

CITY AND BOROUGH OF JUNEAU, ALASKA

STATE FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2021

CITY AND BOROUGH OF JUNEAU, ALASKA
STATE FINANCIAL ASSISTANCE REPORTS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough) as of and for the year ended June 30, 2021, 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 28, 2021.

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. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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*.

City and Borough's Response to Finding

The City and Borough's response to the 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 the financial statements and, accordingly, we express no opinion on it.

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 28, 2021

March 17, 2022 (updated for completion of single audit)



Elgee Rehfeld

Alaska's CPA Firm

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Partners

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Karen Tarver, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE *STATE OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS*

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

Report on Compliance for Each Major State Program

We have audited the City and Borough of Juneau, Alaska's (City and Borough's) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the City and Borough's major state programs for the year ended June 30, 2021. The City and Borough's major state programs are identified in the accompanying schedule of state financial assistance.

The City and Borough's basic financial statements include the operations of the City and Borough of Juneau School District, which expended \$46,137,211 in state awards which is not included in the City and Borough's schedule of state financial assistance for the year ended June 30, 2021. Our audit, described below, did not include the operations of the City and Borough of Juneau School District because the component unit had its own audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City and Borough's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City and Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City and Borough's compliance.

Opinion on Each Major State 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 state programs identified in the schedule of state financial assistance for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of State Financial Assistance and Schedules of Expenditures - Budget and Actual Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and the State of Alaska Department of Health and Social Services, Respectively

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough as of and for the year ended June 30, 2021, 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 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of state financial assistance and schedules of expenditures - budget and actual are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and the State of Alaska Department of Health and Social Services, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance and schedules of expenditures - budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

Elgee Rehfeld

March 17, 2022

CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2021

State of Alaska Agency/Program Title	Grant Number	Award Amount	Receivable (Deferral) at July 1, 2020	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2021
Alaska Mental Health Trust Authority:							
Housing and Homelessness Services Coordinator (FY20)	AMHTA 8674.02	\$ 110,000	\$ 73,486	\$ 73,486	\$ -	\$ -	\$ -
Housing and Homelessness Services Coordinator (FY21)	AMHTA 8674.03	110,000	-	45,121	-	110,000	64,879
AMHTA Mini Grant	10316	4,350	-	4,350	-	2,500	(1,850)
Runaway and Homeless Youth Shelter and Rapid Rehousing (FY21)	AMHTA 12708	75,000	-	-	-	2,496	2,496
COVID-19 - AMHTA COVID-19 Response Grant	n/a	25,000	-	25,000	-	25,000	-
Total Alaska Mental Health Trust Authority		324,350	73,486	147,957	-	139,996	65,525
Alaska State Housing Authority:							
ASHA 'in-lieu' tax	-	95,706	-	95,706	-	95,706	-
Total Alaska State Housing Authority		95,706	-	95,706	-	95,706	-
Alaska Energy Authority							
JNU Electric Public Transit Bus (VW)	7910062-AEA	99,433	-	-	-	99,335	99,335
JNU Electric Public Transit Bus (VW)	7910062-AEA	134,527	-	-	-	65,205	65,205
Total Alaska Energy Authority		233,960	-	-	-	164,540	164,540
Department of Administration:							
Employer Relief Balance SFY2021 - City and Borough of Juneau	* ER 126 HB205	3,576,682	-	3,576,682	-	3,576,682	-
Employer Relief Balance SFY2021 - Bartlett Regional Hospital	* ER 219 HB205	3,684,090	-	3,684,090	-	3,684,090	-
Total Department of Administration		7,260,772	-	7,260,772	-	7,260,772	-
Department of Commerce, Community, and Economic Development:							
Direct Programs:							
Community Assistance Program	* -	385,761	-	385,761	-	385,761	-
Designated Legislative Grant Programs:							
Construction of a Joint City, State, and Federal Parking Facility in the Willoughby District	15-RR-044	1,574,466	43,719	133,340	-	89,621	-
International Airport Approach Lighting	15-DC-070	93,750	150	1,415	-	1,483	218
Total Department of Commerce, Community, and Economic Development		2,053,977	43,869	520,516	-	476,865	218
Department of Education and Early Development:							
Public Library Assistance	PLA-20-743-01	21,000	-	21,000	-	21,000	-
Museum Grant in Aid FY21	FY2021 GRANT-IN-AID	7,500	-	7,500	-	7,500	-
State Shared Revenue:							
School Debt Retirement FY20	-	3,441,732	591,887	591,887	-	-	-
Total Department of Education and Early Development		3,470,232	591,887	620,387	-	28,500	-

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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2021

State of Alaska Agency/Program Title	Grant Number	Award Amount	Receivable (Deferral) at July 1, 2020	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2021
Department of Health and Social Services:							
Sobering Center, Withdrawal Management & Residential SUD Treatment Svcs (Capital)	602-239-19008	500,000	111,889	179,068	-	88,111	20,932
Sobering Center, Withdrawal Management & Residential SUD Treatment Svcs	602-239-20004	800,000	112,125	112,125	-	-	-
Sobering Center, Withdrawal Management & Residential SUD (Ambulatory)	602-239-20010	175,000	56,806	56,806	-	-	-
Comprehensive Behavioral Health Treatment and Recovery (RRC 3.5)	602-208-20015	404,267	20,213	20,213	-	-	-
Comprehensive Behavioral Health Treatment and Recovery (RRC 3.7)	602-208-20016	101,067	26,737	26,737	-	-	-
Comprehensive Behavioral Health Treatment and Recovery (RRC 3.5)	* 602-208-21015	404,267	-	384,054	-	404,267	20,213
Sobering Center, Withdrawal Management & Residential SUD Treatment Svcs - Substance Use Disorder Services Expansion	* 602-239-21004	1,160,753	-	751,915	-	1,053,866	301,951
Sobering Center, Withdrawal Management & Residential SUD (Ambulatory)	* 602-239-21010	387,104	-	208,820	-	387,104	178,284
Total Department of Health and Social Services		<u>3,932,458</u>	<u>327,770</u>	<u>1,739,738</u>	<u>-</u>	<u>1,933,348</u>	<u>521,380</u>
Department of Revenue:							
State Shared Revenue FY21:							
Aviation Fuel	-	112,391	-	-	-	112,391	112,391
Liquor Taxes	-	54,250	-	42,050	-	54,250	12,200
Marijuana Fee	-	6,600	-	6,600	-	6,600	-
Raw Fish Tax	*	391,373	-	391,373	-	391,373	-
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	*	2,444,564	-	-	-	2,444,564	2,444,564
State Shared Revenue FY20:							
Aviation Fuel	-	72,648	72,648	72,648	-	-	-
Liquor Taxes	-	75,000	17,600	17,600	-	-	-
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	*	5,970,995	(5,970,995)	-	-	3,935,770	(2,035,225)
State Shared Revenue FY19:							
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	*	5,271,135	(5,271,135)	-	-	4,213,503	(1,057,632)
State Shared Revenue FY18:							
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	*	4,769,390	(695,513)	-	-	695,513	-
Total Department of Revenue		<u>19,168,346</u>	<u>(11,847,395)</u>	<u>530,271</u>	<u>-</u>	<u>11,853,964</u>	<u>(523,702)</u>
Department of Transportation and Public Facilities:							
CBJ A/P Expand SRE Building Match 67	SSAPT00096- AIP 3-02-0133-067-2016	556,467	3,310	-	-	81	3,391
Douglas Harbor Anode Installation	19-HG-003	83,392	-	-	-	83,210	83,210
Total Department of Transportation and Public Facilities		<u>639,859</u>	<u>3,310</u>	<u>-</u>	<u>-</u>	<u>83,291</u>	<u>86,601</u>
Total State Financial Assistance		<u>\$ 37,179,660</u>	<u>\$ (10,807,073)</u>	<u>\$ 10,915,347</u>	<u>\$ -</u>	<u>\$ 22,036,982</u>	<u>\$ 314,562</u>

*Major Program

See notes to schedule of state financial assistance.

CITY AND BOROUGH OF JUNEAU, ALASKA
NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE
Year Ended June 30, 2021

General

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

Basis of Accounting

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

Relationship to Basic Financial Statements

The following is a reconciliation of state revenues reported in the City and Borough's basic financial statements to state expenditures reported in the schedule of state financial assistance:

State revenues as reported in the basic financial statements:

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	\$ 11,368,438
Combining Statement of Revenues, Expenses, and Changes in Net Position:	
Proprietary Funds	4,727,920
Internal Service Funds	1,496,897

Plus:

Amounts reported as state expenditures in the schedule of state financial assistance, but not reported as state revenues in the basic financial statements:

State grant revenue sources reported as capital contributions in Juneau International Airport, Boat Harbors, Dock, Areawide Water Utility and Areawide Wastewater Utility enterprise funds	9,518,206
State grant revenue sources reported in Bartlett Regional Hospital enterprise fund as charges for services revenue	1,944,508

Less:

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

Federal grants passed through the State of Alaska or reported as state sources in the capital projects and operations	(5,937,498)
Amounts reported as state revenue in the basic financial statements but do not meet the definition of state financial assistance for fiscal year 2021	<u>(1,081,489)</u>

Total state expenditures as reported in the schedule of state financial assistance	<u>\$ 22,036,982</u>
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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes x No

State Financial Assistance

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

Internal control over major programs:

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

2021-001 Significant Deficiency in Internal Controls over Financial Reporting – Purchasing Processes, Bartlett Regional Hospital Enterprise Fund

Criteria: Internal controls should be properly designed and implemented to efficiently conduct business, safeguard assets, prevent or detect misstatement, errors, or fraud, ensure completeness and accuracy of financial records, and timely preparation of the financial statements.

Condition: Internal controls over purchasing at Bartlett Regional Hospital (the Hospital) were not sufficiently designed and implemented to ensure that physical assets purchased with credit cards, including artwork, furnishings, equipment, IT assets, and gift cards were tracked and safeguarded. Tested credit card, employee reimbursement, and travel purchases were not adequately supported, nor was the business purpose of transactions sufficiently documented in some cases.

The Hospital’s current written policies and procedures are not sufficiently designed to respond to the risks to the Hospital, nor are they representative of current practices.

Context: In many instances in the documentation we reviewed, credit card purchases, or employee reimbursement, including reimbursement for travel, did not provide sufficient audit evidence to conclude on the

CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

appropriateness of costs. Asset purchases, such as artwork, furnishings, IT equipment, and gift cards, in certain instances, when purchased with credit cards, did not provide enough evidence to conclude that the assets were purchased for a valid business purpose. The pool of costs not sufficiently documented are not material to the financial statements; however, the weaknesses in internal controls could allow for undetected error or fraud.

We observed many of the Hospital's finance policies and procedures are outdated and do not represent actual current practices. The existing policies and current practices do not adequately address the risks to the Hospital. We specifically observed that the credit card and travel policy is several years old and is not being followed, and policies over other key areas, such as gift card usage and purchase of IT equipment, do not exist.

Effect (or potential): Without sufficient internal controls over the Hospital's purchasing processes, risk significantly increases that errors and fraud, including misappropriation of assets, could occur and not be detected within a timely basis.

Cause: Turnover at the Hospital during the past several years has resulted in deferral of updating policies and procedures, as it has not been a top priority. Lack of clear policies and procedures has resulted in weaknesses in the organization's internal controls, opportunities for employees to take advantage of the weaknesses in the system, and a lack of sufficient documentation to support the business purpose of certain financial transactions.

Recommendation: Management and the Hospital Board should complete a formal evaluation of the risks and controls associated with the purchasing cycle, as well as all other financial functions. In response to the identified risks and evaluation of existing or missing controls, updates, development and implementation of controls to mitigate the risks of the Hospital should be completed and documented. The evaluation of risks and related controls for each significant financial function should be completed on a pre-scheduled basis, with exceptions to the schedule when changes occur to the risks or practices.

View of responsible officials: Management concurs with this finding. See Corrective Action Plan.

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

None to report for fiscal year 2021.

CITY AND BOROUGH OF JUNEAU, ALASKA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

FINANCIAL STATEMENT FINDINGS

None reported for fiscal year 2020.

STATE AWARD FINDINGS AND QUESTIONED COSTS

None reported for fiscal year 2020.

CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
Comprehensive Behavioral Health Treatment and Recovery (602-208-21015)
Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personnel services	<u>\$ 404,267</u>	<u>\$ 404,267</u>	<u>\$ -</u>

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 Comprehensive Behavioral Health Treatment and Recovery (602-208-21016)*
 Year Ended June 30, 2021

	Budget	Actual	Variance
Personnel services	\$ 101,067	\$ 101,067	\$ -

* Grant includes Federal funds passed through the State of Alaska

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withdrawal Management and Residential SUD Treatment Srvs -
Capital (602-239-19008)

Year Ended June 30, 2021

	Budget	Actual		Total	Variance
		FY20 (Year ended June 30, 2020)	FY21 (Year ended June 30, 2021)		
Other	\$ 500,000	\$ 111,889	\$ 88,111	\$ 200,000	\$ 300,000

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withdrawal Management and Residential SUD Treatment Srvs -
Ambulatory Withdrawal Management (602-239-21010)*

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personal services	\$ 351,854	\$ 351,854	\$ -
Other	70,000	70,000	-
	<u>\$ 421,854</u>	<u>\$ 421,854</u>	<u>\$ -</u>

* Grant includes Federal funds passed through the State of Alaska

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withdrawal Management and Residential SUD Treatment Srvs -
 Substance Use Disorder Services Expansion (602-239-21004)*

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Personal services	\$ 2,058,253	\$ 1,950,366	\$ 107,887
Travel	80,000	14,205	65,795
Supplies	67,500	55,273	12,227
Other	<u>155,000</u>	<u>186,000</u>	<u>(31,000)</u>
	<u>\$ 2,360,753</u>	<u>\$ 2,205,844</u>	<u>\$ 154,909</u>

* Grant includes Federal funds passed through the State of Alaska

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 COVID-19 - Emergency Grant to Address Mental Health and Substance Abuse
 Disorders During COVID-19 (602-255-21010)*
 Year Ended June 30, 2021

	Budget	Actual	Variance
Personnel services	\$ 200,000	\$ 200,000	\$ -

* Grant includes Federal funds passed through the State of Alaska

See independent auditor's report.



Address: 155 Municipal Way, Juneau, AK 99801
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City & Borough of Juneau
Corrective Action Plan
Year Ended June 30, 2021

FINANCIAL STATEMENT FINDINGS

Finding: 2021-001 Significant Deficiency in Internal Controls over Financial Reporting – Purchasing Processes, Bartlett Regional Hospital Enterprise Fund

Name of Contact Person: Sam Muse, Controller

Corrective Action: Bartlett will reduce the number of credit cards outstanding to ensure each card can receive a proper review and reconciliation each month. All purchases - other than those that must be purchased through a credit card - are to follow the Purchase Order process. Additionally, Bartlett will hire a Supply Chain consultant to perform an outside review of the Materials Management/Purchasing Department; this consultant will develop new processes and policies for the entire Bartlett Regional Hospital (BRH) organization. Finally, oversight of the purchasing process will be moved under the direction of the Chief Financial Officer.

Proposed Completion Date: Reduction of credit cards will be completed no later than May 1, 2022. The review of Materials Management process will be completed by an outside supply chain consultant by July 15th.