

CITY AND BOROUGH OF JUNEAU, ALASKA  
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC)  
AND INDEPENDENT AUDITOR'S REPORT

Year Ended June 30, 2023

March 29, 2024

CITY AND BOROUGH OF JUNEAU, ALASKA

TABLE OF CONTENTS

Year Ended June 30, 2023

The City and Borough of Juneau financial statements for the year ended June 30, 2023, were audited by Elgee Rehfeld, LLC and issued under a separate cover.

The Independent Auditors' 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* was issued by Elgee Rehfeld, LLC under a separate cover.

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	<u>Page</u>
Independent Auditor's Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance; and Report on Schedule of Passenger Facility Charges	1
Schedule of Passenger Facility Charges	4
Schedule of Findings and Questioned Costs – PFC Program	5
Summary Schedule of Prior Year Audit Findings – PFC Program	6



# Elgee Rehfeld

Certified Public Accountants

elgeerehfeld.com  
(907) 789-3178

9309 Glacier Highway, Suite B-200  
Juneau, Alaska 99801

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGES

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

### Report on Compliance for the Passenger Facility Charge Program

#### *Opinion on the Passenger Facility Charge Program*

We have audited the City and Borough of Juneau, Alaska's (City and Borough) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (FAA Guide), that could have a direct and material effect on the City and Borough's passenger facility charge program for the year ended June 30, 2023.

In our opinion, the City and Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2023.

#### *Basis for Opinion on the Passenger Facility Charge Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the City and Borough's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the passenger facility charge program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City and Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City and Borough's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City and Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City and Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City and Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed

to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 FAA Guide. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Passenger Facility Charges Required by the FAA Guide**

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, 2023, 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 March 29, 2024, 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 Passenger Facility Charges is presented for purposes of additional analysis as required by the FAA Guide 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 passenger facility charges is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Elgee Rehfeld*

March 29, 2024

CITY AND BOROUGH OF JUNEAU  
Schedule of Passenger Facility Charges (PFC)  
Year Ended June 30, 2023

	Date Approved	Amount Approved	Cumulative End FY22	Quarter Ended				Total FY23	Cumulative End FY23
				Sept '22	Dec '22	Mar '23	Jun '23		
<b>Revenues</b>									
Application: 17-09-C-00-JNU (PFC 9)									
PFC revenues received from carriers		\$ 10,264,134	\$ 3,722,242	\$ 185,899	\$ 272,471	\$ 291,302	\$ 316,021	\$ 1,065,693	\$ 4,787,935
Interest received			91,248	-	-	-	-	-	91,248
Adjustments			1,321,567	-	-	-	-	-	1,321,567
Total PFC Receipts/Interest/Adjustments:			5,135,057	185,899	272,471	291,302	316,021	1,065,693	6,200,750
<b>Disbursements</b>									
Application: 17-09-C-00-JNU (PFC 9)	01/01/18	9,153,351							
Amendment# 1:	08/31/18	809,273							
Amendment# 2:	04/10/19	-							
Amendment# 3:	12/14/18	301,510							
			5,613,369	2,255	394,246	479	243,992	640,972	6,254,341
Total by PFC:		10,264,134	5,613,369	2,255	394,246	479	243,992	640,972	6,254,341
Total PFC Disbursements:			5,613,369	2,255	394,246	479	243,992	640,972	6,254,341
Net Increase (Decrease) in Cash			(478,312)	183,644	(121,775)	290,823	72,029	424,721	(53,591)
Cash balance, beginning			-	(478,312)	(294,668)	(416,443)	(125,620)	(478,312)	-
Cash balance, ending			\$ (478,312)	\$ (294,668)	\$ (416,443)	\$ (125,620)	\$ (53,591)	\$ (53,591)	\$ (53,591)

CITY AND BOROUGH OF JUNEAU, ALASKA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – PFC PROGRAM  
 Year Ended June 30, 2023

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

***Financial Statements***

Type of auditor's report issued on whether the financial Statements were prepared in accordance with GAAP:

Government Activities	Unmodified
Business Type Activities	Unmodified
General Fund	Unmodified
Sales Tax Special Revenue Fund	Unmodified
Pandemic Response Special Revenue Fund	Unmodified
General Debt Service Fund	Unmodified
Other Governmental funds	Unmodified
Proprietary Funds:	
Juneau International Airport	Unmodified
Bartlett Regional Hospital	Unmodified
Areawide Water Utility	Unmodified
Areawide Wastewater Utility	Unmodified
Boat Harbors	Unmodified
Dock	Unmodified
Internal Service Funds	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)?   x   Yes \_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_ Yes   x   No

***Passenger Facility Charges (PFC) Program***

Type of auditor's report issued on compliance for the PFC program: Unmodified

- Internal control over the PFC program:
- Material weakness(es) identified? \_\_\_ Yes   x   No
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_ Yes   x   None reported

**SECTION II – PFC PROGRAM FINDINGS AND QUESTIONED COSTS**

None to report for fiscal year 2023.

CITY AND BOROUGH OF JUNEAU, ALASKA  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS – PFC PROGRAM  
Year Ended June 30, 2023

**PFC PROGRAM FINDINGS AND QUESTIONED COSTS**

None reported for fiscal year 2022.