

CITY AND BOROUGH OF JUNEAU, ALASKA

Expenditures of Federal Awards Reports

Year Ended June 30, 2013

CITY AND BOROUGH OF JUNEAU, ALASKA

Expenditures of Federal Awards Reports

Table of Contents

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards	6-10
Notes to Schedule of Expenditures of Federal Awards	11
Schedule of Findings and Questioned Costs	12-13
Summary Schedule of Prior Year Findings	14

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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, 2013, 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 13, 2013.

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.

ERM

December 13, 2013

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *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, 2013. 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 received \$4,366,011 in federal awards during year ended June 30, 2013 which are not included in the accompanying schedule of expenditures of federal awards. 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 Circular A-133.

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 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'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City and Borough's compliance.

Opinion on Each Major Federal Program

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 major federal programs for the year ended June 30, 2013.

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 OMB Circular A-133, 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.

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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, 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 13, 2013, 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 OMB Circular A-133 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.

ERM

December 13, 2013

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

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 June 30, 2012	Amount received	Expenditures	Receivable (deferral) at June 30, 2013
U.S. Department of Homeland Security:							
Federal Emergency Management Agency:							
Staffing for Adequate Fire and Emergency Response (SAFER)	2008-FF-00417	97.083	\$ 365,985	\$ 129,012	\$ 128,993	\$ 135,789	\$ 135,808
FY2010 Assistance to Firefighters Grant Program - Operations and Safety	EMW-2010-FO-02851	97.044	39,654	27,581	27,581	-	-
State Pass-Through Grants:							
Alaska Department of Military and Veterans Affairs:							
State Homeland Security Grant 09 SHSP	34067	97.067	140,775	-	74,274	74,274	-
2009 State Homeland Security Program	09SHSP-GR34058	97.067	280,000	-	239,000	239,000	-
State Homeland Security Grant 11 SHSP	11SHSP-GR34076	97.067	120,000	-	-	62,156	62,156
State Homeland Security Grant 12 SHSP	12SHSP-GR34077	97.067	138,500	-	1,930	5,364	3,434
2010 Metropolitan Medical Response System Program	10MMRS-GR34066	97.067	301,549	64,931	271,248	206,317	-
2011 Metropolitan Medical Response System Program	11MMRS-GR34076	97.067	267,609	-	2,949	28,625	25,676
			<u>1,248,433</u>	<u>64,931</u>	<u>589,401</u>	<u>615,736</u>	<u>91,266</u>
2011 Emergency Management Performance Grant	11EMPG-GR35584	97.042	104,565	37,457	37,457	-	-
2012 Emergency Management Performance Grant	12EMPG-GR35585	97.042	110,000	-	57,454	110,000	52,546
			<u>214,565</u>	<u>37,457</u>	<u>94,911</u>	<u>110,000</u>	<u>52,546</u>
Mt. Juneau Active Avalanche Study for Local Hazard Mitigation Plan Update	1796.0012	97.039	25,875	21,320	21,320	-	-
Total U.S. Department of Homeland Security			<u>1,894,512</u>	<u>280,301</u>	<u>862,206</u>	<u>861,525</u>	<u>279,620</u>
U.S. Department of Agriculture:							
State Pass-Through Grants:							
Alaska Department of Commerce, Community, and Economic Development:							
Schools and Roads - Grants to States FY12, Title III Forest Timber Receipts	-	10.665	62,714	(62,714)	-	-	(62,714)
Schools and Roads - Grants to States FY13, Title III Forest Timber Receipts	-	10.665	63,591	-	63,591	63,591	-
Schools and Roads - Grants to States FY13	-	10.665	772,172	-	772,172	772,172	-
Total U.S. Department of Agriculture			<u>898,477</u>	<u>(62,714)</u>	<u>835,763</u>	<u>835,763</u>	<u>(62,714)</u>

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

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 June 30, 2012	Amount received	Expenditures	Receivable (deferral) at June 30, 2013
U.S. Department of Transportation:							
Federal Transit Administration:							
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
Rural Public Transit - Section 5311 Grant (FY13 Operating Grant)	5311-13-101	20.509	1,000,000	-	-	1,000,000	1,000,000
Rural Public Transit - Section 5311 Grant (FY12 Operating Grant)	5311-12-101	20.509	1,000,000	1,000,000	1,000,000	-	-
Training Grant CY12	5311R-12-101	20.509	15,700	5,747	5,747	-	-
			<u>2,015,700</u>	<u>1,005,747</u>	<u>1,005,747</u>	<u>1,000,000</u>	<u>1,000,000</u>
<i>Transit Services Programs Cluster</i>							
Mobility Management	5316-MM-12-101	20.516	25,000	1,105	1,105	7,888	7,888
Mobility Management	5317-MM-12-101	20.521	15,000	-	-	15,000	15,000
			<u>40,000</u>	<u>1,105</u>	<u>1,105</u>	<u>22,888</u>	<u>22,888</u>
<i>Total Transit Services Programs Cluster</i>							
Total Federal Transit Administration			<u>2,055,700</u>	<u>1,006,852</u>	<u>1,006,852</u>	<u>1,022,888</u>	<u>1,022,888</u>
Federal Highway Administration:							
State Pass-Through Grants:							
<i>Highway Planning and Construction Cluster</i>							
Alaska Department of Transportation and Public Facilities:							
Juneau Mendenhall Valley Street Dust Control (Street Sweeper Purchase)	69552	20.205	250,000	(238,572)	11,428	250,000	-
Safe Routes to Schools	LU-20-10	20.205	45,000	45,000	45,000	-	-
Auke Bay Coastal Trails Interpretive Program	SB-AK-2006-53541	20.205	71,040	-	3,277	3,875	598
			<u>366,040</u>	<u>(193,572)</u>	<u>59,705</u>	<u>253,875</u>	<u>598</u>
Alaska Department of Natural Resources:							
Juneau Trails Wayfinding Project	10795054	20.219	36,680	-	-	808	808
Eaglecrest Nordic Trail Development	10795703	20.219	225,854	1,570	27,320	25,750	-
			<u>262,534</u>	<u>1,570</u>	<u>27,320</u>	<u>26,558</u>	<u>808</u>
<i>Total Highway Planning and Construction Cluster</i>							
Total Federal Highway Administration			<u>628,574</u>	<u>(192,002)</u>	<u>87,025</u>	<u>280,433</u>	<u>1,406</u>
National Highway Traffic Safety Administration:							
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
<i>Highway Safety Cluster</i>							
Seatbelt Overtime Enforcement FFY12	402PT 12-06-01	20.600	1,674	419	419	-	-
Seatbelt Overtime Enforcement FFY13	402PT 13-06-00(A)	20.600	1,937	-	-	874	874
			3,611	419	419	874	874
Law Enforcement Liason	410 K8 12-01-04 (B)	20.601	13,169	4,265	4,265	-	-
Seatbelt FFY13 Law Enforcement Liason	405K-13-04-00(D)-4	20.602	3,233	-	-	3,122	3,122
			<u>20,013</u>	<u>4,684</u>	<u>4,684</u>	<u>3,996</u>	<u>3,996</u>
<i>Total Highway Safety Cluster</i>							
DUI Overtime Enforcement FFY12	154L 12-01-03	20.607	10,046	1,947	3,123	1,176	-
DUI Overtime Enforcement FFY13	154AL-13-01-00(B)	20.607	14,969	-	1,974	1,974	-
			<u>25,015</u>	<u>1,947</u>	<u>5,097</u>	<u>3,150</u>	<u>-</u>
Total National Highway Traffic Safety Administration			<u>45,028</u>	<u>6,631</u>	<u>9,781</u>	<u>7,146</u>	<u>3,996</u>

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

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 June 30, 2012	Amount received	Expenditures	Receivable (deferral) at June 30, 2013
U.S. Department of Transportation (continued):							
Federal Motor Carrier Safety Administration:							
State Pass-Through Grant:							
Alaska Department of Transportation and Public Facilities:							
Commercial Vehicle Inspection Training	12-PD-002	20.218	<u>6,720</u>	-	<u>5,880</u>	<u>5,880</u>	-
Federal Aviation Administration:							
Airport Improvement Program (AIP):							
Construct Snow Removal Equipment Building, Phase II (AIP 51)	3-02-0133-051-2011	20.106	1,441,744	243,291	673,428	458,686	28,549
Construct Runway Safety Area, Phase IV (AIP 52)	3-02-0133-052-2011	20.106	4,509,960	1,724,049	1,273,053	-	450,996
Construct Runway Safety Area, Phase VI (AIP 54)	3-02-0133-054-2011	20.106	6,301,428	1,044,397	4,038,875	3,487,067	492,589
Construct Runway Safety Area, Phase VII (AIP 55)	3-02-0133-055-2012	20.106	17,133,231	-	9,915,757	15,206,908	5,291,151
Construct Runway Safety Area, Phase VIII (AIP 56)	3-02-0133-056-2012	20.106	<u>5,500,000</u>	-	<u>4,950,000</u>	<u>5,500,000</u>	<u>550,000</u>
Total Federal Aviation Administration			<u>34,886,363</u>	<u>3,011,737</u>	<u>20,851,113</u>	<u>24,652,661</u>	<u>6,813,285</u>
Office of the Secretary Administration Secretariate:							
ARRA - Auke Bay Loading Facility - Phase II	DTMA1G10002	20.932	<u>3,640,000</u>	<u>268,288</u>	<u>346,626</u>	<u>78,338</u>	-
Total U.S. Department of Transportation			<u>41,262,385</u>	<u>4,101,506</u>	<u>22,307,277</u>	<u>26,047,346</u>	<u>7,841,575</u>
U.S. Department of the Interior:							
Bureau of Land Management:							
Payments in Lieu of Taxes	-	15.226	<u>1,194,400</u>	-	<u>1,797,920</u>	<u>1,797,920</u>	-
National Park Service:							
State Pass-Through Grants:							
Alaska Department of Natural Resources:							
Treadwell Mine: Signage	12571	15.904	16,500	-	703	6,913	6,210
Juneau Memorial Building Plan	12572	15.904	7,550	-	768	7,550	6,782
Historic Preservation Training: Spokane, WA	12574	15.904	<u>4,408</u>	-	<u>4,408</u>	<u>4,408</u>	-
			<u>28,458</u>	-	<u>5,879</u>	<u>18,871</u>	<u>12,992</u>
LWCF Fish Creek Improvements	02-00396	15.916	<u>125,000</u>	<u>38,864</u>	<u>41,660</u>	<u>3,029</u>	<u>233</u>
Total National Park Service			<u>153,458</u>	<u>38,864</u>	<u>47,539</u>	<u>21,900</u>	<u>13,225</u>
Fish and Wildlife Service:							
State Pass-Through Grants:							
Alaska Department of Fish and Game:							
Statter Harbor Ramp Planning	08-015	15.605	900,000	49,629	90,691	62,803	21,741
Montana Creek Access Improvements	COOP-11-075	15.605	21,000	3,699	11,447	11,933	4,185
Aurora Harbor Pump Out Stations	05-041	15.605	<u>180,000</u>	<u>1,532</u>	<u>1,532</u>	-	-
			<u>1,101,000</u>	<u>54,860</u>	<u>103,670</u>	<u>74,736</u>	<u>25,926</u>
Habitat Mapping and Analysis Project	10-CIAP-009	15.668	1,628,164	-	11,755	191,989	180,234
Auke Lake Launch Ramp	10-CIAP-034	15.668	<u>250,000</u>	-	<u>250,000</u>	<u>250,000</u>	-
			<u>1,878,164</u>	-	<u>261,755</u>	<u>441,989</u>	<u>180,234</u>
Total Fish and Wildlife Service			<u>2,979,164</u>	<u>54,860</u>	<u>365,425</u>	<u>516,725</u>	<u>206,160</u>
Total U.S. Department of the Interior			<u>4,327,022</u>	<u>93,724</u>	<u>2,210,884</u>	<u>2,336,545</u>	<u>219,385</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, 2013

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 June 30, 2012	Amount received	Expenditures	Receivable (deferral) at June 30, 2013
National Endowment for the Humanities:							
An Energy-Efficient Climate Control System for the Juneau-Douglas City Museum	PF-50253-12	45.149	275,000	-	1,334	20,705	19,371
Institute of Museum and Library Services:							
State Pass-Through Grants:							
Alaska Department of Education and Early Development:							
Continuing Education FY12	CED-12-743	45.310	5,944	445	445	-	-
Continuing Education FY13	CED-13-743-164	45.310	7,500	-	3,000	3,000	-
Southeast Regional Books-by-Mail Service	RS-13-743-102	45.310	96,300	-	96,300	96,300	-
			109,744	445	99,745	99,300	-
Total National Endowment for the Humanities			384,744	445	101,079	120,005	19,371
U.S. Department of Commerce:							
National Telecommunications and Information Administration:							
State Pass-Through Grant:							
Alaska Department of Education and Early Development:							
Alaska OWL (Online with Libraries) Project	-	11.557	9,474	-	9,474	9,399	(75)
Total U.S. Department of Commerce			9,474	-	9,474	9,399	(75)
U.S. Department of Housing and Urban Development:							
State Pass-Through Grant:							
Alaska Department of Revenue:							
Alaska Housing Finance Corporation:							
"In Lieu of Tax" receipts FY10	-	14-unknown	41,147	41,147	41,147	-	-
Total U.S. Department of Housing and Urban Development			41,147	41,147	41,147	-	-
U.S. Department of Health and Human Services:							
Health Resources and Services Administration:							
State Pass-Through Grants:							
Alaska State Hospital and Nursing Home Association							
Software to Meet Meaningful Use	H9CRH22851	93.912	15,000	-	15,000	15,000	-
Alaska Department of Health and Social Services:							
SHIP FFY12 - Software to meet Meaningful Use	6H3HRHR00026-11-00	93.301	8,411	-	8,411	8,411	-
Total Health Resources and Services Administration			23,411	-	23,411	23,411	-
Office of the Secretary:							
State Pass-Through Grant:							
Alaska Department of Health and Social Services:							
Healthcare Organization Preparedness FFY12	IU90TP00501-01	93.889	30,590	-	30,590	30,590	-
Total U.S. Department of Health and Human Services			54,001	-	54,001	54,001	-

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

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 June 30, 2012	Amount received	Expenditures	Receivable (deferral) at June 30, 2013
U.S. Department of Justice:							
Office of Community Oriented Policing Services:							
COPS Hiring Program Grant	2011UMWX0001	16.710	<u>567,452</u>	<u>46,041</u>	<u>138,648</u>	<u>200,939</u>	<u>108,332</u>
Bureau of Justice Assistance:							
<i>JAG Program Cluster</i>							
FY2010 Justice Assistance Grant Program	2010-DJ-BX-0255	16.738	30,886	25,803	25,803	-	-
Police Crisis Intervention Specialist - Continuation	2011-DJ-BX-2092	16.738	26,254	4,889	15,154	21,365	11,100
Police Equipment	2012-DJ-BX-0424	16.738	<u>21,665</u>	-	<u>4,949</u>	<u>9,778</u>	<u>4,829</u>
<i>Total JAG Program Cluster</i>			<u>78,805</u>	<u>30,692</u>	<u>45,906</u>	<u>31,143</u>	<u>15,929</u>
Bullet Proof Vests	11056262	16.607	7,320	5,461	5,461	-	-
Bullet Proof Vests	12063583	16.607	<u>5,434</u>	-	-	<u>5,376</u>	<u>5,376</u>
			<u>12,754</u>	<u>5,461</u>	<u>5,461</u>	<u>5,376</u>	<u>5,376</u>
Total Bureau of Justice Assistance			<u>91,559</u>	<u>36,153</u>	<u>51,367</u>	<u>36,519</u>	<u>21,305</u>
Total U.S. Department of Justice			<u>659,011</u>	<u>82,194</u>	<u>190,015</u>	<u>237,458</u>	<u>129,637</u>
Total Federal Expenditures			<u>\$ 49,530,773</u>	<u>\$ 4,536,603</u>	<u>\$ 26,611,846</u>	<u>\$ 30,502,042</u>	<u>\$ 8,426,799</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, 2013

General

The accompanying schedule of expenditures of federal awards presents the activity of all federal award 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. 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 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:

Federal revenues as reported in the basic financial statements:

Statement of Changes in Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 3,039,953
Statement of Changes in Revenues, Expenses and Changes in Net Assets - Proprietary Funds	162,068

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	2,624,577
Federal grant revenue sources reported as capital contributions in Airport and Port enterprise funds	24,793,803
Other amounts reported as state revenue in the basic financial statements	2,026

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 Transportation Security Administration reimbursement reported as federal revenue	<u>(120,385)</u>
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Total federal expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 30,502,042</u>
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CITY AND BOROUGH OF JUNEAU, ALASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2013

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: Unmodified

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)? Yes x None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes x No

Major programs:

<u>CFDA#</u>	<u>NAME</u>
15.226	Payments in Lieu of Taxes
20.106	Airport Improvement Program
20.932	ARRA - Auke Bay Loading Facility - Phase II

Dollar threshold used to distinguish between type A and type B programs: \$ 915,061

Auditee qualified as low-risk auditee? Yes x No

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

Year Ended June 30, 2013

FINDINGS – FINANCIAL STATEMENT AUDIT

None to report for fiscal year 2013.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None to report for fiscal year 2013.

CITY AND BOROUGH OF JUNEAU, ALASKA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2013

FINDINGS – FINANCIAL STATEMENT AUDIT

**Finding: 2012-01 Significant Deficiency - Internal Controls over Financial Reporting –
Absence of Documented Accounting Procedures Manual**

Condition: The City and Borough has not developed and maintained a Fiscal Procedures Manual as required by City and Borough code.

Status: The City and Borough has made progress in documenting some of the aspects of its annual accounting close. Significant deficiency finding considered resolved; however, there remains a control deficiency in that a comprehensive accounting procedures manual still does not exist. See current year comment in the Letter to the Assembly.

**Finding: 2012-02 Significant Deficiency - Internal Controls over Financial Reporting –
Accounting Close and Audit Preparation**

Condition: The City and Borough of Juneau did not maintain adequate internal controls over timely and accurate general ledger and supporting schedules reconciliations.

Status: The City and Borough significantly improved the timeliness and accuracy of its financial reporting process in the current year. Finding considered resolved.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported for fiscal year 2012.