

CITY AND BOROUGH OF JUNEAU, ALASKA

FEDERAL FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2020

CITY AND BOROUGH OF JUNEAU, ALASKA  
FEDERAL FINANCIAL ASSISTANCE REPORTS  
Year Ended June 30, 2020

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# Elgee Rehfeld

## Alaska's CPA Firm

Founders: George Elgee, CPA & Robert Rehfeld, CPA

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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, 2020, 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 29, 2020.

#### ***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.

*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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 29, 2020

February 19, 2021 (updated for completion of single audit)



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

### **Report on Compliance for Each Major Federal Program**

We have audited the City and Borough of Juneau, Alaska's (City and Borough) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City and Borough's major federal programs for the year ended June 30, 2020. The City and Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City and Borough's financial statements include the operations of the City and Borough of Juneau School District, which expended \$5,922,148 in federal awards which is not included in the schedule during the year ended June 30, 2020. Our compliance 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 Uniform Guidance.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City and Borough's major federal 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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'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 major federal programs. However, our audit does not provide a legal determination of the City and Borough's compliance.

***Basis for Qualified Opinion on Coronavirus Relief Fund Program***

As described in the accompanying schedule of findings and questioned costs, the City and Borough did not comply with requirements regarding CFDA 21.019, Coronavirus Relief Fund, as described in finding 2020-001 for Allowable Costs. 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 Coronavirus Relief Fund Program***

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 the Coronavirus Relief Fund program for the year ended June 30, 2020.

***Unmodified Opinion on Each of the Other Major Federal 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 federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

***Other Matter***

The City and Borough's response to the noncompliance 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.

**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 federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 first paragraph of this section 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 have not been identified. However, as discussed below, we did identify a certain 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 federal 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 federal 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 federal 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 2020-001, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements. We issued our report thereon dated December 29, 2020, 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 expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and is 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 expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Elgee Rehfeld*

February 19, 2021



CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
<b>U.S. Department of Homeland Security:</b>								
Federal Emergency Management Agency:								
Hazard Mapping	EMS-2018-CA-00011-S01	97.045	\$ 205,000	\$ -	\$ -	\$ -	\$ 140,944	\$ 140,944
COVID-19 - Presidential Disaster - COVID	-	97.036	393,000	-	-	-	-	-
			598,000	-	-	-	140,944	140,944
State Pass-Through Grant:								
Alaska Department of Military and Veterans Affairs:								
2017 State Homeland Security Grant Program	EMW-2017-SS-00048-S01	97.067	192,018	21,115	23,232	-	170,586	168,469
2018 State Homeland Security Grant Program	EMW-2018-SS-00045-S01	97.067	328,725	45,908	100,898	-	60,000	5,010
2019 State Homeland Security Grant Program	EMW-2019-SS-00031-S01	97.067	432,050	-	-	-	-	-
			952,793	67,023	124,130	-	230,586	173,479
2018 Emergency Management Performance Grant	EMS-2018-EP-00002-S01	97.042	160,000	84,474	84,474	-	-	-
2019 Emergency Management Performance Grant	EMS-2019-EP-00001	97.042	115,995	-	75,589	-	110,077	34,488
2019 Emergency Management Performance Grant	EMS-2019-EP-00001	97.042	28,677	-	-	-	28,677	28,677
2019 Emergency Management Performance Grant	EMS-2019-EP-00001	97.042	15,328	-	-	-	15,328	15,328
			320,000	84,474	160,063	-	154,082	78,493
<b>Total U.S. Department of Homeland Security</b>			1,870,793	151,497	284,193	-	525,612	392,916
<b>U.S. Environmental Protection Agency:</b>								
State Pass-Through Loan:								
Alaska Department of Environmental Conservation:								
<i>Clean Water State Revolving Fund Cluster</i>								
Glacier Highway Sewer Improvements	445311	66.458	1,791,595	-	-	-	-	-
Biosolids Treatment Project	445251	66.458	16,666,000	-	-	-	-	-
<i>Total Clean Water State Revolving Fund Cluster</i>			18,457,595	-	-	-	-	-
<i>Drinking Water State Revolving Fund Cluster</i>								
Water Main Replacement Egan Drive - 10th to Main Street (Design)	445221	66.468	1,550,600	11,595	-	-	-	11,595
Douglas Highway Water System Replacement Phase III	445421	66.468	4,000,000	-	-	-	-	-
<i>Total Drinking Water State Revolving Fund Cluster</i>			5,550,600	11,595	-	-	-	11,595
<b>Total U.S. Environmental Protection Agency</b>			24,008,195	11,595	-	-	-	11,595

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
<b>U.S. Department of Agriculture:</b>								
State Pass-Through Grant:								
Alaska Department of Commerce, Community, and Economic Development:								
<i>Forest Service Schools and Roads Cluster</i>								
Schools and Roads - Grants to States FY13, Title III Forest Timber Receipts	-	10.665	63,591	(63,591)	-	-	37,881	(25,710)
Schools and Roads - Grants to States FY14, Title III Forest Timber Receipts	-	10.665	51,024	(51,024)	-	-	-	(51,024)
Schools and Roads - Grants to States FY15, Title III Forest Timber Receipts	-	10.665	48,483	(48,483)	-	-	-	(48,483)
Schools and Roads - Grants to States FY16, Title III Special Projects	-	10.665	47,550	(47,550)	-	-	-	(47,550)
Schools and Roads - Grants to States FY18, Title III	-	10.665	42,275	(42,275)	-	-	-	(42,275)
Schools and Roads - Grants to States FY19, Title III	-	10.665	39,368	(39,368)	-	-	-	(39,368)
Schools and Roads - Grants to States FY20, Title III	-	10.665	38,732	-	38,732	-	-	(38,732)
Schools and Roads - Grants to States FY20, Title I	-	10.665	470,319	-	470,319	-	470,319	-
<i>Total Forest Service Schools and Roads Cluster</i>			<u>801,342</u>	<u>(292,291)</u>	<u>509,051</u>	<u>-</u>	<u>508,200</u>	<u>(293,142)</u>
<b>Total U.S. Department of Agriculture</b>			<u>801,342</u>	<u>(292,291)</u>	<u>509,051</u>	<u>-</u>	<u>508,200</u>	<u>(293,142)</u>
<b>U.S. Department of Transportation:</b>								
Federal Transit Administration:								
State Pass-Through Grants:								
Alaska Department of Transportation and Public Facilities:								
Alaska Community Transit - Section 5311 Grant (FY19 Operating Grant)	2511-19-0100	20.509	1,000,000	151,130	151,130	-	-	-
Alaska Community Transit - Section 5311 Grant (FY20 Operating Grant)	AK-2018-020	20.509	617,680	-	617,680	-	617,680	-
Alaska Community Transit - Section 5311 Grant (FY20 Operating Grant)	5311-AK-2019-028	20.509	482,320	-	227,149	-	482,320	255,171
Snow Removal/Support Equipment/Facilities Equipment	AK-18-X088/2511-19-0500	20.509	176,000	-	-	-	-	-
COVID-19 - CARES Alaska Community Transit - Section 5311 Grant (FY20 Operating Grant)	AK-2020-027	20.509	2,920,889	-	-	-	889,738	889,738
			<u>5,196,889</u>	<u>151,130</u>	<u>995,959</u>	<u>-</u>	<u>1,989,738</u>	<u>1,144,909</u>
<i>Federal Transit Cluster</i>								
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-2016-013	20.526	1,175,760	223,390	223,390	-	-	-
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-2017-011	20.526	1,612,080	-	-	-	-	-
Purchase Replacement Std 35 ft Bus	AK-34-0007	20.526	407,630	-	-	-	-	-
Snow Removal/Acquisition-Misc. Equip	AK-2019-021/2511-20-0200	20.526	140,000	-	-	-	-	-
Paratransit Buses/Bus and IT; 30 ft	AK-2019-021/2511-20-0200	20.526	216,000	-	-	-	-	-
Purchase Replacement Std 35 ft Bus	5339(c) AK-2019/2511-20-0300	20.526	1,350,000	-	-	-	-	-
Construct Maintenance Facility	AK-2016-013	20.526	800,000	42,663	-	-	162,610	205,273
Support Equipment/Facilities Equipment	AK-2017-011	20.526	208,191	-	-	-	-	-
Support Equipment/Facilities Equipment	AK-04-X028	20.500	243,321	-	-	-	-	-
Support Equipment/Facilities Equipment	AK-04-X023	20.500	148,488	-	-	-	-	-
<i>Total Federal Transit Cluster</i>			<u>6,301,470</u>	<u>266,053</u>	<u>223,390</u>	<u>-</u>	<u>162,610</u>	<u>205,273</u>
Total Federal Transit Administration			<u>11,498,359</u>	<u>417,183</u>	<u>1,219,349</u>	<u>-</u>	<u>2,152,348</u>	<u>1,350,182</u>

(continued)

See notes to schedule of expenditures of federal awards.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
National Highway Traffic Safety Administration:								
State Pass-Through Grants:								
Alaska Department of Transportation and Public Facilities:								
<i>Highway Safety Cluster</i>								
Comprehensive Traffic Safety Plan	402 PT-19-06-00(C)	20.600	38,265	7,556	20,868	-	13,312	-
Seatbelt Overtime Enforcement FFY20	402 PT-20-06-FA(A)-6	20.600	10,006	-	-	-	-	-
Seatbelt Overtime Enforcement FFY20	402 PT-20-06-FA(A)-3	20.600	1,700	-	1,590	-	1,590	-
FFY2020 High Visibility Enforcement - DUI Events	405d M5HVE-19-01-FA(A)-6	20.616	17,510	-	-	-	2,583	2,583
<i>Total Highway Safety Cluster</i>			67,481	7,556	22,458	-	17,485	2,583
Total National Highway Traffic Safety Administration			67,481	7,556	22,458	-	17,485	2,583
Federal Highway Administration								
<i>Highway Planning and Construction Cluster</i>								
Treadwell Ditch Reroute	COOP 6905671850004	20.224	116,535	-	107,322	-	107,322	-
Total Federal Highway Administration			116,535	-	107,322	-	107,322	-
Federal Aviation Administration:								
Expand Aircraft Rescue & Fire Fighting (ARFF) Building	3-02-0133-065-2016	20.106	2,200,312	4,425	4,425	-	-	-
Construct Snow Removal Equipment Building (SREB)	3-02-0133-067-2016	20.106	16,694,036	281,287	-	-	99,309	380,596
Design for Rehabilitate Taxiway A, D-1 Relocation, Taxiway E Alignment	3-02-0133-071-2017	20.106	1,979,062	446,347	571,574	-	350,438	225,211
Improve Seaplane Base	3-02-0133-072-2017	20.106	765,000	212,816	187,190	-	25,094	50,720
Construct NW Apron Phase 2, Construct NE Apron Phase 3	3-02-0133-073-2017	20.106	10,125,000	6,257,371	6,534,367	-	289,492	12,496
Acquire Snow Removal Equipment and Command Vehicle	3-02-0133-074-2017	20.106	4,823,551	2,086,779	2,086,779	-	1,307,844	1,307,844
Energy Efficiency Equipment/Infrastructure (Ramp Lighting Replacement)	3-02-0133-075-2017	20.106	240,000	-	-	-	393	393
Improve Terminal Building, Passenger Boarding Bridge (Gate 2)	3-02-0133-076-2018	20.106	1,801,875	63,486	63,486	-	-	-
Construct Sand & Chemical Storage Building (Design Only)	3-02-0133-077-2018	20.106	529,688	27,736	-	-	-	27,736
Reconstruct North Terminal Building (Design)	3-02-0133-078-2018	20.106	634,735	634,735	571,261	-	-	63,474
Construct Sand and Chemical Storage Building, Phase 2 (Construction)	3-02-0133-079-2018	20.106	9,985,312	4,530,993	8,318,858	-	4,003,873	216,008
Rehabilitate Taxiway A and E; Construct Taxiway D1; Acquire Emergency Generator; Relocation Airfield Lighting Vault	3-02-0133-080-2019	20.106	25,402,903	-	331,204	-	10,069,247	9,738,043
COVID-19 - CARES Maintain Safe Airports	3-02-0133-082-2020	20.106	21,736,343	-	-	-	724,664	724,664
Total Federal Aviation Administration			96,917,817	14,545,975	18,669,144	-	16,870,354	12,747,185
<b>Total U.S. Department of Transportation</b>			108,600,192	14,970,714	20,018,273	-	19,147,509	14,099,950

(continued)

See notes to schedule of expenditures of federal awards.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
<b>U.S. Department of the Interior:</b>								
Office of the Secretary:								
Payments in Lieu of Taxes FY19	-	15.226	2,373,449	(2,373,449)	-	-	2,373,449	-
Payments in Lieu of Taxes FY20	-	15.226	2,528,835	-	2,528,835	-	56,450	(2,472,385)
Total Office of the Secretary			4,902,284	(2,373,449)	2,528,835	-	2,429,899	(2,472,385)
Fish and Wildlife Service:								
State Pass-Through Grants:								
Alaska Department of Fish and Game:								
Harris and Statter Harbors Boat Sewage Pump-out Facility Improvements	20-019	15.616	45,000	-	-	-	-	-
<i>Fish and Wildlife Cluster</i>								
Amalga Harbor Fish Cleaning Float	15-049	15.605	37,500	31,528	31,528	-	-	-
Total Fish and Wildlife Service			82,500	31,528	31,528	-	-	-
<b>Total U.S. Department of the Interior</b>			4,984,784	(2,341,921)	2,560,363	-	2,429,899	(2,472,385)
<b>National Endowment for the Arts:</b>								
NEA Big Read FY20	-	45.024	8,200	-	8,200	-	8,200	-
<b>Total National Endowment for the Arts</b>			8,200	-	8,200	-	8,200	-
<b>National Endowment for the Humanities:</b>								
COVID-19 - AK Humanities Forum	C20-0030	45.129	6,250	-	6,250	-	-	(6,250)
<b>Total National Endowment for the Humanities</b>			6,250	-	6,250	-	-	(6,250)
<b>Institute of Museum and Library Services:</b>								
State Pass-Through Grant:								
Alaska Department of Education and Early Development:								
Continuing Education FY19	-	45.310	2,500	-	2,500	-	2,500	-
Alaska Mail Services	ILC-20-743-12	45.310	208,000	-	208,000	-	208,000	-
			210,500	-	210,500	-	210,500	-
<b>Total Institute of Museum and Library Services</b>			210,500	-	210,500	-	210,500	-

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
<b>U.S. Department of Health and Human Services:</b>								
Health Resources and Services Administration:								
State Pass-Through Grant:								
Alaska Department of Health and Social Services:								
Alaska Rural Small Hospital Improvement Program (SHIP 18)	H3HRH00026	93.301	10,523	-	-	-	10,523	10,523
Total Health Resources and Services Administration			<u>10,523</u>	-	-	-	<u>10,523</u>	<u>10,523</u>
Substance Abuse and Mental Health Services Administration:								
State Pass-Through Grant:								
Alaska Department of Health and Social Services:								
Medically Assisted Treatment Expansion Grant	602-238-19002	93.243	350,000	60,053	60,053	-	-	-
Total Substance Abuse and Mental Health Services Administration			<u>350,000</u>	<u>60,053</u>	<u>60,053</u>	-	-	-
Office of the Secretary:								
State Pass-Through Grant:								
Alaska Department of Health and Social Services:								
Healthcare Organization Preparedness	NU90TP921914-019-04	93.889	2,296	-	2,296	-	2,296	-
Total Office of the Secretary			<u>2,296</u>	-	<u>2,296</u>	-	<u>2,296</u>	-
Centers for Disease Control and Prevention:								
COVID-19 - CARES Relief - Activities to Support Healthcare Crisis	-	93.391	41,991	-	41,991	-	41,991	-
<b>Total U.S. Department of Health and Human Services</b>			<u>404,810</u>	<u>60,053</u>	<u>104,340</u>	-	<u>54,810</u>	<u>10,523</u>
<b>U.S. Department of Justice:</b>								
Bureau of Justice Assistance:								
Bullet Proof Vests	2016BUBX16081765	16.607	7,153	-	-	-	-	-
Bullet Proof Vests	2017BUBX17088549	16.607	4,470	2,155	2,931	-	776	-
Bullet Proof Vests	2018BUBX18094122	16.607	8,003	-	2,719	-	3,643	924
Bullet Proof Vests	2019BUBX19098241	16.607	7,213	-	-	-	-	-
Total Bureau of Justice Assistance			<u>26,839</u>	<u>2,155</u>	<u>5,650</u>	-	<u>4,419</u>	<u>924</u>
Office of Justice Programs:								
FY19 EBMJA (JAG)	2019-DJ-BX-0763	16.738	35,292	-	-	-	-	-
Total Office of Justice Programs			<u>35,292</u>	-	-	-	-	-
<b>Total U.S. Department of Justice</b>			<u>62,131</u>	<u>2,155</u>	<u>5,650</u>	-	<u>4,419</u>	<u>924</u>
<b>U.S. Department of Treasury:</b>								
State Pass-Through Grant:								
Alaska Department of Commerce, Community, and Economic Development:								
Coronavirus Relief Fund:								
COVID-19 - CARES Relief - CBJ Ops	20-CRF-091	21.019	53,288,390	-	-	4,228,500	12,477,619	12,477,619
<b>Total U.S. Department of Treasury</b>			<u>53,288,390</u>	-	-	<u>4,228,500</u>	<u>12,477,619</u>	<u>12,477,619</u>
<b>Total Federal Expenditures</b>			<u>\$ 194,245,587</u>	<u>\$ 12,561,802</u>	<u>\$ 23,706,820</u>	<u>\$ 4,228,500</u>	<u>\$ 35,366,768</u>	<u>\$ 24,221,750</u>

See notes to schedule of expenditures of federal awards.

CITY AND BOROUGH OF JUNEAU, ALASKA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

General

The accompanying schedule of expenditures of federal awards (SEFA) presents the activity of all federal financial assistance programs of the City and Borough of Juneau, Alaska (City and Borough). The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards received directly from federal agencies, as well as federal financial assistance passed through the State of Alaska and other agencies, are included in the SEFA. The City and Borough's reporting entity is defined in Note 1 to the City and Borough's basic financial statements.

Basis of Accounting

Expenditures reported on the accompanying SEFA are presented using the modified-accrual and accrual basis of accounting, which are described in Note 1 to the City and Borough's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent grant funds returned for previously reimbursed unallowable costs or reclassification of expenses previously reported for on-going capital projects to other funding sources. The City and Borough has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal Assistance Not Included in the SEFA (Unaudited)

Not included in the total expenditures of federal awards, as presented in the SEFA, is donated personal protective equipment (PPE), from federal assistance passed through other agencies, in the amount of \$3,400.

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:

Federal revenues as reported in the basic financial statements:

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 16,258,564
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	7,749,217

Plus:

Amounts reported as federal expenditures in the schedule of expenditures of federal awards, but not reported as federal revenue in the basic financial statements:

Federal grants passed through the State of Alaska	2,767,298
Federal grant and loan sources reported as capital contributions in Juneau International Airport, Boat Harbors, and Dock enterprise funds	16,145,690

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

Less:

Amounts reported as federal revenue in the basic financial statements but not included in the schedule of expenditures of federal awards:

Amounts reported as federal revenue in Bartlett Regional Hospital enterprise fund but not included in the schedule of expenditures of federal awards (6,600,923)

Amounts reported as federal revenue in the CARES Relief special revenue fund but not included in the schedule of expenditures of federal awards (536,272)

Municipality of Anchorage memorandum of agreement reported as federal revenue (3,699)

Juneau International Airport Transportation Security Administration reimbursement reported as federal revenue (413,107)

Total federal expenditures per schedule of expenditures of federal awards \$ 35,366,768

CITY AND BOROUGH OF JUNEAU, ALASKA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2020

**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 weakness(es)?      Yes   x   None reported

Noncompliance material to financial statements noted?      Yes   x   No

***Federal Awards***

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

- 20.106 – Airport Improvement Program Unmodified
- 20.509 – Formula Grants for Rural Areas Unmodified
- 21.019 – Coronavirus Relief Fund Qualified

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   Yes      No

Major programs:

<u>CFDA#</u>	<u>Program</u>
20.106	Airport Improvement Program
20.509	Formula Grants for Rural Areas
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 1,061,003

Auditee qualified as low-risk auditee?   x   Yes      No



CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2020

**FINANCIAL STATEMENT FINDINGS**

None to report for fiscal year 2020.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2020-001                      Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance – Allowable Costs**

Program:                      U.S. Department of the Treasury, Coronavirus Relief Fund – CFDA 21.019

Criteria:                      An allowable expenditure under the “Uses of Funds” requirements of Section 601(d) under Title VI of the Social Security Act, as amended by Title V of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides that payments from the Fund may only be used to cover costs that:

- are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
- were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
- were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

When an organization uses their federal funding to further pass down to another organization through a subrecipient relationship, the federal funds are determined to be expended when the organization becomes obligated to the subrecipient for payment. Generally, that is when the disbursement is made to the subrecipient (per 2 CFR 200.34). Other, non-pass through, costs are reported when direct expenditures are incurred.

Condition:                      Internal controls over compliance were not sufficiently designed and implemented to ensure that transfers, from the CARES Relief Special Revenue Fund to other funds, were not accounted for as subrecipient payments and recognized as eligible expenditures at the time of transfer.

Questioned costs:                      There are no questioned costs associated with this finding due to a \$536,272 reduction to eligible expenditures on the Schedule of Expenditures of Federal Awards (SEFA) as of June 30, 2020 for amounts unexpended as of the fiscal year-end.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2020

Cause: Internal transfers out of the CARES Relief Special Revenue Fund were treated as subrecipient payments. The receiving funds were to administer a project with a local non-profit organization. Costs incurred for the project in the other funds were not taken into consideration when calculating total eligible costs, on the SEFA, for June 30, 2020.

Context and effect: A project and appropriation totaling \$550,000 was approved and funds were moved internally from the CARES Relief Special Revenue Fund to other funds. Subsidiary accounts were set up in each receiving fund to track costs for the project. As of year-end, \$13,728 of direct costs had been incurred. The SEFA included the amount of the transfer out of the CARES Relief Special Revenue Fund incorrectly, therefore overstating eligible expenditures by \$536,272.

Recommendation: We recommend management review its procedures for capturing internally funded projects from the CARES Relief Special Revenue Fund to ensure the SEFA reports the receiving funds direct costs, rather than the transfer amount as the eligible costs.

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

CITY AND BOROUGH OF JUNEAU, ALASKA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended June 30, 2020

**FINANCIAL STATEMENT FINDINGS**

None reported for fiscal year 2019.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported for fiscal year 2019.



Address: 155 Municipal Way, Juneau, AK 99801  
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City & Borough of Juneau  
Corrective Action Plan  
Year Ended June 30, 2020

**STATE AWARD FINDINGS AND QUESTIONED COSTS**

Finding: 2020-001 Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance – Allowable Costs

Name of Contact Person: Sam Muse, Controller

Corrective Action: The City will record all program expenditures related to this grant within the CARES Relief Special Revenue Fund and will no longer make transfers to other funds that are not direct reimbursements for expenditures already incurred.

Proposed Completion Date: 2/18/21