

CITY AND BOROUGH OF JUNEAU, ALASKA

Expenditures of Federal Awards Reports

Year ended June 30, 2006

CITY AND BOROUGH OF JUNEAU, ALASKA

Expenditures of Federal Awards Reports

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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*

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

We have audited the basic financial statements of the City and Borough of Juneau, Alaska, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City and Borough of Juneau, Alaska's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City and Borough of Juneau, Alaska's basic financial statements are free of 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*.

We noted other matters involving the internal control over financial reporting that we have reported to the management of the City and Borough of Juneau, Alaska, in a separate letter dated November 9, 2006.

This report is intended solely for the information and use of the Assembly, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, consisting of the letters 'E', 'R', and 'M' in a cursive, stylized font.

November 9, 2006

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City and Borough of Juneau, Alaska, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The City and Borough of Juneau, Alaska's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City and Borough of Juneau, Alaska's management. Our responsibility is to express an opinion on the City and Borough of Juneau, Alaska's compliance based on our audit.

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 of Juneau'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. Our audit does not provide a legal determination on the City and Borough of Juneau, Alaska's compliance with those requirements.

In our opinion, the City and Borough of Juneau, Alaska complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the City and Borough of Juneau, Alaska is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City and Borough of Juneau, Alaska's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to

determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the City and Borough of Juneau, Alaska as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City and Borough of Juneau, Alaska's, 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Assembly, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



November 9, 2006

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

<u>Federal grant or/pass-through grant or/program title</u>	<u>Pass-through grantor's number</u>	<u>Catalogue of federal domestic assistance number</u>	<u>Program or award amount</u>	<u>Receivable (deferral) at June 30, 2005</u>	<u>Amount received</u>	<u>Expenditures</u>	<u>Receivable (deferral) at June 30, 2006</u>
U.S. Department of Homeland Security:							
Transportation Security Administration:							
Port Security Improvements	HSTS04-04-G-GPS377	97.056	\$ 94,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Maritime and Land Security: Port Security Upgrades	DTSA20-03-G-01120	97.056	131,265	74,107	-	(46,810)	27,297
			<u>225,265</u>	<u>74,107</u>	<u>-</u>	<u>(1,810)</u>	<u>72,297</u>
State Pass-Through Grants:							
Department of Military and Veterans Affairs:							
State Homeland Security Grant Citizen Corp	34031	97.053	7,500	-	-	-	-
State Homeland Security Grant 05	34021	97.073	456,115	-	88,758	119,119	30,361
State Homeland Security Grant 05 MMRS	34041	97.071	227,592	-	3,798	13,189	9,391
State Homeland Security Grant LETPP	34051	97.074	64,000	-	1,162	16,375	15,213
State Homeland Security Grant Critical Infrastructure	35220	* 97.067	20,000	-	17,900	17,900	-
State Homeland Security Grant BZPP	35555	97.078	50,000	-	-	-	-
State Homeland Security Grant 04	35549	* 97.004	962,000	22,370	158,407	152,324	16,287
			<u>1,787,207</u>	<u>22,370</u>	<u>270,025</u>	<u>318,907</u>	<u>71,252</u>
Federal Emergency Management Agency:							
Fire Prevention Advertising & Education	EMW-2004-FP-02297	* 97.044	54,000	-	45,395	45,395	-
Assistance to Firefighters	EMW-2004-FG-14310	* 97.044	98,794	-	46,359	84,460	38,101
Coop. Tech. Partners: Re-Map Duck Creek & Jordan Creek Flood Zones	-	97.045	90,000	78,027	90,000	11,973	-
			<u>242,794</u>	<u>78,027</u>	<u>181,754</u>	<u>141,828</u>	<u>38,101</u>
Total U.S. Department of Homeland Security			<u>2,255,266</u>	<u>174,504</u>	<u>451,779</u>	<u>458,925</u>	<u>181,650</u>
U.S. Department of Agriculture:							
Natural Resource Conservation Service:							
Nancy Street Pond/Wetlands Enhancement	7201505A106	10.914	126,750	-	-	75,000	75,000
Aspen Avenue/McGinnis	7201504A092	10.914	32,625	6,212	32,925	26,713	-
			<u>159,375</u>	<u>6,212</u>	<u>32,925</u>	<u>101,713</u>	<u>75,000</u>
Forest Service:							
Tongass Nat'l Forest Recovery Program - Collaboration Juneau	04DG11100000233	10.xxx	50,000	16,500	16,500	-	-
State Pass-Through Grants:							
Alaska Department of Community and Economic Development:							
Schools and Roads - Grants to States FY02	-	* 10.665	930,246	(139,537)	-	139,537	-
Schools and Roads - Grants to States FY03	-	* 10.665	937,718	(140,658)	-	140,658	-
Schools and Roads - Grants to States FY04	-	* 10.665	949,181	(142,377)	-	39,805	(102,572)
Schools and Roads - Grants to States FY05	-	* 10.665	961,656	(144,248)	-	-	(144,248)
Schools and Roads - Grants to States FY06	-	* 10.665	984,060	-	984,060	836,451	(147,609)
			<u>4,762,861</u>	<u>(566,820)</u>	<u>984,060</u>	<u>1,156,451</u>	<u>(394,429)</u>
Total U.S. Department of Agriculture			<u>4,972,236</u>	<u>(544,108)</u>	<u>1,033,485</u>	<u>1,258,164</u>	<u>(319,429)</u>

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

<u>Federal grant or/pass-through grant or/program title</u>	<u>Pass-through grantor's number</u>	<u>Catalogue of federal domestic assistance number</u>	<u>Program or award amount</u>	<u>Receivable (deferral) at June 30, 2005</u>	<u>Amount received</u>	<u>Expenditures</u>	<u>Receivable (deferral) at June 30, 2006</u>
U.S. Department of Transportation:							
Federal Transit Administration:							
Replacement Buses	AK-03-0065-00	* 20.500	971,779	-	-	937,222	937,222
Juneau Transit Center	-	* 20.500	<u>197,600</u>	-	-	<u>146,040</u>	<u>146,040</u>
			<u>1,169,379</u>	-	-	<u>1,083,262</u>	<u>1,083,262</u>
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
Section 18 Grant (Operations)	AK 18-X024-01	20.500	183,077	-	183,077	183,077	-
Training Grant CY04	-	20.509	8,000	7,433	7,433	-	-
Training Grant CY05	-	20.509	<u>13,900</u>	-	<u>10,780</u>	<u>10,780</u>	-
			<u>204,977</u>	<u>7,433</u>	<u>201,290</u>	<u>193,857</u>	-
Federal Highway Administration:							
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
Total Station Grant FFY06	-	20.600	16,700	-	-	16,605	16,605
Seatbelt and DUI Overtime Enforcement FFY04	-	20.600	21,500	-	2,025	2,025	-
Seatbelt and DUI Overtime Enforcement FFY05	-	20.600	14,620	-	4,098	4,098	-
Seatbelt and DUI Overtime Enforcement FFY06	-	20.600	<u>20,515</u>	-	<u>13,532</u>	<u>14,156</u>	<u>624</u>
			<u>73,335</u>	-	<u>19,655</u>	<u>36,884</u>	<u>17,229</u>
Federal Motor Carrier Safety Administration:							
State Pass-Through Grants:							
Alaska Department of Transportation and Public Facilities:							
Commercial Vehicle Inspection Training FFY05	-	20.218	3,110	-	3,256	3,256	-
Commercial Vehicle Inspection Training (10.05 - 12.05)	-	20.218	6,605	-	1,740	1,740	-
Commercial Vehicle Inspection Training (1.06 - 9.06)	-	20.218	<u>6,605</u>	-	-	-	-
			<u>16,320</u>	-	<u>4,996</u>	<u>4,996</u>	-
Federal Aviation Administration:							
Snow Removal Equipment Building Design (AIP 25)	-	20.106	656,196	19,014	27,925	20,618	11,707
Environmental Impact Statement (AIP 39)	-	20.106	1,303,125	393,570	594,176	339,138	138,532
9/11 Security Equipment and Terminal Improvements (AIP 36)	-	20.106	197,483	-	11,442	11,442	-
Rehabilitate Taxiway Alpha (AIP 37)	-	20.106	3,292,847	-	36,857	36,857	-
Acquire Snow Removal, Airside and Friction Measuring Equipment(AIP 41)	-	20.106	561,571	-	4,090	4,090	-
Rehabilitate Access Road (AIP 40)	-	20.106	371,861	12,944	22,318	9,374	-
Construct Taxiway Extensions (AIP 42)	-	20.106	1,244,168	373,723	373,723	-	-
Airport Terminal Study Phase II (AIP 44)	-	20.106	760,000	128,089	144,430	16,723	382
Security Vehicle (AIP 45)	-	20.106	25,953	24,206	24,460	254	-
Delta 1 Ramp Expansion (AIP 43)	-	20.106	<u>1,491,528</u>	<u>154,795</u>	<u>825,333</u>	<u>1,118,871</u>	<u>448,333</u>
			<u>9,904,732</u>	<u>1,106,341</u>	<u>2,064,754</u>	<u>1,557,367</u>	<u>598,954</u>
Total U.S. Department of Transportation			<u>11,368,743</u>	<u>1,113,774</u>	<u>2,290,695</u>	<u>2,876,366</u>	<u>1,699,445</u>

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

<u>Federal grant or/pass-through grant or/program title</u>	<u>Pass-through grantor's number</u>	<u>Catalogue of federal domestic assistance number</u>	<u>Program or award amount</u>	<u>Receivable (deferral) at June 30, 2005</u>	<u>Amount received</u>	<u>Expenditures</u>	<u>Receivable (deferral) at June 30, 2006</u>
U.S. Department of the Interior:							
Bureau of Land Management:							
"In Lieu of Tax" receipts	-	15.226	<u>823,700</u>	-	830,968	830,968	-
Environmental Protection Agency:							
Wetlands Mitigation Bank Development	-	66.461	<u>45,000</u>	13,386	43,390	30,004	-
National Park Service:							
State Pass-Through Grants:							
Alaska Department of Natural Resources:							
National Register Nomination Juneau Memorial Library	04431	15.904	3,581	2,374	3,038	664	-
Historic Preservation Conference Travel Grant	04466	15.904	1,519	-	1,519	1,519	-
Interpretive Signs at Marine Park	04461	15.904	9,900	-	1,882	3,200	1,318
Merchant's Wharf Building Historical Survey	04465	15.904	5,000	-	155	1,024	869
Downtown Design Standards Evaluations Phase I	05445	15.904	<u>16,827</u>	-	1,194	7,882	6,688
			<u>36,827</u>	2,374	7,788	14,289	8,875
Fish and Wildlife Service:							
Aspen Avenue/McGinnis/Duck Creek Crossing	-	15.631	25,000	2,856	25,000	22,144	-
Nancy Street Pond/Wetlands Enhancement	-	15.631	<u>85,000</u>	-	40,000	40,000	-
			<u>110,000</u>	2,856	65,000	62,144	-
State Pass-Through Grants:							
Alaska Department of Fish and Game:							
Aurora Harbor Pump Out Stations	04-003	15.605	180,000	72,000	75,600	9,245	5,645
Norway Point Boat Moorage Float	01-097	15.605	100,000	-	-	-	-
Taku Harbor Transient Moorage Rehabilitation	05-071	15.605	807,105	747,555	807,105	59,550	-
Amalga Harbor Ramp Rehabilitation	03-045	15.605	<u>1,800,000</u>	248,840	-	48,016	296,856
			<u>2,887,105</u>	1,068,395	882,705	116,811	302,501
			<u>2,997,105</u>	1,071,251	947,705	178,955	302,501
Total U.S. Department of the Interior			<u>3,902,632</u>	<u>1,087,011</u>	<u>1,829,851</u>	<u>1,054,216</u>	<u>311,376</u>
U.S. Department of Education:							
State Pass-Through Grants:							
Alaska Department of Education and Early Development:							
Regional Services Grant	ILC-06-743-101A	45.310	108,280	-	108,280	108,280	-
Regional Services Grant	ILC-06-743-101B	45.310	<u>740</u>	-	740	740	-
Total U.S. Department of Education			<u>109,020</u>	-	<u>109,020</u>	<u>109,020</u>	-

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

<u>Federal grant or/pass-through grant or/program title</u>	<u>Pass-through grantor's number</u>	<u>Catalogue of federal domestic assistance number</u>	<u>Program or award amount</u>	<u>Receivable (deferral) at June 30, 2005</u>	<u>Amount received</u>	<u>Expenditures</u>	<u>Receivable (deferral) at June 30, 2006</u>
U.S. Department of Commerce:							
National Oceanic and Atmospheric Administration:							
Coastal Impact Assistance Program	-	11.419	<u>99,952</u>	<u>884</u>	-	<u>6,148</u>	<u>7,032</u>
State Pass-Through Grants:							
Alaska Department of Community and Economic Development:							
Alaska Coastal Management FY05	850063	11.419	40,490	4,289	4,289	-	-
Alaska Coastal Management FY06	860607	11.419	40,350	-	37,258	40,350	3,092
ACMP Plan Amendment Funding	850244	11.419	50,000	11,326	38,778	30,508	3,056
2005 Fisheries Economic Development Grant Program	860018	11.438	<u>87,750</u>	<u>-</u>	<u>50,778</u>	<u>50,778</u>	<u>-</u>
			<u>218,590</u>	<u>15,615</u>	<u>131,103</u>	<u>121,636</u>	<u>6,148</u>
Total U.S. Department of Commerce			<u>318,542</u>	<u>16,499</u>	<u>131,103</u>	<u>127,784</u>	<u>13,180</u>
U.S. Department of Defense:							
State Pass-Through Grants:							
Alaska Department of Military and Veterans Affairs:							
Emergency Management Program FY06	-	83.552	30,000	-	5,238	16,670	11,432
Emergency Management Program FY05	-	83.552	30,000	26,959	30,000	3,041	-
Pre-Disaster Mitigation Program II	PDM 03-01d	83.557	<u>35,178</u>	<u>-</u>	<u>5,178</u>	<u>5,178</u>	<u>-</u>
Total U.S. Department of Defense			<u>95,178</u>	<u>26,959</u>	<u>40,416</u>	<u>24,889</u>	<u>11,432</u>
U.S. Denali Commission							
State Pass-Through Grant:							
Alaska Department of Health and Social Services:							
Skagway Dahl Radiology/JRH Pharmacy	06-4-C-4896	90.100	127,500	22,684	98,665	75,981	-
Mental Health Unit -Bartlett 2005	06-4-C-5013	90.100	<u>1,480,590</u>	<u>120,824</u>	<u>1,159,643</u>	<u>1,186,878</u>	<u>148,059</u>
Total U.S. Denali Commission			<u>1,608,090</u>	<u>143,508</u>	<u>1,258,308</u>	<u>1,262,859</u>	<u>148,059</u>
U.S. Department of Health and Human Services:							
State Pass-Through Grant:							
Alaska Department of Health and Social Services:							
Alaska State Hospital and Nursing Home Association:							
HRSA Health Care and Other Facilities	-	93.887	982,065	-	-	84,517	84,517
ASHNHA Emergency Decon & PPE	-	93.003	10,300	(18)	-	18	-
ASHNHA HRSA	-	93.889	29,280	(24,668)	-	24,668	-
ASHNHA Year 4 Hospital Preparedness	-	93.889	38,000	-	38,000	359	(37,641)
ASHNHA Prot RX Cache	-	93.889	3,124	-	3,124	520	(2,604)
ASHNHA RX Chemical	-	93.889	<u>18,873</u>	<u>-</u>	<u>18,873</u>	<u>8,590</u>	<u>(10,283)</u>
Total U.S. Department of Health and Human Services			<u>1,081,642</u>	<u>(24,686)</u>	<u>59,997</u>	<u>118,672</u>	<u>33,989</u>

CITY AND BOROUGH OF JUNEAU, ALASKA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

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, 2005	Amount received	Expenditures	Receivable (deferral) at June 30, 2006
U.S. Department of Housing and Urban Development:							
State Pass-Through Grants:							
Alaska Department of Community and Economic Development:							
Emergency Family Shelters	841212	14.228	500,000	-	37,240	187,602	150,362
CDBG - Day Care Facility for Frail and ADRD Elderly	841207	14.228	<u>378,420</u>	<u>166,688</u>	<u>220,087</u>	<u>53,399</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>878,420</u>	<u>166,688</u>	<u>257,327</u>	<u>241,001</u>	<u>150,362</u>
U.S. Department of Justice:							
2003 COPS Technology Grant							
Bullet Proof Vests	2003CKWX0275	16.710	906,085	59,026	106,877	201,726	153,875
	99003463	16.607	<u>26,434</u>	<u>4,426</u>	<u>4,426</u>	<u>1,159</u>	<u>1,159</u>
			<u>932,519</u>	<u>63,452</u>	<u>111,303</u>	<u>202,885</u>	<u>155,034</u>
State Pass-Through Grants:							
Department of Military and Veterans Affairs:							
State Homeland Security Grant - First Responder	SHSGP 03-05	16.007	10,000	3,386	5,536	2,150	-
State Homeland Security Grant - First Responder	SHSGP II 03-11	16.007	<u>663,467</u>	<u>21,269</u>	<u>72,582</u>	<u>52,850</u>	<u>1,537</u>
			<u>673,467</u>	<u>24,655</u>	<u>78,118</u>	<u>55,000</u>	<u>1,537</u>
Alaska Department of Public Safety:							
2001 COPS Technology Grant	2001CKWX0008	16.710	<u>976,900</u>	<u>184,870</u>	<u>-</u>	<u>(62,105)</u>	<u>122,765</u>
Total U.S. Department of Justice			<u>2,582,886</u>	<u>272,977</u>	<u>189,421</u>	<u>195,780</u>	<u>279,336</u>
U.S. Department of Housing and Urban Development:							
State Pass-Through Grants:							
Alaska Department of Revenue:							
Alaska Housing Finance Corporation:							
"In Lieu of Tax" receipts FY05	-	14.xxx	29,866	29,866	29,866	-	-
"In Lieu of Tax" receipts FY06	-	14.xxx	<u>33,084</u>	<u>-</u>	<u>-</u>	<u>33,084</u>	<u>33,084</u>
Total U.S. Department of Housing and Urban Development			<u>62,950</u>	<u>29,866</u>	<u>29,866</u>	<u>33,084</u>	<u>33,084</u>
Total Federal Expenditures			<u>\$ 29,235,605</u>	<u>\$ 2,462,992</u>	<u>\$ 7,681,268</u>	<u>\$ 7,760,760</u>	<u>\$ 2,542,484</u>

* Major Program

CITY AND BOROUGH OF JUNEAU, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2006

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the City and Borough of Juneau, Alaska. 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 other government 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:

Direct Grants:

Federal revenues as reported in the basic financial statements:

Governmental Funds	\$ 1,594,130
Proprietary Funds	173,040

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 classified Transportation Security Administration reimbursement for security upgrades as federal revenue.	(173,040)
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Non-grant federal receipts	<u>(72,400)</u>
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Total direct grants	<u>1,521,730</u>
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Plus:

Amounts reported as federal revenue in the Schedule of Expenditures of Federal Awards, but not included as federal revenue in the basic financial statements:

Grants not identified as Federal in the basic financial statements	7,021
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Grants passed through the State of Alaska	3,544,579
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Bartlett Regional Hospital grant revenues reported as operating revenues	194,653
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Federal monies included in airport, harbors, hospital, water and sewer capital projects	1,555,557
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Public transportation capital project	937,222
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Rounding	<u>(2)</u>
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Total federal expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 7,760,760</u>
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CITY AND BOROUGH OF JUNEAU, ALASKA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the City and Borough of Juneau, Alaska.
2. No instances of noncompliance material to the financial statements of the City and Borough of Juneau, Alaska were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for the City and Borough of Juneau, Alaska expresses an unqualified opinion on all major federal programs.
4. There were no audit findings relative to the major federal award programs for the City and Borough of Juneau, Alaska required to be reported in this schedule under OMB Circular A-133.
5. The federal programs tested as major programs included:

CFDA #	<u>NAME</u>
10.665	Dept. of Agriculture - Schools and Roads grants to States
20.500	U.S. Department of Transportation - Replacement Buses
20.500	U.S. Department of Transportation - Juneau Transit Center
20.500	U.S. Department of Transportation - Section 18 Grant (Operations)
97.044	U.S. Department of Homeland Security - Fire Prevention Advertising & Education
97.044	U.S. Department of Homeland Security - Assistance to Firefighters
97.067	U.S. Department of Homeland Security - State Homeland Security Grant Critical Infrastructure
97.004	U.S. Department of Homeland Security - State Homeland Security Grant 04

6. The threshold for distinguishing Types A and B programs was \$300,000.
7. The City and Borough of Juneau was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

No matters reported.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

No matters reported.