

MUNICIPALITY OF ANCHORAGE



Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, And Required Federal Information

December 31, 2003

**Prepared by:
DEPARTMENT OF FINANCE**

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MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, And Required Federal Information

December 31, 2003

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Section I

Schedule of Expenditures of Federal Awards

MUNICIPALITY OF ANCHORAGE, ALASKA
Schedule of Expenditures of Federal Awards

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**Independent Auditors' Report on Compliance with Requirements Applicable
to Each Major Program, Internal Control over Compliance and Supplementary
Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska:

Compliance

We have audited the compliance of the Municipality of Anchorage, Alaska with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2003. The Municipality of Anchorage, Alaska's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the Municipality of Anchorage, Alaska's management. Our responsibility is to express an opinion on the Municipality of Anchorage, Alaska's compliance based on our audit.

The Municipality of Anchorage, Alaska's basic financial statements include operations of its component unit, the Anchorage School District, which received \$49,517,173 in federal awards during their fiscal year ended June 30, 2003 which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2003. 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 OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Municipality of Anchorage, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Municipality of Anchorage, Alaska's compliance with those requirements.

In our opinion, the Municipality of Anchorage, Alaska complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2003.





Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska

Internal Control over Compliance

The management of the Municipality of Anchorage, Alaska is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Municipality of Anchorage, Alaska's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Municipality of Anchorage, Alaska as of and for the year ended December 31, 2003, and have issued our report thereon dated March 31, 2004. We did not audit the financial statements of the Anchorage School District and Anchorage Historic Properties, which are discretely presented component units. We also did not audit the financial statements of the Anchorage Parking Authority, which is a blended component unit. Those statements were audited by other auditors whose report has been furnished to us. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Municipal Assembly, management, and the cognizant agency and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 31, 2004

MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

Federal Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Corporation for National and Community Service:				
Direct:				
Non-Major Programs:				
Homeland Security	02SVHAK010	94.002	\$ 269,001	215,499
Homeland Security	02SVHAK010	94.002	145,999	58,814
Total Corporation for National and Community Service			415,000	274,313
Federal Emergency Management Agency:				
Direct:				
Non-Major Programs:				
FEMA Grants Fire Preparedness	EMW-2001-FG-06215	83.550	167,572	45,485
FEMA AWARE 2002		83.unknown	30,000	22,115
FEMA AWARE 2003		83.unknown	5,000	2,107
Total Direct Federal Emergency Management Agency			202,572	69,707
Pass-Through Alaska Division of Emergency Services:				
Non-Major Programs:				
Fiscal Year 03 Office of Emergency Management		93.760	64,000	64,000
Windstorm-Municipality of Anchorage	1461-DR-AK	83.544	259,360	259,360
FEMA 2002 Supplemental Certification		83.565	173	173
Total Pass-Through Alaska Division of Emergency Services			323,533	323,533
Total Federal Emergency Management Agency			526,105	393,240
National Endowment for the Arts:				
Pass-Through Alaska State Council on the Arts:				
Non-Major Program:				
AKSCA Museum Season Support	030S28B	45.025	17,590	3,708
National Oceanic and Atmospheric Administration:				
Pass-Through Alaska Department of Community and Economic Development:				
Non-Major Program:				
Coastal Zone Management	830437	11.419	92,440	89,887
Coastal Zone Management	840603	11.419	38,250	14,663
Coastal Zone Management	840637	11.419	23,350	181
Total Pass-Through Alaska Department of Community and Economic Development			154,040	104,731
U.S. Department of Agriculture:				
Direct:				
Non-Major Program:				
United States Forest Service Hazardous Fuels Mitigation		10.unknown	5,000,000	2,302,805
United States Forest Service Wildfire Mitigation	1580	10.unknown	1,750,000	13,554
Pacific Regional Retail Food Seminar Expenses		10.unknown	2,000	2,000
Total Direct U.S. Department of Agriculture			6,752,000	2,318,359
Pass-Through Alaska Department of Community and Economic Development:				
Non-Major Program:				
Fiscal Year 03 National Forest Receipts		10.655	7,476	7,476
Pass-Through Alaska Department of Health and Social Services:				
Non-Major Program:				
2004 Women, Infants, and Children Program	603-04-908	10.557	1,007,269	482,262
2003 Women, Infants, and Children Program	06-3366	10.557	982,110	477,660
Total Pass-Through Alaska Department of Health and Social Services			1,989,379	959,922
Total U.S. Department of Agriculture			8,748,855	3,285,757

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Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

Federal Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
U.S. Department of Commerce:				
Direct:				
Non-Major Programs:				
EDA Strategic Planning	07-87-05128	11.302	\$ 60,000	43,327
Coastal Impact Assistance Program	NA17OZ2042	11.419	603,869	289,105
Ship Creek Crossing	NA16AB2730	11.469	3,172,200	228,810
Total Direct U.S. Department of Commerce			<u>3,836,069</u>	<u>561,242</u>
U.S. Department of Education:				
Pass-Through Alaska Department of Education and Early Development:				
Non-Major Programs:				
800# Interlibrary and Reference Backup 2002	ILC-03-713-93	45.310	42,845	23,997
Alaska Studies Foreign Collection	ILC-03-713-96	45.310	20,000	18,718
800# Interlibrary Loan & Reference Backup Service	539330	45.310	46,675	12,358
Library Story Packett II	539430	45.310	11,236	4,249
Collection Development – Spanish, ESL, Literacy	539730	45.310	10,000	799
Total Pass-Through Alaska Department of Education and Early Development			<u>130,756</u>	<u>60,121</u>
U.S. Department of Energy:				
Pass-Through Alaska Housing Finance Corporation:				
Non-Major Programs:				
Non Weatherization Assistance Program 2003 SEP	WAP-03-MOA-1	81.041	15,883	12,330
WX Non Weatherization Assistance Program	01G11-100	81.041	15,883	821
Weatherization Assistance Program 2003 Federal Department of Energy	WAP-03-MOA-1	81.042	386,643	233,262
WX Weatherization Assistance Program	01G11-100	81.042	652,679	115,064
Total Pass-Through Alaska Housing Finance Corporation			<u>1,071,088</u>	<u>361,477</u>
U.S. Department of Health and Human Services:				
Direct:				
Non-Major Programs:				
Medical Reserve Corps	US2SG03008-01-0	93.008	50,000	22,371
Medical Reserve Corps	US2SG02007-02-0	93.008	51,040	2,365
Family Planning 02	FPHPA100024-25-00	93.217	490,302	270,481
Family Planning	SFPHPA100024-26-00	93.217	579,250	210,933
SAMSHA CSAP Substance Abuse	1H79SP09943-01	93.230	750,000	276,528
Substance Abusers Getting Empowered (SAGE)	1H79TI13528-01	93.230	500,000	136,841
Total Direct U.S. Department of Health and Human Services			<u>2,420,592</u>	<u>919,519</u>
Pass-Through Alaska Department of Education and Early Development:				
Major Programs:				
DayCare Pass II III 02	534000	93.575	13,394,818	6,727,097
Day Care Administration 02	534000	93.575	2,160,850	1,097,622
Child Care Licensing Fiscal Year 02	L-03-01	93.575	917,770	379,443
Total Pass-Through Alaska Department of Education and Early Development			<u>16,473,438</u>	<u>8,204,162</u>
Pass-Through Alaska Department of Health and Social Services:				
Non-Major Programs:				
Coordinated Transportation	607-04-121	93.044	478,646	179,847
Community Health Nursing - TB	06-3359	93.116	75,500	75,500
Community Health Nursing	601-04-175	93.116	75,500	34,555
Community Health Nursing-Immunization	06-3359	93.268	91,300	91,300
Community Health Nursing	601-04-175	93.268	91,300	38,023
Bioterrorism Preparedness and Response	06-3567	93.283	599,692	433,495
Bioterrorism Preparedness and Response	06-601-04-151	93.283	569,953	202,404
Day Care Administration 03	604-04-900	93.558	1,005,748	507,041
Child Care Licensing Fiscal Year 03	604-04-940	93.558	917,000	477,567
CCA Provider Close Out 03	06-4861	93.558	37,135	33,975
HIV Prevention	601-04-170	93.770	10,000	4,373

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Federal Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Healthy Baby 03	06-3596	93.778	\$ 150,000	84,434
HIV Prevention	601-04-170	93.940	169,500	68,515
AIDS Prevention	06-3384	93.940/93.977	229,500	138,910
Total Pass-Through Alaska Department of Health and Social Services			4,500,774	2,369,939
Pass-Through Alaska Housing Finance Corporation: Non-Major Program: Non Weatherization Assistance Program 2003 LIHEAP	WAP-03-MOA-1	93.538	370,593	370,593
Pass-Through Cook Inlet Tribal Council, Inc.: Non-Major Program: Cook Inlet Tribal Council	AFN PHS-2002-0003-001	93.230	117,005	67,567
Pass-Through Alaska Commission on Aging, Department of Administration: Non-Major Programs: Nutrition, Transportation, and Supportive Services SFY 2002	0233200	93.044	478,646	262,593
SAMS Mini Grant ACOA 03	0233200A	93.044	1,800	1,575
Total Pass-Through Alaska Commission on Aging, Department of Administration			480,446	264,168
Pass-Through Southcentral Foundation: Non-Major Program: Southcentral Foundation CSP 03	01-330-23-560-101	93.210	199,000	199,000
Southcentral Foundation CSP 02	60-330-21-560-101	93.210	199,000	739
Total Pass-Through Southcentral Foundation			398,000	199,739
Total U.S. Department of Health and Human Services			24,760,848	12,395,687
U.S. Department of Homeland Security: Pass-Through Alaska Division of Emergency Services: Non-Major Programs: Hazard Mitigation Plan	PDM#2	97.047	30,000	29,610
FEMA 2002 Supplemental Certification		97.054	35,827	29,142
Total Pass-Through Alaska Division of Emergency Services			65,827	58,752
U.S. Department of Housing and Urban Development: Direct: Non-Major Programs:				
Community Development Block Grant 02	B-02-MC-02-0001	14.218	2,283,000	1,503,534
Community Development Block Grant 03	B-03-MC-02-0001	14.218	2,330,000	1,327,380
Community Development Block Grant 01	B-01-MC-02-0001	14.218	2,344,000	534,171
Community Development Block Grant 00	B-00-MC-02-0001	14.218	2,263,000	325,735
Community Development Block Grant 96	B-96-MC-02-0001	14.218	2,388,000	15,154
Community Development Block Grant 89	B-89-MC-02-0001	14.218	1,619,000	11,210
Community Development Block Grant 99	B-99-MC-02-0001	14.218	2,268,000	(14,865)
Community Development Block Grant 97	B-97-MC-02-0001	14.218	2,353,000	(17,662)
Community Development Block Grant 95	B-95-MC-02-0001	14.218	2,450,000	(22,000)
Community Development Block Grant 98	B-98-MC-02-0001	14.218	2,255,000	(58,844)
Emergency Shelter	S-03-MC-02-0001	14.231	78,000	32,784
Emergency Shelter	S-02-MC-02-0001	14.231	80,000	29,384
Emergency Shelter	S-01-MC-02-0001	14.231	80,000	29
Housing Urban Development Link Program 03	AK06B200007	14.235	296,714	202,785
Housing Urban Development Link Program	AK06B100005	14.235	299,864	82,851
HOME Investment Partnership 02	M-02-MC-02-0200	14.239	1,071,000	264,488
HOME Investment Partnership 98	M-98-MC-02-0200	14.239	897,000	99,973
HOME Investment Partnership 03	M-03-MC-02-0200	14.239	1,114,921	65,438
HOME Investment Partnership 96	M-96-MC-02-0200	14.239	860,000	60,501
HOME Investment Partnership 01	M-01-MC-02-0200	14.239	1,072,000	49,972
HOME Investment Partnership 00	M-00-MC-02-0200	14.239	971,000	34,472
HOME Investment Partnership 99	M-99-MC-02-0200	14.239	965,000	6,769

MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

Federal Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
HOME Investment Partnership 97	M-97-MC-02-0200	14.239	\$ 842,000	3,851
Total Direct U.S. Department of Housing and Urban Development			<u>31,180,499</u>	<u>4,537,110</u>
U.S. Department of Justice:				
Direct:				
Non-Major Programs:				
Grants to Encourage Arrest Policies/Enforcement of Protection Orders	2002-WE-BX-0010	16.590	599,035	163,248
FY01 LLEBG	2001-LB-BX-1252	16.592	499,034	309,438
LLEBG FY02	2002LBBX0380	16.592	393,686	248,519
LLEBG FY03	2003-LB-BX-0088	16.592	286,363	18,841
Bullet Proof Vest Partnership Program	AK02009242	16.607	2,449	2,449
COPS IN SCHOOLS	2002-SH-WX-0653	16.710	1,625,000	795,865
Equitable Federal Sharing of Seized and Confiscated Property		16.unknown	3,381,575	367,624
State Forfeitures 2002		16.unknown	100,000	51,098
Total Direct U.S. Department of Justice			<u>6,887,142</u>	<u>1,957,082</u>
Pass-Through Alaska Department of Public Safety:				
Non-Major Programs:				
Prescription Drug Enforcement	02-011	16.579	38,835	25,664
Prescription Fraud Enforcement	03-011	16.579	38,835	7,268
Alcohol Minors Enforcement		16.727	20,000	20,000
Alcohol Sales Enforcement		16.727	42,000	(383)
Total Pass-Through Alaska Department of Public Safety			<u>139,670</u>	<u>52,549</u>
Total U.S. Department of Justice			<u>7,026,812</u>	<u>2,009,631</u>
U.S. Department of Labor:				
Direct:				
Non-Major Program:				
H-1B Technical Skill Training	AH-10857-00-60	17.249	2,425,035	297,498
Pass-Through Department of Labor and Workforce Development:				
Non-Major Programs:				
Workforce Investment Act 1B Adult Programs PY 00 Workforce Investment Act Title 1 Youth Program	EN0725072	17.250	1,380,099	(1,643)
FY 99 JTPA IIA Adult Program	EN2192142	17.250	1,381,981	(101,043)
FY 00 JTPA IIA Adult Program	EN0707394	17.250	983,742	(111,279)
Workforce Investment Act Title 1B Adult Programs	EN0734004	17.258	1,495,688	587,342
Workforce Development Incentive	725006	17.258	108,746	537
Workforce Investment Act Title 1B Youth Programs	EN0734002	17.259	1,230,196	873,785
Workforce Investment Act 1B Dislocated Worker Program	EN0734001	17.260	1,363,216	952,563
Workforce Investment Act Special Prior Year Adjustment 1998-2000		17.255/17.259	232,322	232,322
Workforce Investment Act Incentive – Adult Programs	0734127	17.255/17.259/17.260	147,005	147,005
Workforce Investment Act Title 1B Administration Funds	EN0734003	17.258/17.259/17.260	469,008	272,510
Workforce Investment Act Supervisor Training	EN0734013	17.258/17.259/17.260	24,407	15,995
Workforce Investment Act Step Program Close Out (53,000 State Direct Funds)		17.258/17.259/17.260/17.259	80,348	80,348
Total Pass-Through Department of Labor and Workforce Development			<u>10,054,467</u>	<u>2,931,611</u>
Total U.S. Department of Labor			<u>12,479,502</u>	<u>3,229,109</u>

MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Expenditures of Federal Awards

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Federal Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
U.S. Department of the Interior:				
Direct:				
Non-Major Programs:				
Hydrologic Research Center	02WRAG0014-0001	15.808	\$ 86,556	86,556
FDGC GIS Clearinghouse Grant	99HQGR0152	15.809	26,000	1,212
Total U.S. Department of the Interior			112,556	87,768
U.S. Department of Transportation:				
Direct:				
Non-Major Programs:				
Rehabilitate Taxiway Alpha and Interlinks	AIP-38	20.106	1,223,728	1,104,909
Rehabilitate Taxiway Charlie and Interlinks, Rehabilitate Apron (electrical)	AIP-35	20.106	1,490,000	242,176
Security Improvements, Phase A-1	AIP-37	20.106	600,000	98,948
Environmental Assessment for New Ski/Gravel Runway	AIP-28	20.106	333,493	31,211
Merrill Field Improvements -- Reconstruction Runway 6/24 LTg	AIP-25	20.106	1,581,489	25,281
Rehabilitate Primary Airport Access Road	AIP-32	20.106	1,605,000	19,190
Acquire Security Equipment	AIP-33	20.106	100,000	117
2001 AMATS Planning Program	74456	20.205	603,779	(29,993)
Kincaid Park Transportation Access	AK-03-0025-00	20.500	2,471,750	89,718
Section 9 -- Formula Capital Assistance	AK90-0013	20.507	4,162,746	251
Section 9 -- Formula Capital Assistance	AK90-0016	20.507	1,412,000	11,920
Section 9 -- Formula Capital Assistance	AK90-0018	20.507	1,436,800	52,384
Section 9 -- Formula Capital Assistance	AK90-X019	20.507	2,090,060	156,084
5307 Urban Area Formula -- FY 2001	AK90-X022	20.507	2,975,200	857,236
5307 Urban Area Formula -- FY 2002 (80/20)	AK90-X024-00	20.507	2,897,008	607,154
5307 Urban Area Formula -- FY 2003	AK90-X027-00	20.507	2,495,108	340,880
Total Direct U.S. Department of Transportation			27,478,161	3,607,466
Pass-Through Alaska Department of Transportation and Public Facilities:				
Non-Major Programs:				
2003 AMATS Planning	PL-1256(13)	20.205	627,652	595,830
CMAQ Route Expansion DEMO Project	CM-0001(305)	20.205	1,405,320	527,500
Share-A-Ride CY 2003	75685	20.205	387,100	316,218
ISTEA Eklutna Bridge Replacement II	BR-0001(183) 53945	20.205	555,000	266,113
HSIP 2001 Groups 1A,1B,2,3B	HHE-0001-(226)/55729	20.205	673,000	256,569
HSIP 2001 Groups 5A	HRO-0001-(267)/55730	20.205	370,000	228,388
Campbell Creek Trail	TEA-0001(137)52520	20.205	515,000	226,424
ISTEA Ship Creek Trail -- Design	TEA-0001(133)/52499	20.205	1,427,000	215,760
Victor Road, 100th Dimond	STP-0001(232)	20.205	925,000	189,870
Transit Marketing 2003	75683	20.205	179,340	153,900
ISTEA Chester Creek Trail Connection	CM-0001(262)55066	20.205	457,000	142,307
Transit Youth Program CY 03	56477	20.205	135,752	127,304
ISTEA Anchorage Areawide Trails Rehabilitation	CM-0001(240)54658	20.205	355,000	105,951
Purchase Magnesium Chloride for PM-10	54441	20.205	195,400	89,093
Arctic Blvd., Dimond Blvd. to Raspberry	STP-0001(57)/51018	20.205	945,640	88,234
ISTEA Ship Creek Trail -- Right of Way	TEA-0001(133)/52499	20.205	790,000	84,328
Rockridge Rd. Upgrade TORA	54970	20.205	245,000	74,696
Public Awareness	55914	20.205	104,500	64,061
CMAQ Automated Systems	CM-0001(296)	20.205	2,409,120	48,180
ISTEA Bragaw St.-Construction Project Closeout	51681	20.205	36,000	36,000
CMAQ New Buses FY 2002 Funds	55839	20.205	1,346,000	26,940
ISTEA Wisconsin: N. Lights to 43rd Upgrade	STP-001(59)/51034	20.205	500,000	20,037
Campbell Creek Trail Design	TEA-0001(137)52520	20.205	30,000	19,486
Business Blvd. Construction	TEA-0001(130)/52519	20.205	513,000	13,705
Share-A-Ride CY 02 Anchorage	74996	20.205	318,500	12,067
15th Ave. "L" to Juneau Construction	HHE-530(001)/50624	20.205	482,490	11,531
ISTEA Northern Lights Blvd., Lake Otis to Muldoon	STP-540(4)/51754	20.205	380,000	7,378
Regenerative Air and Mechanical Sweepers	55489	20.205	380,000	6,650
ISTEA South Coastal Trail Design	TEA-0001(126)52514	20.205	920,000	3,971
FHWA AMATS Planning Grant	PL-1256(13)	20.205	614,748	2,387

MUNICIPALITY OF ANCHORAGE, ALASKA

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Federal Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
ISTEA Business Boulevard Pedestrian Safety Improvements	MGS-STP-TEA-0001(130)	20.205	\$ 250,000	321
ISTEA Northern Lights Blvd. Landscaping	STP-0540(S)	20.205	45,000	210
Transit Marketing	55215	20.205	147,250	18
ISTEA Arctic Blvd.: Arctic Blvd. Design AMD #4	STP-0001(57)/51018	20.205	56,000	11
ISTEA Arctic Blvd.: Raspberry to Dimond Widening	STP-0001(57)/51018	20.205	121,000	(1)
2002 Statewide Bus and Van Rodeo	AK-18-X019 RTAP	20.205	15,000	(12)
ISTEA CMAQ: Anchorage Signal System Upgrade	51100	20.205	225,000	(57)
ISTEA Eagle River Traffic Signal Modifications	CM-0558(3)	20.205	144,575	(183)
ISTEA Bragaw St. Utility Design	HRO-0001(85)/51681	20.205	54,300	(238)
ISTEA HSIP Anchorage Area Traffic Signal Modifications	STP-000S(256)	20.205	286,655	(252)
Arctic @ Dowling Right of Way	HRO-MGS-000S(309)/540	20.205	145,000	(283)
ISTEA - Bragaw Street	51681	20.205	226,159	(1,861)
ISTEA 15th Avenue Channelization/Signalization	HES-0530(1)/50624	20.205	212,000	(2,043)
ISTEA Arctic Blvd. Right of Way	51018	20.205	325,000	(2,767)
ISTEA 15th Ave. Safety	FA-HHE-0530(1)	20.205	4,650,000	(4,536)
CMAQ PM 10 Dust Control Program		20.205	189,600	110,155
Air Quality Business Education	53583	20.205	45,000	440
Transit Youth Program CY 01	54737	20.205	97,000	(1,995)
MCS Commercial Vehicle Enforcement 03	03-PD-001	20.218	26,495	23,177
MCS Commercial Vehicle Enforcement	02-PD-001	20.218	28,800	7,357
Transit Section 5303 FTA Planning	AK-80-X011-01/56428	20.505	209,116	148,397
Section 5303 FTA Planning 03		20.505	201,774	17,714
Alaska Bus & Van Rodeo		20.509	17,000	16,927
Youth At Risk Driving Enforcement	030503PT	20.600	120,000	97,630
Seat Belt Enforcement 03	030309OP	20.600	72,000	52,671
DUI Enforcement Blitz	030216AL	20.600	39,500	36,817
DUI Enforcement Blitz	040203AL	20.600	71,500	35,750
Seat Belt Enforcement 03	030309OP	20.600	23,250	18,688
DUI Enforcement Blitz	AL 030216	20.600	41,000	14,363
Seat Belt Enforcement	OP020322	20.600	100,000	11,302
Total Pass-Through Alaska Department of Transportation and Public Facilities			<u>26,407,536</u>	<u>4,538,598</u>
Total U.S. Department of Transportation			<u>53,885,697</u>	<u>8,146,064</u>
U.S. Department of Treasury: Pass-Through Alaska Department of Community and Economic Development: Major Program: Temporary Fiscal Relief		21.unknown	<u>5,215,705</u>	<u>5,215,705</u>
U.S. Environmental Protection Agency: Direct:				
Non-Major Programs:				
Air Quality 105 2003	A-98022703-0	66.001	358,962	150,908
2002 Air Quality	A-980227-02-0	66.001	114,449	3
Vulnerability Assessment-WTR02	HS-83010201	66.476	115,000	104,708
Total Direct U.S. Environmental Protection Agency			<u>588,411</u>	<u>255,619</u>
Pass-Through Alaska Department of Environmental Conservation: Non-Major Programs:				
PM 2.5 Monitoring 03		66.606	37,000	34,400
PM 2.5 Monitoring 02	PM-980207-01	66.606	37,000	(183)
Total Pass-Through Alaska Department of Environmental Conservation			<u>74,000</u>	<u>34,217</u>
Total U.S. Environmental Protection Agency			<u>662,411</u>	<u>289,836</u>

MUNICIPALITY OF ANCHORAGE, ALASKA
 Schedule of Expenditures of Federal Awards
 Year ended December 31, 2003

<u>Federal Grantor/pass-through Grantor Program Title</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
U.S. Equal Employment Opportunity Commission:				
Direct:				
Non-Major Programs:				
FY 03 Equal Employment Opportunity Cases	3FPSLP0248	30.unknown	\$ 25,000	25,000
FY 03 EEOC Conference	3FPSLP0076	30.unknown	<u>1,700</u>	<u>1,700</u>
Total Direct U.S. Equal Employment Opportunity Commission			<u>26,700</u>	<u>26,700</u>
Total Schedule of Expenditures of Federal Awards			<u>\$ 150,316,060</u>	<u>41,040,951</u>

See accompanying notes to schedule of expenditures of federal awards.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2003

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Municipality of Anchorage, Alaska (Municipality). The Municipality's reporting entity is defined in note 1 to the Municipality's basic financial statements. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified-accrual basis of accounting, which is described in note 1 to the Municipality's basic financial statements.

Programs with Loan Receivable Balances

The following U.S. Department of Housing and Urban Development (HUD) programs have loan receivable balances at December 31, 2003:

Program	CFDA	Balance
Anchor/Home	14.239	\$ 2,974,791
Rental Rehabilitation	14.218	11,317
CDBG Rehabilitation	14.218	2,012,821
CDBG Emergency Repair	14.218	241,146

MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Findings and Questioned Costs

December 31, 2003

(1) Summary of Auditor's Results

- (a) An unqualified independent auditors' report was issued on the basic financial statements of the Municipality of Anchorage, Alaska.
- (b) No reportable conditions or material weakness were disclosed in the report on compliance and on internal control based on an audit of the basic financial statements.
- (c) There was no noncompliance which is material to the basic financial statements.
- (d) No reportable conditions or material weaknesses were disclosed in the report on compliance with requirements applicable to each major program and internal control over compliance.
- (e) An unqualified independent auditors' report was issued on compliance for major programs.
- (f) Any audit findings were reported as required under Section 510(a) of OMB Circular A-133.
- (g) The U.S. Department of Health and Human Services, passed through the Alaska Department of Education and Early Development, Day Care Program, CFDA #93.575; U.S. Department of Treasury, passed through the Alaska Department of Community and Economic Development, Temporary Fiscal Relief, CFDA #21. unknown, are major programs.
- (h) Programs with federal expenditures greater than \$1,231,229 were identified as Type A programs. Programs with federal expenditures of \$1,231,229 or less were identified as Type B programs.
- (i) The Municipality of Anchorage, Alaska qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

(2) Findings Relating to Basic Financial Statements Reported in Accordance with *Government Auditing Standards*

None

(3) Findings and Questioned Costs Related to Federal Award

None



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**Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Basic Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska:

We have audited the basic financial statements of the Municipality of Anchorage, Alaska as of and for the year ended December 31, 2003, and have issued our report thereon dated March 31, 2004. We did not audit the financial statements of the Anchorage School District and Anchorage Historic Properties, which are discretely presented component units. We also did not audit the financial statements of the Anchorage Parking Authority, which is a blended component unit. Those statements were audited by other auditors, whose report has been furnished to us. Our report with respect thereto states that we did not audit the financial statements of the Anchorage School District as of June 30, 2003, the Anchorage Historic Properties, Inc. as of December 31, 2003 or the Anchorage Parking Authority as of December 31, 2003, and therefore our opinion is based upon our audit and reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Municipality of Anchorage, Alaska's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

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





Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska

matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Municipality of Anchorage, Alaska in a separate letter dated March 31, 2004.

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

KPMG LLP

March 31, 2004

Section II

**State Financial
Assistance Reports**

MUNICIPALITY OF ANCHORAGE, ALASKA

State Financial Assistance Reports

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**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over Compliance
and Supplementary Schedule of State Financial Assistance in Accordance with
the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska:

Compliance

We have audited the compliance of the Municipality of Anchorage, Alaska with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that are applicable to each of its major state programs for the year ended December 31, 2003. The Municipality of Anchorage, Alaska's major state programs are identified in the accompanying schedule of state financial assistance. Compliance with laws, regulations, contracts, and grants, general requirements, and the specific requirements applicable to each of its major state programs is the responsibility of the Municipality of Anchorage, Alaska's management. Our responsibility is to express an opinion on the Municipality of Anchorage, Alaska's compliance based on our audit.

The Municipality of Anchorage, Alaska's basic financial statements include operations of its component unit, the Anchorage School District, which received \$254,206,237 in state awards during their fiscal year ended June 30, 2003, which are not included in the schedule of state financial assistance for the year ended December 31, 2003. 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 and Compliance Supplement for State Single Audits*.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Municipality of Anchorage, Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Municipality of Anchorage, Alaska's compliance with those requirements.

In our opinion, the Municipality of Anchorage, Alaska complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2003. The results of our auditing procedures did not disclose instances of noncompliance





Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska:

with those requirements which are required to be reported in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Internal Control over Compliance

The management of the Municipality of Anchorage, Alaska is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the Municipality of Anchorage, Alaska's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

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

Schedules of State Financial Assistance

We have audited the basic financial statements of the Municipality of Anchorage, Alaska as of and for the year ended December 31, 2003, and have issued our report thereon dated March 31, 2004. We did not audit the financial statements of the Anchorage School District and Anchorage Historic Properties, which are discretely presented component units. We also did not audit the financial statements of the Anchorage Parking Authority, which is a blended component unit. Those statements were audited by other auditors whose report has been furnished to us. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of State Financial Assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and Schedules 1 through 4 are presented for additional analysis as required by the State of Alaska Department of Health and Social Services. These schedules are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Municipal Assembly, management, and the State of Alaska, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

March 31, 2004

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Alaska Commission on Aging, Department of Administration:				
Federal Pass-Through:				
U.S. Department of Health and Human Services:				
Non-Major Programs:				
Nutrition, Transportation, and Supportive Services State Fiscal Year 2002	0233200	93.044	\$ 478,646	262,593
SAMS Mini Grant ACOA 03	0233200A	93.044	1,800	1,575
Total Alaska Commission on Aging, Department of Administration			<u>480,446</u>	<u>264,168</u>
Alaska Department of Commerce and Economic Development:				
Direct:				
Non-Major Program:				
Sand Lake Area Water Extension	W03-09		<u>375,000</u>	<u>3,054</u>
Alaska Department of Community & Economic Development				
Direct:				
Major Programs:				
NE Community Recreation Center	00/510-9-005		800,000	800,000
Eagle River/Chugiak Rd. Drainage Rehabilitation	03-MG-010		700,000	653,243
Replacement Crash Fire Rescue Unit	01-MG-016		469,000	459,620
ACPA Voth Rehearsal Hall Improvements	02-MG-008		525,000	457,283
Chugiak Volunteer Fire Department- Replacement Pump	03-DC-009		440,000	422,448
Major Municipal Facility Upgrade Projects	03-MG-009		1,250,000	409,477
Service High School Swimming Pool Facility Upgrade	03-DC-033		300,000	294,000
40th Ave. Access Improvements	03-MG-016		350,000	261,490
Site Preparation and Construction of Baseball fields Bicentennial Park	03-RR-004		250,000	245,000
East Anchorage High School Swimming Pool Facility Upgrade	03-DC-013		300,000	233,818
Pave Parking Lots in Municipal Parks	03-MG-017		420,000	206,260
36th Ave. Providence, Latouche Rehabilitation	02-DC-046		4,000,000	205,558
Major Municipal Facility Upgrade Projects	02-MG-007		1,250,000	201,393
ADA and Playground Safety Requirements	99/510-9-003		350,000	165,799
Hillside Local Road Service Area Rd. and Drainage System Rehabilitation	03-DC-018		170,000	156,941
Intersection Safety Improvements	03-MG-014		350,000	154,239
Jade Park Improvements	03-DC-019		275,000	152,316
Dimond High School Swimming Pool Facility Upgrade	03-DC-012		300,000	144,854
Planning and Development Muldoon Town Center Project	03-DC-025		250,000	139,938
Elmore St. Upgrade- Huffman Rd.	02-MG-011		700,000	127,850
DHHS/UAA Co-Location Study	02-RR-020		200,000	111,656
Total Direct Major Programs			<u>13,649,000</u>	<u>6,003,183</u>
Non-Major Programs:				
2001 SB 29 Campbell Airstrip Local Road Service Area	02-RR-009		100,000	95,000
Chester Creek Trail Rehabilitation	7/96-004		290,000	92,339
Raspberry Rd. Jewel Lake Rd. Trail Connection Plan	03-DC-027		400,000	90,738
Hiland Rd. Improvements at South Fork Eagle River Planning and Operation Winter Cities 2004 Conference	03-DC-017		140,000	88,939
Timberline Drive Reconstruction Klatt Rd. to Huffman Rd.	03-RR-005		126,294	80,395
APD CIRT Equipment and Supplies	03-MG-011		700,000	77,275
2001 SB-29 Huffman Rd./Pintail St.	04-DC-013		75,000	74,925
ADA – Parks and Recreation Facility Requirements	02-DC-007		250,000	69,268
Fish Creek at Willow St. Water Quality Enhancement Pond	98/510-9-002		350,000	52,910
Russian Jack Area Traffic Control Calming Study	03-DC-148		700,000	46,761
South Anchorage Ball Fields	03-DC-030		50,000	46,725
2001 SB-29 Muldoon Rd. Sound Barrier Fence	99/510-9-004		800,000	44,988
Major Municipal Facility Upgrade Projects	02-DC-009		75,000	43,675
ADA Improvements SB 29	99/510-9-002		901,158	43,557
Well Water Testing and Treatment for Arsenic	02-MG-009		43,035	42,174
Acquisition and Development Sound Barrier New Seward Hwy.	03-DC-043		55,000	37,937
Cemetery 2001 State Grant	03-RR-001		49,476	35,933
	02-RR-019		100,000	33,770

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Playground Upgrades	03-MG-015		\$ 75,000	33,265
2001 SB-29 CBERRSA Direct	02-DC-015		50,000	26,439
Creekside Park Design Improvements	01-RR-004		25,000	24,500
Girdwood Rd. Service Area Rd. and Drainage System	03-DC-015		70,000	22,337
2001 SB-29 CBERRSA	02-MG-010		350,000	22,147
Anchorage Neighborhood Enhancement Program	9/99-004		21,120	20,697
Major Municipal Facility Upgrade Projects	00/510-9-002		1,110,000	19,965
CBERRSA for Area Road and Drainage	8/99-003		128,996	18,818
Renovation of Existing Fire Facilities	02-MG-014		1,000,000	17,918
40th Ave. Intersection and Rd. Improvements	03-RR-002		79,792	17,804
Creekside Town Center Roads	04-DC-017		800,000	16,000
ASD Ptarmigan Health & Safety Improvements	03-DC-055		20,000	13,593
Chugiak Sr. Ctr Day Care Center	02-DC-002		40,000	13,510
ASD 2 Year Nonviolent Conflict Resolution	02-DC-001		63,000	12,811
Girdwood Rd. Service Area Rd. and Drainage System	03-MG-012		70,000	12,610
ADA Requirements – Parks and Recreation	96/510-9-002		350,000	10,970
Dimond High – Repair and Replace Bleachers	1/94-037		10,000	9,503
San Ernesto Totem Park Acquisition and Equipment	03-DC-031		30,000	7,558
ASD Mtn. View Computers, Books, Equipment, and Outreach	03-DC-003		9,000	6,960
Skateboard Park Facility	03-DC-034		200,000	6,872
ASD Williwaw Computers, Books, Equipment, and Outreach	03-DC-005		9,000	6,025
Anchorage Bowl Coastal Resource Atlas	831420		80,000	5,189
ASD Creekside Park Community Recreational Plan	03-DC-046		12,000	5,056
EAGLE River/Chugiak Parks Playground Equipment	01-MG-010		210,000	4,607
ASD Dimond 2 Year Conflict Resolution	02-RR-005		37,336	4,062
Dimond/Artene St. Barrier Wall	02-DC-004		80,000	4,049
Stuckagain Heights Road Access Improvements	04-DC-018		150,000	3,000
Arion St. Upgrade-88th Ave. to Abbott Road Recycled Asphalt	04-DC-014		100,000	2,000
Campbell Airstrip Road Area, Road, and Drainage Improvements	04-DC-015		90,000	1,800
Goose Lake Park Improvement	9/97-015		10,328	1,639
Village Scenic Parkway	03-DC-042		1,500	1,470
Valli Vue Estates Local Road Service Area	03-DC-041		1,500	1,470
Upper O'Malley Local Road Service Area	03-DC-040		1,500	1,470
Totem Local Road Service Area	03-DC-038		1,500	1,470
South Goldenview Local Road Service Area	03-DC-036		1,500	1,470
Sky Ranch Local Road Service Area	03-DC-035		1,500	1,470
Rockhill Local Road Service Area	03-DC-029		1,500	1,470
Rabbit Creek View Rabbit Creek Heights Local Road Service Area	03-DC-026		1,500	1,470
Mountain Park Estates Local Road Service Area	03-DC-021		1,500	1,470
Lake Hill Local Road Service Area	03-DC-020		1,500	1,470
Glen Alps Local Road Service Area	03-DC-016		1,500	1,470
Chugiak, Birchwood, Eagle River Local Road Service Area	03-DC-010		1,500	1,470
Campbell Airstrip Local Road Service Area	03-DC-008		1,500	1,470
Birch Tree Elmore Local Road Service Area	03-DC-007		1,500	1,470
Bear Valley Local Road Service Area	03-DC-006		1,500	1,470
Talus West Local Road Service Area	03-DC-037		1,500	1,450
Fire Lake Dam Reconstruction	02-OC-005		240,000	1,185
ASD William Tyson Computers, Books, Equipment, and Outreach	03-DC-004		9,000	1,128
1999 SB 32 CBERRSA	00/510-8-004		400,000	1,100
Girdwood Fire Station	98/510-5-015		1,089,000	1,007
Major Municipal Facility Upgrade Projects	01-MG-015		970,000	1,007
Albrecht Fields	04-DC-016		50,000	1,000
Northern Lights Sound Barrier Project Lake Otis Parkway/New Seward Hwy.	04-RR-011		29,083	582
Completion of South Anchorage Sports Complex	03-DC-011		500,000	581
24th and 26th Glacier/Boniface	02-DC-013		196,000	348
University Providence Campus Walkway	01-MG-017		98,398	195
University Lake Park and Trail Improvements	9/94-003		13,200	71
Spring Hill Elementary – Heat and Ventilation Upgrades	1/94-085		15,000	60
ASD Site Acquisition – SB 29	02-RR-015		2,999,935	1
Total Direct Non-Major Programs			17,119,151	1,500,778

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Federal Pass-Through:				
National Oceanic and Atmospheric Administration:				
Non-Major Program:				
Coastal Zone Management	830437	11.419	\$ 92,440	89,886
Coastal Zone Management	840603	11.419	38,250	14,663
Coastal Zone Management	840637	11.419	23,350	181
Total National Oceanic and Atmospheric Administration			154,040	104,730
Federal Pass-Through:				
U.S. Department of Agriculture:				
Non-Major Program:				
FY 03 National Forest Receipts		10.655	7,476	7,476
Federal Pass-Through:				
U.S. Department of Treasury				
Major Program:				
Temporary Fiscal Relief		21.unknown	5,215,705	5,215,705
Total Alaska Department of Community and Economic Development			36,145,372	12,831,872
Alaska Department of Education and Early Development:				
Direct:				
Non-Major Programs:				
Net Lender 2003	ILC-03-713-145		23,994	23,994
Public Library Assistance	539130		37,800	16,214
Public Library Assistance	PLA-03-713-04		37,500	2,290
Total Direct Alaska Department of Education and Early Development			99,294	42,498
Federal Pass-Through:				
U.S. Department of Education:				
Non-Major Programs:				
800# Interlibrary Loan and Reference Backup 2002	ILC-03-713-93	45.310	42,845	23,997
Alaska Studies Foreign Collection	ILC-03-713-96	45.310	20,000	18,718
800# Interlibrary Loan and Reference Backup Service	539330	45.310	46,675	12,358
Library Story Packet II	539430	45.310	11,236	4,249
Collection Development – Spanish, ESL, Literacy	539730	45.310	10,000	799
Total U.S. Department of Education			130,756	60,121
Federal Pass-Through:				
U.S. Department of Health and Human Services:				
Major Programs:				
Daycare Pass II III 02	534000	93.575	13,394,818	6,727,097
Daycare Administration 02	534000	93.575	2,160,850	1,097,622
Child Care Licensing FY 02	L-03-01	93.575	917,770	379,443
Total U.S. Department of Health and Human Services			16,473,438	8,204,162
Total Alaska Department of Education and Early Development			16,703,488	8,306,781
Alaska Department of Environmental Conservation:				
Direct:				
Major Programs:				
"C" St. at Chester Creek OGS/Outfall Upgrades DPW 00-27	13044		859,392	473,584
Briarcliff-Newcomb Water Upgrade	W01-10		537,875	168,082
Eagle 5th and "F"- "E" Alley WS Upgrade	W03-02		156,776	156,776
Gardner Sydnie Kay Leslie SWR Upgrade	S03-02		226,383	154,464
Orca 17th-20th Sewer Upgrade-03	S03-01		227,855	150,058
Orca 17th-20th Water Upgrade-03	W03-03		158,071	145,035
Spenard Rd. 19th Ave. Water Upgrade	W03-04		150,691	135,471
South Addition Wbodstave R&R, Phase III	W98-05		540,375	130,770
Total Direct Major Programs			2,857,418	1,514,240
Non-Major Programs:				
Briarcliff-Newcomb Water Upgrade	W01-10		77,000	76,827
ADEC Equipment Purchases			150,000	60,311
South Addition Woodstave R&R, Phase II	W97-05		418,159	46,697

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Boston-DeBarr Intertie-DPW00	W01-01		\$ 35,523	27,238
Pump Station #2 Upgrade	S97-02		895,600	25,330
PS 10 Upgrade	S03-03		526,240	18,442
ADEC Hazmat Response Team 99			160,500	17,958
ADOT Arctic 76th-Dim Water Upgrade	W97-08		373,314	16,023
Water Master Plan Update 01	W01-05		201,000	14,776
Wastewater Master Plan Update	S02-02		136,364	13,007
Gilmore-Wilson Water Upgrade	W01-07		79,890	11,373
Peck-Wanner Water Intertie	W03-01		83,692	8,795
ADOT Ocean Dock Rd. Water Upgrade	W00-02		128,898	8,526
Wastewater External Pipe Corrosion Study	S93-08		46,475	5,709
Arctic Spur-Wes. Way Sewer Upgrade	S01-01		130,822	5,464
Folker Street Water Upgrade	W00-07		59,408	4,678
Anchorage Loop WTM Phase IV	W03-08		50,000	4,071
Water External Pipe Corrosion Study	W92-05		46,475	3,428
"C" Street Sewer Upgrade - ADOT	S98-02		115,309	3,272
"M"- "N" Alley Sewer Upgrade	S02-01		56,249	1,903
19th Norene Water Upgrade	W01-02		112,205	1,299
45th Northwood-VanB Water Upgrade	W01-08		222,779	1,017
Klatt Rd-NSH-PZ Intertie	W03-05		314,400	608
9th Ave. "L" to "P" Water Upgrade-DPW	W01-03		26,139	282
Girdwood WWTF Fac. Plan Update	S03-04		48,170	278
ADOT OSH Dimond-Dowling Upgrade	W97-03		237,072	56
SCWTF Production Study	W03-06		23,585	44
Primrose 16th Sewer Upgrade	S01-04		124,093	(2,820)
Total Non-Major Direct Programs			4,879,361	374,592
Federal Pass-Through:				
U.S. Environmental Protection Agency:				
Non-Major Programs:				
PM 2.5 Monitoring 03		66.606	37,000	34,400
PM 2.5 Monitoring 02	PM-980207-01	66.606	37,000	(183)
Total U.S. Environmental Protection Agency			74,000	34,217
Total Alaska Department of Environmental Conservation			7,810,779	1,923,049
Alaska Department of Health and Social Services:				
Direct:				
Major Programs:				
Human Services Community Matching Grant	603-04-104		760,300	564,717
Human Services Community Matching Grant	06-3679		969,757	528,498
Community Health Nursing	06-3359		884,014	431,765
Community Health Nursing	601-04-175		794,014	399,715
Family Preservation-Family Support	06-31343		308,643	178,663
Total Direct Major Programs			3,716,728	2,103,358
Non-Major Programs:				
Domestic Violence Monitor FY 03	06-3500		50,000	23,482
Domestic Violence Monitor	602-04-480		50,000	23,455
Alaska Mental Health Trust Link Program	06-3239		37,500	17,583
Total Direct Non-Major Programs			137,500	64,520
Federal Pass-Through:				
U.S. Department of Agriculture:				
Non-Major Programs:				
2004 Women, Infants, and Children Program	603-04-908	10.557	1,007,269	482,262
2003 Women, Infants, and Children Program	06-3366	10.557	982,110	477,660
Total U.S. Department of Agriculture			1,989,379	959,922

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Federal Pass-Through:				
U.S. Department of Health and Human Services:				
Non-Major Programs:				
Day Care Administration 03	604-04-900	93.558	\$ 1,005,748	507,041
Child Care Licensing FY 03	604-04-940	93.558	917,000	477,567
Bioterrorism Preparedness and Response	06-3567	93.283	599,692	433,495
Bioterrorism Preparedness and Response	06-601-04-151	93.283	569,953	202,404
Coordinated Transportation	607-04-121	93.044	478,646	179,847
AIDS Prevention	06-3384	93.940/93.977	229,500	138,910
Community Health Nursing-Immunization	06-3359	93.268	91,300	91,300
Healthy Baby 03	06-3596	93.778	150,000	84,434
Community Health Nursing – TB	06-3359	93.116	75,500	75,500
HIV Prevention	601-04-170	93.940	169,500	68,515
Community Health Nursing	601-04-175	93.268	91,300	38,023
Community Health Nursing	601-04-175	93.116	75,500	34,555
CCA Provider Close Out 03	06-4861	93.558	37,135	33,975
HIV Prevention	601-04-170	93.770	10,000	4,373
Total U.S. Department of Health and Human Services			4,500,774	2,369,939
Total Alaska Department of Health and Social Services			10,344,381	5,497,739
Alaska Department of Labor and Workforce Development:				
Direct:				
Major Program:				
State Employment and Training	734032		1,233,110	916,203
Federal Pass-Through:				
U.S. Department of Labor:				
Non-Major Programs:				
Workforce Investment Act 1B Dislocated Worker Program	EN0734001	17.260	1,363,216	952,563
Workforce Investment Act Title 1B Youth Programs	EN0734002	17.259	1,230,196	873,785
Workforce Investment Act Title 1B Adult Programs	EN0734004	17.258	1,495,688	587,342
Workforce Investment Act Title 1B Administration Funds	EN0734003	17.258/17.259/17.260	469,008	272,510
Workforce Investment Act Special PY ADJ 1998-2000		17.255/17.259	232,322	232,322
Workforce Investment Act Incentive – Adult Programs	0734127	17.255/17.259/17.260	147,005	147,005
Workforce Investment Act Step Program Close Out (53,000 State Direct Funds)		17.258/17.259/17.260/17.259	80,348	80,348
Workforce Investment Act Supervisor Training	EN0734013	17.258/17.259/17.260	24,407	15,995
Workforce Develop Incentive	725006	17.258	108,746	537
Workforce Investment Act 1B Adult Programs PY 00 Workforce Investment Act Title 1Y Youth Program	EN0725072	17.250	1,380,099	(1,643)
FY 99 JTPA IIA Adult Program	EN0715307	17.250	1,157,709	(16,831)
FY 00JTPA IIA Adult Program	EN2192142	17.250	1,381,981	(101,043)
	EN0707394	17.250	983,742	(111,279)
Total U.S. Department of Labor			10,054,467	2,931,611
Total Alaska Department of Labor and Workforce Development			11,287,577	3,847,814
Alaska Department of Public Safety:				
Direct:				
Major Program:				
FY 03 Auto Tax			5,161,320	5,161,320
Federal Pass-Through:				
U.S. Department of Justice:				
Non-Major Programs:				
Prescription Drug Enforcement	02-011	16.579	38,835	25,664
Alcohol Minors Enforcement		16.727	20,000	20,000
Prescription Fraud Enforcement	03-011	16.579	38,835	7,268
Alcohol Sales Enforcement		16.727	42,000	(383)
Total U.S. Department of Justice			139,670	52,549
Total Alaska Department of Public Safety			5,300,990	5,213,869

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Alaska Department of Revenue:				
Direct:				
Major Program:				
FY 03 Electric Co-op Allocation			\$ 955,650	955,650
Non-Major Programs:				
FY 03 Liquor Licensing			295,900	295,900
FY 03 Raw Fish			51,880	51,880
Total Non-Major Programs			347,780	347,780
Total Alaska Department of Revenue			1,303,430	1,303,430
Alaska Department of Transportation and Public Facilities:				
Direct:				
Major Programs:				
FY 03 Traffic Signal Management			1,183,000	1,183,000
TORA Anchorage/Eagle River Area Street Cleaning			406,000	406,000
Total Direct Major Programs			1,589,000	1,589,000
Non-Major Programs:				
Rehabilitate Taxiway Alpha and Interlinks	AIP-38		40,791	36,830
NPDES Storm Water Permit Application			298,704	29,153
Air Quality Public Awareness Campaign	53584		312,080	22,967
NPDES Storm Water Permit Application			298,704	10,166
NPDES Storm Water Permit Application			298,704	9,020
Rehabilitate Taxiway Charlie and Interlinks.				
Rehabilitate Apron (electrical)	AIP-35		49,667	8,073
NPDES Storm Water Permit Application			298,704	5,317
Security Improvements, Phase A-1	AIP-37		20,000	3,298
FY 00 Air Quality PM 10	53586		47,750	(405)
Household Travel Survey Grant	55214		177,000	(554)
Acquire Security Equipment	AIP-33		3,333	(2,974)
Construction Gravel/Ski Runway 3-21	AIP-34		42,000	(42,000)
Rehabilitate Primary Airport Access Road	AIP-32		53,500	(50,117)
Total Direct Non-Major Programs			1,940,937	28,774
Federal Pass-Through:				
U.S. Department of Transportation:				
Non-Major Programs:				
2003 AMATS Planning	PL-1256(13)	20.205	627,652	595,830
CMAQ Route Expansion DEMO Project	CM-0001(305)	20.205	1,405,320	527,500
Share-A-Ride CY 2003	75685	20.205	387,100	316,218
ISTEA Eklutna Bridge Replacement II	BR-0001(183) 53945	20.205	555,000	266,113
HSIP 2001 Groups 1A,1B,2,3B	HHE-0001(-226)/55729	20.205	673,000	256,569
HSIP 2001 Groups 5A	HRO-0001(-267)/55730	20.205	370,000	228,388
Campbell Creek Trail	TEA-0001(137)52520	20.205	515,000	226,424
ISTEA Ship Creek Trail – Design	TEA-0001(133)/52499	20.205	1,427,000	215,760
Victor Rd., 100th Dimond	STP-0001(232)	20.205	925,000	189,870
Transit Marketing 2003	75683	20.205	179,340	153,900
Transit Section 5303 FTA Planning	AK-80-X011-01/56428	20.505	209,116	148,397
ISTEA Chester Creek Trail Connection	CM-0001(262)55066	20.205	457,000	142,307
Transit Youth Program CY 03	56477	20.205	135,752	127,304
CMAQ PM 10 Dust Control Program		20.205	189,600	110,155
ISTEA Anchorage Areawide Trails Rehabilitation	CM-0001(240)54658	20.205	355,000	105,951
Youth At Risk Driving Enforcement	030503PT	20.600	120,000	97,630
Purchase Magnesium Chloride for PM-10	54441	20.205	195,400	89,093
Arctic Blvd., Dimond Blvd to Raspberry	STP-0001(57)/51018	20.205	945,640	88,234
ISTEA Ship Creek Trail – Right of Way	TEA-0001(133)/52499	20.205	790,000	84,328
Rockridge Rd. Upgrade TORA	54970	20.205	245,000	74,696
Public Awareness	55914	20.205	104,500	64,061
Seat Belt Enforcement 03	030309OP	20.600	72,000	52,671
CMAQ Automated Systems	CM-0001(296)	20.205	2,409,120	48,180
DUI Enforcement Blitz	030216 AL	20.600	39,500	36,817
ISTEA Bragaw St. – Construction Project Closeout	51681	20.205	36,000	36,000
DUI Enforcement Blitz	040203AL	20.600	71,500	35,750
CMAQ New Buses FFY 2002 Funds	55839	20.205	1,346,000	26,940
MCS Commercial Vehicle Enforcement 03	03-PD-001	20.218	26,495	23,177
ISTEA Wisconsin: Northern Lights to 43rd Upgrade	STP-001(59)/51034	20.205	500,000	20,037
Campbell Creek Trail Design	TEA-0001(137)52520	20.205	30,000	19,486
Seat Belt Enforcement 03	030309OP	20.600	23,250	18,688
Section 5303 FTA Planning 03		20.505	201,774	17,714
Alaska Bus and Van Rodeo		20.509	17,000	16,927

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
DUI Enforcement Blitz	AL 030216	20.600	\$ 41,000	14,363
Business Blvd. Construction	TEA-0001(130)/52519	20.205	513,000	13,705
Anchorage Share-A-Ride CY 02	74996	20.205	318,500	12,067
15th Ave. "L" to Juneau Construction	HHE-530(001)/50624	20.205	482,490	11,531
Seat Belt Enforcement	OP020322	20.600	100,000	11,302
ISTEA Northern Lights Blvd., Lake Otis to Muldoon	STP-540(4)/51754	20.205	380,000	7,378
MCS Commercial Vehicle Enforcement	02-PD-001	20.218	28,800	7,357
Regenerative Air & Mechanical Sweepers	55489	20.205	380,000	6,650
ISTEA South Coastal Trail Design	TEA-0001(126)52514	20.205	920,000	3,971
FHWA AMATS Planning Grant	PL-1256(13)	20.205	614,748	2,387
Air Quality Business Education	53583	20.205	45,000	440
ISTEA Business Boulevard Pedestrian Safety Improvements	MGS-STP-TEA-0001(130)	20.205	250,000	321
ISTEA Northern Lights Blvd. Landscaping	STP-0540(S)	20.205	45,000	210
Transit Marketing	55215	20.205	147,250	18
ISTEA Arctic Blvd.: Arctic Blvd Design AMD #4	STP-0001(57)/51018	20.205	56,000	11
ISTEA Arctic Blvd.: Raspberry to Dimond Widening	STP-0001(57)/51018	20.205	121,000	(1)
2002 Statewide Bus and Van Roadeo	AK-18-X019 RTAP	20.205	15,000	(12)
ISTEA CMAQ: Anchorage Signal System Upgrade	51100	20.205	225,000	(57)
ISTEA Eagle River Traffic Signal Modifications	CM-0558(3)	20.205	144,575	(183)
ISTEA Bragaw St. Utility Design	HRO-0001(85)/51681	20.205	54,300	(238)
ISTEA HSIP Anchorage Area Traffic Signal Modifications	STP-000S(256)	20.205	286,655	(252)
Arctic @ Dowling Right of Way	HRO-MGS-000S(309)/540	20.205	145,000	(283)
ISTEA - Bragaw Street	51681	20.205	226,159	(1,861)
Transit Youth Program CY 01	54737	20.205	97,000	(1,995)
ISTEA 15th Avenue Channelization/Signalization	HES-0530(1)/50624	20.205	212,000	(2,043)
ISTEA Arctic Blvd. Right of Way	51018	20.205	325,000	(2,767)
ISTEA 15th Ave. Safety	FA-HHE-0530(1)	20.205	4,650,000	(4,536)
Total U.S. Department of Transportation			<u>26,407,536</u>	<u>4,538,598</u>
Total Alaska Department of Transportation and Public Facilities			<u>29,937,473</u>	<u>6,156,372</u>
Alaska Division of Emergency Services:				
Direct:				
Non-Major Programs:				
OEM LEPC Grant			55,000	55,000
OEM LEPC Grant 03/04			17,900	15,124
Windstorm-MOA	1461-DR-AK		86,453	86,453
Total Direct Alaska Division of Emergency Services			<u>159,353</u>	<u>156,577</u>
Federal Pass-Through:				
U.S. Department of Homeland Security:				
Non-Major Programs:				
Hazard Mitigation Plan	PDM#2	97.047	30,000	29,610
FEMA 2002 Supplemental Certification		97.054	35,827	29,142
Total U.S. Department of Homeland Security			<u>65,827</u>	<u>58,752</u>
Federal Pass-Through:				
Federal Emergency Management Agency:				
Non-Major Programs:				
Windstorm-MOA	1461-DR-AK	83.544	259,360	259,360
FY 03 Office of Emergency Management		93.760	64,000	64,000
FEMA 2002 Supplemental Certification		83.565	173	173
Total Federal Emergency Management Agency			<u>323,533</u>	<u>323,533</u>
Total Alaska Division of Emergency Services			<u>548,713</u>	<u>538,862</u>
Alaska Energy Authority:				
Direct:				
Major Program:				
Eklutna Project Transmission	295150		19,300,000	226,095
Alaska Housing Finance Corporation:				
Direct:				
Major Programs:				
Non Weatherization Assistance Program 2003			910,303	549,015
State AHFC	WAP-03-MOA-1		2,169,599	312,855
WX Non Weatherization Assistance Program	01G11-100			
Total Direct Major Programs			<u>3,079,902</u>	<u>861,870</u>

MUNICIPALITY OF ANCHORAGE

Schedule of State Financial Assistance

Year ended December 31, 2003

State Grantor/pass-through Grantor Program Title	Grant Number	CFDA Number	Award Amount	Expenditures
Non-Major Programs:				
Supportive Housing Grant Match	GMS-02-MOA-1		\$ 150,000	88,626
Muldoon Town Center AHFC 03	MGP-03-HLB-1		250,000	27,534
AHFC Link Program	03G16-028		62,450	21,744
Total Direct Non-Major Programs			<u>462,450</u>	<u>137,904</u>
Federal Pass-Through:				
U.S. Department of Energy:				
Non-Major Programs:				
Weatherization Assistance Program 2003				
Federal DOE	WAP-03-MOA-1	81.042	386,643	233,262
WX Weatherization Assistance Program	01G11-100	81.042	652,679	115,064
Non Weatherization Assistance Program 2003 SEP	WAP-03-MOA-1	81.041	15,883	12,330
WX Non Weatherization Assistance Program	01G11-100	81.041	15,883	821
Total U.S. Department of Energy			<u>1,071,088</u>	<u>361,477</u>
Federal Pass-Through:				
U.S. Department of Health and Human Services:				
Non-Major Program:				
Non Weatherization Assistance Program 2003				
LIHEAP	WAP-03-MOA-1	93.568	370,593	370,593
Total Alaska Housing Finance Corporation			<u>4,984,033</u>	<u>1,731,844</u>
Alaska State Council on the Arts:				
Federal Pass-Through:				
National Endowment for the Arts:				
Non-Major Program:				
AKSCA Museum Season Support	030S28B	45.025	17,590	3,708
Cook Inlet Tribal Council, Inc.:				
Federal Pass-Through:				
U.S. Department of Health and Human Services:				
Non-Major Program:				
Cook Inlet Tribal Council	AFN PHS-2002-0003-00	93.230	117,005	67,567
Southcentral Foundation:				
Federal Pass-Through:				
U.S. Department of Health and Human Services:				
SouthCentral Foundation CSP 03	01-330-23-560-101	93.210	199,000	199,000
SouthCentral Foundation CSP 02	60-330-21-560-101	93.210	199,000	739
Total U.S. Department of Health and Human Services			<u>398,000</u>	<u>199,739</u>
Total Schedule of State Financial Assistance			<u>\$ 145,054,277</u>	<u>48,115,963</u>

See accompanying notes to schedule of state financial assistance.

MUNICIPALITY OF ANCHORAGE, ALASKA

Notes to Schedule of State Financial Assistance

Year ended December 31, 2003

(1) General

The accompanying Schedule of State Financial Assistance presents the activity of all state financial assistance programs of the Municipality of Anchorage, Alaska (Municipality). The Municipality's reporting entity is defined in note 1 to the Municipality's basic financial statements. State financial assistance received directly from state agencies as well as state financial assistance passed through from federal government agencies is included on the schedule.

(2) Basis of Accounting

The accompanying Schedule of State Financial Assistance is presented using the modified-accrual basis of accounting, which is described in note 1 to the Municipality's basic financial statements.

MUNICIPALITY OF ANCHORAGE
 Department of Health and Social Services
 Community Health Nursing
 Grant 06-3359
 Schedule of Expenditures - Budget and Actual
 Grant Period Ended June 30, 2003

	<u>Fiscal Year Ending December 31, 2002</u>	<u>Fiscal Year Ending December 31, 2003</u>	<u>Total Expenditures</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:					
Direct:					
Personal Services	\$ 379,913	315,189	695,102	695,102	-
Other Operating Costs	9,150	56,129	65,279	65,279	-
Total Direct	<u>389,063</u>	<u>371,318</u>	<u>760,381</u>	<u>760,381</u>	<u>-</u>
Indirect Costs:	63,186	60,447	123,633	123,633	-
Total Expenditures	<u>\$ 452,249</u>	<u>431,765</u>	<u>884,014</u>	<u>884,014</u>	<u>-</u>

accompanying independent auditors' report.

MUNICIPALITY OF ANCHORAGE

Department of Health and Social Services

Community Health Nursing

Grant 601-04-175

Schedule of Expenditures - Budget and Actual

Grant Period Ended June 30, 2004

	<u>Fiscal Year Ending December 31, 2002</u>	<u>Fiscal Year Ending December 31, 2003</u>	<u>Total Expenditures</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:					
Direct:					
Personal Services	\$ -	335,761	335,761	659,032	323,271
Other Operating Costs	-	7,994	7,994	31,760	23,766
Total Direct	-	343,755	343,755	690,792	347,037
Indirect Costs:	-	55,960	55,960	103,222	47,262
Total Expenditures	\$ -	399,715	399,715	794,014	394,299

e accompanying independent auditors' report.

MUNICIPALITY OF ANCHORAGE
 Department of Health and Social Services
 Community Health Nursing
 Grant 06-3679
 Schedule of Expenditures - Budget and Actual
 Grant Period Ended June 30, 2003

	<u>Fiscal Year Ending December 31, 2002</u>	<u>Fiscal Year Ending December 31, 2003</u>	<u>Total Expenditures</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:					
Direct:					
Personal Services	\$ -	-	-	-	-
Other Operating Costs	428,021	493,249	921,270	921,270	-
Total Direct	<u>428,021</u>	<u>493,249</u>	<u>921,270</u>	<u>921,270</u>	<u>-</u>
Indirect Costs:	13,238	35,249	48,487	48,487	-
Total Expenditures	<u>\$ 441,259</u>	<u>528,498</u>	<u>969,757</u>	<u>969,757</u>	<u>-</u>

accompanying independent auditors' report.

MUNICIPALITY OF ANCHORAGE
 Department of Health and Social Services
 Community Health Nursing
 Grant 603-04-104
 Schedule of Expenditures - Budget and Actual
 Grant Period Ended June 30, 2004

	<u>Fiscal Year Ending December 31, 2002</u>	<u>Fiscal Year Ending December 31, 2003</u>	<u>Total Expenditures</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:					
Direct:					
Personal Services	\$ -	-	-	-	-
Other Operating Costs	-	546,652	546,652	722,285	175,633
Total Direct	-	546,652	546,652	722,285	175,633
Indirect Costs:	-	18,065	18,065	38,015	19,950
Total Expenditures	\$ -	564,717	564,717	760,300	195,583

⊃ accompanying independent auditors' report.



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

**Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Basic Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska:

We have audited the basic financial statements of the Municipality of Anchorage, Alaska as of and for the year ended December 31, 2003, and have issued our report thereon dated March 31, 2004. We did not audit the financial statements of the Anchorage School District and Anchorage Historic Properties, which are discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us. Our report with respect thereto states that we did not audit the financial statements of the Anchorage School District as of June 30, 2003, the Anchorage Parking Authority as of December 31, 2003, or Anchorage Historic Properties, Inc. as of December 31, 2003, and therefore our opinion is based upon our audit and reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Municipality of Anchorage, Alaska's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

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





Honorable Members of the Municipal Assembly
Municipality of Anchorage, Alaska:

However, we noted other matters involving the internal control over financial reporting which we have reported to management of the Municipality of Anchorage in a separate letter dated March 31, 2004.

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

KPMG LLP

March 31, 2004

Section III

**Federal
Summary Schedule of Prior Year Audit Findings**

MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Expenditures of Federal Awards

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2003

For Fiscal Year Ended December 31, 2002:

No Federal Findings were reported.

Section IV

**Federal
Corrective Action Plan**

MUNICIPALITY OF ANCHORAGE, ALASKA

Schedule of Expenditures of Federal Awards

Corrective Action Plan

No Federal Findings to report.

Section V

State

Summary Schedule of Prior Year Audit Findings

MUNICIPALITY OF ANCHORAGE, ALASKA

State Financial Assistance Reports

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2003

For Fiscal Year Ended December 31, 2002:

Alaska Department of Education and Early Development

Child Care Licensing FY02 Grant (Grant Number: N/A)

Finding 2002-1

The Municipality is required to submit quarterly activity and financial reports to the State of Alaska no later than fifteen days following the end of the quarter. During 2002, the fourth quarter report was not submitted timely.

Questioned Costs - None.

Status of Finding- The Municipality has reviewed the circumstances surrounding the report submission and has implemented procedures to avoid untimely submissions in the future.

Alaska Department of Health and Social Services

Community Health Nursing Grant (Grant Number: 06-2359)

Finding 2002-2

The Municipality is required to submit quarterly activity and financial reports to the State of Alaska no later than fifteen days following the end of the quarter. During 2002, the fourth quarter report was not submitted timely.

Questioned Costs - None.

Status of Finding- The Municipality has reviewed the circumstances surrounding the report submission and has implemented procedures to avoid untimely submissions in the future.

Section VI

**State
Corrective Action Plan**

MUNICIPALITY OF ANCHORAGE, ALASKA

State Financial Assistance Reports

Corrective Action Plan

No State Findings to report.