943,484	\$ 2,192,544	\$ 1,558,221

Pension Plan Fiduciary Net Position

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

(b) Defined Contribution (DC) Pension Plan

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

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

Anchorage Community Development Authority

Notes to Financial Statements

Benefit Terms

Employees are immediately vested in their own contributions and vest 25% with two years of service, plus an additional 25% per year thereafter for full vesting at five years of service. Nonvested employer contributions are forfeited upon termination of employment from the Plan. Such forfeitures were applied in the years ended December 31, 2024 and 2023 to cover a portion of the Authority's employer match contributions. For the year ended December 31, 2024 and 2023, forfeitures reduced pension expense by \$17,063 and \$3,988, respectively.

Employee Contribution Rate

For the years ended December 31, 2024 and 2023, employees are required to contribute 8% of their annual covered salary. This amount goes directly to the individual's account.

Employer Contribution Rate

For the years ended December 31, 2024 and 2023, the Authority was required to contribute 5% of covered salary into the Plan.

The Authority and employee contributions to PERS for pensions for the year ended December 31, 2024 were \$70,592 and \$112,947, respectively. The Authority contribution amount was recognized as pension expense/expenditures. The Authority and employee contributions to PERS for pensions for the year ended December 31, 2023 were \$63,334 and \$101,335, respectively. The Authority contribution amount was recognized as pension expense.

(c) Defined Benefit OPEB Plans

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

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

Employer Contribution Rate

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

Anchorage Community Development Authority

Notes to Financial Statements

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

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

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

Employer contribution rates for the year ended December 31, 2023 were as follows:

<i>January 1, 2023 to June 30, 2023</i>	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.10%	1.10%
Occupational Death and Disability Benefits	0.30%	0.68%
Total Contribution Rates	1.40%	1.78%

<i>July 1, 2023 to December 31, 2023</i>	Other	Peace/Fire
Alaska Retiree Healthcare Trust	-%	-%
Retiree Medical Plan	1.01%	1.01%
Occupational Death and Disability Benefits	0.30%	0.68%
Total Contribution Rates	1.31%	1.69%

In 2024, the Authority was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2023 to June 30, 2024	Authority Fiscal Year January 1, 2024 to December 31, 2024
Employer contributions - ARHCT	\$ 4,098	\$ 10,508
Employer contributions - RMP	13,299	12,957
Employer contributions - ODD	3,950	3,801
Total Contributions	\$ 21,347	\$ 27,266

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Notes to Financial Statements

In 2023, the Authority was credited with the following contributions to the OPEB plans:

	Measurement Period July 1, 2022 to June 30, 2023	Authority Fiscal Year January 1, 2023 to December 31, 2023
Employer contributions - ARHCT	\$ 7,051	\$ -
Employer contributions - RMP	15,032	13,367
Employer contributions - ODD	4,100	3,800
Total Contributions	\$ 26,183	\$ 17,167

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

At December 31, 2024 and 2023, the Authority reported an asset for its proportionate share of the net OPEB asset (NOA) that reflected a reduction for State OPEB support provided to the Authority. The amount recognized by the Authority for its proportional share, the related State proportion, and the total were as follows:

	2024	2023
Authority's proportionate share of NOA - ARHCT	\$ 971,532	\$ 970,081
Authority's proportionate share of NOA - RMP	32,214	38,063
Authority's proportionate share of NOA - ODD	34,366	34,337
Total Authority's Proportionate Share of NOA	\$ 1,038,112	\$ 1,042,481
State's proportionate share of the ARHCT NOA associated with the Authority	360,757	325,014
Total Net OPEB Asset	\$ 1,398,869	\$ 1,367,495

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 and adjusted to reflect updated assumptions to calculate the net OPEB assets as of that date. The Authority's proportion of the net OPEB assets were based on a projection of the Authority's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating entities, actuarially determined.

	June 30, 2023 Measurement Date Employer Proportion	June 30, 2024 Measurement Date Employer Proportion	Change
Authority's proportionate share of the net OPEB assets:			
ARHCT	0.04216%	0.04412%	0.00196 %
RMP	0.08016%	0.06911%	(0.01105)%
ODD	0.06693%	0.05757%	(0.00936)%

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Notes to Financial Statements

	June 30, 2022 Measurement Date Employer Proportion	June 30, 2023 Measurement Date Employer Proportion	Change
Authority's proportionate share of the net OPEB asset:			
ARHCT	0.04740%	0.04216%	(0.00524)%
RMP	0.08086%	0.08016%	(0.00070)%
ODD	0.06870%	0.06693%	(0.00177)%

For the year ended December 31, 2024 and 2023, the Authority recognized OPEB expense (benefit) of \$36,648 and (\$89,866), respectively. Of this amount for 2024 and 2023, \$14,186 and \$(55,387) was recorded for on-behalf revenue and expense for support provided by the ARHCT plan, respectively. OPEB expense (benefit) and on-behalf revenue is listed by plan in the table below:

2024 - Plan:	OPEB Expense (Benefit)	On-behalf Revenue
ARHCT	\$ 32,705	\$ 14,186
RMP	3,144	-
ODD	799	-
Total	\$ 36,648	\$ -

2023 - Plan:	OPEB Expense (Benefit)	On-behalf revenue
ARHCT	\$ (111,455)	\$ (55,387)
RMP	17,058	-
ODD	4,531	-
Total	\$ (89,866)	\$ (55,387)

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Anchorage Community Development Authority

Notes to Financial Statements

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

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 526	\$ 811	\$ -	\$ 1,337
Changes in assumptions	26,084	10,901	-	36,985
Difference between projected and actual investment earnings	14,795	455	110	15,360
Changes in proportion and differences between Authority contributions and proportionate share of contributions	-	1,490	7,729	9,219
Authority contributions subsequent to the measurement date	10,508	6,011	1,738	18,257
Total Deferred Outflows of Resources Related to OPEB Plans	\$ 51,913	\$ 19,668	\$ 9,577	\$ 81,158
<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ (3,580)	\$ (8,051)	\$ (11,631)
Changes in assumptions	-	(21,655)	(85)	(21,740)
Changes in proportion and differences between Authority contributions and proportionate share of contributions	(7,827)	(3,733)	(444)	(12,004)
Total Deferred Inflows of Resources Related to OPEB Plans	\$ (7,827)	\$ (28,968)	\$ (8,580)	\$ (45,375)

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Anchorage Community Development Authority

Notes to Financial Statements

At December 31, 2023, the Authority reported collective deferred outflows of resources and deferred inflows of resources related to OPEB plans from the following sources:

<i>Deferred Outflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ 2015	\$ 1,160	\$ -	\$ 3,175
Changes in assumptions	-	4,093	-	4,093
Difference between projected and actual investment earnings	44,153	3,190	793	48,136
Changes in proportion and differences between City contributions and proportionate share of contributions	19,448	134	6,250	25,832
City contributions subsequent to the measurement date	-	6,353	1,887	8,240

Total Deferred Outflows of Resources Related to OPEB Plans	\$ 65,616	\$ 14,930	\$ 8,930	\$ 89,476
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<i>Deferred Inflows of Resources</i>	ARHCT	RMP	ODD	Total
Difference between expected and actual experience	\$ -	\$ (1,229)	\$ (9,648)	\$ (10,877)
Changes in assumptions	(17,852)	(30,952)	(143)	(48,947)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(4,878)	(536)	(5,414)

Total Deferred Inflows of Resources Related to OPEB Plans	\$ (17,852)	\$ (37,059)	\$ (10,327)	\$ (65,238)
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Amounts reported as deferred outflows of resources related to OPEB plans resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction in the net OPEB assets in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

<i>Year Ending December 31,</i>	ARHCT	RMP	ODD	Total
2025	\$ (35,829)	\$ (5,422)	\$ (476)	\$ (41,727)
2026	97,990	(677)	593	97,906
2027	(15,706)	(5,375)	(353)	(21,434)
2028	(12,877)	(3,587)	(479)	(16,943)
2029	-	(1,754)	(296)	(2,050)
Thereafter	-	1,504	270	1,774
Total Amortization	\$ 33,578	\$ (15,311)	\$ (741)	\$ 17,526

Anchorage Community Development Authority

Notes to Financial Statements

Actuarial Assumptions

The total OPEB liability for each plan for the measurement period ended June 30, 2024 and 2023 was determined by actuarial valuations as of June 30, 2023 and 2022, respectively, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024 and 2023:

June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2024 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2025 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Prescription drug: 6.9% grading down to 4.5% Rx/EGWP: 6.9% grading down to 4.5% Initial trend rates are from FY 2025 Ultimate trend rates reached in FY 2050
Mortality All others (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.
(ODD Plan)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from

Anchorage Community Development Authority

Notes to Financial Statements

occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

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

June 30, 2023

Actuarial cost method	Entry Age Normal
Amortization method	Unfunded Accrued Actuarial Liability, level percent of pay basis
Inflation	2.50% per year
Salary increases	Increases range from 6.75% to 2.85% based on service.
Allocation methodology	Amounts for the June 30, 2023 measurement date were allocated to employers based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for fiscal years 2024 to 2039.
Investment rate of return	7.25%, net of postemployment healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Healthcare cost trend rates (ARHCT and RMP Plans)	Pre-65 medical: 6.7% grading down to 4.5% Post-65 medical: 5.5% grading down to 4.5% Prescription drug: 7.2% grading down to 4.5% Rx/EGWP: 7.2% grading down to 4.5% Initial trend rates are from FY 2024 Ultimate trend rates reached in FY 2050
Mortality All others (ARHCT and RMP Plans)	Pre-commencement mortality rates were based on the Pub-2010 General Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 101% of male and 110% of female rates of the Pub-2010 General Retiree table, headcount-weighted, and projected with MP-2021 generational

Anchorage Community Development Authority

Notes to Financial Statements

improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 101% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

(ODD Plan)

Pre-commencement mortality rates were based on the Pub-2010 General Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 35% of the time. Post-commencement mortality rates for healthy retirees were based on 98% of male and 106% of female rates of the Pub-2010 General Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement. Post-commencement mortality rates for beneficiaries were based on 102% of male and 108% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

Participation (ARHCT)

100% system paid of members and their spouses are assumed to elect the healthcare benefits paid as soon as they are eligible.

All others

25% of nonsystem paid members and their spouses are assumed to elect the healthcare benefits as soon as they are eligible.

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

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Anchorage Community Development Authority

Notes to Financial Statements

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of postretirement healthcare plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic rates of return, excluding the inflation component of 2.39% and 2.82% for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2024 and 2023, respectively, are summarized in the following table:

June 30, 2024:

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

June 30, 2023:

Asset Class	Target Allocation	Range	Long-Term Expected Real Rate of Return
Domestic equity	27%	+/- 6%	6.17%
Global equity (non-U.S.)	18%	+/- 4%	6.55%
Aggregate bonds	19%	+/- 10%	1.63%
Multi-asset	8%	+/- 4%	-%
Real assets	14%	+/- 7%	4.87%
Private equity	14%	+/- 7%	11.57%
Cash equivalents	-%	-%	0.49%

Discount Rate

The discount rate used to measure the total OPEB liability for each plan as of June 30, 2024 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the fiduciary net position of each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for each plan.

Anchorage Community Development Authority

Notes to Financial Statements

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

The following presents the Authority's proportionate share of the net OPEB asset calculated using the discount rate of 7.25%, as well as what the Authority's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Proportional Share	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Authority's proportionate share of the net OPEB asset (liability):				
ARHCT	0.04412%	\$ 615,159	\$ 971,532	\$ 1,271,428
RMP	0.06911%	\$ (5,580)	\$ 32,214	\$ 61,100
ODD	0.05757%	\$ 32,280	\$ 34,366	\$ 36,002

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

The following presents the Authority's proportionate share of the net OPEB asset calculated using the healthcare cost trend rates as summarized in the 2024 actuarial valuation reports as well as what the Authority's proportionate share of the respective plan's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Proportional Share	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB asset (liability):				
ARHCT	0.04412%	\$ 1,305,666	\$ 971,532	\$ 574,605
RMP	0.06911%	\$ 64,913	\$ 32,214	\$ (11,662)
ODD	0.05757%	\$ n/a	\$ n/a	\$ n/a

OPEB Plan Fiduciary Net Position

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

(d) Defined Contribution OPEB Plans

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

Anchorage Community Development Authority

Notes to Financial Statements

Contribution Rate

AS 39.30.370 establishes this contribution amount as “three percent of the average annual employee compensation of all employees of all employers in the plan”. As of July 1, 2024, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,387 per year for each full-time employee, and \$1.53 per hour for part-time employees. As of July 1, 2023, for actual remittance, this amount is calculated as a flat rate for each full-time or part-time employee per pay period and approximates \$2,303 per year for each full-time employee, and \$1.48 per hour for part-time employees.

Annual Postemployment Healthcare Cost

The Authority contributed \$53,101 and \$49,569 in DC OPEB costs in 2024 and 2023, respectively. These amounts have been recognized as expense.

8. Related Parties and Revenue Sharing

Leases

Of the 4,093 spaces currently utilized for off-street parking in lots and garages by the Authority, 493 spaces are located on five lots leased from the Municipality for a period of 35 years.

Anchorage Police Department Parking Citations

Under a Memorandum of Understanding, the Authority processes parking citations written by the Anchorage Police Department (APD), which is part of the Municipality of Anchorage. All citation revenues collected are paid to the APD, and APD pays the Authority based on the number of citations written and the revenues received. APD was charged \$29,892 for citation processing in 2024 and \$23,596 in 2023; the Authority has a receivable from APD in the amount of \$7,812 and \$16,491 at December 31, 2024 and 2023, respectively. The Authority paid APD \$48,710 in of citation revenues in 2024 and \$50,484 in 2023. At December 31, 2024 and 2023, the Authority has a payable to APD of \$50,483 and \$35,529 respectively.

Municipal Enterprise Service Assessment

Under Anchorage Municipal Code § 9.60.125, enacted June 25, 2002, the Authority pays to the Municipality a municipal enterprise service assessment (MESA). The first MESA payment under this ordinance was due in 2003. The agreement was revised in 2009 and payment is calculated by applying the mill rate for the service area (established by the Assembly) to the net book value of plant in service plus 1.25% of the Authority’s gross operating revenues for the preceding year. Gross operating revenue is defined as total operating revenue for the parking services department plus operating revenues plus cash contributions less operating expenses excluding depreciation in the development department. The Authority paid a MESA to the Municipality of \$379,997 in 2024 and \$591,505 in 2023.

Anchorage Community Development Authority

Notes to Financial Statements

Revenue Sharing Agreement

Under a Memorandum of Understanding, the Authority entered into a revenue sharing agreement of the Authority Hall parking lot (Lot) with the Municipality in 2009. Beginning January 15, 2010, 58 of the 60 available spaces in the Lot became available to the public weekdays after 6 PM, on weekends and on Municipal Holidays, for a fee. Revenue collection is performed by the Authority. Of the gross parking revenues received, 50% are to be distributed to the Authority and 50% to the Municipality. Gross revenues paid by the Authority to the Municipality were \$14,354 in 2024 and \$20,668 in 2023. The Authority also has a payable as of December 31, 2024 and 2023 to the Municipality for \$5,478 and \$5,690, respectively.

Permit Sales

The Municipality of Anchorage purchases parking permits from the Authority. Parking permits purchased by the Municipality were \$8,058 in 2024 and \$7,857 in 2023.

9. Risk Management

The Authority purchases commercial insurance policies for all risks of loss except worker's compensation. Certain of these policies allow for deductibles, which range from \$250 to \$5,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past three years. The Municipality mitigates worker's compensation risk for the Authority through a self-insurance pool with a \$500,000 per occurrence "stop loss" commercial insurance policy. The Authority makes payments to the Municipality based on actuarial estimates of amounts needed to pay prior and current year claims.

The Authority is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the financial position, results of operations or liquidity.

10. Commitments and Contingencies

A Development Agreement and Ground Lease was signed by ACDA and 96 Block Flats, LLC to construct a 48 unit apartment complex on the site of ACDA's 8th & K property. The project was completed in February 2024 and the units are being rented. ACDA's financial obligation of \$1.8 million for the construction of the 2-story parking garage was satisfied in 2023.

11. Unrestricted Net Position

On December 3, 2015 the board approved resolution 2015-09 establishing a capital and working reserve in order to facilitate the operating and capital cash requirements over the next six years. The "Restricted Capital Reserve" will be based upon 10% of Net Book Value of depreciable capital assets of the prior year as of December 31. Additionally, the "Working Capital Reserve" will be based upon 10% of prior year revenues. Based on the resolution, ACDA's capital reserve would be \$537,759 and \$1,862,735 and the working capital reserve would be \$754,876 and \$767,617, respectively, for the years ended December 31, 2024 and 2023. ACDA's unrestricted net position, which includes capital and working reserves, at the end of December 31, 2024 and 2023 was \$8,455,230 and \$7,033,076, respectively.

Anchorage Community Development Authority

Notes to Financial Statements

12. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the Authority for 2024 reporting:

GASB Statement No. 99 - Omnibus 2022 - Provisions of this Statement address requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, classification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63, which are effective upon issuance. The effective date for the provisions of this Statement related to leases, PPPs, and SBITAs are to be implemented for year-end December 31, 2023. The effective date for the provisions of this Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53, are to be implemented for year-end December 31, 2024. The Authority evaluated the impacts of GASB 99 and determined there to be no impact to the Authority's financial statements in the current year.

GASB Statement No. 100 - Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62 - Effective for year-end December 31, 2024. Earlier application is encouraged. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Authority evaluated the impacts of GASB 100 and determined there to be no impact to the Authority's financial statements in the current year.

GASB Statement No. 101 - Compensated Absences - Effective for year-end December 31, 2024. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Authority evaluated the impacts of GASB 101 and determined that the disclosure provisions of the standard are applicable for the Authority's financial statements in the current year.

The GASB has issued new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, and actual impacts have not yet been determined. The statements are as follows:

GASB Statement No. 102 - Certain Risk Disclosures - Effective for year-end December 31, 2025. Earlier application is encouraged. The objective of this Statement is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

GASB Statement No. 103 - Financial Reporting Model Improvements - Effective for year-end December 31, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Anchorage Community Development Authority

Notes to Financial Statements

GASB Statement No. 104 - Disclosure of Certain Capital Assets - Effective for year-end December 31, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments.

Required Supplementary Information

Anchorage Community Development Authority
Public Employees' Retirement System - Pension Plan
Schedule of the ACDA's Proportionate Share of the Net Pension Liability

<i>Years Ended December 31,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ACDA's Proportion of the Net Pension Liability	0.04399%	0.04228%	0.04789%	0.05275%	0.06762%	0.06562%	0.07642%	0.07199%	0.08528%	9.07300%
ACDA's Proportionate Share of the Net Pension Liability	\$ 2,412,515	\$ 2,192,544	\$ 2,440,808	\$ 1,935,304	\$ 3,990,202	\$ 3,591,973	\$ 3,797,210	\$ 4,023,723	\$ 4,766,948	\$ 4,400,472
State of Alaska Proportionate Share of the Net Pension Liability	\$ 902,149	\$ 728,650	\$ 672,779	\$ 261,723	\$ 1,653,235	\$ 1,423,982	\$ 1,101,537	\$ 1,499,934	\$ 602,540	\$ 1,178,815
Total Net Pension Liability	\$ 3,314,664	\$ 2,921,194	\$ 3,113,587	\$ 2,197,027	\$ 5,643,437	\$ 5,015,955	\$ 4,898,747	\$ 5,523,657	\$ 5,369,488	\$ 5,579,287
ACDA's Covered Payroll	\$ 1,525,964	\$ 1,456,079	\$ 1,552,866	\$ 1,589,129	\$ 1,813,990	\$ 2,080,559	\$ 2,172,537	\$ 2,258,008	\$ 2,194,818	\$ 2,114,073
ACDA's Proportionate Share of the Net Pension Liability as a Percentage of Payroll	158.10%	150.58%	157.18%	121.78%	219.97%	172.64%	174.78%	178.20%	217.19%	208.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.81%	68.23%	67.97%	76.46%	61.61%	63.42%	65.19%	63.37%	59.55%	63.96%

Schedule of ACDA's Contributions

<i>Years Ended December 31,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 210,684	\$ 196,333	\$ 199,705	\$ 200,325	\$ 185,414	\$ 212,302	\$ 236,525	\$ 226,952	\$ 206,441	\$ 182,178
Contributions Relative to the Contractually Required Contribution	\$ 210,684	\$ 196,333	\$ 199,705	\$ 200,325	\$ 185,414	\$ 212,302	\$ 236,525	\$ 226,952	\$ 206,441	\$ 182,178
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACDA Covered Payroll	\$ 1,594,651	\$ 1,457,277	\$ 1,454,881	\$ 1,527,408	\$ 1,650,850	\$ 1,977,130	\$ 2,183,987	\$ 2,161,086	\$ 2,258,008	\$ 2,194,818
Contributions as a Percentage of Covered Payroll	13.21%	13.47%	13.73%	13.12%	11.23%	10.74%	10.83%	10.50%	9.14%	8.30%

See accompanying notes to Required Supplementary Information.

Anchorage Community Development Authority
Public Employees' Retirement System - ARHCT OPEB Plan
Schedule of the ACDA's Proportionate Share of the Net OPEB Liability (Asset)

<i>Years Ended December 31,</i>	ARHCT					
	2024	2023	2022	2021	2020	2019
ACDA's Proportion of the Net OPEB Liability (Asset)	0.04412%	0.04216%	0.04744%	0.05294%	0.06749%	0.06557%
ACDA's Proportionate Share of the Net OPEB Liability (Asset)	\$ (971,532)	\$ (970,081)	\$ (933,450)	\$ (1,358,166)	\$ (305,642)	\$ 97,292
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	\$ (360,757)	\$ (325,014)	\$ (266,700)	\$ (176,969)	\$ (127,277)	\$ 38,625
Total Net OPEB Liability (Asset)	\$ (1,332,289)	\$ (1,295,095)	\$ (1,200,150)	\$ (1,535,135)	\$ (432,919)	\$ 135,917
ACDA's Covered Payroll	\$ 190,499	\$ 875,528	\$ 1,527,408	\$ 1,589,129	\$ 1,813,990	\$ 2,080,559
ACDA's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-509.99%	-110.80%	-61.11%	-85.47%	-16.85%	4.68%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	130.59%	0.00%	128.51%	135.54%	106.15%	98.13%

Schedule of ACDA's Contributions

<i>Years Ended December 31,</i>	ARHCT					
	2024	2023	2022	2021	2020	2019
Contractually Required Contributions	\$ 10,508	\$ -	\$ 11,448	\$ 23,764	\$ 52,103	\$ 81,446
Contributions Relative to the Contractually Required Contribution	\$ 10,508	\$ -	\$ 11,448	\$ 23,764	\$ 52,103	\$ 81,446
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACDA's Covered Payroll	\$ 182,808	\$ 198,189	\$ 1,552,866	\$ 1,527,408	\$ 1,650,850	\$ 1,977,130
Contributions as a Percentage of Covered Payroll	5.75%	0.00%	0.74%	1.56%	3.16%	4.12%

See accompanying notes to Required Supplementary Information.

Anchorage Community Development Authority
Public Employees' Retirement System - RMP OPEB Plan
Schedule of the ACDA's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended December 31,	RMP					
	2024	2023	2022	2021	2020	2019
ACDA's Proportion of the Net OPEB Liability (Asset)	0.06911%	0.08016%	0.08086%	0.07744%	0.10337%	0.12943%
ACDA's Proportionate Share of the Net OPEB Liability (Asset)	\$ (32,214)	\$ (38,063)	\$ (28,083)	\$ (20,787)	\$ 7,332	\$ 30,965
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net OPEB Liability (Asset)	\$ (32,214)	\$ (38,063)	\$ (28,083)	\$ (20,787)	\$ 7,332	\$ 30,965
ACDA's Covered Payroll	\$ 1,335,466	\$ 1,405,977	\$ 1,527,408	\$ 1,589,129	\$ 1,813,990	\$ 2,080,559
ACDA's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.41%	-2.71%	-1.84%	-1.31%	0.40%	1.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	119.87%	124.29%	120.08%	115.10%	95.23%	83.17%

Schedule of ACDA's Contributions

Years Ended December 31,	RMP					
	2024	2023	2022	2021	2020	2019
Contractually Required Contributions	\$ 12,957	\$ 13,367	\$ 14,154	\$ 14,855	\$ 15,364	\$ 17,805
Contributions Relative to the Contractually Required Contribution	\$ 12,957	\$ 13,367	\$ 14,154	\$ 14,855	\$ 15,364	\$ 17,805
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACDA's Covered Payroll	\$ 1,411,843	\$ 1,259,088	\$ 1,552,866	\$ 1,527,408	\$ 1,650,850	\$ 1,977,130
Contributions as a Percentage of Covered Payroll	0.92%	1.06%	0.91%	0.97%	0.93%	0.90%

See accompanying notes to Required Supplementary Information.

Anchorage Community Development Authority
Public Employees' Retirement System - ODD OPEB Plan
Schedule of the ACDA's Proportionate Share of the Net OPEB Liability (Asset)

Years Ended December 31,	ODD					
	2024	2023	2022	2021	2020	2019
ACDA's Proportion of the Net OPEB Liability (Asset)	0.05757%	0.06693%	0.06870%	0.06577%	0.82820%	0.10294%
ACDA's Proportionate Share of the Net OPEB Liability (Asset)	\$ (34,366)	\$ (34,337)	\$ (30,119)	\$ (28,989)	\$ (22,577)	\$ (24,957)
State of Alaska Proportionate Share of the Net OPEB Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net OPEB Liability (Asset)	\$ (34,366)	\$ (34,337)	\$ (30,119)	\$ (28,989)	\$ (22,577)	\$ (24,957)
ACDA's Covered Payroll	\$ 1,335,466	\$ 1,405,977	\$ 1,527,408	\$ 1,589,129	\$ 1,813,990	\$ 2,080,559
ACDA's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Payroll	-2.57%	-2.44%	-1.97%	-1.82%	-1.24%	-1.20%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	346.81%	349.24%	348.79%	374.22%	283.80%	297.43%

Schedule of ACDA's Contributions

Years Ended December 31,	ODD					
	2024	2023	2022	2021	2020	2019
Contractually Required Contributions	\$ 3,801	\$ 3,800	\$ 3,964	\$ 3,970	\$ 3,359	\$ 4,119
Contributions Relative to the Contractually Required Contribution	\$ 3,801	\$ 3,800	\$ 3,964	\$ 3,970	\$ 3,359	\$ 4,119
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACDA's Covered Payroll	\$ 1,411,843	\$ 1,259,088	\$ 1,552,866	\$ 1,527,408	\$ 1,650,850	\$ 1,977,130
Contributions as a Percentage of Covered Payroll	0.27%	0.30%	0.26%	0.26%	0.20%	0.21%

See accompanying notes to Required Supplementary Information.

Anchorage Community Development Authority

Notes to Required Supplementary Information December 31, 2024 and 2023

1. Public Employees' Retirement System Pension Plan

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

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

Changes in Assumptions:

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

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

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

Schedule of the Authority's Contributions

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

Anchorage Community Development Authority

Notes to Required Supplementary Information, continued December 31, 2024 and 2023

2. Public Employees' Retirement System OPEB Plans

Schedule of the Authority's Proportionate Share of the Net OPEB Asset and Liability

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

Changes in Assumptions:

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

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

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

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

Schedule of the Authority's Contributions

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

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

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Supplementary Information

Anchorage Community Development Authority

Schedule of Revenues and Expenses

<i>Year Ended December 31, 2024</i>	Parking Operations	Development Activities	Total
Operating Revenues			
Parking violations	\$ 654,270	\$ -	\$ 654,270
Parking fees:			
Garage and off-street lots	4,194,066	-	4,194,066
On-street meters	1,892,330	-	1,892,330
Lease rentals	441,516	-	441,516
Total Operating Revenues	7,182,182	-	7,182,182
Operating Expenses			
Wages and benefits	2,746,558	114,067	2,860,625
Professional fees	136,017	226,527	362,544
Contract services	1,245,550	-	1,245,550
Information services	153,948	-	153,948
Direct maintenance	370,881	-	370,881
Facility maintenance and contract services	272,792	-	272,792
Utilities	358,037	-	358,037
General expenses	872,803	34,062	906,865
Office expenses	33,905	907	34,812
Employee expenses	20,488	29,505	49,993
Development contributions	1,600	-	1,600
Depreciation	1,537,594	-	1,537,594
Total Operating Expenses	7,750,173	405,068	8,155,241
Operating Loss	(567,991)	(405,068)	(973,059)
Nonoperating Revenues (Expenses)			
Gain on disposal	-	812	812
Interest income	425,908	-	425,908
PERS on behalf	100,082	-	100,082
Interest expense	(11,195)	-	(11,195)
Total Nonoperating Revenues (Expenses)	514,795	812	515,607
Change in Net Position	\$ (53,196)	\$ (404,256)	\$ (457,452)

Anchorage Community Development Authority

Schedule of Revenues and Expenses

<i>Year Ended December 31, 2023</i>	Parking Operations	Development Activities	Total
Operating Revenues			
Parking violations	\$ 746,960	\$ -	\$ 746,960
Parking fees:			
Garage and off-street lots	3,674,501	-	3,674,501
On-street meters	1,880,545	-	1,880,545
Lease rentals	1,246,754	-	1,246,754
Total Operating Revenues	7,548,760	-	7,548,760
Operating Expenses			
Wages and benefits	2,026,801	103,650	2,130,451
Professional fees	113,799	240,849	354,648
Contract services	968,559	-	968,559
Information services	139,784	-	139,784
Direct maintenance	321,166	-	321,166
Facility maintenance and contract services	175,896	-	175,896
Utilities	297,135	-	297,135
General expenses	1,181,347	5,949	1,187,296
Office expenses	48,294	1,156	49,450
Employee expenses	21,945	25,507	47,452
Development contributions	9,275	-	9,275
Depreciation	1,875,035	-	1,875,035
Total Operating Expenses	7,179,036	377,111	7,556,147
Operating Income (Loss)	369,724	(377,111)	(7,387)
Nonoperating Revenues (Expenses)			
Gain on disposal	5,099,896	5,250	5,105,146
Loss on termination of lease	(918,949)	(17,288)	(936,237)
Interest income	475,825	-	475,825
PERS on behalf	(17,345)	-	(17,345)
Interest expense	(59,585)	-	(59,585)
Impairment loss	-	(1,071,500)	(1,071,500)
Total Nonoperating Revenues (Expenses)	4,579,842	(1,083,538)	3,496,304
Change in Net Position	\$ 4,949,566	\$ (1,460,649)	\$ 3,488,917

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**Other Reporting Required by
*Government Auditing Standards***



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

The Board of Directors
Anchorage Community Development Authority
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Anchorage Community Development Authority (the Authority), a component unit of the Municipality of Anchorage, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 5, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

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

Purpose of this Report

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

BDO USA, P.C.

Anchorage, Alaska
September 5, 2025

Anchorage Community Development Authority
Schedule of Findings and Responses
Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes

☒ no

Significant deficiency(ies) identified?

☐ yes

☒ (none reported)

Noncompliance material to financial statements noted?

☐ yes

☒ no

Section II - Financial Statement Findings
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There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.