

Municipality of Anchorage, Alaska

Single Audit Reports and Supplementary Information

Year Ended December 31, 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Municipality of Anchorage, Alaska

Single Audit Reports and Supplementary Information
Year Ended December 31, 2022

Municipality of Anchorage, Alaska

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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*

Honorable Mayor and
Members of the Assembly
Municipality of Anchorage, Alaska

We have audited, in accordance with the 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 units, each major fund, and the aggregate remaining fund information of the Municipality of Anchorage, Alaska (Anchorage), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Anchorage’s basic financial statements, and have issued our report thereon dated July 12, 2024. The financial statements of the Anchorage Police and Fire Retirement System were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Anchorage Police and Fire Retirement System.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Anchorage’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 Anchorage’s internal control. Accordingly, we do not express an opinion on the effectiveness of Anchorage’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 Anchorage’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, 2022-005, and 2022-006 to be material weaknesses.

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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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-007 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anchorage'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*.

Anchorage's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Anchorage's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Anchorage's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Anchorage's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Anchorage, Alaska
July 12, 2024



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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

Honorable Mayor and
Members of the Assembly
Municipality of Anchorage, Alaska

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Municipality of Anchorage, Alaska's (Anchorage) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Anchorage's major federal programs for the year ended December 31, 2022. Anchorage's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Assistance Listings No. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 21.023 Emergency Rental Assistance Program, & 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Anchorage complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Coronavirus State and Local Fiscal Recovery Funds, Emergency Rental Assistance Program, and Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) for the year ended December 31, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Anchorage 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

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; 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 Anchorage 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Anchorage's compliance with the compliance requirements referred to above.

Other Matter - Federal Expenditures Not Included in the Compliance Audit

Anchorage's basic financial statements include the operations of its component unit, Anchorage School District, which expended \$150,122,111 in federal awards which is not included in Anchorage's schedule of expenditures of federal awards during the year ended December 31, 2022. Our compliance audit, described in the "Qualified Opinion on Assistance Listings No. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 21.023 Emergency Rental Assistance Program, & 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)" and "Unmodified Opinion on Each of the Other Major Federal Programs," does not include the operations of Anchorage School District because it was subjected to a separate audit in accordance with the Uniform Guidance, for the year ended June 30, 2022.

Matter Giving Rise to Qualified Opinion on Assistance Listings No. 21.027 Coronavirus State and Local Fiscal Recovery Funds, 21.023 Emergency Rental Assistance Program, & 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

As described in Findings 2022-009 and 2022-011 in the accompanying schedule of findings and questioned costs, Anchorage did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2022-009	21.027	Coronavirus State and Local Fiscal Recovery Funds	Subrecipient Monitoring
2022-009	21.023	Emergency Rental Assistance Program	Subrecipient Monitoring
2022-009	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Subrecipient Monitoring
2022-011	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Equipment and Real Property Management

Compliance with such requirements is necessary, in our opinion, for Anchorage to comply with the compliance requirements applicable to that program.

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 Anchorage's federal programs.



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 Anchorage'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 Anchorage's compliance with the requirements of each major federal 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 Anchorage's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Anchorage'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 Anchorage'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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-008, 2022-010, 2022-012, and 2022-013. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Anchorage's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Anchorage's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



Anchorage is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Anchorage's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-008, 2022-009, and 2022-011 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-010, 2022-012, and 2022-013 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Anchorage's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Anchorage's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Anchorage is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Anchorage's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.



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 units, each major fund, and the aggregate remaining fund information of Municipality of Anchorage, Alaska as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements. We issued our report thereon dated July 12, 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 expenditures of federal awards is presented for purposes of additional analysis as required by 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.

BDO USA, P.C.

Anchorage, Alaska
July 12, 2024

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Agriculture						
Pass-Through Alaska Department of Health & Social Services						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		604-268-20001	\$ -	\$ 1,582,992	\$ 755,797
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		604-268-22001	-	1,544,133	724,550
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		164-268-23001	-	1,350,337	501,659
Total ALN 10.557				-		1,982,006
SNAP Cluster:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		604-271-22002	-	131,928	46,064
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		164-271-23002	-	131,928	33,103
Total SNAP Cluster				-		79,167
Pass-Through Alaska Department of Natural Resources						
Cooperative Forestry Assistance - Anchorage Fire Department Wildfire Mitigation	10.664		399170	-	270,000	55,551
Pass-Through Alaska Department of Commerce, Community & Economic Development:						
Forest Service Schools and Roads Cluster: Schools and Roads - Grants to States						
FY 19 National Forest Receipts	10.665		None	-	75,655	75,655
Urban Agriculture and Innovative Production	10.935		NR203A750027C013	-	69,500	31,390
Total Department of Agriculture				-		2,223,769
Department of Health & Human Services						
Pass-Through Alaska Department of Health & Social Services:						
Aging Cluster - Special Programs for the Aging, Title III, Part B,						
COVID-19-Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services:						
Older Americans Act and American Rescue Plan for Support Services	93.044		607-309-22003	-	751,289	595,741
Special Programs for the Aging Title IV, and Title II, Discretionary Projects -						
Aging and Disability Resource Center	93.048		167-299-23003	-	5,254	2,092
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:						
Public Health Nursing	93.116		601-289-22001	-	128,600	68,112
Public Health Nursing	93.116		161-289-23001	-	649,897	235,876
Total ALN 93.116				-		303,988

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Health & Human Services, continued						
Pass-Through Alaska Department of Health & Social Services, continued:						
Injury Prevention and Control Research and State and Community Based Programs						
Restore Hope in Linkage to Care Collaboration	93.136		601-307-21001	\$ -	\$ 125,000	\$ (2,442)
Restore Hope in Linkage to Care Collaboration	93.136		601-307-22001	-	125,000	71,815
Total ALN 93.136				<u>-</u>		<u>69,373</u>
COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		C0621-570-BB	5,086,923	14,186,398	6,533,858
Temporary Assistance for Needy Families	93.558		601-285-20001	-	85,000	46,322
Temporary Assistance for Needy Families	93.558		601-285-22001	-	85,000	52,443
Temporary Assistance for Needy Families	93.558		161-285-23001	-	85,000	35,830
Total ALN 93.558				<u>-</u>		<u>134,595</u>
CCDF Cluster:						
Child Care and Development Block Grant:						
FY 20 Child Care Licensing	93.575		604-260-21001	-	1,674,661	(2,466)
FY 21 Child Care Licensing	93.575		164-260-23002	-	1,674,661	717,565
FY 22 Child Care Licensing	93.575		604-260-22001	-	1,674,661	851,381
Total CCDF Cluster				<u>-</u>		<u>1,566,480</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response:						
Public Health Crisis Response:						
COVID-19 Contact Tracing Services	93.354		C0621-541-A	-	10,000,000	1,272,126
Medicaid Cluster - Medical Assistance Program Medicaid; Title XIX						
Aging and Disability Resource Center & Short-Term Assistance and Referral Services	93.778		607-PA-164	-	1,070,059	221,352
HIV Prevention Activities Health Department Based:						
HIV/ AIDS Prevention	93.940		161-281-23004	-	106,470	37,657
HIV/ AIDS Prevention	93.940		601-281-22004	-	106,470	71,266
Total ALN 93.940				<u>-</u>		<u>108,923</u>
National Bioterrorism Hospital Preparedness Program	93.889		161-299-23003	-	515,295	227,394
Public Health Emergency Preparedness	93.069		601-299-22003	-	471,672	243,830
Total Department of Health & Human Services				<u>5,086,923</u>		<u>11,279,752</u>

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Homeland Security						
Pass-Through Alaska Department of Military & Veterans Affairs:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters):						
FY 21 Disaster Grants - 2018 Earthquake Public Assistance	97.036		DR-4413-AK	\$ -	\$ 9,807,270	\$ 6,323,583
COVID-19-FY 21 Disaster Grants - COVID-19 Public Assistance	97.036		DR-4533-AK	-	89,292,009	35,886,912
Total ALN 97.036				-		42,210,495
FY 2018 - Port Security Grant Program	97.056		EMW-2018-PU-00321	-	332,122	23,399
FY 2019 - Port Security Grant Program	97.056		EMW-2019-PU-00444	-	508,592	133,463
FY 2021 - Port Security Grant Program	97.056		EMW-2021-PU-00427-S01	-	1,687,687	99,263
Total ALN 97.056				-		256,125
FY 21 Emergency Management Performance Grant	97.042		21EMPG-GY21	-	301,500	163,301
FY 22 Emergency Management Performance Grant	97.042		22EMPG-GY22	-	312,500	95,521
Total ALN 97.042				-		258,822
Homeland Security Grant Program:						
2017 State Homeland Security Program	97.067		20SHSP-GY17	-	373,000	58,000
State Homeland Security Program Grant	97.067		EMW-2020-SS-00012-S01	-	275,357	50,000
State Homeland Security Program Grant	97.067		20SHSP-GY21	-	515,950	212,227
Total ALN 97.067				-		320,227
Assistance to Firefighters Grant:						
2020 Assistance to Firefighters Grant	97.044		EMW-2020-FG-10636	-	144,319	68,487
Hazard Mitigation Grant Program:						
Anchorage All Hazard Mitigation Plan Update	97.039		HMGP 10-AK-DR-4413-07P	-	129,375	13,515
Total Department of Homeland Security				-		43,127,671
Department of Housing & Urban Development						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grant 2016	14.218	B-16-MC-02-0001		113,477	1,606,172	113,477
Community Development Block Grant 2018	14.218	B-18-MC-02-0001		-	1,726,068	1,173
Community Development Block Grant 2019	14.218	B-19-MC-02-0001		-	1,720,154	77,091
Community Development Block Grant 2020	14.218	B-20-MW-02-0001		44,288	1,818,770	211,407
Community Development Block Grant 2011	14.218	B-11-MC-02-0001		-	1,707,768	(4)
Community Development Block Grant 2014	14.218	B-14-MC-02-0001		(8,950)	1,691,113	(8,950)
Community Development Block Grant 2021	14.218	B-21-MC-02-0001		336,651	1,948,478	566,765
Total CDBG - Entitlement Grants Cluster				485,466		960,959

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Housing & Urban Development, continued						
Emergency Solutions Grant Program:						
COVID-19-CARES ESG CV 1	14.231	B-20-MW-02-0001		\$ 86,816	\$ 521,193	\$ 101,983
COVID-19-CARES ESG CV 2	14.231	B-20-MW-02-0001		1,724,908	3,774,024	1,868,363
COVID-19-Community Development Block Grant Program CARES	14.231	B-20-MW-02-0001		420,580	1,070,086	421,790
Emergency Shelter 2019	14.231	E-19-MC-02-0001		-	146,461	5,250
H Emergency Shelter 2020	14.231	E-19-MC-02-0001		8,821	151,146	14,977
H Emergency Shelter 2021	14.231	E-21-MC-02-0001		-	155,133	3,672
Total ALN 14.231				<u>2,241,125</u>		<u>2,416,035</u>
Home Investment Partnerships Program:						
HOME Investment Partnership Agreement 2010	14.239	M-10-MC-02-0200		-	1,068,582	3
HOME Investment Partnership Agreement 2018	14.239	M-18-MC-02-0200		103,019	733,068	122,254
HOME Investment Partnership Agreement 2019	14.239	M-19-MC-02-0200		198,517	377,364	207,090
HOME Investment Partnership Agreement 2020	14.239	M-09-MC-02-0200		302,094	723,361	307,797
HOME Investment Partnership Agreement 2021	14.239	M-21-MC-02-0200		-	748,644	14,339
Total ALN 14.239				<u>603,630</u>		<u>651,483</u>
Pass-Through Alaska Housing Finance Corporation:						
Moving to Work Demonstration Program -						
Elderly Case Management at Chugach View and Chugach Manor in Anchorage, Alaska	14.881		SS16-07/MOA-CSA-16-1	-	394,716	32,608
Elderly Case Management at Chugach View and Chugach Manor in Anchorage, Alaska	14.881		SS22-004/MOA-CSA-22-1	-	68,153	26,924
Total ALN 14.881				<u>-</u>		<u>59,532</u>
Section 8 Project-Based Cluster:						
Section 8 Housing Assistance Payments Program - Elderly Case Management at Chugach View and Chugach Manor in Anchorage, Alaska	14.195		SS16-07/MOA-CSA-16-1	-	394,716	32,608
Section 8 Housing Assistance Payments Program - Elderly Case Management	14.195		SS22-004/MOA-CSA-22-1	-	68,153	26,924
Total ALN 14.195				<u>-</u>		<u>59,532</u>
Housing Trust Fund:						
National Housing Trust Fund 2017	14.275		HTF-1-MOA-1	489,501	543,890	507,828
National Housing Trust Fund 2017	14.275		HFT-17-MOA-1	160,815	545,085	164,665
National Housing Trust Fund 2018	14.275		HTF-18-MOA-1	-	490,247	17,484
Total Housing Trust Fund				<u>650,316</u>		<u>689,977</u>
Total Department of Housing & Urban Development				<u>3,980,537</u>		<u>4,837,518</u>

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of the Interior						
U.S. Geological Survey Research and Data Collection - Hydrologic Resource Center for Data Collection and Investigation (1/1/18 - 12/31/20)	15.808	G18AC00010		\$ -	\$ 487,841	\$ 162,876
Historic Preservation Fund Grants-In-Aid	15.904	HPF - CLG Grant # 21008		-	7,054	3,018
Pass-Through Alaska Department of Natural Resources Outdoor Recreation, Acquisition, Development and Planning:						
Folker Park Improvements	15.916		02-00431	-	210,084	19,031
Chanshtnu Muldoon Town Square Park	15.916		02-00433	-	700,280	11,731
Lyons Park	15.916		02-00435	-	157,461	134,355
Total ALN 15.916				-		165,117
Total Department of the Interior				-		331,011
Department of Justice						
Bulletproof Vest Partnership Program - Bullet Proof Vest Partnership Act	16.607	None		-	23,188	23,188
COVID-19-Emergency Supplemental Funding Program FY2020 CORONAVIRUS	16.034	2020-VD-BX-1416		-	1,362,957	561,990
Services for Trafficking Victims FFY21 Strengthening Services Through Action-Human Trafficking Task Force	16.320	15POVC-21-GK-04078-HT		-	749,755	8,827
Equitable Sharing Program Federal Forfeiture Funds	16.922	None		-	3,456,127	87,249
Missing Children's Assistance: FY2019-21 Internet Crimes	16.543	2019-MC-FX-K019		-	958,117	388,024
FY22-24 Alaska Internet Crimes Against Children Task Force	16.543	15PJDP-22-GK-04885-MECP		-	333,945	21,527
Total ALN 16.543				-		409,551
Edward Byrne Memorial Justice Assistance Grant Program: FY 19 Justice Assistance Grant	16.738	2019-DJ-BX-0732		-	423,021	1,265
FY 20 Justice Assistance Grant	16.738	2020-DJ-BX-0542		-	403,206	322,097
FY21 Smart Policing Initiative - Coordinated Comm. Response to Domestic Violence	16.738	15PBJA-21-GG-04377-SMTP		-	500,000	70,071
FY2021 Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-21-GG-01114-JAGX		-	472,157	206,027
Total ALN 16.738				-		599,460
Total Department of Justice				-		1,690,265

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Transportation						
Airport Improvement Program:						
Acquire Snow Removal Equipment (Snowblower)	20.106	3-02-0015-082-2021		\$ -	\$ 639,423	\$ 639,423
COVID-19-CARES Act Airport Grant (for Operational & Maintenance Expenses & Debt Service Payments)	20.106	3-02-0015-080-2020		-	17,898,468	3,042,062
Conduct Airport Master Plan Study Update, Phase 2	20.106	3-02-0015-061-2014		-	556,177	(182)
Reconstruct Access Road	20.106	3-02-0015-079-2020		-	8,700,000	1,518,800
Total ALN 20.106				-		5,200,103
Federal Transit Cluster:						
Formula Grants (Urbanized Area Formula Program):						
ARP ACT-FY21 Sec 5307 - Operating Assistance, Preventive Maintenance	20.507	AK-2022-009		-	3,340,767	199,638
16-17 5307ACM MSE SV	20.507	AK-2020-004		-	3,024,356	628,529
2017-18 FTA 5307 BSI	20.507	AK-2020-012-00		-	1,958,358	39,680
COVID-19-FY20 CARES SEC 5307	20.507	AK-2020-030		-	18,580,864	3,527,712
2010 CMAQ FTA Fleet Acq	20.507	AK-95-X007		-	6,940,911	936,647
2014 FTA 5307PM; ADA; BSI; MSE; IT	20.507	AK-90-X076		-	1,985,786	142,869
2015 CMAQ Vehicles	20.507	AK95-X015		-	3,588,766	1,295,440
2015 CTP Dimond Center Phase 1	20.507	AK95-X019		-	1,819,400	(213,377)
2017 CMAQ	20.507	AK-2018-005		-	191,037	10,578
FY13 5307 PM; Vans; ADA Ops; Shelter	20.507	AK-90-X070		-	1,270,027	32,949
FY2019 CMAQ transferred to Section 5307 for Replacement Vehicle Purchase	20.507	AK-2021-025		-	3,368,818	2,190,072
Total ALN 20.507				-		8,790,737
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program):						
2017/18/19 FTA 5339	20.526	AK-2020-009-00		-	2,878,153	8,878
2018 FTA 5339B ITS	20.526	AK-2020-018-00		-	4,250,000	913,332
2018 FTA CMAQ	20.526	AK-2021-016-01		-	4,020,437	2,391,747
FTA FY16 5339 MB REPLACE 40-BUS	20.526	AK-2019-010-00		-	476,805	476,805
Total ALN 20.526				-		3,790,762
Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants):						
405D M5HVE-22-01-FA(A)-2	20.500	AK-55-0004		-	3,004,859	250,564
405D M5HVE-23-01-FA(A)-1	20.500	AK-03-0067		-	1,457,667	608
Total ALN 20.500				-		251,172
Total Federal Transit Cluster				-		12,832,671

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Transportation, continued						
Highway Planning and Construction Cluster						
Pass-Through Alaska Department of Transportation & Public Facilities:						
Highway Planning and Construction (Federal-Aid Highway Program):						
AMATS: Anchorage Ridesharing/Transit Marketing CY2019-2021	20.205		CFHWY00529	\$ -	\$ 3,077,555	\$ 741,100
MOUNTAIN AIR DR EXT	20.205		CFHWY00710/0001690	-	45,000	18,216
AMATS: ASD Bike Sharing Education Trailer Program	20.205		CFHWY00018	-	125,853	12,782
2022/2023 AMATS Planning	20.205		AMATS 2023	-	4,004,175	1,125,871
AMATS Traffic Counts 2021-2022	20.205		CFHWY00825	-	1,068,195	678,507
AMATS: University Medical District Transportation Demand Management Study	20.205		CFHWY00616	-	421,543	185,293
AMATS: 2050 Metropolitan Transportation Plan (MTP)	20.205		CFHWY00777	-	934,660	463,013
AMATS: Air Quality Public & Business Awareness Education Campaign CY2019-2020	20.205		CFHWY00521	-	1,023,360	282,769
AMATS: Safety Plan	20.205		CFHWY00953	-	233,252	5,254
AMATS: Transportation Systems Management & Operations (TSMO) Strategic Implement	20.205		AMATS TSMO	-	421,804	303,212
AMATS:Traffic Control Signalization CY2019-CY2021	20.205		CFHWY00097	-	1,245,860	343,920
AMATS 2020 Planning	20.205		2020 AMATS OPER AGRMT	-	2,736,626	13,348
University Lake Drive Extension (APU)	20.205		HPRL-HPRM-0001(407)59764	-	1,826,900	11,904
2014 FHWA TCSP Winter City Ped	20.205		AK-26-0003-01	-	280,000	4,865
SPENARD ROAD REHAB	20.205		CFHWY00604	-	140,000	21,599
AMATS: 4th Avenue Signal & Lighting Upgrades	20.205		CFHWY00555	-	25,000	1,408
AMATS: Chugach Foothills Connector, Phase II	20.205		CFWHY00387 / TA18004	-	780,654	52,901
Total ALN 20.205				-		4,265,962
Highway Safety Cluster:						
State and Community Highway Safety:						
FY22 APD-Glenn Hwy & Minnesota HVE Speed Enforcement	20.600		402PT-22-06-FA (F)	-	192,500	192,166
FY2022 High Visibility Enforcement CIOT Events	20.600		402 PT-22-06-FA(A)-2	-	118,000	105,755
Total ALN 20.600				-		297,921
National Priority Safety Programs:						
405D M5HVE-22-01-FA(A)-2 - High Visibility Enforcement DUI Events	20.616		FFY2022	-	64,411	43,297
405D M5HVE-23-01-FA(A)-1 - High Visibility Enforcement DUI Events	20.616		FFY2023	-	22,990	20,187
405d M5X-22-01-FA(D) - Impaired Driving Enforcement Unit	20.616		FFY2022	-	2,938,500	1,158,269
405D M5X-21-01-FA(D)	20.616		2021 IDEU	-	1,699,000	(8,133)
402 PT-20-06-FA(G)	20.616		FFY20 HVE GLENN	-	162,400	162,175
Total ALN 20.616				-		1,375,795
Total Highway Safety Cluster				-		1,673,716

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Department of Transportation, continued						
Transit Services Programs Cluster:						
Enhanced Mobility of Seniors and Individuals with Disabilities:						
COVID-19-FY21 5310 CRRSAA Travel Training Program	20.513	AK-2021-012		\$ -	\$ 31,961	\$ 31,961
FY19-20 5310 TRVLTRN	20.513	AK-2020-025-00		-	358,964	115,034
FTA FY17/18 FTA 5310 485 ITS	20.513	AK-2019-018-00		-	184,333	56,338
Total Transit Services Programs Cluster				<u>-</u>		<u>203,333</u>
Department of Transportation						
Section 5303 FTA Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	AK-2023-005		-	343,300	251,632
Maritime Administration						
Marine Highway grant Program:						
FY 19 MARAD - Port Infrastructure Development Program Grants	20.823	693JF72040019		-	20,000,000	2,231,162
FY 19 MARAD - National Infrastructure Investments Program	20.933	693JF72040001		-	25,000,000	3,650,011
Total Department of Transportation				<u>-</u>		<u>30,308,590</u>
Department of the Treasury						
COVID-19-Emergency Rental Assistance (ERA)	21.023	ERA-2101060120		2,312,649	35,431,860	2,312,649
COVID-19-Emergency Rental Assistance (ERA 2)	21.023	ERA2-0469		8,587,528	22,888,986	8,587,528
Total ALN 21.023				<u>10,900,177</u>		<u>10,900,177</u>
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	1505-0271		37,052,621	103,317,366	42,920,634
Total Department of the Treasury				<u>47,952,798</u>		<u>53,820,811</u>
Department of Energy						
Conservation Research and Development						
Electric Vehicle (EV)	81.086	DE-EE0009219		-	689,659	10,236
Environmental Protection Agency						
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements						
FY 19 Cooperative Agreements - MOA Assessment Coalition	66.818	01J65601		-	600,000	52,055

Municipality of Anchorage
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Award Amount	Total Federal Expenditures
Food & Drug Administration						
Food and Drug Administration Research						
2021 FDA Pacific Regional Retail Food Seminar	93.103	G-T-1909-07400		\$ -	\$ 4,100	\$ 3,011
21 FDA Equipment & Supply Upgrades for the Food Safety Program	93.103	G-MP-2108-09726		-	26,484	23,382
2020 FDA RISK STUDY	93.103	G-MP-1910-07824		-	20,000	1,286
Total Food & Drug Administration				-		27,679
Office of National Drug Control Policy						
High Intensity Drug Trafficking Areas Program						
Elmore Remodel - High Intensity Drug Trafficking Areas (HIDTA) Program	95.001	G20AK0002A		-	400,000	400,000
Equal Employment Opportunity Commission						
Employment Discrimination Title VII of the Civil Rights Act of 1964						
	30.001	None		-	173,207	173,207
Institute of Museum & Library Services						
Pass-Through Alaska Department of Education and Early Development:						
Grants to States						
COVID-19-IMLS CARES Act Grant for Museums and Libraries	45.310		CAGML-247051-OMLS-21	-	69,602	17,904
APL Mobile Library	45.310		ARPA24	-	79,931	79,931
FY22 #800 Interlibrary Loan and Reference Back up Service	45.310		ILC 22-008	-	61,316	58,089
FY23 #800 Interlibrary Loan and Reference Back up Service	45.310		ILC 23-008	-	63,868	3,364
Total Institute of Museum & Library Services				-		159,288
Total Schedule of Expenditures of Federal Awards				\$ 57,020,258		\$ 148,441,852

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Municipality of Anchorage, Alaska (Anchorage) excluding its component unit, Anchorage School District, under programs of the federal government for the year ended December 31, 2022. The information in this Schedule 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). Because the Schedule presents only a selected portion of the operations of Anchorage, it is not intended to and does not present the financial position, changes in financial position, or cash flows of Anchorage.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local and Indian 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 Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

Anchorage has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Loan Programs

Anchorage participates in Revolving Loan Funds and Section 108 Loan Guarantee programs sponsored by the Department of Housing and Urban Development - Community Development Block Grants (CDBG) and the HOME Investment Partnerships Program. Under these programs, Anchorage issues loans to program participants which may be forgiven over time, or are repaid into the program for the issuance of new loans. Only current year loan drawdowns (new loans issued) are reported on the federal schedule; there are no contingencies noted.

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Municipality of Anchorage, Alaska

Notes to the Schedule of Expenditures of Federal Awards, continued for the Year Ended December 31, 2022

At December 31, 2022, Anchorage had the following loan activities:

Program Title	Federal Assistance Listing Number	Outstanding Receivable from Program Participants	Outstanding Payable To HUD	Current Year Expenditures
HOME Investment Partnerships Program	14.239	\$ 1,316,083	\$ -	\$ 651,483
Community Development Block Grants/Entitlement Grants	14.218	1,002,140	-	961,319
Total		\$ 2,318,223	\$ -	\$ 1,612,802

5. Disaster Grants

After a presidentially declared disaster, FEMA provides Disaster Grants - Public Assistance (Presidentially Declared Disasters) (ALN 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In 2022, FEMA approved \$29,829,742 in eligible expenditures that were incurred in the prior fiscal year, which are included on the Schedule of Expenditures of Federal Awards (SEFA).



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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*

Honorable Mayor and
Members of the Assembly
Municipality of Anchorage, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Municipality of Anchorage, Alaska’s (Anchorage) compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplements* that could have a direct and material effect on each of Anchorage’s major state programs for the year ended December 31, 2022. Anchorage’s major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, Anchorage 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 for the year ended December 31, 2022.

Basis for Opinion on Each Major State 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 State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Anchorage and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Anchorage’s compliance with the compliance requirements referred to above.

Other Matter - State Expenditures Not Included in the Compliance Audit

Anchorage’s basic financial statements include the operations of its component unit, Anchorage School District, which expended \$448,637,426 in state awards which is not included in Anchorage’s Schedule of State Financial Assistance during the year ended December 31, 2022. Our audit, described below, did not include the operations of the Anchorage School District because it was subjected to a separate audit in accordance with the State of Alaska Audit Guide for the year ended June 30, 2022.

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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 Anchorage's state programs.

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 Anchorage'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 State of Alaska Audit Guide 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 Anchorage's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of Alaska Audit Guide, 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 Anchorage's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Anchorage'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 State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Anchorage'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.



Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the State of Alaska Single Audit Guide and which are described in the accompanying schedule of findings and questioned costs as items 2022-014 and 2022-015. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Anchorage's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Anchorage's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Anchorage is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Anchorage's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 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 state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-014 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-015 to be a significant deficiency.

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.



Government Auditing Standards requires the auditor to perform limited procedures on Anchorage's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Anchorage's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Anchorage is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Anchorage's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Report on Schedule of State Financial Assistance Required by the State of Alaska

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Municipality of Anchorage, Alaska as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements. We issued our report thereon dated July 12, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on those financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the State of Alaska 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 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, P.C.

Anchorage, Alaska
July 12, 2024

Municipality of Anchorage
Schedule of State Financial Assistance
Year Ended December 31, 2022

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Alaska Department of Administration				
Major Programs:				
FY 22 Motor Vehicle Registration Tax	None	\$ 11,083,990	\$ -	\$ 11,083,990
Total Alaska Department of Administration			-	11,083,990
Alaska Department of Commerce, Community & Economic Development				
Major Programs:				
Grants to Municipalities Program:				
APD Patrol - Seward Hwy Between Anchorage & Indian	18-DC-010	199,720	-	20,904
Birch Road Safety Improvements - O'Malley Road to Naknek Lane	13-DC-464	1,200,000	-	147,417
Dimond Center Intermodal Project Match	07-DC-391	254,674	-	9,822
Eagle River Traffic Mitigation - Business Boulevard to Eagle River and Artillery Road	13-DC-597	6,000,000	-	96,819
Foothills East Subdivision Area Street Reconstruction	15-DC-018	2,497,333	-	246
Girdwood Road Service Area Road and Drainage Rehabilitation	14-DC-019	250,000	-	54,537
Improvements and Safety Upgrades at the Intersection on Goldenview Drive from Rabbit Creek to Romania Drive	14-RR-032	3,520,064	-	30,770
Klatt Road/Southport Drive Surface Rehabilitation - 100th Avenue to C Street	15-DC-022	1,488,246	-	1,585
Mountain View Drive Surface Rehabilitation - Taylor Street to McCarrey Street	22-RR-002	401,521	-	401,521
Norm Drive and Doil Drive Resurfacing and Road and Drainage Improvements	22-RR-009	2,281,874	-	204,107
Sand Lake Elementary School Safety Lighting	20-DC-007	484,000	-	3,293
Sullivan Arena Parking Lot Expansion and Building Upgrades	13-DC-593	5,190,000	-	3,897
Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II	14-DC-039	3,000,000	-	2,434
Total Alaska Department of Commerce, Community & Economic Development			-	977,352

Municipality of Anchorage
Schedule of State Financial Assistance
Year Ended December 31, 2022

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Alaska Department of Military and Veteran Affairs				
Division of Homeland Security and Emergency Management				
Nonmajor Programs:				
Earthquake Disaster Recovery Fund - Public Assistance	DR-4413-AK	\$ 5,107,777	\$ -	\$ 702,620
Anchorage All Hazard Mitigation Plan Update	HMGP 10-AK-DR-4413-07P	40,625	-	4,244
ER Avalanche Disaster Recovery Fund - Public Assistance	AK-22-282	870,708	-	870,708
South Central Storm Disaster Recovery Fund- Public Assistance	AK-20-269	505,736	-	290,165
Total Alaska Department of Military and Veteran Affairs		6,524,846	-	1,867,737
Alaska Department of Education & Early Development				
Nonmajor Programs:				
Public Library Assistance	PLA22-ANCHO	35,000	-	35,000
Alaska Department of Health & Social Services				
Major Program:				
Human Services Community Matching Grant FY 2021	605-231-22002	812,270	619,344	656,077
Nonmajor Programs:				
Aging and Disability Resource Center & Short-Term Assistance and Referral Services / Medicaid Administrative Claiming Program	607-PA-164	1,070,059	-	221,352
Aging and Disability Resource Centers & Medicare Counseling and Outreach 23	167-299-23003	194,746	-	77,810
Aging and Disability Resource Centers & Medicare Counseling and Outreach 22	607-299-22003	200,000	-	54,184
Nutrition, Transportation, and Support Services	607-309-22003	227,237	-	148,586
FY22 Public Health Nursing	601-289-22001	3,076,900	-	1,630,445
FY23 Public Health Nursing	161-289-23001	3,076,900	-	1,165,115
Total Nonmajor Programs			-	3,297,492
Total Alaska Department of Health & Social Services			619,344	3,953,569

Municipality of Anchorage
Schedule of State Financial Assistance
Year Ended December 31, 2022

State Agency/Program Title	Award Number	Total Award Amount	Passed Through to Subrecipients	State Expenditures
Alaska Department of Revenue				
Nonmajor Programs:				
Commercial Passenger Vessel Program	None	\$ 66,755	\$ -	\$ 66,755
FFY 2022 Crisis Intervention Training	13778	40,000	-	12,230
Total Alaska Department of Revenue			-	78,985
Alaska Department of Transportation & Public Facilities				
Nonmajor Programs:				
FY 21 Traffic Signal Management	None	1,903,353	-	1,903,353
NPDES Storm Water Permit Application 2011	APDES 2011-2015	2,500,000	-	15,411
2016-2020 APDES Program (NPDES Municipal Storm Water Discharge Permit)	APDES 2016 - 2020	1,750,000	-	429,124
2021-2025 APDES Program (NPDES Municipal Storm Water Discharge Permit)	APDES 2021 - 2025	1,750,000	-	8,297
AMATS: 2050 Metropolitan Transportation Plan (MTP)	CFHWY00777	48,779	-	23,406
AMATS: Air Quality Public & Business Awareness Education Campaign CY2019-2020	CFHWY00521	108,360	-	29,941
AMATS: Anchorage Ridesharing/Transit Marketing CY2019-2021	CFHWY00529	325,080	-	78,293
AMHT SFY22 AnchorRides	2525-22-0100	250,000	-	250,000
AMHT SFY23 AnchorRides	2525-23-0100	250,000	-	125,000
Chugiak Interim Pedestrian Facilities	57303	220,000	-	4,504
Emergency Traffic Control Devices	EMERG TRAFFIC CONTROL	200,000	-	1,061
FY 2022 Seward Highway High Visibility Enforcement-Speed	None	250,092	-	249,471
FY 21 TORA Anchorage/Eagle River Area Street Cleaning	None	351,231	-	351,231
Total Alaska Department of Transportation & Public Facilities			-	3,469,092
Alaska State Troopers				
Nonmajor Programs:				
SOA SART AST Reimbursement	None	37,383	-	25,000
Total Schedule of State Financial Assistance			\$ 619,344	\$ 21,490,725

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska

Notes to the Schedule of State Financial Assistance For the Year Ended December 31, 2022

1. Basis of Presentation

The accompanying schedule of state financial assistance (the “Schedule”) includes the state award activity of the Municipality of Anchorage, Alaska (Anchorage) excluding its component unit, Anchorage School District, under programs of the State of Alaska for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Anchorage, it is not intended to and does not present the financial position, changes in financial position, or cash flows of Anchorage.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting.

Municipality of Anchorage, Alaska

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes (none reported)

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes no
 Significant deficiency(ies) identified? yes (none reported)

Type of auditor's report issued on compliance for major federal programs:

Federal Agency and Name of Major Program	Type of Opinion on Major Program
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20.106 - Department of Transportation - Airport Improvement Program	Unmodified
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20.205 - Department of Transportation - Highway Planning and Construction Cluster	Unmodified
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20.500/20.507/20.526 - Department of Transportation - Federal Transit Cluster	Unmodified
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21.023 - Department of the Treasury - Emergency Rental Assistance Program	Qualified
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21.027 - Department of the Treasury - Coronavirus State and Local Fiscal Recovery Funds	Qualified
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93.323 - Department of Health and Human Services - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Qualified
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93.575 - Department of Health and Human Services - CCDF Cluster	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section I - Summary of Auditor's Results, continued

Identification of major federal programs:

Assistance

<i>Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
20.106	Airport Improvement Program	Department of Transportation
20.205	Highway Planning and Construction Cluster	Department of Transportation
20.500 / 20.507 / 20.526	Federal Transit Cluster	Department of Transportation
21.023	Emergency Rental Assistance Program	Department of the Treasury
21.027	Coronavirus State and Local Fiscal Recovery Funds	Department of the Treasury
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Department of Health and Human Services
93.575	CCDF Cluster	Department of Health and Human Services

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? yes X no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X Yes none reported

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

Dollar threshold used to distinguish type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2022-001 Closure of Books and Records - Material Weakness in Internal Control Over Financial Reporting

Criteria *Governmental Accounting Standards Board Concepts Statement No. 1, Objectives of Financial Reporting*, which establishes the conceptual framework around which GAAP is formed, identifies the objectives of external financial reporting by state and local government entities. These objectives encompass concepts of financial reporting that will promote public accountability. Users of these financial reports include the citizenry, legislative and oversight bodies, and investors and creditors. In order for information in financial reporting to be useful and of value, the information needs to be sufficiently detailed and encompass the basic characteristics of understandability, reliability, relevance, timeliness, consistency, and comparability.

Specifically, GASB Concepts Statement No. 1 states “If financial reports are to be useful, they must be issued soon enough after the reported events to affect decisions. Timeliness alone does not make information useful, but the passage of time usually diminishes the usefulness that the information otherwise would have had.”

Condition The Municipality failed to perform closure of books and records in a timely manner after its fiscal year end. This resulted in delayed completion of reconciliations and final period-ending trial balances necessary for the production and issuance of annual financial reports.

Cause There were limited personnel resources at the Municipality to assist in the timely completion of the Municipality’s close of books and records for its fiscal year end and accuracy in financial reporting.

Effect or potential effect The delay in issuing the Municipality’s financial statements could diminish their usefulness to the users of the financial statements and undermine public accountability.

Recommendation Management should prepare a close schedule and perform timely reconciliations of the Municipality’s books and records to its supporting schedules. Management should reconcile draft financial reports to underlying books and records. Management should incorporate a review process for reconciliations and financial reports.

Views of responsible officials Management agrees with the recommendation. Management intends to prepare a monthly close schedule and to perform timely reconciliations of its books and records to its supporting schedules and incorporate a review process and additional resources for reconciliations and financial reports.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards, continued

Finding 2022-002 Reconciliation and Review Controls - Material Weakness in Internal Control Over Financial Reporting

Criteria

Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

COSO Internal Control Integrated Framework defines internal control at the organizational level and identifies objectives, components, and principles of internal control to establish and maintain an effective internal control environment. Control Activities Principle Number 10 states that an organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. These control activities should ensure the general ledger and accounting records used to maintain the financial information of the Municipality are reconciled in conjunction with closing of the fiscal year and preparation of the financial statements.

Condition

Significantly material adjustments were identified during the audit related to reconciliations performed by management in closing of the books and records, preparation of the basic financial statements, and preparation of the Schedule of Expenditures of Federal Awards and Schedule of State Financial Assistance. These adjustments impacted the following areas:

- Rollforward of prior year balances impacted General Fund and aggregate nonmajor funds fund balance, transfers, capital contributions and grant revenue.
- Landfill closure liability related to the Disposal Utility (business-type Activities) with related expense effect.
- Grant revenues and related receivables, unearned revenues, and deferred inflows for the General Fund, nonmajor governmental funds, and the Disposal Utility.
- Interfund balance classifications between the General Fund and aggregate nonmajor funds.

There were also adjustments to cash and investment balances and their classifications, investment income, interest expense, transfers, debt disclosures, and accounts payable.

Cause

There was significant turnover in key personnel and lack of cross training, which led to insufficient supervisory review of the general ledger and related financial reporting elements against reconciliation details and activity throughout the fiscal year.

Effect or potential effect

Financial statements and trial balances required multiple material adjustments as described under the condition. Internal controls are not operating effectively to ensure that financial statements are free of material misstatement.

Recommendation

Management should ensure supervisory review of the reconciliation details and activity throughout the fiscal year are performed at a sufficient level of precision to support the financial reporting elements. The CFO should consider having a single person in a position of authority who oversees accurate and comprehensive financial reporting and coordinates between various control owners.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards, continued

Views of responsible officials Management agrees with the finding and plans to ensure supervisory review of the reconciliation details and activity are performed throughout the fiscal year at a sufficient level of precision to support the financial reporting elements.

Finding 2022-003 Internal Communication - Material Weakness in Internal Control Over Financial Reporting

Criteria Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The COSO Internal Control Integrated Framework defines internal control at the organizational level and identifies objectives, components, and principles of internal control to establish and maintain an effective internal control environment. Information and Communication Principle Number 14 states that the organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control. Process and control owners should have clearly defined responsibilities. The Municipality should have and maintain clear channels of communication to ensure relevant information is accessible to process and control owners to enable them to perform their duties.

Condition During the course of the audit, we noted that there were several key areas impacting financial reporting for which the personnel responsible for this reporting did not readily have access to information necessary to perform their duties. Specifically, this was identified during review of the cash and investment footnote, testing of debt covenants, review of restricted assets, testing of indirect rates and proposals submitted, and capital assets (disposals, reconciliations, and completeness reviews).

Cause The Municipality does not have fully defined control owners for each area of financial reporting, and clear lines of communication and defined processes are not in place to ensure information is properly and timely shared across departments.

Effect or potential effect Those responsible for financial reporting did not have complete information to ensure timely reporting, resulting in delays in the financial reporting process.

Recommendation We recommend the Municipality establish clear objectives and responsibilities for each area of financial reporting, including clear expectations on how information is communicated across departments. The CFO should consider having a single person in a position of authority who oversees accurate and comprehensive financial reporting and coordinates communication of information between various control owners.

Views of responsible officials Management agrees with the finding and plans to have a single person in a position of authority who oversees accurate and comprehensive financial reporting and who coordinates communication of information between various control owners.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards, continued

Finding 2022-004 Use of Fund Classifications - Material Weakness in Internal Control Over Financial Reporting

Criteria Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the evaluation of proper fund reporting in line with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), and recording related fund activity in the proper fund classification in the financial records. Costs associated with a governmental capital asset should be recorded as capital outlay in a governmental fund (General Fund or capital project fund).

Condition The Municipality incorrectly recorded costs incurred for general government capital assets in an internal service fund instead of as capital outlays in a governmental capital projects fund.

Cause There is no control in place to ensure expenditures are being properly classified in accordance with GASB 54 at the time the expenditures are incurred. In addition, design of the internal controls related to fund classification is such that changes to the coding for budgets are only authorized to be made by individuals outside of the Finance Department who do not have the appropriate skills, knowledge, and experience to apply the financial reporting requirements of GASB 54. The initial resolution whereby the Assembly authorized the project indicated the funds were to be spent in the Information Technology Internal Service Fund, and the budget codes were set up accordingly. However, the review and reconciliation process was insufficient to ensure the project was recorded in accordance with the financial reporting requirements of GASB 54.

Effect or potential effect Opening construction in progress was overstated in the Information Technology Internal Service Fund by \$4,685,162. Opening fund balance attributable to governmental funds was overstated by \$4,685,162. Current year capital outlay expenditures in governmental funds, and construction in progress additions in the Information Technology Internal Service Fund were understated and overstated by \$1,693,449, respectively.

Recommendation We recommend the Municipality review and enhance the design of internal controls related to fund classifications to ensure that the books and records properly reflect all financial information in line with GASB requirements. While it is important that budgetary controls be in place related to the spending of funds in line with Assembly approvals, the classification of expenditures into funds for financial reporting purposes typically would rest with those responsible for the statements themselves. Determinations of classifications should be reviewed and approved by individuals with the appropriate skills, knowledge and experience to apply the financial reporting requirements of GASB 54.

Views of responsible officials Management agrees with this recommendation and hopes to implement a systematic process to ensure accounting treatment that complies with GASB requirements.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards, continued

Finding 2022-005 Implementation of Governmental Accounting Standards Board Statement No. 87 (GASBS No. 87), *Leases - Material Weakness in Internal Control over Financial Reporting*

Criteria

GASB 87 defines the lease term as the period during which a lessee has a noncancelable period including periods covered by a lessee's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessee will exercise that option. GASB 87 states that a lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term and should be measured at the present value of the lease payments expected to be received during the lease term. GASB 87 further states that a lessee should recognize a right-to-use asset and lease liability at the commencement of the lease term and should be measured at the present value of lease payments expected to be incurred during the lease term.

GASB 87 provides for recognition of intra-entity leases only between the primary government and a discretely presented component unit. There is no provision in GASB 87 establishing recognition of leases between funds within the primary government.

Condition

The Municipality failed to include extension factors within multiple lessor and lessee leases. This resulted in approximately \$43 million in material adjustments to lease receivable and deferred inflows related to leases for the Port of Alaska; \$716,709 in adjustments to lease receivable and deferred inflows related to leases for Governmental Activities; \$2.8 million in material adjustments for lease receivable and deferred inflows related to leases for Business-Type Activities; and \$42 million in material adjustments to right-to-use assets and lease liabilities for Governmental Activities.

The Municipality incorrectly recorded intra-entity leases in the Disposal Utility Enterprise Fund, and the Refuse Utility Enterprise Fund, during the implementation of GASB 87. This resulted in approximately \$160,000 in adjustments to lease receivables and deferred inflows related to leases, and approximately \$162,000 in lease liabilities and related right-to-use assets.

Cause

Internal controls were not established to ensure that lease amortization schedules were accurate and reflected appropriate inputs to initially measure the lease receivable, right-of-use assets, lease payables, and deferred inflows of resources related to leases that were applicable to the Municipality.

Effect or potential effect

Lease receivables and associated deferred inflows of resources in the Port of Alaska Enterprise Fund were understated. Right-of-use lease assets and lease liabilities were overstated in the Disposal Utility and Refuse Utility enterprise funds.

Recommendation

Management should evaluate GASB standards required for implementation to ensure the transaction are booked in accordance with the applicable standards and to determine the applicability to the Municipality. Internal control over review by a knowledgeable person of implementation of new standards should be established.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards, continued

*Views of
responsible
officials*

Management agrees with the finding. Management will enhance staffing.

**Finding 2022-006 Tracking of Capital Assets - Material Weakness in Internal Control Over
Financial Reporting**

Criteria

Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Specifically, the general ledger and accounting records used to maintain capital asset information for the Municipality should be updated and reconciled timely to ensure that such information is reliable and properly recorded.

Condition

Reconciliations and related details for Construction Work in Progress contained significant inaccuracies and required multiple revisions. Capital assets were disposed on the capital asset schedules that were still in service and operational. These inaccuracies resulted in material adjustments of \$19,076,158 on the capital asset schedules for governmental activities.

Cause

There was insufficient review of the capital assets schedules against the general ledger to ensure the details of capital assets schedules were complete and accurate.

*Effect or potential
effect*

Capital assets schedules required multiple revisions resulting in multiple revisions to the Construction in Progress schedule and \$19,076,158 in adjustments to capital asset disposals in governmental activities.

Recommendation

Management should ensure reconciliations and adequate reviews of capital assets include inputs from other control owners for capital assets to ensure construction in process, additions, and disposals are accurately accounted for and the schedules are complete and accurate.

*Views of
responsible
officials*

Management agrees with the finding. Management will implement additional steps to ensure reconciliations of capital assets are approved.

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Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*, continued

Finding 2022-007 Monitoring of Restricted Cash and Debt Covenant Compliance - Significant Deficiency in Internal Control Over Financial Reporting

Criteria Management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Specifically, restricted cash and debt covenant calculations should be performed on a periodic basis throughout the year to ensure compliance with debt covenant requirements.

Condition Restricted cash calculations and debt covenant calculations were not performed nor reviewed on a periodic basis to ensure compliance with debt covenant requirements or financial reporting requirements.

Cause There were significant staffing changes within the Controller division during the fiscal year that resulted in a shifting of responsibilities that included reconciliations of restricted cash and debt covenant calculations for financial reporting purposes to ensure compliance with debt covenants.

Effect or potential effect Debt covenant and restricted cash reconciliations are not timely performed which could result in the Municipality not being in compliance with debt covenants requirements.

Recommendation Management should ensure debt covenant compliance and restricted cash is monitored on a quarterly basis. Management should identify control owners for this process to ensure debt covenant compliance is appropriately monitored.

Views of responsible officials Management agrees with the finding. Management plans to enhance staffing within the Controller Division.

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Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section III - Federal Award Findings and Questioned Costs

<u>Finding 2022-008</u>	Reporting - Deadline for Federal Single Audit - Noncompliance and Material Weakness in Internal Control Over Compliance
<i>Agency/Pass-through Grantor</i>	Department of Transportation passed through the State of Alaska Department of Transportation and Public Facilities, Department of the Treasury, and Department of Health and Human Services passed through the State of Alaska Department of Health and Social Services
<i>ALN and Program Name</i>	Finding 2022-008 is applicable to all grant awards issued for the following major programs: 20.106 - Airport Improvement Program - COVID-19 20.205 - Highway Planning and Construction Cluster 20.500 & 20.507 & 20.526 - Federal Transit Cluster - COVID-19 21.023 - Emergency Rental Assistance - COVID-19 21.027 - Coronavirus State and Local Fiscal Recovery Funds - COVID-19 93.323 - COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) 93.575 - CCDF Cluster
<i>Criteria or Specific Requirement</i>	2 CFR 200.512, Report Submission, establishes that the audit must be completed and the data collection form and reporting package submitted to the Federal Audit Clearinghouse (FAC) within the earlier of 30 days after receipt of the auditor's report or 9 months after the end of the audit period.
<i>Condition</i>	Anchorage did not comply with the required submission date of the data collection form and reporting package to the FAC for the fiscal year ended December 31, 2022.
<i>Cause</i>	Anchorage did not have controls in place to ensure the audit was completed timely so that the reporting package could be submitted to the FAC within the required timeframe.
<i>Effect or Potential Effect</i>	Anchorage is not compliant with 2 CFR 200.512. Anchorage could be exposed to a reduction or elimination of funds by the Federal awarding agencies.
<i>Questioned Costs</i>	Not applicable.
<i>Context</i>	This is a condition identified per review of Anchorage's compliance with the specified requirements.
<i>Identification as a Repeat finding</i>	Not a repeat finding.
<i>Recommendation</i>	We recommend Anchorage establish controls to ensure the audit is completed timely and the reporting package is submitted to the FAC within the required timeframe.
<i>Views of Responsible Officials</i>	Management concurs with this finding. Management will ensure beginning balance reconciliations and year-end adjustments are completed.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section III - Federal Award Findings and Questioned Costs, continued

<u>Finding 2022-009</u>	Subrecipient Monitoring - Material Noncompliance and Material Weakness in Internal Controls Over Compliance
<i>Agency/Pass-through Grantor</i>	Department of the Treasury, Department of Health and Human Services passed through the State of Alaska Department of Health and Social Services
<i>ALN and Program Name</i>	21.027 - Coronavirus State and Local Fiscal Recovery Funds - COVID 19 21.023 - Emergency Rental Assistance Program - COVID 19 93.323 - COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
<i>Award #</i>	21.027 - 1505-0271 21.023 - ERA-2101060120 (ERA 1); ERA2-0469 (ERA 2) 93.323 - C0621-570-BB
<i>Award Year</i>	21.027 - 2022 21.023 - 2022 93.323 - 3/15/2021-6/30/2022
<i>Criteria or Specific Requirement</i>	2 CFR 200.332 requires pass-through entities to ensure that subrecipients comply with the terms and conditions of 2 CFR 200.501 related to audit requirements. This includes ensuring that every subaward is (1) clearly identified to the subrecipient as a subaward; (2) includes the necessary information at the time of the subaward for subrecipient reporting on federal awards (2 CFR 200.332) and (3) includes requirement to follow 2 CFR 200.501 if expenditure thresholds are met. This also includes verifying that every subrecipient is audited as required by 2 CFR Subpart F if the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.
<i>Condition</i>	During our testing of subrecipient monitoring, we noted all 18 of the subrecipient agreements tested did not include language clearly identifying the federal program from which the subaward originated, or the applicable requirements from 2 CFR 300.332 and Subpart F. We also noted for all 18 subrecipients tested that the Municipality did not verify whether subrecipients were audited in accordance with 2 CFR 200.501 where applicable.
<i>Cause</i>	The issuance of subrecipient agreements for these grants related to new funding streams in response to the COVID-19 pandemic. Significant amounts of funding were provided in a short period of time, and systems to distribute these monies were newly created and implemented. The standard award agreements were not reviewed in advance to ensure adherence to federal requirements. Staff were not fully trained on the informational requirements and monitoring responsibilities related to audit requirements.
<i>Effect or Potential Effect</i>	Subrecipients may be unaware and not in compliance with the requirements of 2 CFR Part 200.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section III - Federal Award Findings and Questioned Costs, continued

<i>Questioned Costs</i>	Not applicable.
<i>Context</i>	For ALN 21.027 - Coronavirus State and Local Fiscal Recovery Funds, we tested a sample of 10 subawards totaling to \$28,079,600 from a population of 37 totaling to \$37,052,621. For ALN 21.023 - Emergency Rental Assistance Program, we tested all 3 subawards within the population totaling to \$10,900,177. For ALN 93.323 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC), we tested all 5 subawards within the population totaling to \$5,086,923. As noted in the condition, we identified exceptions for 18 subrecipient agreements tested. All samples tested were selected using nonstatistical sampling methods and were not statistically valid samples.
<i>Identification as a Repeat Finding</i>	Yes. This finding was reported as Finding 2021-002 in the prior audit.
<i>Recommendation</i>	Management should establish policies to ensure subawards contain required federal award information. In addition, procedures should be established to monitor subrecipient compliance with audit requirements of 2 CFR 200.501.
<i>Views of Responsible Officials</i>	Management concurs with the finding and will adhere to the corrective action plan included in this report. Management plans to revise policies and procedures related to subrecipient monitoring.
<u>Finding 2022-010</u>	Procurement and Suspension and Debarment - Noncompliance and Significant Deficiency in Internal Control Over Compliance
<i>Agency/Pass-through Grantor</i>	Department of Transportation passed through the State of Alaska Department of Transportation and Public Facilities, Department of the Treasury, Department of Health and Human Services passed through the State of Alaska Department of Health and Social Services
<i>ALN and Program Name</i>	20.205 - Highway Planning and Construction Cluster 20.500 & 20.507 & 20.526 - Federal Transit Cluster - COVID-19 21.027 - Coronavirus State and Local Fiscal Recovery Funds - COVID-19 93.323 - COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
<i>Award #</i>	20.205 - CFHY00018; CFHW00616; AMATS 2023; CFHWY00777; AMATS TSMO; AMATS 2018; CFHWY00953; CFHWY00387; AK-26-0003-01; CFHWY00529; CFHWY00097; CFHWY00604; CFHWY00555; CFHWY00710; CFHWY00825; CFHWY00521; 2020 AMATS OPER AGRMT; HPRM-HPRM-0001(407)59764; 0001521 20.500 & 20.507 & 20.526 - AK-95-X019-00; AK-95-X015-00; AK-03-0067-01; AK-55-0004-01; AK-95-X007-04; AK-90-X070-01; AK-90-X076-02; AK-2018-005-00; AK-2019-010-00; AK-2020-004-02; AK-2020-012-00; AK-2021-016-01;

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

AK-2020-018-00; AK-2020-009-01; AK-2020-030-00; AK-2021-025-00;
AK-2022-009-00
21.027 - 1505-0271
93.323 - C0621-570-BB

Section III - Federal Award Findings and Questioned Costs, continued

<i>Award Year</i>	20.205 - 2018, 2019, 2020, 2021, 2022, 2022, 2022, 2018, 2015, 2019, 2012, 2020, 2020, 2020, 2021, 2019 20.500 & 20.507 & 20.526 - 2015, 2015, 2006, 2009, 2010, 2013, 2014, 2018, 2019, 2020, 2020, 2021, 2020, 2020, 2020, 2021, 2022. 21.027 - 2022 93.323 - 3/15/2021-6/30/2022
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<i>Criteria or Specific Requirement</i>	The regulations in 2 CFR Part 180 prohibits contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal programs or activities. Non-federal entities must verify that parties to covered transactions are not suspended or debarred or otherwise excluded from participating in the transaction.
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<i>Condition</i>	Testing of 16 procurements and 15 sub-awards identified 27 exceptions where evidence was not retained to support the required verification of whether a contractor or subrecipient was a suspended or debarred party.
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<i>Cause</i>	Anchorage’s policies over procurement and issuance of sub-awards were not designed appropriately to retain evidence of suspension and debarment review for all contracts or sub-awards funded with federal awards.
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<i>Effect or Potential Effect</i>	Federal funds could be disbursed to suspended or debarred entities.
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<i>Questioned costs</i>	None
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<i>Context</i>	For the Highway Planning and Construction Cluster, we tested a sample of 6 procurements totaling to \$2,191,006 from a population of 11 totaling to \$2,428,669, and identified 3 exceptions equal to \$1,048,720. For the Federal Transit Cluster, we tested a sample of 5 procurements totaling to \$9,489,488 from a population of 35 procurements, and identified 4 exceptions equal to \$8,489,488. For the Coronavirus State and Local Fiscal Recovery Funds, we tested a sample of 3 procurements totaling to \$5,184,400 from a population of 5 procurements, as well as a sample of 10 sub-awards totaling to \$28,079,600 from a population of 37 totaling to \$37,052,621, and identified 13 exceptions equal to \$33,264,000. For Epidemiology and Laboratory Capacity for Infectious Diseases, we tested all 2 procurements totaling to \$887,745 and 5 sub awards totaling to \$5,086,923 within the respective populations, and identified 7 exceptions. All samples tested were selected using nonstatistical sampling methods and were not statistically valid samples.
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<i>Identification as a Repeat Finding</i>	Yes. This finding was reported as Finding 2021-003 in the prior audit.
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Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section III - Federal Award Findings and Questioned Costs, continued

Recommendation A policy should be established and enforced to ensure that evidence of the SAM Exclusions search is retained. Procurement staff should conduct a self-review of procurement files for contracts awarded in prior years if it is known that the contract will be funded with a federal award to ensure the SAM Exclusions search is performed prior to the expenditure of those funds and included in the procurement file.

Views of Responsible Officials Management concurs with the finding and will adhere to the corrective action plan. Management plans to perform reviews of procurement contracts in place.

Finding 2022-011 Equipment and Real Property Management - Material Noncompliance and Material Weakness in Internal Controls Over Compliance

Agency/Pass-through Grantor Department of Health and Human Services passed through the State of Alaska
Department of Health and Social Services

ALN and Program Name 93.323 - COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Award # C0621-570-BB

Award Year 3/15/2021-6/30/2022

Criteria or Specific Requirement The regulations in 2 CFR 200.313(d)(1) notes equipment and real property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.

Condition We reviewed a sample of 6 items owned by the Municipality and noted 1 instance in which managements internal controls were not functioning as designed, and in which equipment records were not properly maintained.

Cause Controls to review and track equipment and real property funded by federal awards are not properly maintained by program personnel. In addition, there is no reconciliation from the program equipment and real property lists to the general ledger detail to ensure all equipment and/or real property is being recorded and properly capitalized, if applicable.

Effect or Potential Effect The Municipality was not in compliance with Equipment and Real Property requirements outlined in 2 CRF 200.313. The Municipality could be exposed to a reduction or elimination of funds by the Federal awarding agency.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Questioned costs Not applicable

Section III - Federal Award Findings and Questioned Costs, continued

Context For Epidemiology and Laboratory Capacity for Infectious Diseases we selected a sample of 6 items of equipment with a book value of \$848,963 from a population of 41 items with a total book value of \$886,733 and noted 1 exception with a book value of \$843,569. The sample tested was selected using nonstatistical sampling methods and was not a statistically valid sample.

Identification as a repeat finding Not a repeat finding.

Recommendation We recommend an inventory is completed at least annually to compare items purchased with federal funds to counts and the values recorded in the general ledger.

Views of Responsible Officials Management agrees with this finding. Staff will perform regular reconciliations for the equipment and real property listing to ensure that its accuracy is maintained.

Finding 2022-012 Equipment and Real Property Management - Noncompliance and Significant Deficiency in Internal Control Over Compliance

Agency/Pass-through Grantor Department of Transportation passed through the State of Alaska Department of Transportation and Public Facilities

ALN and Program Name 20.205 - Highway Planning and Construction Cluster

Award # AMATS 2023, AK-26-0003-01

Award Year 2022, 2015

Criteria or Specific Requirement The regulations in 2 CFR 200.313(d) includes the following provisions: (1) equipment and real property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property. (2) A Physical Inventory of the property must be taken and the results reconciled with the property records at least once every two years (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section III - Federal Award Findings and Questioned Costs, continued

<i>Condition</i>	We reviewed a sample of 4 items owned by the Municipality and noted 3 instances in which management's internal controls were not functioning as designed, and in which equipment records were not properly maintained. Furthermore, there was no documentation of a physical inventory being performed that was subsequently reconciled to the property records.
<i>Cause</i>	Controls to review, inventory, and track equipment and real property funded by federal awards are not properly maintained by program personnel. In addition, there is no reconciliation from the program equipment and real property lists to the general ledger detail to ensure all equipment and/or real property is being recorded and properly capitalized, if applicable.
<i>Effect or Potential Effect</i>	The Municipality was not in compliance with Equipment and Real Property requirements outlined in 2 CRF 200.313. The Municipality could be exposed to a reduction or elimination of funds by the Federal awarding agency.
<i>Questioned Costs</i>	Not applicable.
<i>Context</i>	For the Highway Planning and Construction Cluster we selected a sample of 4 items of equipment with a book value of \$9,382 from a population of 27 items with a total book value of \$132,626 and noted 4 exceptions with a book value of \$9,382. The sample tested was selected using nonstatistical sampling methods and was not a statistically valid sample.
<i>Identification as a Repeat Finding</i>	Not a repeat finding.
<i>Recommendation</i>	We recommend an inventory is completed at least annually to compare items purchased with federal funds to counts and the values recorded in the general ledger.
<i>Views of Responsible Officials</i>	Management agrees with this finding. Staff will perform regular reconciliations for the equipment and real property listing to ensure that its accuracy is maintained.
<u>Finding 2022-013</u>	Equipment and Real Property Management - Noncompliance and Significant Deficiency in Internal Control Over Compliance
<i>Agency/Pass-through Grantor</i>	Department of Transportation passed through the State of Alaska Department of Transportation and Public Facilities, Department of Health and Human Services passed through the State of Alaska Department of Health and Social Services
<i>ALN and Program Name</i>	20.205 - Highway Planning and Construction Cluster 93.323 - COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Award # 93.323 - C0621-570-BB
20.205 - AMATS 2023, AK-26-0003-01

Section III - Federal Award Findings and Questioned Costs, continued

Award Year 93.323 - 3/15/2021-6/30/2022
20.205 - 2022, 2015

Criteria or Specific Requirement The regulations in 2 CFR 200.313(d)(1) notes equipment and real property records must be maintained that include disposition data including the date of disposal and sales price of property.

Condition Testing of a sample of 5 items that were disposed of during the year identified 5 instances in which management's internal controls were not functioning as designed and equipment disposals were not properly reflected in the property records.

Cause Management did not have in place sufficient controls over the disposal of equipment to ensure proper recording of disposals of equipment. Equipment records are not reviewed by individuals with necessary skills, knowledge, and experience to ensure records are updated properly.

Effect or Potential Effect Anchorage was not in compliance with Equipment and Real Property requirements outlined in 2 CRF Sections 200.313. Anchorage could be exposed to a reduction or elimination of funds by the Federal awarding agency.

Questioned Costs Not applicable.

Context For the Highway Planning and Construction Cluster, we selected all 4 items of equipment identified as being disposed during the year which totaled \$18,537 and noted 4 exceptions where assets were recorded as disposed which were still in service. For Epidemiology and Laboratory Capacity for Infectious Diseases, we selected the 1 item of equipment disposed which was \$2,910 and noted 1 exception where management did not approve of the disposed equipment.

Identification as a Repeat Finding Not a repeat finding.

Recommendation We recommend an inventory is completed at least annually to compare items purchased with federal funds to counts and the values recorded in the general ledger.

Views of Responsible Officials Management agrees with this finding will enhance controls over the review and disposal of equipment and real property and enhance supervisory reviews over this accounting function.

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Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section IV - State Award Findings and Questioned Costs

Finding 2022-014	Reporting - Deadline for State Single Audit - Noncompliance and Material Weakness in Internal Control Over Compliance
<i>State Agency</i>	Department of Commerce, Community, and Economic Development Department of Administration Department of Human and Social Services
<i>Grant Name and Award Number and Award Year</i>	Finding 2022-2014 is applicable to all grant awards issued for the following major programs. Grants to Municipalities, various, 2022 Motor Vehicle Registration Tax, no award number, 2022 Human Services Community Matching Grant, 605-231-22002, 2022
<i>Criteria</i>	2 AAC 45.010(b) states an entity that expends a cumulative total of \$750,000 or more shall submit an audit report for the audit period by “the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period” or a later date agreed upon in writing and advance of the date in this section.
<i>Condition</i>	Anchorage did not provide the necessary information to complete the audit related to state programs subject to audit in a timely manner resulting in the audit not being completed by the State deadline.
<i>Questioned Costs:</i>	Not applicable.
<i>Context</i>	This is a condition identified per review of the City's compliance with the specified requirements.
<i>Effect</i>	Anchorage is not in compliance with 2 AAC 45.010 (b)(1).
<i>Cause</i>	Anchorage did not have controls in place to reconcile and provide the information necessary to complete the audit by the required time.
<i>Identification as a Repeat Finding</i>	Not a repeat finding.
<i>Recommendation</i>	We recommend Anchorage to establish controls to ensure the audit is completed timely and the reporting package is submitted to the State within the required timeframe.
<i>Views of responsible officials</i>	Management agrees with this finding. Specifically, the Municipality will strive to establish systems and controls to ensure the audit is completed timely and the reporting package is submitted within required timeframes.

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Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued For the Year Ended December 31, 2022

Section IV - State Award Findings and Questioned Costs, continued

<u>Finding 2022-015</u>	Reporting - Noncompliance and Significant Deficiency in Internal Control Over Compliance
<i>State Agency</i>	Department of Human and Social Services
<i>Grant Name and Award Number and Award Year</i>	Human Services Community Matching Grant, 605-231-22002, 2022
<i>Criteria</i>	State of Alaska Department of Health and Social Services requires submission of certain financial reports and narrative (or progress reports) on a quarterly basis within 30 days of quarter-end.
<i>Condition</i>	A quarterly report was identified as having been filed with the awarding agency after the deadline.
<i>Questioned Costs:</i>	Not applicable.
<i>Context</i>	During our testwork of the reporting requirements, of the 8 reports selected for testwork (4 financial and 4 progress), we noted 1 financial report and 1 narrative report which were submitted after the established deadline.
<i>Effect</i>	Failure to submit reports timely makes the Municipality of Anchorage out of compliance with grant requirements.
<i>Cause</i>	Anchorage did not have controls in place to reconcile and provide the information necessary to complete required reporting timely.
<i>Identification as a Repeat Finding</i>	Not a repeat finding.
<i>Recommendation</i>	We recommend Anchorage to establish controls to ensure the required fiscal and narrative reporting is completed timely.
<i>Views of responsible officials</i>	Management agrees with this finding. Specifically, the Municipality will strive to establish systems and controls to ensure the grant reports are completed timely.

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Supplementary Information



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Supplementary Information

Honorable Mayor and
Members of the Assembly
Municipality of Anchorage, Alaska

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Municipality of Anchorage, Alaska as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements. We issued our report thereon dated July 12, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on those financial statements that collectively comprise the basic financial statements. The accompanying schedule of revenue and expenditures - budget and actual - State of Alaska Department of Health and Social Services Grants are presented for purposes of additional analysis 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, P.C.

Anchorage, AK
July 12, 2024

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
 604-268-22001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
Federal Passed Through the State of Alaska	\$ 692,695	724,550	1,417,245	1,544,133	(126,888)
Total Revenues	<u>692,695</u>	<u>724,550</u>	<u>1,417,245</u>	<u>1,544,133</u>	<u>(126,888)</u>
Expenditures:					
Direct Costs:					
Personal Services	584,822	549,391	1,134,213	1,203,366	69,153
Other Operating Costs	33,756	64,631	98,387	139,360	40,973
Total Direct Costs	<u>618,578</u>	<u>614,022</u>	<u>1,232,600</u>	<u>1,342,726</u>	<u>110,126</u>
Indirect Costs	74,117	110,528	184,645	201,407	16,762
Total Expenditures	<u>\$ 692,695</u>	<u>724,550</u>	<u>1,417,245</u>	<u>1,544,133</u>	<u>126,888</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
 164-268-23001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
Federal Passed Through the State of Alaska	\$ 501,659	501,659	1,350,337	(848,678)
Total Revenues	<u>501,659</u>	<u>501,659</u>	<u>1,350,337</u>	<u>(848,678)</u>
Expenditures:				
Direct Costs:				
Personal Services	339,654	339,654	1,074,075	734,421
Other Operating Costs	109,274	109,274	100,131	(9,143)
Total Direct Costs	<u>448,928</u>	<u>448,928</u>	<u>1,174,206</u>	<u>725,278</u>
Indirect Costs	52,731	52,731	176,131	123,400
Total Expenditures	<u>\$ 501,659</u>	<u>501,659</u>	<u>1,350,337</u>	<u>848,678</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
 604-271-22002
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Federal Passed Through the State of Alaska	\$ 58,628	46,064	104,692	131,928	(27,236)
Total Revenues	<u>58,628</u>	<u>46,064</u>	<u>104,692</u>	<u>131,928</u>	<u>(27,236)</u>
Expenditures:					
Direct Costs:					
Personal Services	52,320	35,329	87,649	109,907	22,258
Other Operating Costs	329	3,017	3,346	4,813	1,467
Total Direct Costs	<u>52,649</u>	<u>38,346</u>	<u>90,995</u>	<u>114,720</u>	<u>23,725</u>
Indirect Costs	5,979	7,718	13,697	17,208	3,511
Total Expenditures	<u>\$ 58,628</u>	<u>46,064</u>	<u>104,692</u>	<u>131,928</u>	<u>27,236</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
 164-271-23002
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
Federal Passed Through the State of Alaska	\$ 33,103	33,103	131,928	(98,825)
Total Revenues	<u>33,103</u>	<u>33,103</u>	<u>131,928</u>	<u>(98,825)</u>
Expenditures:				
Direct Costs:				
Personal Services	28,302	28,302	94,757	66,455
Other Operating Costs	589	589	19,963	19,374
Total Direct Costs	<u>28,891</u>	<u>28,891</u>	<u>114,720</u>	<u>85,829</u>
Indirect Costs	4,212	4,212	17,208	12,996
Total Expenditures	<u>\$ 33,103</u>	<u>33,103</u>	<u>131,928</u>	<u>98,825</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Nutrition, Transportation and Support Services
 607-309-22003

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ 78,651	148,586	227,237	227,237	-
Federal Passed Through the State of Alaska	155,548	595,741	751,289	751,289	-
Total Revenues	<u>234,199</u>	<u>744,327</u>	<u>978,526</u>	<u>978,526</u>	<u>-</u>
Expenditures:					
Direct Costs:					
Personal Services	-	57,600	57,600	57,600	-
Other Operating Costs	219,694	678,658	898,352	898,352	-
Total Direct Costs	<u>219,694</u>	<u>736,258</u>	<u>955,952</u>	<u>955,952</u>	<u>-</u>
Indirect Costs	14,505	8,069	22,574	22,574	-
Total Expenditures	<u>\$ 234,199</u>	<u>744,327</u>	<u>978,526</u>	<u>978,526</u>	<u>-</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Aging and Disability Resource Centers & Medicare Counseling and Outreach
 167-299-23003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
State of Alaska	\$ 77,810	77,810	194,746	(116,936)
Federal Passed Through the State of Alaska	2,092	2,092	5,254	(3,162)
Total Revenues	<u>79,902</u>	<u>79,902</u>	<u>200,000</u>	<u>(120,098)</u>
Expenditures:				
Direct Costs:				
Personal Services	62,152	62,152	154,707	92,555
Other Operating Costs	7,818	7,818	19,206	11,388
Total Direct Costs	<u>69,970</u>	<u>69,970</u>	<u>173,913</u>	<u>103,943</u>
Indirect Costs	9,932	9,932	26,087	16,155
Total Expenditures	<u>\$ 79,902</u>	<u>79,902</u>	<u>200,000</u>	<u>120,098</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Public Health Nursing
 601-289-22001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
State of Alaska	\$ 1,438,650	1,630,445	3,069,095	3,076,900	(7,805)
Federal Passed Through the State of Alaska	<u>60,100</u>	<u>68,112</u>	<u>128,212</u>	<u>128,600</u>	<u>(388)</u>
Total Revenues	<u>1,498,750</u>	<u>1,698,557</u>	<u>3,197,307</u>	<u>3,205,500</u>	<u>(8,193)</u>
Expenditures:					
Direct Costs:					
Personal Services	1,273,697	1,368,134	2,641,831	2,646,261	4,430
Other Operating Costs	<u>67,542</u>	<u>72,632</u>	<u>140,174</u>	<u>141,131</u>	<u>957</u>
Total Direct Costs	<u>1,341,239</u>	<u>1,440,766</u>	<u>2,782,005</u>	<u>2,787,392</u>	<u>5,387</u>
Indirect Costs	<u>157,511</u>	<u>257,791</u>	<u>415,302</u>	<u>418,108</u>	<u>2,806</u>
Total Expenditures	<u>\$ 1,498,750</u>	<u>1,698,557</u>	<u>3,197,307</u>	<u>3,205,500</u>	<u>8,193</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Department of Health and Social Services

Public Health Nursing

161-289-23001

Schedule of Revenues and Expenditures - Budget and Actual

Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
State of Alaska	\$ 1,165,115	1,165,115	3,076,900	(1,911,785)
Federal Passed Through the State of Alaska	235,876	235,876	649,897	(414,021)
Total Revenues	<u>1,400,991</u>	<u>1,400,991</u>	<u>3,726,797</u>	<u>(2,325,806)</u>
Expenditures:				
Direct Costs:				
Personal Services	1,118,333	1,118,333	2,948,456	1,830,123
Other Operating Costs	100,937	100,937	292,238	191,301
Total Direct Costs	<u>1,219,270</u>	<u>1,219,270</u>	<u>3,240,694</u>	<u>2,021,424</u>
Indirect Costs	181,721	181,721	486,103	304,382
Total Expenditures	<u>\$ 1,400,991</u>	<u>1,400,991</u>	<u>3,726,797</u>	<u>2,325,806</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Restore Hope in Linkage to Care Collaboration
 601-307-22001

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Federal Passed Through the State of Alaska	\$ 53,185	71,815	125,000	125,000	-
Total Revenues	<u>53,185</u>	<u>71,815</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Expenditures:					
Direct Costs:					
Personal Services	53,185	10,675	63,860	63,860	-
Other Operating Costs	-	61,140	61,140	61,140	-
Total Direct Costs	<u>53,185</u>	<u>71,815</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Total Expenditures	<u>\$ 53,185</u>	<u>71,815</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Department of Health and Social Services

Temporary Assistance for Needy Families

601-285-22001

Schedule of Revenues and Expenditures - Budget and Actual

Grant Period Ended June 30, 2022

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
Federal Passed Through the State of Alaska	\$ 32,557	52,443	85,000	85,000	-
Total Revenues	<u>32,557</u>	<u>52,443</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Expenditures:					
Direct Costs:					
Personal Services	25,812	31,767	57,579	57,051	(528)
Other Operating Costs	3,465	13,499	16,964	16,863	(101)
Total Direct Costs	<u>29,277</u>	<u>45,266</u>	<u>74,543</u>	<u>73,914</u>	<u>(629)</u>
Indirect Costs	3,280	7,177	10,457	11,086	629
Total Expenditures	<u>\$ 32,557</u>	<u>52,443</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Department of Health and Social Services

Temporary Assistance for Needy Families

161-285-23001

Schedule of Revenues and Expenditures - Budget and Actual

Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
Federal Passed Through the State of Alaska	\$ 35,830	35,830	85,000	(49,170)
Total Revenues	<u>35,830</u>	<u>35,830</u>	<u>85,000</u>	<u>(49,170)</u>
Expenditures:				
Direct Costs:				
Personal Services	28,706	28,706	57,252	28,546
Other Operating Costs	2,458	2,458	16,662	14,204
Total Direct Costs	<u>31,164</u>	<u>31,164</u>	<u>73,914</u>	<u>42,750</u>
Indirect Costs	4,666	4,666	11,086	6,420
Total Expenditures	<u>\$ 35,830</u>	<u>35,830</u>	<u>85,000</u>	<u>49,170</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Department of Health and Social Services

Childcare Licensing

164-260-23002

Schedule of Revenues and Expenditures - Budget and Actual

Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
Federal Passed Through the State of Alaska	\$ 717,565	717,565	1,674,661	(957,096)
Total Revenues	<u>717,565</u>	<u>717,565</u>	<u>1,674,661</u>	<u>(957,096)</u>
Expenditures:				
Direct Costs:				
Personal Services	614,745	614,745	1,402,589	787,844
Other Operating Costs	15,822	15,822	53,638	37,816
Total Direct Costs	<u>630,567</u>	<u>630,567</u>	<u>1,456,227</u>	<u>825,660</u>
Indirect Costs	86,998	86,998	218,434	131,436
Total Expenditures	<u>\$ 717,565</u>	<u>717,565</u>	<u>1,674,661</u>	<u>957,096</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Child Care Licensing
 604-260-22001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
Federal Passed Through the State of Alaska	\$ 783,601	851,381	1,634,982	1,674,661	(39,679)
Total Revenues	<u>783,601</u>	<u>851,381</u>	<u>1,634,982</u>	<u>1,674,661</u>	<u>(39,679)</u>
Expenditures:					
Direct Costs:					
Personal Services	667,652	737,073	1,404,725	1,434,784	30,059
Other Operating Costs	<u>6,732</u>	<u>10,267</u>	<u>16,999</u>	<u>21,443</u>	<u>4,444</u>
Total Direct Costs	674,384	747,340	1,421,724	1,456,227	34,503
Indirect Costs	<u>109,217</u>	<u>104,041</u>	<u>213,258</u>	<u>218,434</u>	<u>5,176</u>
Total Expenditures	<u>\$ 783,601</u>	<u>851,381</u>	<u>1,634,982</u>	<u>1,674,661</u>	<u>39,679</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 HIV/AIDS Prevention
 161-281-23004

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
Federal Passed Through the State of Alaska	\$ 37,657	37,657	106,470	(68,813)
Total Revenues	<u>37,657</u>	<u>37,657</u>	<u>106,470</u>	<u>(68,813)</u>
Expenditures:				
Direct Costs:				
Personal Services	27,786	27,786	58,080	30,294
Other Operating Costs	4,966	4,966	34,503	29,537
Total Direct Costs	<u>32,752</u>	<u>32,752</u>	<u>92,583</u>	<u>59,831</u>
Indirect Costs	4,905	4,905	13,887	8,982
Total Expenditures	<u>\$ 37,657</u>	<u>37,657</u>	<u>106,470</u>	<u>68,813</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Department of Health and Social Services

HIV/AIDS Prevention

601-281-22004

Schedule of Revenues and Expenditures - Budget and Actual

Grant Period Ended June 30, 2022

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
Federal Passed Through the State of Alaska	\$ 35,204	71,266	106,470	106,470	-
Total Revenues	<u>35,204</u>	<u>71,266</u>	<u>106,470</u>	<u>106,470</u>	<u>-</u>
Expenditures:					
Direct Costs:					
Personal Services	28,151	39,194	67,345	58,080	(9,265)
Other Operating Costs	3,407	29,388	32,795	34,503	1,708
Total Direct Costs	<u>31,558</u>	<u>68,582</u>	<u>100,140</u>	<u>92,583</u>	<u>(7,557)</u>
Indirect Costs	3,646	2,684	6,330	13,887	7,557
Total Expenditures	<u>\$ 35,204</u>	<u>71,266</u>	<u>106,470</u>	<u>106,470</u>	<u>-</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 National Bioterrorism Hospital Preparedness Program
 161-299-23003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2023

	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
Federal Passed Through the State of Alaska	\$ 227,394	227,394	515,295	(287,901)
Total Revenues	<u>227,394</u>	<u>227,394</u>	<u>515,295</u>	<u>(287,901)</u>
Expenditures:				
Direct Costs:				
Personal Services	178,203	178,203	387,568	209,365
Other Operating Costs	20,596	20,596	60,515	39,919
Total Direct Costs	<u>198,799</u>	<u>198,799</u>	<u>448,083</u>	<u>249,284</u>
Indirect Costs	28,595	28,595	67,212	38,617
Total Expenditures	<u>\$ 227,394</u>	<u>227,394</u>	<u>515,295</u>	<u>287,901</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Public Health Emergency Preparedness
 601-299-22003

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Federal Passed Through the State of Alaska	\$ 215,660	243,830	459,490	461,672	(2,182)
Total Revenues	<u>215,660</u>	<u>243,830</u>	<u>459,490</u>	<u>461,672</u>	<u>(2,182)</u>
Expenditures:					
Direct Costs:					
Personal Services	175,539	184,659	360,198	360,350	152
Other Operating Costs	<u>10,012</u>	<u>29,346</u>	<u>39,358</u>	<u>39,800</u>	<u>442</u>
Total Direct Costs	185,551	214,005	399,556	400,150	594
Indirect Costs	<u>30,109</u>	<u>29,825</u>	<u>59,934</u>	<u>61,522</u>	<u>1,588</u>
Total Expenditures	<u>\$ 215,660</u>	<u>243,830</u>	<u>459,490</u>	<u>461,672</u>	<u>2,182</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Aging and Disability Resource Centers & Medicare Counseling and Outreach
 607-299-22003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
State of Alaska	\$ 100,559	54,184	154,743	200,000	(45,257)
Total Revenues	<u>100,559</u>	<u>54,184</u>	<u>154,743</u>	<u>200,000</u>	<u>(45,257)</u>
Expenditures:					
Direct Costs:					
Personal Services	80,921	35,913	116,834	155,000	38,166
Other Operating Costs	<u>6,594</u>	<u>11,131</u>	<u>17,725</u>	<u>18,913</u>	<u>1,188</u>
Total Direct Costs	87,515	47,044	134,559	173,913	39,354
Indirect Costs	13,044	7,140	20,184	26,087	5,903
Total Expenditures	<u>\$ 100,559</u>	<u>54,184</u>	<u>154,743</u>	<u>200,000</u>	<u>45,257</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 COVID-19 Community Funding
 C0621-570-BB

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
Federal Passed Through the State of Alaska	\$ 5,906,639	6,533,858	12,440,497	14,186,398	(1,745,901)
Total Revenues	<u>5,906,639</u>	<u>6,533,858</u>	<u>12,440,497</u>	<u>14,186,398</u>	<u>(1,745,901)</u>
Expenditures:					
Direct Costs:					
Other Operating Costs	5,906,639	6,533,858	12,440,497	14,186,398	1,745,901
Total Direct Costs	<u>5,906,639</u>	<u>6,533,858</u>	<u>12,440,497</u>	<u>14,186,398</u>	<u>1,745,901</u>
Total Expenditures	<u>\$ 5,906,639</u>	<u>6,533,858</u>	<u>12,440,497</u>	<u>14,186,398</u>	<u>1,745,901</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 COVID-19 Contact Tracing Services
 C0621-541-A
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended March 31, 2022

	<u>Fiscal Year Ending December 31, 2020</u>	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:						
Federal Passed Through the State of Alaska	\$ 1,105,970	6,763,282	1,272,126	9,141,378	10,000,000	(858,622)
Total Revenues	<u>1,105,970</u>	<u>6,763,282</u>	<u>1,272,126</u>	<u>9,141,378</u>	<u>10,000,000</u>	<u>(858,622)</u>
Expenditures:						
Direct Costs:						
Personal Services	420,604	228,003	-	648,607	1,800,000	1,151,393
Other Operating Costs	685,366	6,535,279	1,272,126	8,492,771	8,200,000	(292,771)
Total Direct Costs	<u>1,105,970</u>	<u>6,763,282</u>	<u>1,272,126</u>	<u>9,141,378</u>	<u>10,000,000</u>	<u>858,622</u>
Total Expenditures	<u>\$ 1,105,970</u>	<u>6,763,282</u>	<u>1,272,126</u>	<u>9,141,378</u>	<u>10,000,000</u>	<u>858,622</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Human Services Community Matching Grants
 605-231-22002

Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2022

	<u>Fiscal Year Ending December 31, 2021</u>	<u>Fiscal Year Ending December 31, 2022</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
State of Alaska	\$ 143,285	656,077	799,362	812,270	(12,908)
Total Revenues	<u>143,285</u>	<u>656,077</u>	<u>799,362</u>	<u>812,270</u>	<u>(12,908)</u>
Expenditures:					
Direct Costs:					
Other Operating Costs	143,285	619,344	762,629	773,591	10,962
Total Direct Costs	<u>143,285</u>	<u>619,344</u>	<u>762,629</u>	<u>773,591</u>	<u>10,962</u>
Indirect Costs	-	36,733	36,733	38,679	1,946
Total Expenditures	<u>\$ 143,285</u>	<u>656,077</u>	<u>799,362</u>	<u>812,270</u>	<u>12,908</u>

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**Municipality of Anchorage's Response to
Single Audit (Unaudited)**



Municipality of Anchorage

Office of the Chief Fiscal Officer

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022**

Finding 2021-001 Recording of Fund Classification Adjustments - Material Weakness in Financial Reporting

Condition: The Municipality initially used special revenue fund classifications where no identified revenue sources that could be documented for the fiscal year as being substantially expected to cover certain of these expenses. This was adjusted using a report-only entry. Therefore, the underlying books and records of the Municipality did not agree to the issued and audited basic financial statements.

Status: This has been partially corrected. See finding 2022-004 for reported finding related to use of fund classifications and reclassification entries.

Finding 2021-002 Subrecipient Monitoring - Material Noncompliance and Material Weakness in Internal Controls over Compliance

Condition: Subrecipient agreements did not include the required federal award identification or applicability of audit requirements. No action was taken to ensure the subrecipients were audited in accordance with 2 CFR 200.501 if applicable

Status: This was not fully corrected in 2022. See finding 2022-009.

Finding 2021-003 Procurement Suspension and Debarment - Internal Control Over Compliance - Significant Deficiency

Condition: Evidence was not retained in procurement documentation to support confirmation of contractor status in SAM Exclusions as an entity not subject to suspension or debarment

Status: This was not fully corrected in 2022. See finding 2022-010.



Municipality of Anchorage

Office of the Chief Fiscal Officer

**Corrective Action Plan
Year Ended December 31, 2022**

Point of Contact: Alden Thern, Chief Fiscal Officer
907-343-6610

Finding 2022-001 Closure of Books and Records - Material Weakness in Internal Control Over Financial Reporting

Corrective Action Plan: Management intends to prepare a monthly close schedule and to perform timely reconciliations of its books and records to its supporting schedules. Further, Management agrees that it should reconcile draft financial reports to underlying books and records, and that it should incorporate a review process for reconciliations and financial reports. Management has requested additional 2024 budget for an extra high-level supervisor to provide capacity for these functions on a go-forward basis.

Anticipated Completion Date: December 31, 2024

Finding 2022-002 Reconciliations and Review Controls - Material Weakness in Internal Control Over Financial Reporting

Corrective Action Plan: Management believes that a single person (new position) needs to be created as a supplemental position in addition to the existing Assistant Controller, who must be in a position of authority who oversees accurate and comprehensive financial reporting and coordinates between various control owners. The 2024 Quarter 1 budget amendments included a funding transfer from IT to the Controller Division to fund a new, high-level “twin” of the existing Assistant Controller position to provide the necessary supervisory review functionality.

Anticipated Completion Date: December 31, 2024



Municipality of Anchorage

Office of the Chief Fiscal Officer

Corrective Action Plan, continued
Year Ended December 31, 2022

Finding 2022-003

Internal Communication - Material Weakness in Internal Control Over Financial Reporting

Corrective Action Plan:

Management agrees with the recommendation to have a single person in a position of authority who oversees accurate and comprehensive financial reporting and who coordinates communication of information between various control owners.

Management believes that the current Assistant Controller position should be split into two positions. One portion of the existing position should retain responsibilities for financial reporting and the other portion of the existing position should retain responsibilities for supervision and management (for instance, review reconciliations, manage the audit, etc.). The 2024 Quarter 1 budget amendments included a funding transfer from IT to the Controller Division to fund a new, high-level “twin” of the existing Assistant Controller position to provide the necessary budget support for this split of functionality.

Anticipated Completion Date:

December 31, 2024

Finding 2022-004

Use of Fund Classifications - Material Weakness in Internal Control Over Financial Reporting

Corrective Action Plan:

Management agrees with this recommendation and hopes to implement a systematic process to ensure accounting treatment that complies with GASB requirements.

Anticipated Completion Date:

December 31, 2024

Finding 2022-005

Implementation of Governmental Accounting Standards Board Statement No. 87 (GASBS No. 87), Leases - Material Weakness in Internal Control over Financial Reporting

Corrective Action Plan:

Management will strive to improve its compliance with lease accounting standards under GASBS No. 87, and believes that its steps towards enhanced staffing will assist in these endeavors.

Anticipated Completion Date:

December 31, 2024



Municipality of Anchorage

Office of the Chief Fiscal Officer

Corrective Action Plan, continued
Year Ended December 31, 2022

Finding 2022-006 **Tracking of Capital Assets - Material Weakness in Internal Control Over Financial Reporting**

Corrective Action Plan: Management agrees with the finding. Management will implement additional steps to ensure reconciliations of capital assets include approvals from other capital asset control owners to ensure that anticipated transactions, such as disposals, are valid before they are posted and to ensure that capital asset schedules are complete and accurate.

Anticipated Completion Date: December 31, 2024

Finding 2022-007 **Monitoring of Restricted Cash and Debt Covenant Compliance - Significant Deficiency in Internal Control Over Financial Reporting**

Corrective Action Plan: Management agrees with the finding. As mentioned previously, the MOA hopes to enhance staffing within the Controller Division to provide additional resourced to ensure critical functions such as quarterly debt covenant compliance calculations and restricted cash monitoring will be performed.

Anticipated Completion Date: December 31, 2024

Finding 2022-008 **Reporting - Deadline for Federal Single Audit - Noncompliance and Material Weakness in Internal Control Over Compliance**

Corrective Action Plan: Management concurs with the finding and will strive to endure future audits are completed timely and reporting packages are submitted to the FAC within the required timeframes.

Anticipated Completion Date: December 31, 2024

Finding 2022-009 **Subrecipient Monitoring - Material Noncompliance and Material Weakness in Internal Controls Over Compliance**

Corrective Action Plan: Management concurs with the finding and will adhere to the corrective action plan included in this report. Management plans to revise policies and procedures related to subrecipient monitoring.

Anticipated Completion Date: December 31, 2024



Municipality of Anchorage

Office of the Chief Fiscal Officer

Corrective Action Plan, continued
Year Ended December 31, 2022

<u>Finding 2022-010</u>	Procurement and Suspension and Debarment - Noncompliance and Significant Deficiency in Internal Control Over Compliance
Corrective Action Plan:	Management concurs with the finding and will adhere to the corrective action plan. Management plans to perform reviews of procurement contracts in place.
Anticipated Completion Date:	December 31, 2024
<u>Finding 2022-011</u>	Equipment and Real Property Management - Material Noncompliance and Material Weakness in Internal Controls Over Compliance
Corrective Action Plan:	Management agrees with this finding and will strive to create and to maintain a complete and accurate equipment and real property listing. Further, staff will perform regular reconciliations for the equipment and real property listing to ensure that its accuracy is maintained.
Anticipated Completion Date:	December 31, 2024
<u>Finding 2022-012</u>	Equipment and Real Property Management - Noncompliance and Significant Deficiency in Internal Control Over Compliance
Corrective Action Plan:	Management agrees with this finding and will strive to create and to maintain a complete and accurate equipment and real property listing. Further, staff will perform regular reconciliations for the equipment and real property listing to ensure that its accuracy is maintained.
Anticipated Completion Date:	December 31, 2024



Municipality of Anchorage

Office of the Chief Fiscal Officer

Corrective Action Plan, continued
Year Ended December 31, 2022

<u>Finding 2022-013</u>	Equipment and Real Property Management - Noncompliance and Significant Deficiency in Internal Control Over Compliance
Corrective Action Plan:	Management agrees with this finding and will work to achieve compliance with the requirements outlined in 2 CRF Sections 200.313. Specifically, Management will enhance controls over the review and disposal of equipment and real property and enhance supervisory reviews over this accounting function.
Anticipated Completion Date:	December 31, 2024
<u>Finding 2022-014</u>	Reporting - Deadline for State Single Audit - Noncompliance and Material Weakness in Internal Control Over Compliance
Corrective Action Plan:	Management agrees with this finding. Specifically, the Municipality will strive to establish systems and controls to ensure the audit is completed timely and the reporting package is submitted within required timeframes.
Anticipated Completion Date:	December 31, 2024
<u>Finding 2022-015</u>	Reporting - Noncompliance and Significant Deficiency in Internal Control Over Compliance
Corrective Action Plan:	Management agrees with this finding. Specifically, the Municipality will strive to establish systems and controls to ensure reports are completed timely.
Anticipated Completion Date:	December 31, 2024