

CITY AND BOROUGH OF JUNEAU, ALASKA

STATE FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2019

CITY AND BOROUGH OF JUNEAU, ALASKA

STATE FINANCIAL ASSISTANCE REPORTS

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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, 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, 2019, 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 December 20, 2019.

***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) to determine the 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.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***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 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 or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Elgee Rehfeld*

December 20, 2019



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 Each Major State Program**

We have audited the City and Borough of Juneau, Alaska's (City and Borough's) compliance with the types of compliance requirements described 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, 2019. The City and Borough's major state programs are identified in the accompanying schedule of state financial assistance.

The City and Borough's basic financial statements include the operations of the City and Borough of Juneau School District, which expended \$47,764,700 in state awards which is not included in the City and Borough's schedule of state financial assistance during the year ended June 30, 2019. Our audit, described below, did not include the operations of the City and Borough of Juneau School District because the component unit had its own audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City and Borough's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state program occurred. An audit includes examining, on a test basis, evidence about the City and Borough'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 qualified and unmodified opinions on compliance for each major state program. However, our audit does not provide a legal determination of the City and Borough's compliance.

### **Basis for Qualified Opinion on Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs**

As described in the accompanying schedule of findings and questioned costs, the City and Borough did not comply with requirements regarding Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs as described in finding number 2019-001. Compliance with such requirements is necessary, in our opinion, for the City and Borough to comply with the requirements applicable to that program.

### **Qualified Opinion on Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City and Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs for the year ended June 30, 2019.

### **Unmodified Opinion on Each of the Other Major State Programs**

In our opinion, the City and Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major state programs identified in the schedule of state financial assistance for the year ended June 30, 2019.

### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and which are described in accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major state program is not modified with respect to these matters.

The City and Borough's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. The City and Borough's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, express no opinion on the response.

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

Management of the City and Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City and Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City and Borough's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control

over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

*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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a significant deficiency.

The City and Borough's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. The City and Borough's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of State Financial Assistance and Schedule 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 and Social Services, 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, 2019, 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 December 20, 2019, 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 schedule 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 and Social Services, 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 schedule of expenditures - budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Elgee Rehfeld*

December 20, 2019



CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2019

State of Alaska Agency/Program Title	Grant Number	Award Amount	Receivable (Deferral) at June 30, 2018	Amount Received	Expenditures	Receivable (Deferral) at June 30, 2019
<b>Alaska Mental Health Trust Authority:</b>						
Housing and Homelessness Services Coordinator (FY18)	GIFT ID 8674	\$ 100,000	\$ 31,477	\$ 31,477	\$ -	\$ -
Housing and Homelessness Services Coordinator (FY19)	GIFT ID 8674.01	52,763	-	68,523	98,993	30,470
Cold Weather Emergency Shelter FY18	GIFTS ID 9068	16,425	16,425	16,425	-	-
Juneau Cold Weather Shelter Operations (FY19)	GIFTS ID 10108	30,000	-	24,000	30,000	6,000
<b>Total Alaska Mental Health Trust Authority</b>		<b>199,188</b>	<b>47,902</b>	<b>140,425</b>	<b>128,993</b>	<b>36,470</b>
<b>Alaska State Housing Authority:</b>						
ASHA 'in-lieu' tax	-	87,760	-	87,760	87,760	-
<b>Total Alaska State Housing Authority</b>		<b>87,760</b>	<b>-</b>	<b>87,760</b>	<b>87,760</b>	<b>-</b>
<b>Department of Administration:</b>						
Employer Relief Balance SFY2019 - City and Borough of Juneau	*	ER 126 HB286	2,322,800	-	2,322,800	2,322,800
Employer Relief Balance SFY2019 - Bartlett Regional Hospital	*	ER 219 HB286	2,176,791	-	2,176,791	2,176,791
<b>Total Department of Administration</b>		<b>4,499,591</b>	<b>-</b>	<b>4,499,591</b>	<b>4,499,591</b>	<b>-</b>
<b>Department of Commerce, Community, and Economic Development:</b>						
Direct Programs:						
Fisheries Business Tax	-	9,883	-	9,883	9,883	-
Community Assistance Program	*	-	995,551	-	995,551	995,551
Designated Legislative Grant Programs:						
N Douglas Hwy Extension	13-RR-028	2,972,785	172,676	237,168	152,851	88,359
Construction of a Joint City, State, and Federal Parking Facility in the Willoughby District	*	15-RR-044	1,574,466	511,390	569,682	401,576
Airport Snow Removal Equipment Facility	*	14-DC-061	3,000,000	146,780	2,137,580	1,997,487
International Airport Approach Lighting	15-DC-070	93,750	-	2,087	2,147	60
<b>Total Department of Commerce, Community, and Economic Development</b>		<b>8,646,435</b>	<b>830,846</b>	<b>3,951,951</b>	<b>3,559,495</b>	<b>438,390</b>
<b>Department of Education and Early Development:</b>						
Public Library Assistance	PLA-19-743-01	21,000	-	21,000	21,000	-
NASA STEM Workshop Travel	N/A	500	-	500	500	-
Museum Grant in Aid FY19	FY2019 GRANT-IN-AID	10,000	-	7,419	7,419	-
State Shared Revenue:						
School Debt Retirement FY18	-	10,894,929	3,347,873	3,347,873	-	-
School Debt Retirement FY19	*	-	8,369,390	-	8,284,847	8,369,390
<b>Total Department of Education and Early Development</b>		<b>19,295,819</b>	<b>3,347,873</b>	<b>11,661,639</b>	<b>8,398,309</b>	<b>84,543</b>

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2019

State of Alaska Agency/Program Title	Grant Number	Award Amount	Receivable (Deferral) at June 30, 2018	Amount Received	Expenditures	Receivable (Deferral) at June 30, 2019
<b>Department of Environmental Conservation:</b>						
Salmon Creek LT2 Upgrade	*	4,000,000	154,594	150,497	582,427	586,524
CCFR Equipment Purchase and Training	MOU-FY18	30,000	19,998	19,998	-	-
<b>Total Department of Environmental Conservation</b>		<b>4,030,000</b>	<b>174,592</b>	<b>170,495</b>	<b>582,427</b>	<b>586,524</b>
<b>Department of Fish and Game:</b>						
Amalga Harbor Fish Cleaning Float	15-049	12,500	182	-	10,327	10,509
<b>Total Department of Fish and Game</b>		<b>12,500</b>	<b>182</b>	<b>-</b>	<b>10,327</b>	<b>10,509</b>
<b>Department of Health and Social Services:</b>						
Nurse Practitioner Services	0618-021	12,000	-	5,070	5,070	-
Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs	*	602-239-19004	700,000	-	350,000	673,987
Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs	602-239-19008	500,000	-	-	-	-
Sobering Center, Withdrawal Management & Residual SUD Treatment Svcs	602-239-19010	105,000	-	99,750	92,000	(7,750)
Comprehensive Behavioral Health Treatment and Recovery Program - FY17	602-218-1718	497,239	-	-	-	-
Comprehensive Behavioral Health Treatment and Recovery Program - FY18	605-208-18018	497,239	24,861	24,861	-	-
Comprehensive Behavioral Health Treatment and Recovery Program - FY19	*	602-208-19018	497,239	-	472,378	24,861
<b>Total Department of Health and Social Services</b>		<b>2,808,717</b>	<b>24,861</b>	<b>952,059</b>	<b>1,268,296</b>	<b>341,098</b>
<b>Department of Labor and Workforce Development:</b>						
State Training and Employment Program	STEP-18-304	28,794	4,317	4,313	-	4
<b>Total Department of Labor and Workforce Development</b>		<b>28,794</b>	<b>4,317</b>	<b>4,313</b>	<b>-</b>	<b>4</b>
<b>Department of Military and Veterans Affairs:</b>						
Local Emergency Planning Committee FY18	20LEPC-GY18	15,500	2,683	2,683	-	-
Local Emergency Planning Committee FY19	20LEPC-GY19	17,688	-	4,018	17,688	13,670
<b>Total Department of Military and Veterans Affairs</b>		<b>33,188</b>	<b>2,683</b>	<b>6,701</b>	<b>17,688</b>	<b>13,670</b>

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CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
Year Ended June 30, 2019

State of Alaska Agency/Program Title	Grant Number	Award Amount	Receivable (Deferral) at June 30, 2018	Amount Received	Expenditures	Receivable (Deferral) at June 30, 2019
<b>Department of Revenue:</b>						
State Shared Revenue FY19:						
Aviation Fuel	-	43,929	-	-	43,929	43,929
Liquor Taxes	-	43,650	-	43,650	52,750	9,100
Marijuana Fee	-	8,100	-	8,100	8,100	-
Raw Fish Tax	*	447,875	-	447,875	447,875	-
Commercial Passenger Vessel Excise Taxes	-	5,271,135	-	5,271,135	-	(5,271,135)
State Shared Revenue FY18:						
Commercial Passenger Vessel Excise Taxes	-	4,769,390	(4,769,390)	-	-	(4,769,390)
Aviation Fuel	-	52,002	52,002	52,002	-	-
Liquor Taxes	-	53,600	26,100	26,100	-	-
State Shared Revenue FY17:						
Commercial Passenger Vessel Excise Taxes	*	4,622,160	(4,027,461)	-	299,792	(3,727,669)
<b>Total Department of Revenue</b>		<u>15,311,841</u>	<u>(8,718,749)</u>	<u>5,848,862</u>	<u>852,446</u>	<u>(13,715,165)</u>
<b>Department of Public Safety:</b>						
Purchase of Thermal Imager & 3D Scan Station	SB 142 CRIME PREV & RESPON	190,643	-	-	173,029	173,029
<b>Total Department of Public Safety</b>		<u>190,643</u>	<u>-</u>	<u>-</u>	<u>173,029</u>	<u>173,029</u>
<b>Department of Transportation and Public Facilities:</b>						
JPD-2018 Lifesavers Conference - Dolan & Adams	402PT-18-06-00(G)-2 & 3	4,500	3,626	3,626	-	-
JNU AIP Apron Design Match 64	SSAPT00035 AIP 3-02-0133-064-2015	27,126	10	88	79	1
CBJ A/P Expand ARFF Building Match 65	SSAPT00082 AIP 3-02-0133-065-2016	73,344	1,616	2,898	1,460	178
CBJ A/P Expand RSA Apron II Match 66	SSAPT00095 AIP 3-02-0133-066-2016	111,125	303	699	396	-
CBJ A/P Expand SRE Building Match 67	SSAPT00096 AIP 3-02-0133-067-2016	556,467	18,387	-	5,915	24,302
Aurora Harbor Rebuild Phase II Project	17-HG-005	2,000,000	927,551	1,062,293	134,742	-
Alaska Community Transit Reimbursable Grant (FY19 Operating Grant)	2511-19-0200	61,149	-	51,953	61,149	9,196
Commercial Vehicle Inspection Training	2518C023 MSCVE-17PDJNU	6,250	-	4,000	4,000	-
<b>Total Department of Transportation and Public Facilities</b>		<u>2,839,961</u>	<u>951,493</u>	<u>1,125,557</u>	<u>207,741</u>	<u>33,677</u>
<b>Total State Financial Assistance</b>		<u>\$ 57,984,437</u>	<u>\$ (3,334,000)</u>	<u>\$ 28,449,353</u>	<u>\$ 19,786,102</u>	<u>\$ (11,997,251)</u>

\*Major Program

CITY AND BOROUGH OF JUNEAU, ALASKA

NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2019

General

The accompanying schedule of state financial assistance presents the activity of all state financial assistance programs of the City and Borough of Juneau, Alaska (City and Borough). The City and Borough's reporting entity is defined in Note 1 to the City and Borough's basic financial statements. State financial assistance received directly from state agencies is included in the schedule.

Basis of Accounting

The accompanying schedule of state financial assistance is presented using the modified-accrual basis of accounting, which is described in Note 1 to the City and Borough's basic financial statements. Negative amounts shown on the schedule of state financial assistance represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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 schedule of state financial assistance:

State revenues as reported in the basic financial statements:

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 13,865,462
Combining Statement of Revenues, Expenses, and Changes in Net Position:	
Proprietary Funds	1,730,171
Internal Service Funds	786,200

Plus:

Amounts reported as state expenditures in the schedule of state financial assistance, 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	3,052,132
State grant revenue sources reported in Bartlett Regional Hospital charges for services	2,537,960

(continued)

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

Year Ended June 30, 2019

Less:

Amounts reported as state revenue in the basic financial statements but not included in the schedule of state financial assistance:

Federal grants passed through the State of Alaska or reported as state sources in the capital projects and operations (2,168,464)

Amounts reported as state revenue in the basic financial statements but do not meet the definition of state financial assistance for fiscal year 2019 (17,359)

Total state expenditures as reported in the schedule of state financial assistance \$ 19,786,102

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

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

***Financial Statements***

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   x   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?      Yes   x   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:

- Sobering Center, Withdrawal Management & Residual SUD Treatment Srvs (602-239-19004)      Qualified
- Each of the Other Major State 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?   x   Yes      None reported

Dollar threshold used to distinguish a State major program: \$   200,000  

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None to report for fiscal year 2019.

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

**2019-001                      Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance – Reporting**

Programs:                      State of Alaska Department of Health and Social Services (DHSS), Sobering Center, Withdrawal Management and Residential SUD Treatment Services, 602-239-19004

Criteria:                        DHSS requires grantees to submit Cumulative expenditure Fiscal Reports (CFRs) within 30 days after the end of each quarter. Expenditures reported on the CFRs should agree with the grantee’s accounting records.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Condition: Expenditures reported in Bartlett Regional Hospital's (BRH) fourth quarter CFR incorrectly included FY20 expenditures.

BRH did not have internal controls in place to prepare and monitor reports to ensure they are supported by the accounting records, specifically general ledger reports.

Questioned costs: BRH over reported \$26,013 which is required to be paid to the State of Alaska.

Cause: Due to employee turnover, reconciled general ledger reports were not used to support expenses reported on BRH's 4<sup>th</sup> quarter CFR.

Context and Effect: BRH's 4<sup>th</sup> quarter CFR reported balances do not agree with accounting system and expenditures were overreported in both grant and match lines items.

Recommendation: We recommend management implement a process to ensure that expenditures reported are supported by the accounting system and reconciliations be maintained if manual changes are made to data for reporting purposes.

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

CITY AND BOROUGH OF JUNEAU, ALASKA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2019

**FINANCIAL STATEMENT FINDINGS**

None reported for fiscal year 2018.

**STATE AWARD FINDINGS AND QUESTIONED COSTS**

None reported for fiscal year 2018.





Address: 155 Municipal Way, Juneau, AK 99801  
Phone: 907-586-5278, Fax: 907-586-4552

City & Borough of Juneau  
Corrective Action Plan  
Year Ended June 30, 2019

**STATE AWARD FINDINGS AND QUESTIONED COSTS**

Finding: 2019-001 Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance - Reporting

Name of Contact Person: Sam Muse, Controller

Corrective Action: Accountants will reconcile all expenditures and gather supporting data to complete reporting. Quarterly and year-end reports will then be reviewed for accuracy and finalized by the Director of General Accounting (Bartlett Regional Hospital Controller). All over-collected funds were returned to the State of Alaska on December 13, 2019.

Proposed Completion Date: 12/13/19

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
Comprehensive Behavioral Health Treatment and Recovery (602-208-19018)  
Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personnel services	\$ 497,239	\$ 497,239	\$ -

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
Nurse Practitioner Services (0618-021)  
Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Contractual services	\$ 12,000	\$ 5,070	\$ 6,930

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withdrawal Management & Residual SUD Treatment Srvs (602-239-19010)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personal services	\$ 40,000	\$ 47,000	\$ (7,000)
Other	65,000	45,000	20,000
	<u>\$ 105,000</u>	<u>\$ 92,000</u>	<u>\$ 13,000</u>

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withdrawal Management & Residual SUD Treatment Srvs (602-239-19004)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personal services	\$ 409,545	\$ 449,096	\$ (39,551)
Travel	30,000	30,000	-
Facility	96,096	107,016	(10,920)
Supplies	14,359	6,043	8,316
Equipment	60,000	60,000	-
Other	90,000	21,832	68,168
	<u>\$ 700,000</u>	<u>\$ 673,987</u>	<u>\$ 26,013</u>

See independent auditor's report.