

CITY AND BOROUGH OF JUNEAU, ALASKA

Expenditures of Federal Awards Reports

Year ended June 30, 2002

CITY AND BOROUGH OF JUNEAU, ALASKA

Expenditures of Federal Awards Reports

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ELGEE, REHFELD, MERTZ & BARRETT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the basic financial statements of the City and Borough of Juneau, Alaska, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 11, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City and Borough of Juneau, Alaska's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City and Borough of Juneau, Alaska's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City and Borough of Juneau, Alaska, in a separate letter dated November 11, 2002.

This report is intended solely for the information and use of the Assembly, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



November 11, 2002

ELGEE, REHFELD, MERTZ & BARRETT, LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City and Borough of Juneau, Alaska, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The City and Borough of Juneau, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City and Borough of Juneau, Alaska's management. Our responsibility is to express an opinion on the City and Borough of Juneau, Alaska's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City and Borough of Juneau's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City and Borough of Juneau, Alaska's compliance with those requirements.

In our opinion, the City and Borough of Juneau, Alaska complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the City and Borough of Juneau, Alaska is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City and Borough of Juneau, Alaska's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order 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 OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City and Borough of Juneau, Alaska as of and for the year ended June 30, 2002, and have issued our report thereon dated November 11, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements of the City and Borough of Juneau, Alaska. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Assembly, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Elgee, Rehfeld, Hertz & Bennett, LLC

November 11, 2002

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Federal grant or/pass-through grant or/program title	Pass-through grantor's number	Catalogue of federal domestic assistance number	Program or award amount	Receivable (deferral) at July 1, 2001	Amount received	Expenditures	Receivable (deferral) at June 30, 2002
U.S. Department of Agriculture:							
Forest Service:							
State Pass-Through Grant:							
Alaska Department of Community and Economic Development							
Schools and Roads - Grants to States	-	10.665	\$ 930,246	-	930,246	790,709	(139,537)
Total U.S. Department of Agriculture			<u>930,246</u>	<u>-</u>	<u>930,246</u>	<u>790,709</u>	<u>(139,537)</u>
U.S. Department of Transportation:							
Federal Transit Administration:							
Juneau Transit Center	-	20.500	197,600	-	-	-	-
State Pass-Through Grants:							
Alaska Department of Transportation & Public Facilities							
Section 18 Grant (Operations)	68326	20.500	84,714	-	84,714	84,714	-
Juneau Capital Transit Capital Grant - Purchase Transit Buses	67458	20.500	946,088	100,221	111,258	11,037	-
Juneau Downtown Transit Center - Enviro/Preconstruct	68271	20.500	48,750	-	-	48,750	48,750
Update Capital Transit Development Plan	AK-80-X009	20.500	25,000	-	-	-	-
Juneau Capital Transit Capital Grant - Purchase Paratransit Buses	68328	20.500	87,750	-	82,851	82,851	-
			<u>1,389,902</u>	<u>100,221</u>	<u>278,823</u>	<u>227,352</u>	<u>48,750</u>
Federal Highway Administration:							
State Pass-Through Grants:							
Alaska Department of Transportation & Public Facilities							
Planning Grant - Juneau Riverside Drive Corridor Study	74667	20.205	66,454	37,810	66,454	28,644	-
Planning Grant - Juneau Transit Development Plan	74930	20.205	61,405	-	-	61,400	61,400
Juneau Glacier Highway/Anka Street Area Improvements	67898	20.205	119,565	103,500	110,699	7,199	-
			<u>247,424</u>	<u>141,310</u>	<u>177,153</u>	<u>97,243</u>	<u>61,400</u>
Federal Aviation Administration:							
Runway 8-26 Rehabilitation	-	20.106	5,395,795	52,548	53,620	1,072	-
Purchase of Security Equipment	-	20.106	70,500	-	-	-	-
Snow Removal Equipment Building Design	-	20.106	656,196	-	-	-	-
Rehabilitate Air Carrier and GA Aprons	-	20.106	968,920	849	849	-	-
North Terminal Access Rehabilitation	-	20.106	261,468	166	550	384	-
Runway Safety Area I Construction/Environmental Assessment	-	20.106	3,668,935	193,071	278,392	85,321	-

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Federal grant or/pass-through grant or/program title	Pass-through grantor's number	Catalogue of federal domestic assistance number	Program or award amount	Receivable (deferral) at July 1, 2001	Amount received	Expenditures	Receivable (deferral) at June 30, 2002
U.S. Department of Transportation (cont.):							
Federal Aviation Administration:							
Acquire Land for Noise Compatibility: Tract 19		20.106 *	319,921	314,124	319,921	5,797	-
Runway Safety Area Environmental Impact Statement I	-	20.106 *	700,000	183,056	692,626	509,570	-
Runway Safety Area Environmental Impact Statement II	-	20.106 *	1,000,000	-	219,161	495,300	276,139
Rehabilitate Terminal Building Exterior	-	20.106 *	478,931	-	94,820	94,820	-
9/11 Security Requirements	-	20.106 *	89,554	-	-	89,554	89,554
9/11 Security Equipment and Terminal Improvements	-	20.106 *	186,041	-	-	-	-
Passenger Facility Charges	-	20.106 *	681,512	(428,248)	773,180	1,060,127	(141,301)
Air Traffic Control Tower Office Upgrades	-	20.xxx	75,000	-	-	-	-
			<u>14,552,773</u>	<u>315,566</u>	<u>2,433,119</u>	<u>2,341,945</u>	<u>224,392</u>
Total U.S. Department of Transportation			<u>16,190,099</u>	<u>557,097</u>	<u>2,889,095</u>	<u>2,666,540</u>	<u>334,542</u>
U.S. Department of the Interior:							
Bureau of Land Management:							
"In Lieu of Tax" receipts	-	15.226	<u>2,099,168</u>	<u>-</u>	<u>2,099,168</u>	<u>2,099,168</u>	<u>-</u>
Environmental Protection Agency:							
Wetlands Mitigation Bank Development	-	66.461	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State Pass-Through Grants:							
Alaska Department of Environmental Conservation							
Stormwater Management Development	NP-01-14	66.460	38,840	38,840	38,840	-	-
Stormwater Management Development	NP-02-05	66.460	<u>72,000</u>	<u>-</u>	<u>11,422</u>	<u>68,862</u>	<u>57,440</u>
			<u>110,840</u>	<u>38,840</u>	<u>50,262</u>	<u>68,862</u>	<u>57,440</u>
National Park Service:							
State Pass-Through Grants:							
Alaska Department of Natural Resources							
Historic Building Survey - Casey-Shattuck Neighborhood	00-335	15.904	7,260	1,894	6,074	4,180	-
Historic Preservation Webpage II	00-337	15.904	1,650	951	1,546	595	-
2001 Alaska CLG Workshop - Travel Grant	00-348	15.904	3,984	2,530	2,014	(516)	-
Stabilization of Jualpa Mine Camp Historic District, Ph. V	01-353	15.904	4,500	-	2,016	2,016	-
Interpretive Signs for Traditional Places	01-354	15.904	19,500	-	-	-	-

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Federal grant or/pass-through grant or/program title	Pass-through grantor's number	Catalogue of federal domestic assistance number	Program or award amount	Receivable (deferral) at July 1, 2001	Amount received	Expenditures	Receivable (deferral) at June 30, 2002
U.S. Department of the Interior (cont.):							
National Park Service:							
State Pass-Through Grants:							
Alaska Department of Natural Resources							
Land and Water Conservation Fund	02-0037	15.916	154,786	-	-	-	-
			<u>191,680</u>	<u>5,375</u>	<u>11,650</u>	<u>6,275</u>	<u>-</u>
U.S. Fish and Wildlife Service:							
Partners for Wildlife Cooperative Extension Agreement - JPD Site I	-	15.FFB	30,000	-	30,000	30,000	-
Partners for Wildlife Cooperative Extension Agreement - JPD Site II	-	15.FFB	25,000	-	-	-	-
Improvements to the Duck Creek Watershed	-	15.FFB	5,000	-	-	5,000	5,000
Gauging Data - Duck and Jordan Creeks, Mendenhall River	-	15.FFB	5,000	-	-	5,000	5,000
			<u>65,000</u>	<u>-</u>	<u>30,000</u>	<u>40,000</u>	<u>10,000</u>
State Pass-Through Grants:							
Alaska Department of Fish and Game							
Amalga Harbor Boat Ramp Rehabilitation	00-062	15.605	337,500	-	-	-	-
N. Douglas Island Ramp	00-017	15.605	127,500	-	-	-	-
Douglas Harbor Ramp Facility	01-018	15.605	300,000	-	-	-	-
			<u>765,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of the Interior			<u>3,276,688</u>	<u>44,215</u>	<u>2,191,080</u>	<u>2,214,305</u>	<u>67,440</u>
U.S. Department of Education:							
State Pass-Through Grants:							
Alaska Department of Education & Early Development							
Regional Grant	ILC-02-743-89	45.310	35,570	-	35,570	35,570	-
Capital City Libraries Upgrade of Router	ILC-02-743-118	45.310	12,583	-	12,583	12,583	-
Total U. S. Department of Education			<u>48,153</u>	<u>-</u>	<u>48,153</u>	<u>48,153</u>	<u>-</u>
U.S. Department of Commerce:							
National Oceanic and Atmospheric Administration:							
Coastal Impact Assistance Program	-	11.419	99,952	-	-	-	-

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Federal grant or/pass-through grant or/program title	Pass-through grantor's number	Catalogue of federal domestic assistance number	Program or award amount	Receivable (deferral) at July 1, 2001	Amount received	Expenditures	Receivable (deferral) at June 30, 2002
U.S. Department of Commerce (cont.):							
National Oceanic and Atmospheric Administration:							
Joint Project Agreement - Lena Access Road	-	11.MOU	1,700,000	-	895,000	526,431	(368,569)
Duck Creek Culvert Replacement	-	11.CON	5,000	-	-	-	-
State Pass-Through Grant:							
Alaska Department of Community and Economic Development							
Alaska Coastal Management FY01	810533	11.419	38,250	13,319	18,185	4,866	-
Alaska Coastal Management FY02	820547	11.419	38,450	-	29,485	38,450	8,965
Alaska Coastal Management Section 6217	820548	11.419	35,100	-	-	34,243	34,243
Total U.S. Department of Commerce			<u>1,916,752</u>	<u>13,319</u>	<u>942,670</u>	<u>603,990</u>	<u>(325,361)</u>
U.S. Department of Defense:							
State Pass-Through Grant:							
Alaska Department of Military and Veterans Affairs							
Local Emergency Planning Committee	-	83.503	29,000	-	9,599	29,000	19,401
Emergency Management Program	-	83.503	10,000	2,500	10,000	10,000	2,500
Total U.S. Department of Defense			<u>39,000</u>	<u>2,500</u>	<u>19,599</u>	<u>39,000</u>	<u>21,901</u>
U.S. Department of Health & Human Services:							
State Pass-Through Grant:							
Alaska Department of Health and Social Services							
Women's Capacity Expansion FY01	06-1496	93.230	106,174	29,214	20,666	(5)	8,543
Women's Capacity Expansion FY02	06-2496	93.230	20,505	-	-	19,415	19,415
Total U.S. Department of Health & Human Services			<u>126,679</u>	<u>29,214</u>	<u>20,666</u>	<u>19,410</u>	<u>27,958</u>
U.S. Department of Justice:							
Bulletproof Vest Partnership Program							
Bulletproof Vest Partnership Program	-	16.607	15,700	15,520	15,700	180	-
State Pass-Through Grant:							
Alaska Department of Public Safety							
COPS Technology Grant	-	16.710	976,900	-	-	22,850	22,850
Total U.S. Department of Justice			<u>992,600</u>	<u>15,520</u>	<u>15,700</u>	<u>23,030</u>	<u>22,850</u>

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Federal grant or/pass-through grant or/program title	Pass-through grantor's number	Catalogue of federal domestic assistance number	Program or award amount	Receivable (deferral) at July 1, 2001	Amount received	Expenditures	Receivable (deferral) at June 30, 2002
U.S. Department of Housing & Urban Development:							
State Pass-Through Grant:							
Alaska Department of Revenue							
Alaska Housing Finance Corporation							
"In Lieu of Tax" receipts FY01	-	14.xxx	36,435	36,435	36,435	-	-
"In Lieu of Tax" receipts FY02	-	14.xxx	50,203	-	-	50,203	50,203
			<u>86,638</u>	<u>36,435</u>	<u>36,435</u>	<u>50,203</u>	<u>50,203</u>
Alaska Department of Community and Economic Development							
Community Development Block Grant							
	801110	14.228	198,000	-	198,000	198,000	-
Total U.S. Department of Housing & Urban Development			<u>284,638</u>	<u>36,435</u>	<u>234,435</u>	<u>248,203</u>	<u>50,203</u>
Denali Commission							
State Pass-Through Grant:							
Alaska Department of Community and Economic Development							
Communities Priorities Program - Treadwell Arena	831,104	90.100	500,000	-	-	-	-
Total Federal Expenditures			<u>\$ 24,304,855</u>	<u>698,300</u>	<u>7,291,644</u>	<u>6,653,340</u>	<u>59,996</u>

*Major Program

CITY AND BOROUGH OF JUNEAU, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the City and Borough of Juneau, Alaska. The City and Borough's reporting entity is defined in Note 1 to the City and Borough's basic financial statements. Federal awards received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included in the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-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 federal revenues reported in the City and Borough's basic financial statements to federal expenditures reported in the Schedule of Expenditures of Federal Awards:

Direct Grants:

Federal revenues as reported in the basic financial statements:	
Governmental Funds	\$ 2,660,778
Proprietary Funds	129,731

Less:

Amounts reported as federal revenue in the basic financial Statements but not included in the Schedule of Expenditures of Federal Awards:	
Juneau International Airport classified Transportation Security Administration reimbursement for security upgrades as federal revenue.	<u>(34,380)</u>

Total direct grants	<u>2,756,129</u>
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Plus:

Grants passed through State of Alaska	1,645,616
Federal moneys included in airport, harbors, hospital, water and sewer capital projects	<u>2,251,595</u>

Total federal expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 6,653,340</u>
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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2002

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City and Borough of Juneau, Alaska.
2. No instances of noncompliance material to the financial statements of the City and Borough of Juneau, Alaska were disclosed during the audit.
3. The auditor's report on compliance for the major federal award programs for the City and Borough of Juneau, Alaska expresses an unqualified opinion on all major federal programs.
4. There were no audit findings relative to the major federal award programs for the City and Borough of Juneau, Alaska required to be reported in this schedule under OMB Circular A-133.
5. The federal programs tested as major programs included:

<u>CFDA #</u>	<u>NAME</u>
20.106	Department of Transportation, Airport Improvement Program
10.665	Department of Agriculture, Schools and Roads – Grants to States
6. The threshold for distinguishing Types A and B programs was \$300,000.
7. The City and Borough of Juneau was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT
No matters reported.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT
No matters reported.