

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
AND SINGLE AUDIT REPORTS  
Year Ended June 30, 2024

CITY AND BOROUGH OF JUNEAU, ALASKA

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# Elgee Rehfeld

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

To the Members of the Assembly  
City and Borough of Juneau, Alaska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements, and have issued our report thereon dated February 14, 2025.

***Report on Internal Control over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant 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. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City and Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City and Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We noted certain other matters that we have reported to management and the boards of Bartlett Regional Hospital and Juneau School District in separate letters dated December 20, 2024 and November 6, 2024, respectively.

In addition, we have issued the Independent Auditor's Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control over Compliance; and Report on Schedule of Passenger Facility Charges, March 17, 2025, which included a significant deficiency in internal controls over a special condition of the Passenger Facility Charge Program.

### **City and Borough's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City and Borough's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City and Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Elgee Rehfeld*

February 14, 2025

March 17, 2025 (updated for completion of single audit)



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF  
STATE FINANCIAL ASSISTANCE REQUIRED BY THE *STATE OF ALASKA AUDIT GUIDE AND  
COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS*

To the Members of the Assembly  
City and Borough of Juneau, Alaska

## Report on Compliance for the Major State Programs

### *Opinion on Each Major State Program*

We have audited the City and Borough of Juneau, Alaska's (City and Borough) compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the City and Borough's major state programs for the year ended June 30, 2024. The City and Borough's major state programs are identified on the schedule of state financial assistance.

The City and Borough's basic financial statements include the operations of its component unit, the Juneau School District (the School District). The School District expended \$37,779,231 of state awards, which is not included in the schedule of state financial assistance for the year ended June 30, 2024. Our compliance audit, described below, did not include the operations of the School District because it was subjected to a separate audit in accordance with the State of Alaska Audit Guide and Compliance Supplement for State Single Audits for the year ended June 30, 2024.

In our opinion, the City and Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

### *Basis for Opinion on Each Major State Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state programs. Our audit does not provide a legal determination of the City and Borough's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City and Borough's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City and Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City and Borough's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of Alaska Audit Guide, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City and Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City and Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Alaska. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of State Financial Assistance and Schedules of Expenditures - Budget and Actual Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits and the State of Alaska Department of Health, Respectively**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements. We have issued our report thereon dated February 14, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance and schedules of expenditures - budget and actual are presented for purposes of additional analysis as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits and the State of Alaska Department of Health, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance and schedules of expenditures - budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Elgee Rehfeld*

March 17, 2025

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2024

State of Alaska Agency/Program Title	Grant Number	Award Amount	Expenditures	Passed through to Subrecipients
<b>Alaska Mental Health Trust Authority:</b>				
ZGYC-Spruce Root House	AMHTA 15169	\$ 100,000	\$ 100,000	\$ -
AMHTA Crisis Stabilization	14086	100,000	30,164	-
FY24 AMHTA Crisis	15510	476,200	371,837	-
<b>Total Alaska Mental Health Trust Authority</b>		<b>676,200</b>	<b>502,001</b>	<b>-</b>
<b>Alaska State Housing Authority -</b>				
ASHA 'in-lieu' tax	-	74,406	74,406	-
<b>Total Alaska State Housing Authority</b>		<b>74,406</b>	<b>74,406</b>	<b>-</b>
<b>Department of Commerce, Community, and Economic Development:</b>				
Designated Legislative Grant Program - North SOB Building Parking	23-DC-042	5,000,000	50,954	-
<b>Total Department of Commerce, Community, and Economic Development</b>		<b>5,000,000</b>	<b>50,954</b>	<b>-</b>
<b>Department of Education and Early Development:</b>				
Public Library Assistance FY24	PLA-24-JUNEA	21,000	21,000	-
Museum Grant in Aid FY24	-	12,000	12,000	-
State Shared Revenue - School Debt Retirement FY24	* -	1,074,871	1,074,871	-
<b>Total Department of Education and Early Development</b>		<b>1,107,871</b>	<b>1,107,871</b>	<b>-</b>
<b>Alaska Department of Military and Veterans Affairs -</b>				
Seismic Evaluation	20SNEHRP-GY19	15,000	15,000	-
<b>Total Alaska Department of Military and Veterans Affairs</b>		<b>15,000</b>	<b>15,000</b>	<b>-</b>

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE, continued  
Year Ended June 30, 2024

State of Alaska Agency/Program Title	Grant Number	Award Amount	Expenditures	Passed through to Subrecipients
<b>Alaska Department of Environmental Conservation -</b> FY24 Equipment Purchase MOU	CCFR CY23MOU ADEC	10,000	9,509	-
<b>Total Alaska Department of Environmental Conservation</b>		<u>10,000</u>	<u>9,509</u>	<u>-</u>
<b>Department of Health:</b>				
DES/DET Administrative Grant Program	1626-001-24002	150,000	150,000	-
Mobile Integrated Healthcare (MIG) Community Paramedicine Rural Extension of Care	161-315-24006	263,000	216,915	-
<b>Total Department of Health</b>		<u>413,000</u>	<u>366,915</u>	<u>-</u>
<b>Department of Revenue:</b>				
State Shared Revenue FY19 - Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	* -	5,970,995	368,123	-
State Shared Revenue FY22 - Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	* -	572,385	572,385	-
State Shared Revenue FY23 - Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	* -	5,680,455	3,252,557	-
State Shared Revenue FY24 - Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	* -	8,039,395	8,039,395	-
<b>Total Department of Revenue</b>		<u>20,263,230</u>	<u>12,232,460</u>	<u>-</u>
<b>Department of Transportation and Public Facilities -</b> Aurora Harbor Phase III	* 23-HG-004 DOT	2,000,000	1,921,644	-
<b>Total Department of Transportation and Public Facilities</b>		<u>2,000,000</u>	<u>1,921,644</u>	<u>-</u>
<b>Total State Financial Assistance</b>		<u>\$ 29,559,707</u>	<u>\$ 16,280,760</u>	<u>\$ -</u>

\*Major Program

CITY AND BOROUGH OF JUNEAU, ALASKA  
NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2024

General

The accompanying schedule of state financial assistance (SSFA) includes the state award activity of the of the City and Borough of Juneau, Alaska (City and Borough) under programs of the State of Alaska for the year ended June 30, 2024. The information in the SSFA is presented in accordance with the requirements of the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The City and Borough’s reporting entity is defined in Note 1 to City and Borough’s basic financial statements.

Basis of Accounting

The accompanying SSFA is presented using the modified-accrual and accrual basis of accounting, which is described in Note 1 to the City and Borough’s basic financial statements.

Relationship to Basic Financial Statements

The following is a reconciliation of state revenues reported in the City and Borough’s basic financial statements to state expenditures reported in the SSFA:

State revenues as reported in the basic financial statements:

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 21,666,978
Statement of Revenues, Expenses, and Changes in Net Position:	
Proprietary Funds	2,000,525
Internal Service Funds	491,105

Add:

Amounts reported as state expenditures in the SSFA, but not reported as state revenues in the basic financial statements:

State grant revenue sources reported as capital contributions in Juneau International Airport, Boat Harbors, Dock, Areawide Water Utility and Areawide Wastewater Utility enterprise funds	1,921,644
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Less:

Amounts reported as state revenue in the basic financial statements but not included in the SSFA:

Federal grants passed through the State of Alaska or reported as state sources in the capital projects and operations	(4,831,830)
Amounts reported as state revenue in the basic financial statements that do not meet the definition of state financial assistance for fiscal year 2024	<u>(4,967,662)</u>

Total state expenditures as reported in the SSFA	<u>\$ 16,280,760</u>
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CITY AND BOROUGH OF JUNEAU, ALASKA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2024

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

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

Government Activities	Unmodified
Business Type Activities	Unmodified
General Fund	Unmodified
Sales Tax Special Revenue Fund	Unmodified
Pandemic Response Special Revenue Fund	Unmodified
General Debt Service Fund	Unmodified
Other Governmental funds	Unmodified
Proprietary Funds:	
Juneau International Airport	Unmodified
Bartlett Regional Hospital	Unmodified
Areawide Water Utility	Unmodified
Areawide Wastewater Utility	Unmodified
Boat Harbors	Unmodified
Dock	Unmodified
Internal Service Funds	Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   x   Yes      No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?   x   Yes      None reported

Noncompliance material to financial statements noted?      Yes   x   No

***State Financial Assistance***

Type of auditor's report issued on compliance for major programs:   Unmodified  

- Internal control over major programs:
- Material weakness(es) identified?      Yes   x   No
  - Significant deficiency(ies) identified that are not considered to be material weaknesses?      Yes   x   None reported

Dollar threshold used to distinguish between type A and type B programs:   \$  750,000  

Auditee qualified as a low-risk auditee?      Yes   x   No

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2024-001                    Material Weakness in Internal Controls over Financial Reporting – Timely and Accurate Reconciliation of Significant Accounts**

New or Repeat:            Repeat

Criteria:                    Generally accepted accounting principles require that entities maintain a system of internal controls to provide reasonable assurance regarding the achievement of the following objectives:

- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

Condition:                    Internal controls over financial reporting were not sufficiently designed or implemented to accurately close the accounting records and prepare the ACFR for the City and Borough as of year-end in a timely manner. Key steps in the year-end close process were not accurately completed, including the year-end reconciliation of sales tax fund deferred inflows, land fund notes receivable, a general fund accounts receivable-related clearing account, central equipment fund inventory, other general fund accruals, and grants, as well as calculations and support related to the reporting of components of fund balance and net position designations.

Much of the close and audit preparation was completed much later than originally planned.

Account balances and disclosures were corrected by management as a result of proposed changes during the audit process.

Cause:                        Turnover in key finance positions, lack of documented procedures, outdated report preparation resources and technology, and inadequate review by the Controller’s department lead to significant delays in closing the year and the review of certain account balances.

For several accounts, support was prepared and reconciled but was not reviewed to ensure that the general ledger was appropriately adjusted to reflect these reconciliations. In one case, a reconciliation was incorrectly performed due to a lack of adequate accounts. This led to the erroneous inclusion of a deferred inflows amount in an otherwise unrelated reconciliation.

Context:                        The year-end adjustments and close process, scheduled to conclude in mid-October, was not completed until late December. The compilation of the draft ACFR, originally scheduled to be completed by December, was delayed until early February. As a result of review of provided support we proposed several significant adjustments, as well as proposing other insignificant changes for clarity in reporting.

Effect:                         The lack of timely close and delayed preparation of the draft ACFR resulted in significant delays in the audit.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

Recommendation: We recommend the City and Borough evaluate its year-end close process, including an analysis of any reporting changes anticipated and resources available, to ensure sufficient time is available for preparation and internal review. The account reconciliation and internal review processes should be at a sufficient level, so that accounts, statements, schedules and footnote differences are detected and corrected in a timely manner.

View of responsible officials: Management concurs with this finding, see corrective action plan.

**2024-002 Significant Deficiency in Internal Controls over Financial Reporting – Financial Statement Presentation of Lease and SBITA Payments and Additions**

New or Repeat: New

Criteria: Generally accepted accounting principles require that entities maintain a system of internal controls to provide reasonable assurance regarding the achievement of the following objectives:

- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

Condition: Internal controls were not sufficiently designed and implemented to ensure lease and SBITA payments and additions were appropriately presented in the governmental fund financial statements.

Account balances and disclosures were corrected by management as a result of proposed changes during the audit process.

Cause: A shortage of adequate resources and staff turnover in key positions within the accounting department led to the lack of appropriate preparation and presentation during the fiscal year.

Context and effect: Policies and procedures for the accounting and reporting of leases and SBITAs were not adequate to ensure appropriate financial statement presentation. Decisions made and processes used to prepare information for financial statement presentation were not sufficiently documented. Turnover in key accounting positions exacerbated the issue. As a result, presentation of lease and SBITA payments and additions in the governmental fund financial statements was not appropriate.

Recommendation: We recommend policies and procedures be developed, and necessary documentation retained to ensure lease and SBITAs payments and additions are appropriately presented in governmental fund financial statements.

View of responsible officials: Management concurs with this finding, see corrective action plan.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024

**SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS**

None to report for fiscal year 2024.



155 Heritage Way  
Juneau, AK 99801  
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City & Borough of Juneau  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2024

**FINANCIAL STATEMENT FINDINGS**

**2023-001            Significant Deficiency in Internal Controls over Financial Reporting – Timely Reconciliation of Significant Accounts and Preparation of the Annual Comprehensive Financial Report (ACFR)**

Current Status:        Partially Resolved – Improvements were made in the fiscal year 2024 close process and ACFR preparation, but due to additional deficiencies identified related to ensuring accurate reporting of specific accounts, the reported issues will continue into fiscal year 2025. See Material Weakness 2024-001.

**2023-002            Significant Deficiency in Internal Controls over Financial Reporting – Implementation of New Accounting Standard**

Current Status:        Partially Resolved – Improvements were made in the fiscal year 2024 close process related to SBITAs (Subscription-Based Information Technology Agreements); however, SBITA payments were incorrectly presented in the governmental fund financial statements. See Significant Deficiency 2024-002.

**STATE AWARD FINDINGS AND QUESTIONED COSTS**

**2023-004            Significant Deficiency in Internal Controls over Compliance and Compliance – Reporting non-major program**

Current Status:        Resolved

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
Mobile Integrated Healthcare (MIG) Community Paramedicine  
Rural Extension of Care (161-315-24006)  
Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personnel services	<u>\$ 263,000</u>	<u>\$ 216,915</u>	<u>\$ 46,085</u>

CITY AND BOROUGH OF JUNEAU, ALASKA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 DES/DET Administrative Grant Program  
 (1626-001-24002)  
 Year Ended June 30, 2024

	Budget	Actual	Variance
Personnel services	\$ 150,000	\$ 150,000	\$ -



155 Heritage Way  
Juneau, AK 99801  
907-586-5215

City & Borough of Juneau  
Corrective Action Plan  
Year Ended June 30, 2024

**FINANCIAL STATEMENT FINDINGS**

Finding: 2024-001 Material Weakness in Internal Controls over Financial Reporting – Timely and Accurate Reconciliation of Significant Accounts

Name of Contact Person: Angie Flick, Director of Finance

Corrective Action: The corrective action includes a multi-pronged approach to address the core issues which include staff turnover, staff knowledge and internal controls. The CBJ accounting workgroup has been fully staffed since August 2024. Focus is required on staff engagement and morale in order to remain fully staffed and gain the benefits of a seasoned team. In addition to being fully staffed, having those accountants with more time in their positions is creating a learning opportunity for content, context and process. They have and will continue to be engaged in classes and other learning opportunities to gain confidence and competence in accounting principles. All members of Finance working on year-end close actions will receive training on reconciliation processes and verifying trial balance amounts compared to their own work scope. Finally, we are also going to be working on reconciliation quarterly instead of annually. This will make our year end reconciliations quicker and gives us more time to research and resolve issues.

Proposed Completion Date: October 31, 2025

Finding: 2024-002 Significant Deficiency in Internal Controls over Financial Reporting – Financial Statement Presentation of Lease and SBITA Payments and Additions

Name of Contact Person: Angie Flick, Director of Finance

Corrective Action: Similar to finding 2024-001, new staff had to learn both process, principles and a tool in order to work through lease and SBITA information and presentation. Staff will continue to work with the tool over the next few months, look for training opportunities on the tool and verify data that may need to be cleaned up. Additionally, as noted in 2024-001; a more robust review of potential lease and SBITA transactions will be implanted.

Proposed Completion Date: October 31, 2025