

REPORT TO THE MUNICIPAL AUDIT COMMITTEE

# MUNICIPALITY OF ANCHORAGE

AUDIT WRAP UP: YEAR ENDED DECEMBER 31, 2022



# Welcome

July 12, 2024  
Audit Committee  
Municipality of Anchorage, Alaska

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On March 9, 2023, we presented an overview of our plan for the audit of the financial statements of Municipality of Anchorage, Alaska (the “Municipality” or “MOA”) as of and for the year ended December 31, 2022, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Municipality’s accounting practices and policies, management’s judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Municipality and look forward to meeting with you at your convenience to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

*BDO USA*

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**JOY MERRINER**  
Engagement Principal  
[jmerriner@bdo.com](mailto:jmerriner@bdo.com) / 907.770.2257



**KELLY MAYES**  
Assurance Senior Manager  
[kmayes@bdo.com](mailto:kmayes@bdo.com) / 907.646.7302



**GEORGE BARKER**  
Assurance Manager  
[gbarker@bdo.com](mailto:gbarker@bdo.com) / 907.331.8751



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The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Entity, and is not intended and should not be used by anyone other than these specified parties.



# Executive Summary

## Status of Our Audit

We have completed our audit of the financial statements, federal awards, and state awards as of and for the year ended December 31, 2022. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications. However, there were changes in the schedule from initially anticipated.
- ▶ We issued an unmodified opinion on the financial statements and released our report on July 12, 2024.
- ▶ We have issued our report on internal control over financial reporting and on compliance and other matters based on an audit in accordance with *Government Auditing Standards* on July 12, 2024.
- ▶ In planning and performing our audit of the Schedule of Expenditures of Federal Awards (SEFA) and Schedule of State Financial Assistance (SSFA), we considered the Municipality's internal control over compliance with requirements that could have a direct and material effect on its major federal and state programs to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAS, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits (State Audit Guide), but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.
- ▶ We have issued a modified opinion on the Municipality's Uniform Guidance report for certain major programs and an unmodified opinion on the State Audit Guide report and released these reports dated on July 12, 2024. These reports include the SEFA and SSFA, which are presented as supplementary information.





## Status of Our Audit, continued

- ▶ Our responsibility for other information in documents containing the Municipality's audited financial statements (e.g., budgetary comparisons, schedules of pension and OPEB amounts) does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. However, in accordance with professional standards, we have read the information included by the Municipality and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were made available for our inspection.
- ▶ We want to acknowledge the cooperation extended to us by all levels of Municipality personnel throughout the course of our work.

# Results of the Audit

## ACCOUNTING PRACTICES, POLICIES, ESTIMATES AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the Municipality's accounting practices, policies, estimates and significant unusual transactions:

The Municipality's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 21 to the Municipality's financial statements.
- ▶ The Municipality adopted GASBS 87, *Leases* in FY 2022.
- ▶ There were no other changes in significant accounting policies and practices during 2022.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. There were no estimates in the financial statements that were considered to be significant. The Municipality's accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 1 of the financial statements.

## Other Accounting Estimates

Discount Rate Utilized in Lease Calculations

Collectability of Accounts Receivable

Fair Value Measurements

Self-Insured Liabilities / IBNR

Pension and Other Postemployment Benefits

Depreciation of Capital Assets

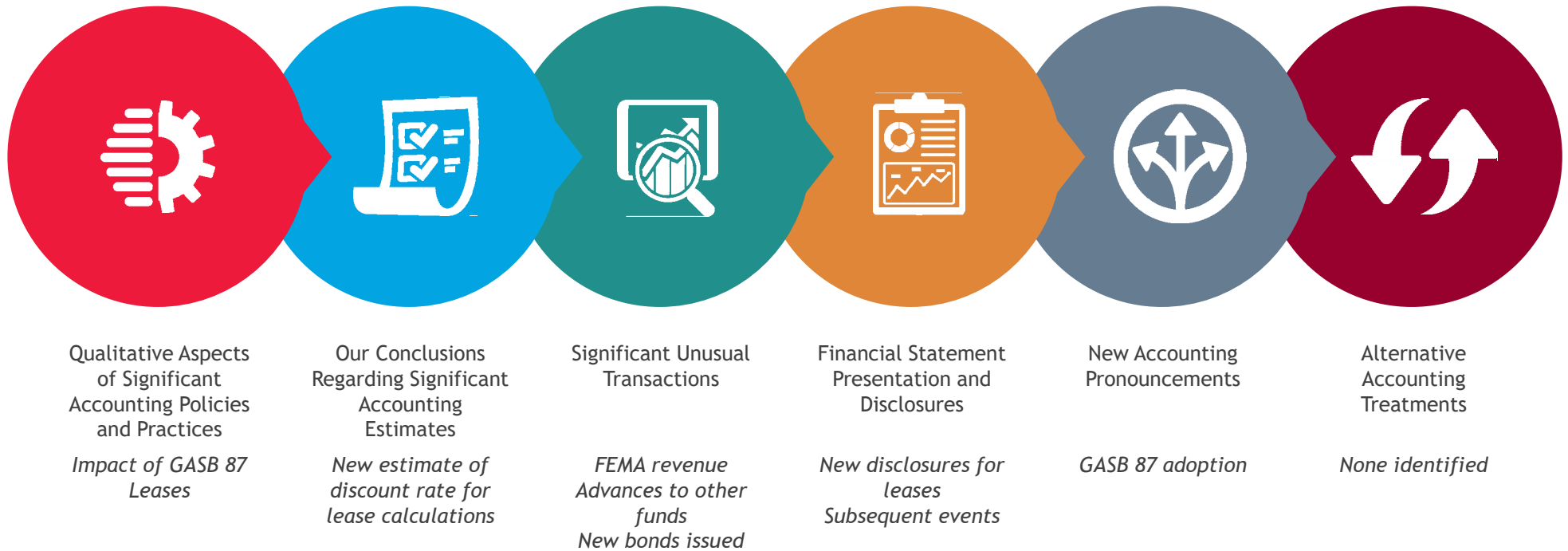
Landfill Closure Liability

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the accounting estimates in 2022.
- ▶ The methods used to account for significant or unusual transactions and related disclosures, are considered appropriate. In 2022, this relates to amounts reported as intergovernmental revenue for disaster relief and the balances included in advances to other funds for the IT internal service fund.

# Results of the Audit

## QUALITY OF THE MUNICIPALITY'S FINANCIAL REPORTING

We will discuss the following regarding the quality of the Municipality's financial reporting:





# Results of the Audit

## CORRECTED AND UNCORRECTED MISSTATEMENTS

Please refer to the schedule of corrected misstatements.

Please refer to the schedule of uncorrected misstatements. We concur with management’s assessment that the effects of not recording such adjustments are, both individually and in the aggregate, immaterial to the financial statements taken as a whole, considering both qualitative and quantitative factors. The uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated.

## GROUP AUDIT

The audit of the Municipality requires the inclusion of financial information for all components of the reporting entity. The reporting entity is comprised of the Municipality and its “component unit” as defined by GAAP. This collection of individual reporting entities comprise the “Group”. Our audit is considered the “Group” Audit.

Included in the Municipality’s audit is the Anchorage School District, Anchorage Community Development Authority, Alaska Center for the Performing Arts, and the Anchorage Police & Fire Retirement System. We also perform separate audits of certain funds or operations of the Municipality, including the Port of Alaska, Anchorage Water and Wastewater Utility, CIVICVentures and Solid Waste Services. All of these audits were performed by BDO. Where relevant, we have included information in this report as it related to the component units.





# Internal Control Over Financial Reporting

# Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Municipality's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	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.
Significant Deficiency	A deficiency or 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.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected, on a timely basis.

# Internal Control Over Financial Reporting

In conjunction with our audit, we noted the following:

Please refer to the attached schedule of identified control deficiencies (Attachment C) for further information.

▶ The following material weaknesses were identified:

## Material Weaknesses

2022-001: Closure of Books and Records

2022-002: Reconciliation and Review Controls

2022-003: Internal Communication

2022-004: Use of Fund Classifications

2022-005: Implementation of GASBS No. 98, *Leases*

2022-006: Tracking of Capital Assets

2022-008: Reporting - Deadline for Federal Single Audit

2022-009: Subrecipient Monitoring

2022-011: Equipment and Real Property Management

2022-014: Reporting - Deadline for State Single Audit

▶ The following significant deficiencies were identified:

## Significant Deficiencies

2022-007: Monitoring of Restricted Cash and Debt Covenant Compliance

2022-010: Procurement and Suspension and Debarment

2022-012: Equipment and Real Property Management

2022-013: Equipment and Real Property Management

2022-015: Reporting - Late Reporting

# Internal Control Over Financial Reporting

In conjunction with our audit, we noted the following control deficiencies:

- ▶ We have communicated to management of the Municipality control deficiencies that were identified as a result of our audit that we did not consider to be material weaknesses or significant deficiencies.

## Control Deficiencies

Tax Deposit Review

Journal Entry Review and Approval

Rates Approved by Assembly

Purchasing Deficiencies

Solid Waste Services Cash Control Procedures

Office of the Mayor Language Access Policy

WIC Program

AWWU Key and Lock Controls

Review of Commitments and Contingencies

Internal Service Fund Recovery

Prior Year Transactions

State of Alaska Budget to Actual Reporting

## IT Control Deficiencies

SAP: Segregation of duties for developer access to deploy program changes

KABA, AFD TeleStaff, APD TeleStaff, and TeleDriver: Weak application database (SQL) password policy

AFD TeleStaff, APD TeleStaff, and TeleDriver: Application reviews

AFD Telestaff and TeleDriver: Segregation of duties - privileged access

AFD Telestaff / APD Telestaff: Weak application password policy

TeleDriver: New hire access and modification of access levels (onboarding) and termination of access (offboarding)

SAP: Application privileged access



## Additional Required Communications

# Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Municipality:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were significant changes to the planned audit strategy related to the timing of the planned audit procedures due to delays in receipt of information from management. There were no significant changes to the planned audit strategy related to significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning. There were certain additional procedures performed over grant revenue due to errors identified in original sample selections. In addition, we performed additional procedures over laws and regulations.
Obtain information from those charged with governance relevant to the audit	There was communication with the Audit Committee around specific possible violations of laws and regulations that were investigated by the Municipality during the year under audit and subsequent thereto. There were no other matters noted relevant to the audit, including, but not limited to: other violations or possible violations of laws or regulations; risks of material misstatement, including fraud risks; or tips or complaints regarding the Municipality's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
Nature and extent of specialized skills or knowledge needed related to significant risks	We had a specialist reviewer on implementation of GASB 87 as initially planned. We also consulted with technical experts concerning possible violations of laws and regulations. There were no other specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.

## Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Municipality:

Requirement	Discussion Point
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of requirements of an applicable financial reporting framework.
Significant findings and issues arising during the audit in connection with the Municipality's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management. These can be found in our summary of misstatements, uncorrected misstatements, and internal control findings. The internal control items reported as material weaknesses and significant deficiencies are also included in our <i>Government Auditing Standards</i> and single audit reports.
If applicable, other matters significant to the oversight of the Municipality's financial reporting process, including complaints or concerns regarding accounting or auditing matters	There was one matter that was discussed regarding complaints and concerns related to compliance with laws and regulations that has been discussed with the Audit Committee. There are no other matters that we consider significant to the oversight of the Municipality's financial reporting process that have not been previously communicated.
Representations requested from management	Please refer to the management representation letter.



## Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Municipality:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Municipality's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were delays associated with the timing of audit preparation performed and issues with adoption of GASB 87. There were difficulties obtaining required documentation in a timely manner related to cash and investments, grants and legal matters. In addition, the turnover in management experienced throughout the process contributed to delays in receipt of information. There were no other significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.

# Independence

Our engagement letter to you dated January 5, 2023 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Municipality with respect to independence as agreed to by the Municipality. Please refer to that letter for further information.



# Audit Firm System of Quality Management

An audit firm’s system of quality control (aka system of quality management) is essential to how the firm conducts audits and is in place to protect investors, shareholders and other users of financial statements.

## QUALITY MANAGEMENT STANDARDS

In June 2022, the AICPA Auditing Standards Board (ASB) issued the following interrelated standards on audit quality management (collectively, the QM standards), which are designed to improve a CPA firm’s risk assessment and audit quality. The effective date of the QM standards is December 15, 2025.

<a href="#">Statement on Quality Management Standards (SQMS) No. 1</a>	<a href="#">Statement on Quality Management Standards (SQMS) No. 2</a>	<a href="#">Statement on Auditing Standards (SAS) No. 146</a>
<i>A Firm’s System of Quality Management</i>	<i>Engagement Quality Reviews</i>	<i>Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards</i>

BDO has assessed the requirements of the QM standards and has analyzed our firm’s current system of quality management to identify changes and improvements necessary for compliance. This includes the identification of quality objectives, quality risks and the assessment of those quality risks, and responses to address those risks. We are further working with BDO Global to appropriately integrate processes deployed at a global level into our firm’s system of quality management.



We will continue to provide you with updates on our progress. Currently, you may find discussion of BDO’s system of quality control within our annual [Audit Quality Reports](#), the most recent of which is accessible [here](#).



# Appendix

# MUNICIPALITY OF ANCHORAGE

Office of the Chief Fiscal Officer



Phone: (907) 343-6610

*Alden P. Thern, CFO*

July 12, 2024

BDO USA, P.C.  
3601 C Street, Suite 600  
Anchorage, AK 99507

Ladies and gentlemen:

We are providing this letter in connection with your audits of the financial statements of Municipality of Anchorage, Alaska (the Municipality or the Government) which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the date of this representation letter, as entered on the first page, , the following representations made to you during your audits:

- (1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 5, 2023 for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, 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.
- (3) The financial statements include all properly classified funds and other financial information of the primary government and all component units required to be included in the financial reporting entity by accounting principles generally accepted in the United States of America. All funds required to be presented as major funds are identified and presented as such.

# MUNICIPALITY OF ANCHORAGE

Office of the Chief Fiscal Officer



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*Alden P. Thern, CFO*

- (4) We have made available to you:
- (a) All financial records, and related data, and federal and state awards (including amendments, if any, and any other correspondence with federal or state agencies or pass-through entities relevant to federal programs and related activities), including the names of all related parties and all relationships and transactions with related parties, as agreed upon in the terms of the aforementioned audit engagement letter.
  - (b) All additional information that you have requested from us for the purpose of the audit.
  - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - (d) Minutes of the meetings of Anchorage Assembly that were held from January 1, 2022 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements, schedule of expenditures of federal awards (SEFA), or the schedule of state financial assistance (SSFA). The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are included in the attached schedule of corrected misstatements (Attachment A), which we have initialed and dated, have been corrected. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.
- (7) The financial statement misstatements relating to accounts and disclosures identified and discussed with us in the course of the audit that are included in the attached schedule of uncorrected misstatements (Attachment B), which we have initialed and dated, have not been corrected. The cumulative effect of the uncorrected misstatements on net position or fund balance was as follows: \$3,234,065 for the General Fund, \$3,730,669 for aggregate nonmajor funds, and \$313,290 for the Port of Alaska. In our opinion, the effects of not correcting such identified financial statement misstatements are, both individually and in the aggregate, immaterial to the financial statements of the Municipality of Anchorage taken as a whole.
- (8) You have identified and discussed with us in the course of the audit the deficiencies in our internal control over financial reporting listed immediately below (details of which are included in the attached schedule of identified control deficiencies as Attachment C), which we have initialed and dated.

# MUNICIPALITY OF ANCHORAGE

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*Alden P. Thorn, CFO*

## Material Weaknesses

The following Material Weaknesses were identified:

- 2022-001: Closure of Books and Records
- 2022-002: Reconciliation and Review Controls
- 2022-003: Internal Communication
- 2022-004: Use of Fund Classifications
- 2022-005: Implementation of Government Accounting Standards Board Statement No. 87 (GASBS No. 87), *Leases*
- 2022-006: Tracking of Capital Assets
- 2022-008: Reporting - Deadline for Federal Single Audit
- 2022-009: Subrecipient Monitoring
- 2022-011: Equipment and Real Property Management
- 2022-014: Reporting - Deadline for State Single Audit

## Significant Deficiencies

The following Significant Deficiencies were identified:

- 2022-007: Monitoring of Restricted Cash and Debt Covenant Compliance
- 2022-010: Procurement and Suspension and Debarment
- 2022-012: Equipment and Real Property Management
- 2022-013: Equipment and Real Property Management
- 2022-015: Reporting - Late Reporting

## Control Deficiencies Other Than Material Weaknesses or Significant Deficiencies

The following Control Deficiencies were identified

- Tax Deposit Review
- Journal Entry Review and Approval
- Rates Approved by Assembly
- Purchasing Deficiencies
- Solid Waste Services Cash Control Procedures
- Office of the Mayor Language Access Policy
- WIC Program
- AWWU Key and Lock Controls
- Review of Commitments and Contingencies
- Internal Service Fund Recovery
- Prior Year Transactions
- State of Alaska Budget to Actual Reporting

The following IT Control Deficiencies were identified:

- SAP: Segregation of Duties for developer access to deploy program changes
- KABA, AFD TeleStaff, APD TeleStaff, and TeleDriver: Weak application database (SQL) password policy
- AFD TeleStaff, APD TeleStaff, and TeleDriver: Application reviews
- AFD Telestaff and TeleDriver: Segregation of duties - privileged access
- AFD Telestaff / APD Telestaff: Weak application password policy
- TeleDriver: New hire access and modification of access levels (onboarding) and termination of access (offboarding)
- SAP: Application privileged access



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Phone: (907) 343-6610

*Alden P. Thern, CFO*

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- (9) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud or noncompliance. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud or noncompliance. We have no knowledge of any:
- (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
  - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
  - (c) Allegations of fraud or suspected fraud affecting the Government received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or others.
  - (d) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- (10) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- (11) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
- (a) The identity of all related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
  - (c) Guarantees, whether written or oral, under which the Government is contingently liable.
  - (d) Significant estimates and material concentrations known to management that are required to be disclosed in accordance with accounting principles generally accepted in the United States of America. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances. The methods, significant assumptions, and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement, and disclosure that is in accordance with accounting principles generally accepted in the United States of America.



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Phone: (907) 343-6610

*Alden P. Thern, CFO*

(e) The effects of all known actual or possible litigation, claims, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America, including:

- Pending or anticipated tax refunds, other potential or pending claims, lawsuits by or against any branch of government or others;
- Written or oral guarantees, endorsements, or unused letters of credit;
- Unusual guarantees; or
- Labor claims or negotiations.

Accounting principles generally accepted in the United States of America require loss contingencies to be accrued if it is probable an asset has been impaired or a liability incurred at the statement of financial position date and the amount of loss can be reasonably estimated. Such contingencies must be disclosed, but may not be accrued, if the loss is reasonably possible (but not probable) or the loss is probable but the amount of loss cannot be reasonably estimated.

(f) Commitments, such as:

- Major capital asset purchase agreements;
- More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
- Deferred compensation, bonuses, pensions plans, or severance pay; or
- Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;

(g) Joint ventures or other participations, the detailed transactions of which are not carried on our books.

(12) There are no:

- (a) Violations or possible violations of budget ordinances, laws or regulations and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects could be material to the financial statements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
- (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with accounting principles generally accepted in the United States of America.
- (c) Side agreements or other arrangements (either written or oral) that have not been disclosed to you.

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Phone: (907) 343-6610

*Alden P. Thern, CFO*

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- (d) Restrictions of net position that were not properly authorized and approved, or reclassifications of net position that have not been properly reflected in the financial statements.
- (13) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (14) The Government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (15) We have appropriately disclosed the Government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- (16) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance. We have also complied with the SEC disclosure rules for reporting annual financial information and material events to repositories in accordance with SEC Rule N.240, 15c2-12.
- (17) No discussions have taken place with your firm's personnel regarding employment with the Government.
- (18) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.
- (19) Components of net position (net investment in capital assets, restricted and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
- (20) Revenues are appropriately classified in the statement of activities within program revenues, contributions, and general revenues. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- (21) In regards to the assistance provided in preparing and submitting the required form SF-SAC Data Collection Form, preparing the standalone financial statements and related footnote disclosures of the Port of Alaska (a major enterprise fund, preparing the standalone financial statements and related footnote disclosures of the Solid Waste Services (major Disposal Utility and nonmajor Refuse Utility), preparing the basic financial statements of the MOA, and preparing the nonmajor combining fund statements, services performed by you, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.

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Office of the Chief Fiscal Officer



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*Alden P. Thern, CFO*

- (22) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United State of America and we believe it is fairly presented. The methods of measurement and presentation of the supplementary information have not changed from the prior period and we have disclosed to you any significant assumptions underlying the measurement and presentation of the supplementary information.

If the Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, or the schedules of revenue and expenditures - budget and actual - State of Alaska Department of Health and Social Services Grants are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

- (23) Required supplementary information is measured and presented in accordance with prescribed guidelines.
- (24) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- (25) We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- (26) We have a process to track the status of audit findings and recommendations.
- (27) We have provided our views on your reported findings, conclusions, and recommendations. We are responsible for taking corrective action on audit findings and we are responsible for preparing and implementing a corrective action plan for each audit finding.
- (28) We have identified and disclosed to you the findings received for previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- (29) With respect to federal and state award programs:
- (a) We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits (State Single Audit Guide) including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA) and schedule of state financial assistance (SSFA).

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- (b) We have, in accordance with the Uniform Guidance and State Single Audit Guide, identified and disclosed to you in the schedule of expenditures of federal awards (SEFA) and the schedule of state financial assistance (SSFA), expenditures made during the audit period for all government programs and related activities provided by federal and state agencies in the form of federal and state awards, grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- (c) We acknowledge our responsibility for the preparation of the SEFA and SSFA and related notes in accordance with the requirements of the Uniform Guidance and State Single Audit Guide, and we believe the SEFA and SSFA, including its form and content, is fairly presented in accordance with the Uniform Guidance and State Single Audit Guide. The methods of measurement or presentation of the SEFA and SSFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA and SSFA below.
- (d) We have notified you of federal awards and funding increments that were received for awards received before December 26, 2014, and differentiated those awards from awards received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
- (e) We will include the auditor's report on the SEFA and SSFA in any document that contains the SEFA and SSFA and that indicates you have reported on such information.
- (f) If the SEFA and SSFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date we issue the SEFA and SSFA and the auditor's report thereon.
- (g) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs and have identified and disclosed to you the requirements of federal and state statutes, regulations, and the terms and conditions considered to have a direct and material effect on each federal and state program.
- (h) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date of the auditor's report as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and material weaknesses in internal control over compliance as reported in the schedule of findings and questioned costs.
- (i) We have made available to you all federal and state award contracts and grant agreements (including amendments, if any) and any other correspondence with federal or state agencies or pass-through entities relating to each major federal and state program and related activities that have taken place with federal or state agencies or pass-through entities.

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*Alden P. Thern, CFO*

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- (j) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (k) We have complied, in all material respects, with the direct and material compliance requirements except for noncompliance disclosed to you, including when applicable, those set forth in the *OMB Compliance Supplement* and *State Single Audit Guide*, relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal and state awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- (l) We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- (m) Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance and OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, if applicable.
- (n) We have disclosed to you our interpretations of compliance requirements that are subject to varying interpretations, if any.
- (o) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- (p) We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
- (q) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards and schedule of state financial assistance.
- (r) The copies of federal and state program financial reports provided to you are true copies of the reports submitted or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.

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- (s) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with applicable federal and state statutes, regulations and terms and conditions of the subaward and have met other pass-through entity requirements of the Uniform Guidance and the State Single Audit Guide.
- (t) We have considered the results of subrecipients' audits and have made any necessary adjustments to our books and records.
- (u) We have not issued management decisions for audit findings that relate to federal and state awards made to subrecipients or issued management decisions within six months of acceptance of the audit report by the Federal Audit Clearinghouse and acknowledge noncompliance in this area as reported in the Schedule of Findings and Questioned Costs. Additionally, we have not followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.
- (v) We have charged costs to federal and state awards in accordance with applicable cost principles.
- (w) We are responsible for, and have accurately completed, the appropriate sections of the Data Collection Form as required by the Uniform Guidance. The final version of the applicable audit reporting package, which includes your signed auditor's reports, that we will submit to the Federal Audit Clearinghouse (FAC) will be identical to the final version of such documents that you provided to us.
- (x) We have identified and disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, internal or external monitoring, and other studies directly related to the audit objectives of the compliance audit, including findings received and corrective actions taken from the end of the audit period covered by the compliance audit report to the date of the auditor's report.
- (y) We have provided views on your reported findings, conclusions, and recommendations. We are responsible for taking corrective action on audit findings and we are responsible for preparing and implementing a corrective action plan for each audit finding that meets the requirements of the Uniform Guidance and State Single Audit Guide.
- (z) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by the Uniform Guidance and State Single Audit Guide, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
- (aa) We have disclosed to you all contracts or other agreements with our service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.



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- (bb) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- (30) With respect to our participation in multi-employer defined benefit pension and other postemployment benefit (OPEB) plans:
- We believe that the actuarial assumptions and methods used to measure pension and other postretirement liabilities and costs for financial accounting and disclosure purposes are appropriate in the circumstances.
  - We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
  - We agree with the findings of specialists in evaluating the net pension liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- (31) With respect to the landfill closure and post-closure care cost estimate:
- We believe that the actuarial assumptions used to measure closure and post-closure costs are appropriate in the circumstances.
  - We agree with the findings of specialists in evaluating the landfill closure and post-closure care cost estimates and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
  - Provision has been made for any material loss that is probable from environmental remediation liabilities associated with identified contaminated sites. We believe such estimate is reasonable based on available information and that the liabilities and related loss contingencies and the expected outcome of uncertainties have been adequately described in the financial statements.
- (32) There have been no known or suspected breaches of sensitive information (e.g., personnel files) caused by cyber-attack or other means, or other cybersecurity incidents, where the breach or other incident could have a material effect on the financial statements.
- (33) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.

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*Alden P. Thern, CFO*

- If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
  - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.
  - We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
  - If the electronic financial statements are generally made available to the public on our web site, we will include a notification to the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.
- (34) Our annual report comprises the following documents: Introductory Section, Independent Auditor's Report, Basic Financial Statements, Required Supplementary Information, and Supplementary Information. Such documents are consistent with the financial statements, and do not contain any material misstatements.
- (35) We have considered climate-related events and conditions when preparing the financial statements and necessary disclosures, and have communicated to you such matters, if any, and their impact on our financial reporting.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,

*Suzanne LaFrance*

Suzanne LaFrance, Mayor

*Alden Thern*

Alden Thern, Chief Financial Officer



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Municipality of Anchorage, Alaska  
 Schedule of Corrected Misstatements  
 For the Year Ended December 31, 2022

#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
1	To adjust ML&P Proceeds, Transfers, and Fund Balance Rollforwards identified during audit procedures						
	General Fund		170000-104519	Misc Accts Receivable (Non SAP AR)		970,960.66	-
	General Fund		170000-104540	Est.UncoLAR(MOA Ent)	924,631.15		-
	General Fund		170000-140210	Deferred Debits	17,752,724.16		-
	General Fund		170000-408580	MISCELLANEOUS REVENUE		77,664.71	(77,664.71)
	General Fund		170000-540650	MISCELLANEOUS EXPENSE	81,078.29		81,078.29
	General Fund		170000-450010	Transfer from Other Funds		18,148,143.49	(18,148,143.49)
	General Fund		170000-440010	GCP Cash Pools Short-Term Int	438,335.26		438,335.26
2	Adjustments after final TBs received to reflect auditor identified adjustments required for fund balance rollforwards, cash tie outs, transfers, etc.						
	Aggregate Non-Major		530000-101240	General Cash Pool Equity		2,005.84	-
	Aggregate Non-Major		530000-103030	Utility Customer Cash Clearing	175.84		-
	Aggregate Non-Major		530000-104519	Misc Accts Receivable (Non SAP AR)	1,830.00		-
	Aggregate Non-Major		530000-308070	Equity Transfer to Other Funds		(18,148,143.49)	(18,148,143.49)
	Aggregate Non-Major		530000-580530	Transfer To Other Funds	18,148,143.49		18,148,143.49
3	To post adjustments provided by client after final TBs had been provided. These are due to adjustments auditor identified during inspection of final TBs for fund balance rollforward, transfers entity wide and tie out to audit schedules.						
	General Fund		101000-101240	General Cash Pool Equity	724,757.00		-
	General Fund		101000-101240	General Cash Pool Equity		724,757.00	-
	General Fund		101000-107010	Due from other MUNI Fund	5,673,871.63		-
	General Fund		101000-107010	Due from other MUNI Fund		5,673,871.63	-
	General Fund		101000-140010	AdvtoMUNIFndLTlnsRec		59,037,154.61	-
	General Fund		101000-140010	AdvtoMUNIFndLTlnsRec		4,838,527.90	-
	General Fund		101000-201000	Accounts Payable		10,503,216.66	-
	General Fund		101000-201000	Accounts Payable	10,503,216.66		-
	General Fund		101000-202450	Accrued Payroll Liabilities		9,182.87	-
	General Fund		101000-202450	Accrued Payroll Liabilities	9,182.87		-
	General Fund		101000-305070	Fund Balance - Unreserved	63,150,925.51		63,150,925.51
	General Fund		101000-501010	Straight Time Labor	56,722.51		56,722.51
	General Fund		101000-501020	Overtime	606.13		606.13
	General Fund		101000-501040	AnnLvTkn (MA)	4,834.20		4,834.20
	General Fund		101000-501080	Retirement	13,673.24		13,673.24
	General Fund		101000-501090	Life Insurance	40.80		40.80
	General Fund		101000-501100	Medical/Dental	26,789.50		26,789.50
	General Fund		101000-450010	Transfer From Other Funds	445.14		445.14
	General Fund		101000-605530	IGC General Liability	510.58		510.58
	General Fund		101000-605540	IGC Workers' Compensation	292.87		292.87
	General Fund		101000-511000	Operating Supplies	3,091.60		3,091.60
	General Fund		101000-520070	Per Diem	432.00		432.00
	General Fund		101000-520090	Other Travel Costs	67.46		67.46
	General Fund		101000-540170	Communications	360.54		360.54
	General Fund		101000-540640	Contractual Svcs Other	62,008.40		62,008.40

Municipality of Anchorage, Alaska  
Schedule of Corrected Misstatements  
For the Year Ended December 31, 2022

#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
		General Fund	101000-501105	FICA/Medicare Taxes	4,768.79		4,768.79
		General Fund	101000-501115	Employee Assistance	23.76		23.76
		General Fund	101000-501130	Unemployment Insurance	123.94		123.94
		General Fund	101000-501140	Long Term Disability	82.26		82.26
		General Fund	101000-580530	Transfer To Other Funds	549,883.28		549,883.28
4	To post adjustments provided by client after final TBs had been provided to correct auditor identified adjustments for fund balance, transfres, and tie-out to audit schedules						
	Aggregate Non-Major		231802-201000	Accounts Payable	6,945,373.97		-
	Aggregate Non-Major		231802-201000	Accounts Payable		6,945,373.97	-
	Aggregate Non-Major		231802-205010	AdvFrmOtherFunds	47,087,298.42		-
	Aggregate Non-Major		231802-205010	AdvFrmOtherFunds	1,280,685.21		-
	Aggregate Non-Major		231802-202700	Due To Areawide		5,673,871.63	-
	Aggregate Non-Major		231802-202700	Due To Areawide	5,673,871.63		-
	Aggregate Non-Major		231802-202450	Accrued Payroll Liabilities	9,182.87		-
	Aggregate Non-Major		231802-202450	Accrued Payroll Liabilities		9,182.87	-
	Aggregate Non-Major		231802-305070	Fund Balance - Unreserved		(48,367,983.63)	(48,367,983.63)
5	To post adjustments provided by client after final TBs had been received to adjust for auditor identified corrections to audit schedule tie-outs, fund balance rollforwards, and interfund transfers entitywide.						
	Aggregate Non-Major		231803-201000	Accounts Payable	3,557,842.69		-
	Aggregate Non-Major		231803-201000	Accounts Payable		3,557,842.69	-
	Aggregate Non-Major		231803-205010	AdvFrmOtherFunds	11,949,856.19		-
	Aggregate Non-Major		231803-205010	AdvFrmOtherFunds	3,557,842.69		-
	Aggregate Non-Major		231803-305070	Fund Balance - Unreserved		(15,507,698.88)	(15,507,698.88)
6	To post client provided adjustments after final TBs had been rec'd due to auditor identified adjustments for fund balance rollforwards, tie out to audit schedules, and interfund transfers entitywide						
	Aggregate Non-Major		245000-440080	UnRlzd Gns&Lss Invs	4,429.00		4,429.00
	Aggregate Non-Major		245000-102055	Investments Other	374,571.00		-
	Aggregate Non-Major		245000-305070	Fund Balance - Unreserved		(125,000.00)	(125,000.00)
	Aggregate Non-Major		245000-540135	49th Distribution Nongrant		254,000.00	(254,000.00)
7	To post client provided adjustments after final TBs received to correct auditor identified adjustments required for audit schedule tie out, fund balance rollforwards, and entity wide transfers						
	Aggregate Non-Major		245010-440080	UnRlzd Gns&Lss Invs		47,245.00	(47,245.00)
	Aggregate Non-Major		245010-102055	Investments Other	47,245.00		-
8	To post client prepared adjustments after final TBs had been rec'd due to auditor identified adjustments for fund balance rollforwards, interfund transfers, and balances that did not tie out to audit schedules						
	Aggregate Non-Major		245011-440080	UnRlzd Gns&Lss Invs	57,758.00		57,758.00
	Aggregate Non-Major		245011-102055	Investments Other		57,758.00	-

Municipality of Anchorage, Alaska  
Schedule of Corrected Misstatements  
For the Year Ended December 31, 2022

#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
9	To post client provided adjustments after final TBs received due to audit identified adjustments needed for interfund transfers, fund balance rollforwards, and tie out to audit						
		Aggregate Non-Major	245012-440080	UnRlzd Gns&Lss Invs		625,618.00	(625,618.00)
		Aggregate Non-Major	245012-102055	Investments Other	616,145.00		-
		Aggregate Non-Major	245012-102056	Investments-Non SSBCI	9,473.00		-
10	To post client provided adjustments after final TBs were provided due to audit identified adjustments for errors in fund balance rollforwards, interfund transfers, and tie out to audit schedules						
		Aggregate Non-Major	245014-440080	UnRlzd Gns&Lss Invs	339,924.00		339,924.00
		Aggregate Non-Major	245014-102055	Investments Other		339,924.00	-
11	To post client provided adjustments after final TBs were received due to auditor identified adjustments in fund balance rollforwards, interfund transfers, and tie out to audit						
		Aggregate Non-Major	245015-440080	UnRlzd Gns&Lss Invs	20,148.00		20,148.00
		Aggregate Non-Major	245015-102055	Investments Other		20,148.00	-
12	To post client provided adjustments after final TBs rec'd due to audit adjustments identified for fund balance rollforwards, interfund transfers entitywide, and tie outs to audit						
		Aggregate Non-Major	245016-440080	UnRlzd Gns&Lss Invs		90,949.00	(90,949.00)
		Aggregate Non-Major	245016-102055	Investments Other	90,949.00		-
13	To post client provided adjustments rec'd after final TBs due to auditor identified adjustments for fund balance rollforwards, interfund transfers entity wide and tie outs to audit schedules						
		Aggregate Non-Major	245017-440080	UnRlzd Gns&Lss Invs	536,204.00		536,204.00
		Aggregate Non-Major	245017-102055	Investments Other		536,204.00	-
14	To post client provided adjustments rec'd after final TBs due to auditor identified adjustments for tie out to audit schedules, interfund transfers entitywide, and fund balance						
		Aggregate Non-Major	245019-440080	UnRlzd Gns&Lss Invs		1,325.00	(1,325.00)
		Aggregate Non-Major	245019-102055	Investments Other	1,325.00		-
15	To post client adjustments after final TBs rec'd due to auditor identified adjustments for fund balance rollforwards, interfund transfers entitywide, and tie out to audit schedules						
		Aggregate Non-Major	245021-440080	UnRlzd Gns&Lss Invs	297,891.00		297,891.00
		Aggregate Non-Major	245021-102055	Investments Other		297,891.00	-
16	To post client adjustments after final TBs due to auditor identified adjustments for fund balance rollforwards, interfund transfers entitywide, and tie out to audit schedules						
		Aggregate Non-Major	245713-440080	UnRlzd Gns&Lss Invs	21.00		21.00
		Aggregate Non-Major	245713-102055	Investments Other		21.00	-
17	To post client prepared adjustments after final TBs rec'd due to auditor adjustments identified for fund balance rollforwards, interfund transfers, and tie out to audit schedules						
		Aggregate Non-Major	245714-102055	Investments Other	25,000.00		-
		Aggregate Non-Major	245714-540135	49th Distribution Nongrant		25,000.00	(25,000.00)
18	To post client adjustments after final TBs rec'd due to auditor identified adjustments in fund balance rollforwards, interfund transfers, and tie out to audit schedules						
		Aggregate Non-Major	261010-101240	General Cash Pool Equity		724,757.00	-
		Aggregate Non-Major	261010-101240	General Cash Pool Equity	724,757.00		-
		Aggregate Non-Major	261010-305070	Fund Balance - Unreserved	724,757.00		724,757.00
		Aggregate Non-Major	261010-511000	Operating Supplies		3,091.60	(3,091.60)
		Aggregate Non-Major	261010-520070	Per Diem		432.00	(432.00)
		Aggregate Non-Major	261010-520090	Other Travel Costs		67.46	(67.46)
		Aggregate Non-Major	261010-540170	Communications		360.54	(360.54)
		Aggregate Non-Major	261010-540640	Contractual Svcs Other		62,008.40	(62,008.40)
		Aggregate Non-Major	261010-605530	IGC General Liability		510.58	(510.58)
		Aggregate Non-Major	261010-605540	IGC Workers' Compensation		292.87	(292.87)

Municipality of Anchorage, Alaska  
Schedule of Corrected Misstatements  
For the Year Ended December 31, 2022

#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
		Aggregate Non-Major	261010-501010	Straight Time Labor		56,722.51	(56,722.51)
		Aggregate Non-Major	261010-501020	Overtime		606.13	(606.13)
		Aggregate Non-Major	261010-501040	AnnLvTkn (MA)		4,834.20	(4,834.20)
		Aggregate Non-Major	261010-501080	Retirement		13,673.24	(13,673.24)
		Aggregate Non-Major	261010-501090	Life Insurance		40.80	(40.80)
		Aggregate Non-Major	261010-501100	Medical/Dental		26,789.50	(26,789.50)
		Aggregate Non-Major	261010-501105	FICA/Medicare Taxes		4,768.79	(4,768.79)
		Aggregate Non-Major	261010-501115	Employee Assistance		23.76	(23.76)
		Aggregate Non-Major	261010-501130	Unemployment Insurance		123.94	(123.94)
		Aggregate Non-Major	261010-501140	Long Term Disability		82.26	(82.26)
		Aggregate Non-Major	261010-580530	Transfer To Other Funds		696,761.92	(696,761.92)
		Aggregate Non-Major	261010-450010	Transfer From Other Funds	146,433.50		146,433.50
19	To post client prepared adjustments rec'd after final TBs due to auditor identified adjustments in FEMA grants, interfund transfers, and fund balance rollforwards.						
		Solid Waste Services	562200-110030	Intergovernmental Rcbles	1,166,169.81		-
		Solid Waste Services	562200-203140	Deferred Credits - Misc	2,104,721.80		-
		Solid Waste Services	562200-203140	Deferred Credits - Misc		(2,104,721.80)	-
		Solid Waste Services	562200-305080	Net Position		(2,104,721.80)	(2,104,721.80)
		Solid Waste Services	562200-405100	Federal Grant Revenue-Direct		(8,059,547.21)	(8,059,547.21)
		Solid Waste Services	562200-405010	State Grant Revenue-Direct	1,947,086.54		1,947,086.54
		Solid Waste Services	562200-405150	State Grant Rev-Pass Thru	10,054,359.66		10,054,359.66
		Solid Waste Services	562200-450010	Transfer From Other Funds		(3,003,347.00)	(3,003,347.00)
20	To reclassify based on functional expense classification for fs presentation purposes.						
		Governmental Activities	231-OFFSET	Offset		48,302,486.33	-
		Governmental Activities	231-GG	General government	20,994,418.53		-
		Governmental Activities	231-GG	General government	105,299.78		-
		Governmental Activities	231-GG	General government		27,584.44	-
		Governmental Activities	231-FS	Fire services	563,783.19		-
		Governmental Activities	231-PS	Police services	1,936,821.09		-
		Governmental Activities	231-HH	Health and human services	17,128,112.02		-
		Governmental Activities	231-EC	Economic and community development	2,578,783.60		-
		Governmental Activities	231-PT	Public transportation	2,375,006.42		-
		Governmental Activities	231-PW	Public works	1,624,159.27		-
		Governmental Activities	231-MO	Maintenance and operations of roads and facilities	1,023,686.87		-
		Governmental Activities	231-INT	Debit Service - Interest Expense	3,829.87		-
		Governmental Activities	231-PRINCIPAL	Principal balance		3,829.87	-
21	To reclassify based on functional expense classification for fs presentation purposes.						
		Governmental Activities	202-OFFSET	Offset		6,905,750.00	-
		Governmental Activities	202-TRANSFER	CIVICVentures Debt Service Fund	6,905,750.00		-

Municipality of Anchorage, Alaska  
Schedule of Corrected Misstatements  
For the Year Ended December 31, 2022

#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
22	To reclassify based on functional expense classification for fs presentation purposes.						
	Governmental Activities	211-OFFSET		Offset		7,907.00	-
	Governmental Activities	211-FS		Fire Services	7,907.00		-
23	To reclassify based on functional expense classification for fs presentation purposes.						
	Governmental Activities	281-OFFSET		offset		1,933,512.84	-
	Governmental Activities	281-PS		Police Services	1,933,512.84		-
24	To reclassify based on functional expense classification for fs presentation purposes.						
	Governmental Activities	206-GG		General government expenses	501,687.22		-
	Governmental Activities	206-FS		Fire services Expenses	519,166.00		-
	Governmental Activities	206-PS		Police services expenses	890,478.00		-
	Governmental Activities	206-EC		Economic and community development	931,836.00		-
	Governmental Activities	206-OFFSET		offset		2,843,167.22	-
25	To reclassify based on functional expense classification for fs presentation purposes.						
	Governmental Activities	261-OFFSET		Offset		203,512.00	-
	Governmental Activities	261-HH		Health and human services	30,088.00		-
	Governmental Activities	261-EC		Economic and community development	170,924.00		-
	Governmental Activities	261-PW		Public works	2,500.00		-
26	To reclassify based on functional expense classification for fs presentation purposes.						
	Governmental Activities	241-GG		General government	1,597,905.75		-
	Governmental Activities	241-HH		Health and human services	36,920,194.09		-
	Governmental Activities	241-FS		Fire Expense	84,806.95		-
	Governmental Activities	241-PS		Police	1,691,215.67		-
	Governmental Activities	241-PT		Public transportation	6,304,694.58		-
	Governmental Activities	241-OFFSET		Offset for functional expense classification		48,229,608.31	-
	Governmental Activities	241-MO		Maintenance and operations	1,630,791.27		-
27	To post client provided adjustments after final TBs had been received due to auditor identified adjustments for fund balance rollforwards,						
	Aggregate Non-Major	245000-305070		Fund Balance - Unreserved	125,000.00		125,000.00
	Aggregate Non-Major	245000-540135		49th Distribution Nongrant		125,000.00	(125,000.00)
28	To post client provided adjustments after final TBs had been received, auditor identified adjustments for reclass related to financial statement presentation.						
	Aggregate Non-Major	531000-101245		Reclass GnrlCashPool	300,000.00		-
	Aggregate Non-Major	531000-110055		Operating Investments		300,000.00	-
29	Financial statement reclass adjustment for financial statement presentation, provided by client						
	Aggregate Non-Major	580900-110030		Intergovernmental Rcbles		1,393,374.00	-
	Aggregate Non-Major	580-NONCURREN		Noncurrent - Intergovernmental Rec	1,393,374.00		-
30	To post client provided adjustments after final TBs had been received, auditor identified adjustments for reclass related to financial statement presentation.						
	Aggregate Non-Major	531200-140210		Deferred Debits	1,351,895.51		-
	Aggregate Non-Major	531200-152147		CWIP (Full)		1,351,895.51	-

Municipality of Anchorage, Alaska  
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#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
31	To post client provided adjustments after final TBs had been received, auditor identified adjustments for reclass related to financial statement presentation.						
	Aggregate Non-Major		409800-105020	Special Assessments - Current	4,511.63		-
	Aggregate Non-Major		409800-105030	SplAssess-Delinq(Mod)	1,103.27		-
	Aggregate Non-Major		409800-105040	SpclAssess -Def(Mod)		3,537.90	-
	Aggregate Non-Major		409800-203130	Deferred Revenue		2,077.00	-
32	To post client provided adjustments after final TBs had been received, auditor identified transfers do not net during tie out; client identified adjustment needed.						
	Aggregate Non-Major		607800-530380	Other Professional Services		90,348.00	(90,348.00)
	Aggregate Non-Major		607800-580530	Transfer To Other Funds	90,348.00		90,348.00
33	To post client provided adjustments after final TBs had been received, auditor identified advances to / from do not net during tie out; client provided schedule showing adjustment needed.						
	General Fund		101000-107030	Interfund Loan Receivable -Current	105,451.00		-
	General Fund		101000-140010	AdvtoMUNIFndLTlnsRec		105,451.00	-
34	To post client provided adjustments after final TBs had been received, auditor identified transfers do not net during tie out; client provided tie out schedule that identified adjustment needed.						
	Aggregate Non-Major		241800-408380	Prior Yr Expense Recovery	65.91		65.91
	Aggregate Non-Major		241800-450010	Transfer From Other Funds		65.91	(65.91)
35	To post client provided adjustments after final TBs had been received, auditor identified transfers do not net during tie out; client provided tie out workpaper and identified adjustment needed.						
	Aggregate Non-Major		231805-408380	Prior Yr Expense Recovery	2,169.12		2,169.12
	Aggregate Non-Major		231800-450010	Transfer From Other Funds		2,169.12	(2,169.12)
36	To balance transfers for the general fund based on client provided schedule						
	General Fund		101000-580530	Transfer To Other Funds		2,803,398.00	(2,803,398.00)
	General Fund		101000-450010	Transfer From Other Funds	2,803,398.00		2,803,398.00
37	Adjustment to match to Muni-prepared cash footnote						
	Aggregate Non-Major		713000-101240	General Cash Pool Equity	1,950.00		-
	Aggregate Non-Major		713000-201020	Accounts Payable Manual Accruals		1,950.00	-
38	Match Muni-prepared cash footnote for proprietary funds						
	Aggregate Non-Major		580000-101240	General Cash Pool Equity	2,006.00		-
	Aggregate Non-Major		580000-201020	Accounts Payable Manual Accruals		2,006.00	-
39	To post adjustment provided by client for grant reconciliations						
	Aggregate Non-Major		231803-110030	Intergovernmental Rcbles		6,770,319.00	-
	Aggregate Non-Major		231801-110030	Intergovernmental Rcbles		2,019,910.27	-
	Aggregate Non-Major		231801-110030	Intergovernmental Rcbles	1,791,758.18		-
	Aggregate Non-Major		241800-203100	Unearned Revenue		793,521.29	-
	Aggregate Non-Major		231801-203140	Deferred Credits - Misc		1,791,758.18	-
	Aggregate Non-Major		231801-405150	State Grant Rev-Pass Thru	2,019,910.27		2,019,910.27
	Aggregate Non-Major		231803-405150	State Grant Rev-Pass Thru	6,770,319.00		6,770,319.00
	Aggregate Non-Major		241800-405100	Federal Grant Revenue-Direct	793,521.29		793,521.29

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#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
40	To correct business type lessor leases						
	Aggregate Non-Major		580000-104640	ST Lease Receivable	-	(187,425.58)	-
	Aggregate Non-Major		580000-125030	LT Lease Receivable	3,011,303.46	-	-
	Aggregate Non-Major		580000-208650	Deferred Inflow Lease	-	(2,804,536.20)	-
	Aggregate Non-Major		0	Lease Revenue	-	(19,341.68)	(19,341.68)
41	To correct governmental type lessor leases						
	General Fund		1XXXXX	Lease Receivable	716,709.44	-	-
	General Fund		1XXXXX	Deferred Inflow Lease	-	(714,891.30)	-
	General Fund		1XXXXX	Lease Revenue	-	(1,818.14)	(1,818.14)
42	To correct governmental type lessee leases						
	General Fund		1XXXXX-109130	Prepaid	-	(207,036.03)	-
	General Fund		1XXXXX-152240	Intangible Lease Right to Use GASB 87 Full Accrual	41,752,973.50	-	-
	General Fund		1XXXXX-162240	Amortization Intangible Lease Right to Use GASB 87	500,770.74	-	-
	General Fund		1XXXXX-201255	Accrued Interest Payable Lease GASB 87	-	(94,682.49)	-
	General Fund		1XXXXX-204710	ST Lease liability GASB 87	1,144,989.28	-	-
	General Fund		1XXXXX-205399	LT Lease liability GASB 87	-	(43,932,810.86)	-
	General Fund		0	Lease Revenue	835,795.86	-	835,795.86
43	Grant adjusting entry						
	Aggregate Non-Major		231803-110030	Intergovernmental Rcbles	13,540,638.00	-	-
	Aggregate Non-Major		241800-203100	Unearned Revenue	793,521.29	-	-
	Aggregate Non-Major		231803-405150	State Grant Rev-Pass Thru	-	(13,540,638.00)	(6,770,319.00)
	Aggregate Non-Major		241800-405100	Federal Grant Revenue-Direct	-	(793,521.29)	(793,521.29)
44	Grant adjustments made between preliminary and final trial balances						
	Aggregate Non-Major		231802-110030	Intergovernmental Rcbles	22,552,707.97	-	-
	Aggregate Non-Major		231802-405010	State Grant Revenue-Direct	-	(15,150.00)	(15,150.00)
	Aggregate Non-Major		231802-405150	State Grant Rev-Pass Thru	-	(22,537,557.97)	(22,537,557.97)
	Aggregate Non-Major		231803-405150	State Grant Rev-Pass Thru	-	(6,209,009.39)	(6,209,009.39)
	Aggregate Non-Major		231900-405150	State Grant Rev-Pass Thru	358,918.05	-	358,918.05
	Aggregate Non-Major		231803-110030	Intergovernmental Rcbles	6,209,009.39	-	-
	Aggregate Non-Major		231805-110030	Intergovernmental Rcbles	110,801.54	-	-
	Aggregate Non-Major		231805-405010	State Grant Revenue-Direct	-	(110,801.54)	(110,801.54)
	Solid Waste Services		562200-110030	Intergovernmental Rcbles	-	(7,387,474.52)	-
	Solid Waste Services		562200-405010	State Grant Revenue-Direct	-	(1,947,086.54)	(1,947,086.54)
	Solid Waste Services		562200-405150	State Grant Rev-Pass Thru	-	(10,054,359.66)	(10,054,359.66)
	Solid Waste Services		562200-200006	Undistributed Cash	6,981,844.15	-	-
	Solid Waste Services		562200-202720	Due to Other Funds	8,237,559.76	-	-
	Solid Waste Services		562200-450010	Transfer From Other Funds	4,169,516.81	-	-
	Port of Alaska		570800-110030	Intergovernmental Rcbles	383,101.27	-	-
	Port of Alaska		570800-405010	State Grant Revenue-Direct	-	(95,775.32)	(95,775.32)
	Port of Alaska		570800-405150	State Grant Rev-Pass Thru	-	(287,325.95)	(287,325.95)
	Aggregate Non-Major		580000-203100	Unearned Revenue	-	(1,452.00)	-

Municipality of Anchorage, Alaska  
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#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
45	To adjust FEMA Earthquake grant based on grant reconciliations, obligating awards, and receipts for the related grant.						
		Solid Waste Services	562200-110030	Intergovernmental Rcbles		(2,016,255.05)	-
		Solid Waste Services	562200-405150	State Grant Rev-Pass Thru	2,016,255.05		2,016,255.05
46	To reclassify amounts. PBC Adjustment # 2 posted grant adjustments to GL Acct # 562200-405100, while final client provided TBs had these amounts as 562200-405150 and AJE # 3 had additional adjustments to 562200-405150. For clarification and tie out purposes, BDO reclassified amounts per AJE # 2 to the final client provided TB accts (562200-						
		Solid Waste Services	562200-405100	Federal Grant Revenue-Direct	8,059,547.21		8,059,547.21
		Solid Waste Services	562200-405150	State Grant Rev-Pass Thru		(8,059,547.21)	(8,059,547.21)
47	To adjust lease calculations for incorrectly applied escalations within Matsen lease extensions and incorrectly missing PV of payments for period 1 which created adjustments throughout the lessor schedules.						
		Port of Alaska	570000-104640	Short Term Lease Receivable	140,750.39	-	-
		Port of Alaska	570000-125030	Long Term Lease Receivable	-	(3,450,757.33)	-
		Port of Alaska	570000-208650	Deferred Inflow Leases	3,310,006.94	-	-
48	To adjust lessor leases under GASB 87 for exercisable extension clauses contained within lessor agreements						
		Port of Alaska	570000-408350	Lease revenue	1,167,696.00	-	1,167,696.00
		Port of Alaska	570000-125030	Leases receivable - noncurrent	45,172,293.00	-	-
		Port of Alaska	570000-110049	Interest receivable - leases	179,146.00	-	-
		Port of Alaska	570000-208650	Deferred inflows related to leases	-	(42,212,634.00)	-
		Port of Alaska	570000-104640	Leases receivable - current	-	(2,183,989.00)	-
		Port of Alaska	570000-440045	Interest income - leases	-	(2,122,511.00)	(2,122,511.00)
49	Topside entry to adjust Current/Noncurrent Leases Receivable						
		General Fund	1106.100	Current Lease Receivable		(138,832.88)	
		General Fund	1812.100	Noncurrent Lease Receivable	138,833.32		
50	Topside entry to adjust Due To/From Other Funds						
		General Fund	1200.100	Due from Other Funds		(13,222,965.78)	
		General Fund	2350.100	Due to other funds	13,222,964.28		
51	Topside entry to Other Operating Income, Lease Income, & Lease Interest Income						
		General Fund	4050.100	Operating - Other Income		(172,889.71)	
		General Fund	4051.100	Operating - Lease Income	154,717.76		
		General Fund	7006.100	Interest Income - Leases	18,172.74		
52	Topside entry to adjust general government expenses, lease principal expense, and capital outlay						
		General Fund	5010.100	Expenses - General Government		(240,225.90)	
		General Fund	7558.100	Other Expense - Lease Principal		(2,294.00)	
		General Fund	XXXX.100	Expenditures - Capital Outlay	242,520.00		
53	Topside entry to adjust deferred inflows, unearned revenue/deposits, and time restricted receipts.						
		General Fund	2201.100	Unearned revenue and deposits	2,748,028.61		
		General Fund	XXXX.100	Time restricted health permit receipts		(478,375.00)	
		General Fund	XXXX.100	Def inflows - Unavailable revenues Risk Management Claims		(540,888.00)	
		General Fund	XXXX.100	Def inflows - Unavailable revenues Special Assessments		(1,728,766.00)	



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#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
54	Topside entry to adjust Current/Noncurrent Leases Receivable						
	Aggregate Non-Major		1106.221	Current Lease Receivable	2,640,906.29		
	Governmental Activities		1812.221	Noncurrent Lease Receivable		(2,640,906.50)	
55	Topside entry to adjust Charges for Services, Lease Revenue, and Lease Interest Income						
	Aggregate Non-Major		4040.221	Charges for Services		(309,709.00)	
	Aggregate Non-Major		4051.221	Operating - Other Lease Revenue	280,907.28		
	Aggregate Non-Major		7006.221	Nonoperating - Lease Interest Income	28,802.00		
56	Topside entry to adjust payables and unearned/unavailable revenue						
	Aggregate Non-Major		2000.241	Accounts Payable	1,138,335.10		
	Aggregate Non-Major		2201.241	Unearned revenue and deposits		(3,166,375.20)	
	Aggregate Non-Major		2606.241	Unavailable revenue - Intergovernmental	2,028,038.45		
57	Topside entry to adjust Special Assessments Income and Other Income						
	Aggregate Non-Major		4041.419	Special Assessments Income		(4,925.07)	
	Aggregate Non-Major		4050.419	other	4,924.92		
58	Topside adjustment to adjust classification of cash and investments						
	Aggregate Non-Major		1001.601	Cash and investments in central treasury	662,390.03		
	Aggregate Non-Major		1002.601	Equity in bond and grant capital acquisition and construction pool		(662,390.04)	
59	Topside entry to adjust Capital Contributions and Transfers from Other Funds						
	Aggregate Non-Major		7002.607	Capital Contributions	22,731.22		
	Aggregate Non-Major		7030.607	Transfers from Other Funds		(22,731.34)	
60	Topside entry to adjust Cash and Accounts Payable						
	Aggregate Non-Major		1000.713	Cash		(1,949.75)	
	Aggregate Non-Major		2000.713	accounts payable and retainages	1,950.00		
61	Topside entry to move gain/loss from Unrealized to Investment Income/Loss						
	Aggregate Non-Major		7012.715	Change in Unrealized gain (loss)		(1,998,243.10)	
	Aggregate Non-Major		7020.715	Investment income (loss)	1,998,242.04		
62	Topside entry to adjust Investment and Administrative Expenses						
	Aggregate Non-Major		7510.715	Investment Expense		(138,858.67)	
	Aggregate Non-Major		7512.715	Administrative Expenses	138,858.25		
63	Topside entry to reclassify Capital Acquisition and Construction and Retainages Payable to Accounts Payable						
	Aggregate Non-Major		2000.580	Accounts Payable		(247,716.25)	
	Aggregate Non-Major		2001.580	Capital Acquisition, Construction & Retainages Payable	247,711.89		
64	Topside entry to reclassify amounts from Investments to Accrued Interest on investments						
	Aggregate Non-Major		1010.715	Investments		(399,528.92)	
	Aggregate Non-Major		1102.715	Accrued interest on investments	399,529.10		

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#	Description	Opinion Unit	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance
65	Reclassification presentation entry moving due to/from balance in the IT ISF to Advances to Other Funds, due to the nature of its being long term and growing. The corresponding debit in the general fund was also moved, resulting in an increase in the unrestricted deficit reported in the General Fund.						
	Aggregate Non-Major		2350.607	Due to Other Funds		(27,217,783.00)	
	Aggregate Non-Major		1800.607	Advances to Other Funds	27,217,783.00		
	General Fund		1200.100	Due from Other Funds	27,217,783.00		
	General Fund		2352.100	Advances from Other Funds		(27,217,783.00)	
	General Fund			Nonspendable Fund Balance		(27,217,783.00)	
	General Fund			Unassigned Fund Balance	27,217,783.00		
66	CAMA Asset transfer recorded through capital contributions and capital outlay						
	General Fund		101000-570210	Computer HW Purchase>\$1,000	5,636,610.89		
	General Fund		106000-571210	CompHW Purch>\$1,000	5,224.05		
	General Fund		101000-450050	Interfund Asset Transfers In (FA)		117,512.13	
	General Fund		101000-460045	GainPrprty(Cntra)	12,975.09		
	General Fund		101000-430070	CapContr-Statistical		5,532,073.85	
	General Fund		106000-430070	CapContr-Statistical		5,224.05	
67	CIVICVentures adjustment: To adjust interest expense and net position to correct amount; to reclassify changes in restrictions for net investment in capital assets and bond debt service payments; and to reclassify capital contributions from the MOA.						
	Aggregate Non-Major		320000-305080	Net Position	1,233,482.93		
	Aggregate Non-Major		320000-580020	Bond Interest Expense		(1,233,483.92)	
	Aggregate Non-Major		320000-307020	Net Investment in Capital Assets	60,595.00		
	Aggregate Non-Major		320000-308010	Bond Redemption Reserve		(228,823.00)	
	Aggregate Non-Major		320000-305051	Fund Balance - Reserved		(60,595.00)	
	Aggregate Non-Major		320000-305051	Fund Balance - Reserved	228,823.00		
	Aggregate Non-Major		320000-450010	Transfers from Other Funds	336,000.00		
	Aggregate Non-Major		320000-430070	Capital Contributions		(336,000.00)	

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Municipality of Anchorage, Alaska  
 Schedule of Uncorrected Misstatements  
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#	Title	Opinion Unit	Item #	Account #	Account Name and Adjustment Description	Debit	Credit	Impact on Net Position/Fund Balance	Financial Statement Area of Impact
1	Transfer of CAMA Asset								
	General Fund		1		Capital outlay		(4,880,485.03)	(4,880,485.03)	Capital outlay
	General Fund		1		Prior year capital outlay	4,880,485.03		4,880,485.03	Fund balance
	Aggregate Non-Major		1		Prior year construction in progress		(4,880,485.03)	(4,880,485.03)	Net position
	Aggregate Non-Major		1		Transfers of capital assets	4,880,485.03		4,880,485.03	Transfers
	Transfer of CAMA system from IT Internal Service Funds to expenditures in General Fund. Client to report as a transfer of capital asset. Should have been expensed in governmental fund (partial in prior years approx \$4.8mil and about \$1mil in CY).								
2	Business Type Lessor Leases								
	Aggregate Non-Major		2	580000-104640	ST Lease Receivable	59,662.92	-		Lease receivable
	Aggregate Non-Major		2	580000-125030	LT Lease Receivable	2,072,590.52	-		Lease receivable
	Aggregate Non-Major		2	580000-208650	Deferred Inflow Lease		(2,077,260.54)		Deferred inflow - leases
	Aggregate Non-Major		2		Interest Income		(48,027.78)	(48,027.78)	Interest income
	Aggregate Non-Major		2		Lease Revenue		(6,965.12)	(6,965.12)	Other income
	Record adjustments to business type leases with implementation of GASB 87.								
3	Governmental Type Lessor Leases								
	General Fund		3	101000-104640	General Fund Lease Receivable	49,025.01	-		Lease receivable
	Aggregate Non-Major		3	221000-104640	Heritage Land Bank Lease Receivable	14,214.91	-		Lease receivable
	General Fund		3	101000-125030	General Fund Lease Receivable Noncurrent	630,622.10	-		Lease receivable
	Aggregate Non-Major		3	221000-125030	Heritage Land Bank Lease Receivable Noncurrent	213,287.51	-		Lease receivable
	General Fund		3	101000-208113	General Fund Deferred Inflow Lease		(654,847.35)		Deferred inflow - leases
	Aggregate Non-Major		3	221000-208113	Heritage Land Bank Deferred Inflow Lease	-	(170,091.63)		Deferred inflow - leases
	General Fund		3		Interest Income	-	(24,799.76)	(24,799.76)	Interest income
	Aggregate Non-Major		3		Lease Revenue	-	(57,410.79)	(57,410.79)	Charges for services
	Record adjustments to governmental type leases with implementation of GASB 87.								
4	Legal Contingencies								
	General Fund		4		General Fund Accounts Payable	-	(3,000,000.00)		Accounts payable
	General Fund		4		General Fund Legal Expense	3,000,000.00	-	3,000,000.00	Expenditures
	Record known settlements for legal contingencies that were present at year end.								
5	Fixed Assets - Shelter Tent								
	General Fund		5		Government Capital Assets - In Transit	2,000,000.00	-		Capital assets
	General Fund		5		General Fund Accounts Payable	-	(2,000,000.00)		Accounts payable
	Record amounts owed and later paid to vendor for a capital asset. This may possibly be considered an expenditure instead of a capital asset depending on ultimate use of the asset.								
6	Governmental Type Lessee Leases								
	Governmental activiti		6		Lease Liability	-	(11,491,558.87)		Lease liability
	Governmental activiti		6		Right-of-Use Asset	12,485,858.48	-		Capital assets
	Governmental activiti		6		Accumulated Amortization	-	(994,299.61)		Capital assets
	General Fund		6		Debt Service - Principal	1,235,941.61	-	1,235,941.61	Debt service
	General Fund		6		Debt Service - Interest	194,170.34	-	194,170.34	Debt service
	General Fund		6		Lease expense	-	(1,430,111.95)	(1,430,111.95)	Expenditures
	Record adjustments to governmental type leases with implementation of GASB 87.								
7	Legal Reserve								
	General Fund		7		General Fund Legal Expense	500,000.00	-	500,000.00	Contingent liabilities
	General Fund		7		General Fund Accounts Payable	-	(500,000.00)		Expenditures
	Account for contingent liabilities in a legal reserve.								
8	Port of Alaska Leases								
	Port of Alaska	POA-3	570000-208650		Deferred inflows related to leases	312,290.00	-	-	Deferred Inflows - leases
	Port of Alaska	POA-3	570000-408350		Lease revenue	-	(97,082.00)	(97,082.00)	Charges for services
	Port of Alaska	POA-3	570000-440045		Interest income - leases	-	(216,207.00)	(216,207.00)	Other income
	To adjust lease calculations for incorrect calculations of present value of the first period payments which created adjustments throughout the lessor lease schedules								
9	Grant Schedule Errors								
	Aggregate Non-Major			231	Grant revenue	1,462,066.00		1,462,066.00	Intergovernmental revenue
	Aggregate Non-Major			401	Grant revenue	260,107.00		260,107.00	Intergovernmental revenue
	Aggregate Non-Major			485	Grant revenue	142,869.00		142,869.00	Intergovernmental revenue
	Aggregate Non-Major			231	Grant receivable		(102,273.00)		Intergovernmental receivables
	Aggregate Non-Major			401	Grant receivable		(52,009.00)		Intergovernmental receivables
	Aggregate Non-Major			485	Grant receivable	118,020.00			Intergovernmental receivables
	Aggregate Non-Major			100	Loss (gain) on grant writeoffs		(1,828,780.00)	(1,828,780.00)	Other income
	Adjustments related to errors on grants identified in testing of grant samples.								
10	Grant Reconciliation Tie-out								
	Aggregate Non-Major			231	Grant receivable	2,205,737.00			Intergovernmental receivables
	Aggregate Non-Major			231	Grant revenue		(1,046,910.00)	(1,046,910.00)	Intergovernmental revenue
	Aggregate Non-Major			231	Loss (gain) on grant writeoffs		(1,158,827.00)	(1,158,827.00)	Expenditures
	Aggregate Non-Major			241	Grant receivable	1,233,210.00			Intergovernmental receivables
	Aggregate Non-Major			241	Grant revenue	565,410.00		565,410.00	Intergovernmental revenue
	Aggregate Non-Major			241	Loss (gain) on grant writeoffs		(1,798,620.00)	(1,798,620.00)	Expenditures
	Aggregate Non-Major			241	Unearned revenue	2,028,038.00			Unearned revenue
	Aggregate Non-Major			241	Deferred inflow		(2,028,038.00)		Deferred inflow
	Adjustments related to errors on grant reconciliations when agreeing to the trial balances.								

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**Municipality of Anchorage, Alaska**  
**Schedule of Identified Control Deficiencies**  
**For the Year Ended December 31, 2022**

**Material Weaknesses**

Item #	Title	Description
2022-001	Closure of Books and Records	The Municipality experienced heavy turnover in the Controller division. As the Controller division prepares portions of the Port entries and disclosures for their statements - cash and investments footnote - the availability of this information and the closure of final reporting periods for FY22 were delayed due to new personnel.
2022-002	Reconciliation and Review Controls	Reconciliation errors and related details for the following areas resulted in material adjustments to the following financial statement classes: Net position opening balances, landfill closure liability, CIVICVentures interest expense, Solid Waste Services transfers, due to other funds, and capital contributions, grant reconciliations, reconciliations of fund statements to the trial balances, interfund activity, and classifications of net position.
2022-003	Internal Communication	During the course of the audit, we noted that there were several key areas impacting financial reporting for which the personnel responsible for this reporting did not have ready access to information necessary to perform their duties. Specifically, this was identified during review of the cash and investment footnote, testing of debt covenants, review of restricted assets, testing of indirect rates and proposals submitted, and capital assets (disposals, reconciliations, and completeness review).
2022-004	Use of Fund Classifications	The Municipality incorrectly recorded costs incurred for general government capital assets in an internal service fund instead of as capital outlays in a governmental capital projects fund. There is no control in place to ensure expenditures are classified at time of incurrence in accordance with GASB 54.
2022-005	Implementation of Governmental Accounting Standards Board Statement No. 87, Leases	The Municipality had multiple errors in adoption of GASB No. 87. These errors primarily related to use of incorrect discount rates, incorrectly including intra-entity leases, failure to include extensions in calculations, and calculations that used incorrect inputs from existing contracts.
2022-006	Tracking of Capital Assets	Reconciliations and related details for Construction Work in Progress contained significant inaccuracies. Assets recorded as disposed on the capital asset schedules were still in service and operational.
2022-008; 2022-014	SA: Reporting Deadline for Federal and State Single Audit	The reporting package was not submitted to the FAC and State of Alaska within the required timeline.
2022-009	SA: Subrecipient Finding	Repeat of PY finding for subrecipient monitoring finding. Subrecipient agreements did not include the required federal award identification or applicability of audit requirements. No action was taken to ensure the subrecipients were audited in accordance with 2 CFR 200.501 if applicable.
2022-011	SA: Fixed Asset Detail	Fixed asset details were not complete when compared to the GL. Purchases should have been capitalized but were not included on the program records. In addition, a physical inventory of assets purchased with grant funds was not documented or reconciled.

**Municipality of Anchorage, Alaska**  
**Schedule of Identified Control Deficiencies**  
**For the Year Ended December 31, 2022**

**Significant Deficiencies**

Item #	Title	Description
2022-007	Monitoring Debt Covenants and Restricted Cash Reconciliations	Restricted cash calculations and debt covenant calculations were not performed nor reviewed on a periodic basis to ensure compliance with debt covenant requirements or financial reporting requirements.
2022-010	SA Procurement- Suspension and Debarment	Repeat of procurement finding regarding the retention of evidence for review of suspension and debarment prior to issuance of contracts.
2022-012	SA: Fixed Asset Detail	Fixed asset details were not complete when compared to the GL. Purchases should have been capitalized but were not included on the program records. In addition, a physical inventory of assets purchased with grant funds was not documented or reconciled.
2022-013	SA: Fixed Asset Deletion/Disposal	Disposals were approved but the wrong asset was disposed of on the listing. This error was not caught until the auditor's inquired about approval of the disposal. The asset was subsequently added back into service.
2022-015	SA: State Grant Late Reporting	A required report was submitted after the deadline.


**Control Deficiencies Other Than Material Weaknesses or Significant Deficiencies**

Item #	Title	Description
1	SAP: SOD for developer access to deploy program changes	Change management controls to mitigate segregation of duties access identified users with access to the development environment also had access to deploy development changes to production.
2	Weak Application Database (SQL) Password Policies for KABA, AFD TeleStaff, APD TeleStaff, and TeleDriver	SQL password authentication is appropriate, however, password policy and expiration for SQL logins are not enforced.
3	Application Reviews of User Access for AFD TeleStaff, APD TeleStaff, and TeleDriver	Documentation to support implementation of reviews of user access within these applications was not provided.
4	Segregation of Duties: Privileged Access within AFD TeleStaff and TeleDriver	Segregation of Duties: Users with privileged, administrative level access within the application (AFD TeleStaff or TeleDriver, respectively) also have the job duties to review and approve time entry within the application thus creating a segregation of duties issue.
5	Weak Application Password Policy for AFD TeleStaff and TeleDriver	Password policies at the application level are not configured nor enforced for the respective application (AFD TeleStaff, TeleDriver).
6	TeleDriver Application: New hire access and modification of access levels (onboarding) and termination of access (offboarding)	There is no formal onboarding or offboarding controls to grant, modify, or terminate access for TeleDriver. Access to TeleDriver is requested and approved verbally by the Dispatch Operations Supervisor and no supporting documentation is retained.
7	SAP: Application Privileged Access	Access to a privileged, administrative level role was granted to a developer within the production environment, thus creating a segregation of duties. This access was terminated by OIT upon identification of this role and further investigation determined that mitigating controls for change management were designed and implemented appropriately.
8	Tax Deposit Review	A tax deposit submission review form was not signed by the payroll manager. We recommend payroll tax payment reviews are documented.
9	JE Review and Approval	Certain journal entries were created and approved by the same individual in the SAP system, although they were reviewed by another person. We recommend IT controls are established to prevent the ability for users to create and approve their own entries.
10	Rates Approved by Assembly	The Airport rate per square foot charged has not yet been updated in individual agreements to match the rate approved by the Assembly. We recommend the Municipality document rationale or subsequent approval when a charge does not conform with approved rates.

**Municipality of Anchorage, Alaska**  
**Schedule of Identified Control Deficiencies**  
**For the Year Ended December 31, 2022**

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Item #	Title	Description
11	Purchasing Deficiencies	Internal audit identified multiple instances of procurement policies not being followed. These include sole-source contracts that didn't follow procurement requirements, P-card purchases outside of policy and lack of retention of supporting documentation for P-card activity, expenditures incurred under contracts that had expired, and expenditures incurred in excess of approved contract amounts.
12	Solid Waste Services Cash Control Procedures	Cash deposits were not made daily and unscheduled cash counts were not performed. We recommend the Municipality consider Internal Audit recommendations for improvement in this area.
13	Office of the Mayor Language Access Policy	Internal audit found that current programs may not be effective, and that information regarding these programs and feedback mechanisms were inadequate or not established. We recommend the Municipality consider Internal Audit recommendations for improvement in this area.
14	WIC Program	Required documentation was not retained in participant files. We recommend the Municipality perform a self-review of all program files to ensure proper compliance.
15	AWWU Key and Lock Controls	AWWU controls over key security were not followed. We recommend the Municipality consider Internal Audit recommendations for improvement in this area.
16	Review of Commitments and Contingencies	Policies and procedures at the MOA do not ensure that the City's evaluation of existing or pending legal claims for their probability of outcome is not communicated timely over the the Controller Division for inclusion in the financial statements. The current procedures in place, wherein the Controller and Assistant Controller work with legal at year end to assess the MOA's legal reserve, does not involve appropriate stakeholders at the MOA at the correct time (Department of Law). BDO did receive an evaluation of legal claims and assessments outstanding from Department of Law, but this was not communicated prior to closing of the books and records to the Controller Division. In addition, there were some settlements paid in subsequent periods that related to the year under audit that were not recorded. As a result, the MOA's policies and procedures are insufficient for ensuring a sufficient legal reserve is accrued and assessed for reasonableness in accordance with GASB 62.
17	Internal Service Fund Recovery	BDO identified that the internal service funds' charges for services provided to the MOA are insufficient in recovering actual costs incurred for provided services. The insufficient charges results in the funds running at a deficit. We recommend the Municipality analyze the history of costs and intergovernmental charge recovery, then implement a plan to restore deficits as appropriate.
18	Prior Year Transactions	There were two instances where prior year activities were incorrectly recorded in 2022. First, there are minor reconciling items on the bank reconciliation that should be researched and cleared out. Second, a journal was recorded to add prior year payroll expenses to the current year to facilitate grant reporting. While allowable from a cost perspective on the grant, these should not be recorded as such in the general ledger.
19	State of Alaska Budget to Actual Reports	There were multiple errors in amounts prepared by management as supplemental information. In addition, two budget to actual reports for grants listed on the assistance schedules were not included in the reporting package as required. We recommend a reconciliation of the assistance schedules be done concurrently with completion of these reports when grants are reconciled.



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