

CITY AND BOROUGH OF JUNEAU, ALASKA

FEDERAL FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2018

CITY AND BOROUGH OF JUNEAU, ALASKA
FEDERAL FINANCIAL ASSISTANCE REPORTS
Year Ended June 30, 2018

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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, 2018, 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, 2018.

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, 2018



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's) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (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, 2018. 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 \$4,733,647 in federal awards which is not included in the schedule during the year ended June 30, 2018. 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 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, 2018.

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.

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 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, 2018, 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 20, 2018, 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

December 20, 2018

CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalogue of Federal Domestic Assistance Number	Program or Award Amount	Receivable (deferral) at June 30, 2017	Amount Received	Expenditures	Receivable (deferral) at June 30, 2018
U.S. Department of Homeland Security							
Federal Emergency Management Agency:							
Firefighters Grant	EMW-2014-FO-06617	97.044	\$ 92,955	\$ -	\$ 699	\$ 699	\$ -
Port Security Grant Program	EMW-2013-PU-00497-S01	97.056	76,050	71,255	71,255	-	-
			<u>169,005</u>	<u>71,255</u>	<u>71,954</u>	<u>699</u>	<u>-</u>
State Pass-Through Grant:							
Alaska Department of Commerce, Community, and Economic Development Community Assistance Programs-SSSE	EMS-2017-RX-0003	97.023	973	-	-	973	973
State Pass-Through Loan:							
Alaska Department of Military and Veterans Affairs:							
2015 State Homeland Security Grant Program	EMW-2015-SS-00026-S01	97.067	580,798	-	454,644	537,739	83,095
2016 State Homeland Security Grant Program	EMW-2016-SS-0002	97.067	231,948	-	19,056	21,004	1,948
2017 State Homeland Security Grant Program	EMW-2017-SS-00048-S01	97.067	49,630	-	1,391	1,391	-
			<u>862,376</u>	<u>-</u>	<u>475,091</u>	<u>560,134</u>	<u>85,043</u>
2016 Emergency Management Performance Grant	EMS-2016-EP-00001-S01	97.042	160,000	92,030	92,030	-	-
2017 Emergency Management Performance Grant	EMS-2017-EP-00001-S01	97.042	160,000	-	66,573	160,000	93,427
			<u>320,000</u>	<u>92,030</u>	<u>158,603</u>	<u>160,000</u>	<u>93,427</u>
Total U.S. Department of Homeland Security			<u>1,352,354</u>	<u>163,285</u>	<u>705,648</u>	<u>721,806</u>	<u>179,443</u>
U.S. Environmental Protection Agency:							
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	-	-	35,784	35,784
Biosolids Treatment Project	445251	66.458	16,666,000	1,391,533	-	11,792,315	13,183,848
<i>Total Clean Water State Revolving Fund Cluster</i>			<u>18,457,595</u>	<u>1,391,533</u>	<u>-</u>	<u>11,828,099</u>	<u>13,219,632</u>
<i>Drinking Water State Revolving Fund Cluster</i>							
Eagles Edge Water System Replacement	445411	66.468	232,950	-	-	225,496	225,496
Water Main Replacement Egan Drive - 10th to Main Street (Design)	445221	66.468	1,550,600	649,114	651,387	17,486	15,213
<i>Total Drinking Water State Revolving Fund Cluster</i>			<u>1,783,550</u>	<u>649,114</u>	<u>651,387</u>	<u>242,982</u>	<u>240,709</u>
Total U.S. Environmental Protection Agency			<u>20,241,145</u>	<u>2,040,647</u>	<u>651,387</u>	<u>12,071,081</u>	<u>13,460,341</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, 2018

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalogue of Federal Domestic Assistance Number	Program or Award Amount	Receivable (deferral) at June 30, 2017	Amount Received	Expenditures	Receivable (deferral) at June 30, 2018
U.S. Department of Agriculture:							
<i>Forest Service Schools and Roads Cluster</i>							
State Pass-Through Grant:							
Alaska Department of Commerce, Community, and Economic Development:							
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 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 FY17, Title I	-	10.665	40,289	-	40,289	40,289	-
Schools and Roads - Grants to States FY18, Title III	-	10.665	42,275	-	42,275	-	(42,275)
Schools and Roads - Grants to States FY18, Title I	-	10.665	513,342	-	513,342	513,342	-
<i>Total Forest Service Schools and Roads Cluster</i>			806,554	(210,648)	595,906	553,631	(252,923)
Total U.S. Department of Agriculture			806,554	(210,648)	595,906	553,631	(252,923)
U.S. Department of Transportation:							
Federal Transit Administration:							
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
Alaska Community Transit - Section 5311 Grant (FY17 Operating Grant)	2511-17-0100	20.509	1,000,000	155,612	155,612	-	-
Alaska Community Transit - Section 5311 Grant (FY18 Operating Grant)	2511-18-0100	20.509	1,000,000	-	1,000,000	1,000,000	-
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-85-X006	20.509	35,225	-	-	-	-
			2,035,225	155,612	1,155,612	1,000,000	-
JPD-TraCS Equipment	405cM3DA-17-08-00(C)	20.616	114,200	90,513	90,513	-	-
High Visibility Enforcement FFY17 DUI Events	405dM5HVE-17-01-00(A)-6	20.616	34,188	-	9,737	9,737	-
FFY2018 High Visibility Enforcement - DUI Events	M5HVE-18-01-00(A)-6	20.616	28,860	-	4,308	4,308	-
			177,248	90,513	104,558	14,045	-
<i>Federal Transit Cluster</i>							
ARRA Replace/Rehab Maintenance Facility and Equipment	AK-04-0030	20.500	400,000	-	-	-	-
Support Vehicles	AK-04-X023	20.500	106,476	-	-	106,476	106,476
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-2016-013	20.526	1,175,760	-	-	934,984	934,984
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-2017-011	20.526	1,612,080	-	-	942,741	942,741
<i>Total Federal Transit Cluster</i>			3,294,316	-	-	1,984,201	1,984,201
Total Federal Transit Administration			5,506,789	246,125	1,260,170	2,998,246	1,984,201

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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalogue of Federal Domestic Assistance Number	Program or Award Amount	Receivable (deferral) at June 30, 2017	Amount Received	Expenditures	Receivable (deferral) at June 30, 2018
National Highway Traffic Safety Administration:							
State Pass-Through Grants:							
Highway Safety Cluster							
Alaska Department of Transportation and Public Facilities:							
Seatbelt Overtime Enforcement FFY17	402 PT-17-06-00(A)-6	20.600	8,880	3,184	3,184	-	-
Seatbelt Overtime Enforcement FFY18	402 PT-18-06-00(A)-6	20.600	8,880	-	-	2,855	2,855
<i>Total Highway Safety Cluster</i>			17,760	3,184	3,184	2,855	2,855
Total National Highway Traffic Safety Administration			17,760	3,184	3,184	2,855	2,855
Federal Motor Carrier Safety Administration							
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
Commercial Vehicle Inspection Training	MSCVE-17PDJNU	20.218	12,500	-	5,500	5,500	-
Commercial Vehicle Inspection Training	2518C023 MSCVE-17PDJNU	20.218	6,250	-	-	-	-
Total Federal Motor Carrier Safety Administration			18,750	-	5,500	5,500	-
Federal Aviation Administration:							
Airport Improvement Program:							
Update Airport Master Plan	3-02-0133-059-2013	20.106	703,125	46,077	72,883	26,806	-
Rehabilitate Runway 08/26	3-02-0133-060-2014	20.106	20,568,076	1,708,310	1,728,400	20,090	-
ARFF Building Modification - Project Formulation Environmental	3-02-0133-063-2015	20.106	234,375	23,438	23,438	-	-
Construct Apron; Install Perimeter Fencing	3-02-0133-064-2015	20.106	813,773	98,688	139,876	44,661	3,473
Expand Aircraft Rescue & Fire Fighting (ARFF) Building	3-02-0133-065-2016	20.106	2,200,312	1,014,766	1,066,211	99,934	48,489
Construct Apron (Northwest)	3-02-0133-066-2016	20.106	3,333,750	1,864,718	2,734,050	824,455	(44,877)
Construct Snow Removal Equipment Building (SREB)	3-02-0133-067-2016	20.106	16,694,036	4,596,693	14,839,368	10,794,293	551,618
Rehabilitate Taxiways A, B, C & D; Runway Incursion Mitigation (RIM), Design	3-02-0133-068-2016	20.106	656,250	401,591	514,147	178,181	65,625
Design for Rehabilitate Taxiway A, D-1 Relocation, Taxiway E Alignment	3-02-0133-071-2017	20.106	1,979,062	-	142,302	390,966	248,664
Improve Seaplane Base	3-02-0133-072-2017	20.106	765,000	-	121,093	158,207	37,114
Construct NW Apron Phase 2, Construct NE Apron Phase 3	3-02-0133-073-2017	20.106	10,125,000	-	27,774	44,754	16,980
Aquire Snow Removal Equipment and Command Vehicle	3-02-0133-074-2017	20.106	4,823,551	-	-	974	974
Energy Efficiency Equipment/Infrastructure (Ramp Lighting Replacement)	3-02-0133-075-2017	20.106	240,000	-	-	9,206	9,206
Total Federal Aviation Administration			63,136,310	9,754,281	21,409,542	12,592,527	937,266
Total U.S. Department of Transportation			68,679,609	10,003,590	22,678,396	15,599,128	2,924,322

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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalogue of Federal Domestic Assistance Number	Program or Award Amount	Receivable (deferral) at June 30, 2017	Amount Received	Expenditures	Receivable (deferral) at June 30, 2018
U.S. Department of the Interior:							
Office of the Secretary:							
Payments in Lieu of Taxes FY17	-	15.226	2,216,925	(2,216,925)	-	2,216,925	-
Payments in Lieu of Taxes FY18	-	15.226	2,823,756	-	2,823,756	-	(2,823,756)
Total Office of the Secretary			5,040,681	(2,216,925)	2,823,756	2,216,925	(2,823,756)
National Park Service:							
State Pass-Through Grants:							
Alaska Department of Natural Resources: Juneau Historic Preservation Plan, Phase 2	HPF 17003	15.904	25,000	-	3,140	4,514	1,374
Total National Park Service			25,000	-	3,140	4,514	1,374
Fish and Wildlife Service:							
State Pass-Through Grants:							
Alaska Department of Fish and Game- <i>Fish and Wildlife Cluster</i>							
Amalga Harbor Fish Cleaning Float	15-049	15.605	37,500	140	-	407	547
Taku Harbor Transient Moorage Facility Repairs	Coop # 180000722	15.605	112,500	-	-	18,094	18,094
Statter Harbor Ramp Construction	14-110	15.605	2,578,240	330,733	377,321	46,588	-
<i>Total Fish and Wildlife Cluster</i>			2,728,240	330,873	377,321	65,089	18,641
Total Fish and Wildlife Service			2,728,240	330,873	377,321	65,089	18,641
Total U.S. Department of the Interior			7,793,921	(1,886,052)	3,204,217	2,286,528	(2,803,741)
Corporation for National and Community Service							
AmeriCorps Training	16CAHAK001	94.003	1,660	861	861	-	-
Total Corporation for National and Community Service			1,660	861	861	-	-
National Endowment for the Arts							
NEA Big Read 2017-2018	-	45.024	15,000	-	15,000	15,000	-
Total National Endowment for the Arts			15,000	-	15,000	15,000	-

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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalogue of Federal Domestic Assistance Number	Program or Award Amount	Receivable (deferral) at June 30, 2017	Amount Received	Expenditures	Receivable (deferral) at June 30, 2018
Institute of Museum and Library Services:							
State Pass-Through Grant:							
Alaska Department of Education and Early Development:							
Continuing Education FY17	N/A	45.310	2,500	1,200	1,250	50	-
Continuing Education FY18	N/A	45.310	7,500	-	6,793	6,793	-
Alaska Mail Services FY2017	RS-17-743-01	45.310	230,534	23,534	23,534	-	-
Alaska Mail Services FY2018	RS-18-743-01	45.310	230,150	-	230,150	230,150	-
Total Institute of Museum and Library Services			470,684	24,734	261,727	236,993	-
U.S. Department of Health and Human Services:							
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	7,054	-	-	7,054	7,054
Total Health Resources and Services Administration			7,054	-	-	7,054	7,054
Substance Abuse and Mental Health Services Administration							
State Pass-Through Grant:							
Alaska Department of Health and Social Services							
Medication Assisted Treatment Expansion Grant	602-238-17002	93.243	175,000	34,513	-	-	34,513
Medication Assisted Treatment Expansion Grant - A Subawardee	602-238-18002	93.243	350,000	-	321,033	382,638	61,605
Total Substance Abuse and Mental Health Services Administration			525,000	34,513	321,033	382,638	96,118
Office of the Secretary:							
State Pass-Through Grant:							
Alaska Department of Health and Social Services							
Healthcare Organization Preparedness FFY14	1U90TP000501-03	93.889	20,148	8,321	-	-	8,321
Healthcare Organization Preparedness FFY15	1U90TP000501-04	93.889	29,264	-	-	-	-
Total Office of the Secretary			49,412	8,321	-	-	8,321
Total U.S. Department of Health and Human Services			581,466	42,834	321,033	389,692	111,493
U.S. Department of Justice:							
Bureau of Justice Assistance:							
Bullet Proof Vests	2015BUBX15076930	16.607	5,487	-	-	-	-
Bullet Proof Vests	2016BUBX16081765	16.607	7,153	329	945	4,758	4,142
Bullet Proof Vests	2017BUBX17088549	16.607	4,470	-	-	-	-
Total Bureau of Justice Assistance			17,110	329	945	4,758	4,142
Implementing a Body-Worn Camera Program at the Juneau Police Department	2016-BC-BX-K096	16.835	25,060	24,623	24,623	-	-
FY17 EBMJA (JAG)	2016-DJ-BX-1072	16.738	23,405	17,250	17,250	-	-
Total Bureau of Justice Assistance			65,575	42,202	42,818	4,758	4,142
Total U.S. Department of Justice			65,575	42,202	42,818	4,758	4,142
Total Federal Expenditures			\$100,007,968	\$ 10,221,453	\$ 28,476,993	\$ 31,878,617	\$ 13,623,077

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, 2018

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 basis of accounting, which is 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. The City and Borough has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Subrecipients

The City and Borough does not pass through federal funds to subrecipients, therefore there are no amounts provided to subrecipients on the SEFA.

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	\$ 2,791,013
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	527,942

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	3,969,216
Federal grant and loan sources reported as capital contributions in Juneau International Airport, Boat Harbors, and Dock enterprise funds	24,728,698

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

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>(138,252)</u>
Total federal expenditures per schedule of expenditures of federal awards	<u>\$ 31,878,617</u>

CITY AND BOROUGH OF JUNEAU, ALASKA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2018

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 2 CFR 200.516(a)? Yes x No

Major programs:

<u>CFDA#</u>	<u>Program</u>
20.500/20.526	Federal Transit Cluster
97.067	State Homeland Security Grant Program
66.458	Clean Water State Revolving Fund Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 956,359

Auditee qualified as low-risk auditee? x Yes No

FINANCIAL STATEMENT FINDINGS

None to report for fiscal year 2018.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None to report for fiscal year 2018.

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

Year Ended June 30, 2018

FINANCIAL STATEMENT FINDINGS

None reported for fiscal year 2017.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported for fiscal year 2017.