



Municipality of Anchorage, Alaska

Single Audit Reports and Supplementary Information

Year Ended December 31, 2018

Municipality of Anchorage, Alaska

Single Audit Reports and Supplementary Information
Year Ended December 31, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements, and have issued our report thereon dated August 23, 2019. Our report included a reference to other auditors who audited the financial statements of Anchorage Police and Fire Retirement System, as described in our report on Anchorage's financial statements. The financial statements of 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.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Anchorage's internal control. Accordingly, we do not express an opinion on the effectiveness of the Anchorage's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Anchorage's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska
August 23, 2019



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

We have audited the Municipality of Anchorage, Alaska's (Anchorage) compliance with the types of compliance requirements described 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, 2018. Anchorage's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Anchorage's basic financial statements include the operations of its component unit, Anchorage School District, which received \$85,090,143 in federal awards which is not included in Anchorage's schedule of expenditures of federal awards for the year ended December 31, 2018. 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 Uniform Guidance, for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Anchorage's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Anchorage's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Anchorage's compliance.

Opinion on Each Major Federal Program

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 federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of Anchorage is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Anchorage's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Anchorage's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the 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, 2018, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements. We issued our report thereon dated August 23, 2019, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming an opinion 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, LLP

Anchorage, Alaska
August 23, 2019

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Agriculture						
Passed through Alaska Department of Health & Social Services:						
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		604-268-18001	\$ -	\$ 1,637,539	\$ 886,167
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		604-268-19001	-	1,554,619	727,990
Total CFDA 10.557				-	3,192,158	1,614,157
Passed through Alaska Department of Natural Resources - Cooperative Forestry Assistance	10.664		39769	-	249,366	8,319
Passed through Alaska Department of Commerce, Community & Economic Development - Forest Service Schools and Roads Cluster - School and Roads - Grants to States	10.665		None	-	65,778	65,778
Total Department of Agriculture				-	3,507,302	1,688,254
Department of Health & Human Services						
Medical Reserve Corps Small Grant Program	93.008	5MRCSG101005-04-00		-	3,500	2
Food and Drug Administration Research:						
FDA Envision Connect Online	93.103	R-MP-1709-05350		-	20,000	16,026
FDA Regional Food Seminar	93.103	R-T-1709-05210		-	3,000	3,000
FDA Standardization of Staff	93.103	R-SP-1709-05332		-	3,000	3,000
Total CFDA 93.103				-	26,000	22,026
NON-ACA/PPHF - Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations - Step It Up: Action Institution to Increase Walking and Walkability	93.424	SNU38OT000225-05		-	6,804	5,300

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Health & Human Services, continued:						
Passed through Alaska Department of Health & Social Services:						
Aging Cluster -						
Special Programs for the Aging, Title III, Part B Grants for Supportive Services and Senior Centers:						
Nutrition, Transportation and Support Services	93.044		607-309-18002	\$ -	\$ 414,695	\$ 163,249
Nutrition, Transportation and Support Services	93.044		607-309-19003	-	426,837	327,931
Total Aging Cluster				-	841,532	491,180
Special Programs for the Aging, Title IV and Title II, Discretionary Projects -						
Aging and Disability Resource Centers & Medicare Counseling and Outreach	93.048		607-299-18002	-	40,000	15,893
Medicare Enrollment Assistance Program -						
Aging and Disability Resource Centers & Medicare Counseling and Outreach	93.071		607-299-18002	-	10,000	3,973
Hospital Preparedness Program (HHP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements:						
Public Health Preparedness and Response for Bioterrorism	93.074		601-299-18003	-	457,650	275,413
Public Health Preparedness and Response for Bioterrorism	93.074		601-299-19003	-	455,954	200,510
Total CFDA 93.074				-	913,604	475,923
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:						
Public Health Nursing	93.116		601-289-18001	-	90,000	57,053
Public Health Nursing	93.116		601-289-19001	-	128,600	63,302
Total CFDA 93.116				-	218,600	120,355

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Health & Human Services, continued:						
Family Planning Services:						
Title X Clinical Family Planning Services	93.217		601-301-18001	\$ -	\$ 170,000	\$ 163,012
Title X Clinical Family Planning Services	93.217		601-301-19001	-	160,000	68,859
Total CFDA 93.217				-	330,000	231,871
Traumatic Brain Injury State Demonstration Grant Program -						
Aging and Disability Resource Centers & Medicare Counseling and Outreach		93.234	607-299-18002	-	4,000	1,589
TANF Cluster -						
Temporary Assistance for Needy Families:						
Teen and Unintended Pregnancy Prevention	93.558		601-285-18002	-	77,500	44,831
Teen and Unintended Pregnancy Prevention	93.558		601-285-19002	-	80,000	32,571
Total TANF Cluster				-	157,500	77,402
CCDF Cluster -						
Child Care and Development Block Grant:						
Child Care Licensing	93.575		604-260-18001	-	1,609,633	849,575
Child Care Licensing	93.575		604-260-19001	-	1,643,435	776,303
Total CCDF Cluster				-	3,253,068	1,625,878
Medicaid Cluster -						
Medical Assistance Program -						
Aging and Disability Resource Center & Short-Term Assistance and Referral Services		93.778	607-PA-164	-	107,389	152,977
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations -						
Aging and Disability Resource Centers & Medicare Counseling and Outreach		93.779	607-299-18002	-	40,000	15,893
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) -						
Public Health Nursing		93.815	601-289-18001	-	75,000	38,256

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Health & Human Services, continued:						
HIV Prevention Activities Health Department Based:						
HIV/AIDS Prevention	93.940		601-281-18004	\$ -	\$ 89,170	\$ 41,121
HIV/AIDS Prevention	93.940		601-281-19004	-	106,470	64,296
Total CFDA 93.940				-	195,640	105,417
Total Department of Health & Human Services				-	6,222,637	3,383,935
Department of Homeland Security (DHS)						
Port Security Grant Program	97.056	EMW-2015-PU-00326		-	812,459	427,302
Passed through Alaska Department of Military & Veterans Affairs:						
Emergency Management Performance Grants	97.042		20EMPG-GY18	-	177,000	77,912
Emergency Management Performance Grants	97.042		20EMPG-GY17	-	200,000	99,112
Total CFDA 97.042				-	377,000	177,024
Homeland Security Grant Program:						
2017 State Homeland Security Program	97.067		20SHSP-GY17	-	315,000	6,222
2016 State Homeland Security Program	97.067		20SHSP-GY16	-	425,960	8,700
2011 Metropolitan Medical Response System Program	97.067		11MMRS-GR34076	-	267,609	6,930
Total CFDA 97.067				-	1,008,569	21,852
Total Department of Homeland Security				-	2,198,028	626,178
Department of Housing & Urban Development						
CDBG - Entitlement Grants Cluster -						
Community Development Block Grants/Entitlement Grants:						
Community Development Block Grant 2018	14.218	B-18-MC-02-0001		-	1,726,068	144,691
Community Development Block Grant 2017	14.218	B-17-MC-02-0001		371,644	1,612,907	650,186
Community Development Block Grant 2016	14.218	B-16-MC-02-0001		162,782	1,606,172	205,904
Community Development Block Grant 2015	14.218	B-15-MC-02-0001		-	1,613,622	3,206
Community Development Block Grant 2010	14.218	B-10-MC-02-0001		-	2,036,598	11
Total CDBG - Entitlement Grants Cluster				534,426	8,595,367	1,003,998

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Housing & Urban Development, continued:						
Emergency Solutions Grant Program:						
Emergency Shelter 2017	14.231	E-18-MC-02-0001		\$ -	\$ 145,198	\$ 3,323
Emergency Shelter 2016	14.231	E-17-MC-02-0001		258	277,946	15,846
Emergency Shelter 2016	14.231	E-16-MC-02-0001		-	145,258	339
Emergency Shelter 2015	14.231	E-15-MC-02-0001		-	150,740	10
Total CFDA 14.231				258	719,142	19,518
Home Investment Partnerships Program:						
Home Investment Partnerships Agreement 2018	14.239	M-18-MC-02-0200		-	733,068	27,623
Home Investment Partnerships Agreement 2017	14.239	M-17-MC-02-0200		20,270	543,890	46,741
Home Investment Partnerships Agreement 2016	14.239	M-16-MC-02-0200		118,671	545,535	118,942
Home Investment Partnerships Agreement 2014	14.239	M-14-MC-03-0200		2,280	598,918	2,280
Home Investment Partnerships Agreement 2012	14.239	M-13-MC-03-0200		18,470	591,911	18,470
Total CFDA 14.239				159,691	3,013,322	214,056
Passed through Alaska Housing Finance Corporation:						
Moving to Work Demonstration Program -						
Elderly Case Management at Chugach View and Chugach Manor in Anchorage, Alaska	14.881		Sole Source 16-07 MOA-CSA-16-1	-	198,555	59,749
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		Sole Source 16-07 MOA-CSA-16-1	-	198,555	59,749
Housing Trust Fund						
National Housing Trust Fund	14.275		HFT-17-MOA-1	-	545,085	7,124
Total Department of Housing & Urban Development				694,375	13,270,026	1,364,194

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	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		\$ -	\$ 472,104	\$ 155,794
Passed through Alaska Department of Natural Resources:						
Historic Preservation Fund Grants-In-Aid - NAPC Forum 2018	15.904		HPF# 17016	-	4,657	3,103
Outdoor Recreation Acquisition, Development and Planning:						
Duldida Park Upgrades	15.916		02-00414	-	91,966	10,262
Jewel Lake Playground Upgrades	15.916		02-00427	-	108,427	2,440
Folker Park Improvements	15.916		02-00431	-	210,084	4,202
Dave Rose Park Upgrades	15.916		02-00433	-	696,750	13,935
Total CFDA 15.916				-	1,107,227	30,839
Passed through Alaska Department of Revenue						
Payments in Lieu of Taxes	15.226		None	-	773,625	773,625
Total Department of the Interior						
				-	2,357,613	963,361
Department of Justice						
Missing Children's Assistance - Justice and Delinquency Prevention	16.543	2016-MC-FX-K006		-	737,448	175,817
Public Safety Partnership and Community Policing Grants COPS Hiring Program 15	16.710	2015-UL-WX-0038		-	500,000	226,883
Edward Byrne Memorial Justice Assistance Grant Program:						
Justice Assistance Grant	16.738	2016-DJ-BX-1037		-	401,785	130,432
Justice Assistance Grant	16.738	2015-DJ-BX-0672		-	368,234	14,989
Total CFDA 16.738				-	770,019	145,421
Equitable Sharing Program - Federal Forfeiture Funds	16.922	None		-	2,706,127	366,858
Total Department of Justice						
				-	4,713,594	914,979

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Transportation						
Airport Improvement Program:						
Reconstruct Taxiway G	20.106	3-02-0015-077-2018		\$ -	\$ 1,486,220	\$ 141,738
Reconstruct Q Apron, Phase 7	20.106	3-02-0015-073-2018		-	10,851,564	8,819,796
Acquire Land for Approaches (Sandoval Property, 1535 Orca Street, Lot 7, Block 40, South Addition)	20.106	3-02-0015-070-2017		-	346,875	2,218
Rehabilitate Taxiway Q and Apron, Phase 6	20.106	3-02-0015-069-2017		-	7,030,000	88,556
Acquire Safety Equipment and/or Fencing, (Airport Security Fencing and Gate Improvements, Phase 4)	20.106	3-02-0015-068-2017		-	3,445,777	504,112
Install Runway 5/23 Lighting and Signage	20.106	3-02-0015-067-2016		-	656,250	43,960
Rehabilitate Taxiway Q and Apron, Phase 5	20.106	3-02-0015-066-2016		-	7,500,000	243,876
Construction Parallel Taxiway Bravo (Land Acquisition)	20.106	3-02-0015-064-2015		-	1,995,000	10,349
Replace Runway Lighting Vault	20.106	3-02-0015-060-2013		-	1,012,500	402
Acquire Snow Removal Equipment (SRE)	20.106	3-02-0015-059-2013		-	937,500	2,358
Total CFDA 20.106				-	35,261,686	9,857,365
Federal Transit Cluster:						
Federal Transit Capital Investment Grants:						
FTA 5309 Dimond Center Study	20.500	AK-55-0004		-	3,004,859	370,333
FTA 5309 Museum Intermodal Facility	20.500	AK-03-0067		-	1,457,667	11,825
2011 5309B SGR Roof Repair	20.500	AK-04-0032		-	2,400,000	66,067
Total CFDA 20.500				-	6,862,526	448,225
Federal Transit Formula Grants:						
2015 FTA CMAQ Vehicles	20.507	AK-95-X015		-	3,588,766	870,900
2015 FTA FHWA CTP Dimond Center Phase 1	20.507	AK95-X019		-	1,819,400	165,841
2014 FHWA HSIP UMED phase 4	20.507	AK-95-X014		-	1,866,542	1,260,306
2010 FTA CMAQ FTA Fleet Acq	20.507	AK-95-X007		-	6,940,911	(855,859)
2017 CMAQ-OP BSI D&E	20.507	AK-2018-005 (AK95-X023)		-	1,819,400	182,437
2014 FTA Sec 5307	20.507	AK-90-X076		-	7,424,563	272,229
2014 FTA 5307PM; ADA; BSI; MSE; IT	20.507	AK-90-X076		-	1,985,786	113,780

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Transportation						
Federal Transit Cluster, continued:						
Federal Transit Formula Grants, continued:						
FY13 5307 PM; Vans; ADA Ops; Shelter	20.507	AK-90-X070		\$ -	\$ 1,270,027	\$ 3,803
2018 FTA Sec 5307	20.507	AK-2018-009		-	3,296,000	3,296,000
2016 FTA CMAQ Service Exp & Bus Stop						
Design & Engineering	20.507	AK-2017-016 (AK95- X021)		-	2,010,437	1,542,563
Total CFDA 20.507				-	32,021,832	6,852,000
Bus and Bus Facilities Formula Program - FY17 5339 (B) Bus Storage	20.526	AK2018-013		-	1,250,000	5,325
Total Federal Transit Cluster				-	40,134,358	7,305,550
Transit Service Programs Cluster -						
Enhanced Mobility of Seniors and Individuals with Disabilities -						
2015 FTA Section 5310	20.513	AK-2016-002-00		-	166,158	166,158
Highway Planning and Construction Cluster:						
Highway Planning and Construction:						
2014 FHWA TCSP Winter City Ped	20.205	AK-26-0003		-	280,000	144,294
Passed through Alaska Department of Transportation & Public Facilities:						
AMATS: Anchorage Areawide Trails Rehabilitation	20.205		0001521/58464	-	948,750	31,218
AMATS: Bicycle Plan Implementation Project (DOT&PF Owned)	20.205		56083	-	778,900	23,236
AMATS: Bicycle Plan Implementation Project (MOA Owned)	20.205		56092	-	942,650	43,083
AMATS: Pedestrian Plan Implementation Project (DPT&PF Owned)	20.205		57574	-	469,150	17,785
AMATS: Pedestrian Plan Implementation Project (MOA Owned)	20.205		57575	-	482,738	97,967

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Transportation, continued:						
Highway Planning and Construction Cluster, continued:						
Highway Planning and Construction, continued:						
Passed through Alaska Department of Transportation & Public Facilities, continued:						
AMATS: Spenard Road Corridor Strategic Plan	20.205		59105	\$ -	\$ 273,251	\$ 67,803
AMATS: Planning 2018	20.205		AMATS 2018	-	1,340,840	1,213,916
AMATS: ASD Bike Sharing Education Trailer Program	20.205		CFHWY00018	-	128,011	1,211
Fish Creek Trail - Northwood Drive to Spenard Road (1.9 Miles)	20.205		HFHWY00083	-	760,000	760,000
AMATS: Multi-Modal Volume Counters	20.205		CFHWY00085	-	366,022	306,322
AMATS: Non-Motorized Plans Update	20.205		CFHWY00164	-	289,349	142,396
AMATS: Anchorage Areawide Trails Rehab - Benson Pathway	20.205		CFHWY00172	-	290,680	26,283
AMATS: Vision Zero Program	20.205		CFHWY00192	-	270,988	181,270
Smart Lighting Pilot Program	20.205		CFHWY00191	-	191,498	93,626
AMATS: Safe Routes to School Program	20.205		CFHWY00385	-	114,648	2,521
AMATS: Mountain View Drive Pathway Reconstruction 2017	20.205		CFHWY00259	-	300,425	16,409
AMATS: Multimodal Trip Planner & Smartphone Application	20.205		CFHWY00295	-	120,742	61,699
AMATS: Transit Marketing Program CY2016-2018	20.205		CGRMT00114	-	1,420,874	459,118
AMATS: Traffic Control Signalization CY2016-CY2018	20.205		CGRNT00093	-	910,836	371,586
AMATS: Anchorage Ridesharing CY2016	20.205		CGRNT00115	-	903,911	293,646
AMATS: Arterial Roadway Dust Control 2017-2018	20.205		CFHWY00246	-	349,264	63,182
AMATS: Air Quality Public & Business Awareness 2017-2018	20.205		CFHWY00247	-	522,631	122,209
10th Avenue Bike Boulevard between P Street & Medfra Street	20.205		HFHWY00084	-	511,000	7,968
University Lake Drive Extension (APU)	20.205		59764HPRL-HPRM-0001(407)	-	1,787,525	320,474
Anchorage Signal Electronics Upgrades	20.205		STP-000S(734)/52417	-	4,184,620	304,611
AMATS: Consolidated Municipality of Anchorage MTP Update	20.205		Z577120000	-	747,878	71,405
AMATS: Traffic Counts 2015-2016	20.205		Z589750000	-	1,268,374	179,049
AMATS: Traffic Counts 2018-2020	20.205		CFHWY00108	-	401,598	220,955
Total CFDA 20.205				-	21,357,153	5,645,242

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Department of Transportation, continued						
Highway Planning and Construction Cluster, continued -						
Federal Lands Access Program -						
AK BLM AFO 2014 (1), Campbell Airstrip Road and						
Trail Improvements						
	20.224	DTFH7016E00027		\$ -	\$ 1,700,046	\$ (191,696)
Total Highway Planning and Construction Cluster				-	23,057,199	5,453,546
Passed through Alaska Department of Transportation & Public Facilities:						
Metropolitan Transportation Planning and State and Non-Metropolitan						
Planning and Research -						
Sec 5303 FTA Planning - Alaska Community Transit Reimbursable Grant						
	20.505		2525-16-0200	-	658,323	194,465
Highway Safety Cluster:						
State and Community Highway Safety:						
APD-2018 Lifesavers Conference-Rick Steiding						
	20.600		402 PT 18-06-00(G)-4	-	2,300	2,300
Anchorage Police Department Impaired Driving Enforcement Unit						
	20.600		402 PT-19-06-FA(H)	-	1,683,000	339,982
State Community Highway Safety - FFY2017 HVE DUI Events (CIOT)						
	20.600		402 PT-17-06-00(A)-2	-	89,600	89,129
Total CFDA 20.600				-	1,774,900	431,411
National Priority Safety Programs:						
Impaired Driving Enforcement Unit						
	20.616		405d M5X-18-01-00(D)	-	1,758,200	1,084,822
FFY2018 High Visibility Enforcement - DUI Events						
	20.616		405D M5HVE-18-01-00	-	62,832	12,791
FFY2017 HVE DUI Events						
	20.616		405d M5HVE-17-01-00(A)-2	-	77,952	14,374
Total CFDA 20.616				-	1,898,984	1,111,987
Total Highway Safety Cluster				-	3,673,884	1,543,398
Total Department of Transportation				-	102,951,608	24,520,482

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of Expenditures of Federal Awards, continued
For the Year Ended December 31, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Direct Federal Grant Number	Pass-Through Entity Identifying Number	Provided to Sub- recipients	Award Amount	Total Federal Expenditures
Environmental Protection Agency						
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	01J39201		\$ -	\$ 300,000	\$ 283,537
Passed through Alaska Department of Environmental Conservation:						
Alaska Drinking Water Fund Loans - Drinking Water State Revolving Fund Cluster -						
Capitalization Grants for Drinking Water State Revolving Funds:						
Wesleyan Dr.-Checkmate to Queen Water Rehab	66.468		131151	-	3,300,000	542,569
Terminal Road Water Rehab	66.468		131581	-	1,650,000	1,268,520
East 3rd Post Road to Ingra	66.468		131561	-	720,000	553,536
Lake Otis 36th-42nd Water Rehab	66.468		130551	-	2,700,000	448,862
W 8th at L Street Upgrades	66.468		130661	-	560,000	30,011
Total Alaska Drinking Water State Revolving Fund Cluster				-	8,930,000	2,843,498
Total Environmental Protection Agency				-	9,230,000	3,127,035
Equal Employment Opportunity Commission						
FY17 Equal Employment Opportunity Cases	30.unknown	None		-	68,900	68,900
National Endowment for the Humanities						
Passed through Alaska Department of Education & Early Development:						
Ready to Read Resource Center and Early Literacy						
Grants to States:						
Outreach FY2018	45.310		ILC-18-713-02	-	109,227	60,951
Outreach FY2019	45.310		ILC-19-713-02	-	113,091	26,043
800# ILL & Reference Backup Service FY2018	45.310		ILC-18-713-01	-	52,954	26,712
800# ILL & Reference Backup Service FY2019	45.310		ILC-19-713-01	-	54,420	24,839
Total National Endowment for the Humanities				-	329,692	138,545
Total Schedule of Expenditures of Federal Awards				\$ 694,375	\$ 144,849,400	\$ 36,795,863

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, 2018

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, 2018. 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 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. At December 31, 2018, Anchorage had the following loan activities:

Program Title	Federal CFDA Number	Outstanding Receivable from Program Participants	Outstanding Payable To HUD	Current Year Expenditures
HOME Investment Partnerships Program	14.239	\$ 1,697,568	\$ -	214,056
Community Development Block Grants/ Entitlement Grants	14.218	1,062,171	-	1,003,998
Total		\$ 2,759,739	\$ -	1,218,054

Municipality of Anchorage, Alaska

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2018

Anchorage participates in Environmental Protection Agency Clean Water and Drinking Water State Revolving Funds Loan Programs administered by the State of Alaska. These loan programs provide low-interest funding for Municipalities to conduct relevant water, wastewater, and other solid waste improvement programs. The loans include both State of Alaska and federal funding. The outstanding payable balance shown here reflects the total loan balance payable. Current year drawdowns reflect the federal portion of the current year draw and is reflected on the schedule of expenditures of federal awards. At December 31, 2018, Anchorage had the following loan activities:

Program Title	Federal CFDA Number	Outstanding Payable	Current Year Federal Drawdowns
Clean Water Loan Program	66.458	\$ 90,838,002	\$ -
Drinking Water Loan Program	66.468	95,807,616	2,843,498
Total		\$ 186,645,618	\$ 2,843,498

5. Unearned Revenue by Program

Unearned revenue by federal program at December 31, 2018 are as follows:

Program Title	Federal CFDA Number	Unearned Revenue
Community Development Block Grants/ Entitlement Grants	14.218	\$ 333,980
Home Investment Partnerships Program	14.239	58,419
Edward Byrne Memorial Justice Assistance Grant Program	16.738	36,358
Airport Improvement Program	20.106	3,417
Highway Planning and Construction	20.205	49,499
Grants to States	45.310	11,654
Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	93.424	1,504
Temporary Assistance for Needy Families	93.558	7,429
Medical Assistance Program	93.778	144,827
Homeland Security Grant Program	97.067	2,310
Total Unearned Revenue		\$ 649,397



**Independent Auditor's Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report on 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

We have audited the Municipality of Anchorage, Alaska's (Anchorage) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Anchorage's major state programs for the year ended December 31, 2018. Anchorage's major state programs are identified in the accompanying Schedule of State Financial Assistance.

Anchorage's basic financial statements include the operations of its component unit, Anchorage School District, which received \$434,588,473 in state awards which is not included in the Schedule of State Financial Assistance for the year ended December 31, 2018. 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*, for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Anchorage's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *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 Anchorage's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

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, 2018.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Anchorage's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Anchorage's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Financial Assistance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

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, 2018, and the related notes to the financial statements, which collectively comprise Anchorage's basic financial statements and have issued our report thereon dated August 23, 2019, which contained unmodified opinions on those financial statements, which collectively comprise Anchorage's basic financial statements. Our report includes a reference to other auditors. 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 *State of Alaska Guide and Compliance Supplement for State Single Audits* and is not 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, LLP

Anchorage, Alaska
August 23, 2019

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Administration			
Major Program -			
FY18 Public Employees' Retirement System	None	\$ 10,291,399	\$ 10,291,399
Alaska Department of Commerce, Community & Economic Development			
Major Programs:			
2012 Port of Anchorage Expansion	12-DC-301	30,000,000	12,276,384
2013 Port of Anchorage Expansion	13-GO-001	50,000,000	5,544,237
Police Department Digital Equipment	13-DC-529	2,600,000	543,994
ARDSA - Sand Lake, Bayshore, Klatt, and Oceanview Pavement Rehabilitation	13-DC-539	3,000,000	783,045
Anchorage Museum - Alaska History Gallery Renovation	13-DC-586	5,000,000	977,672
Sullivan Arena Parking Lot Expansion and Building Upgrades	13-DC-593	5,190,000	1,206,122
100th Avenue Extension Phase II - Minnesota Drive to C Street	15-DC-005	4,500,000	668,103
Yosemite Drive Area Drainage and Road Upgrade	15-DC-034	8,000,000	769,970
Police Department Crime Prevention and Response and Equipment	19-DC-012	2,000,000	1,596,461
District 25 Residential Road Rehabilitation and Replacements	15-DC-015	2,200,000	582,265
FY 18 Community Assistance Program	None	6,095,769	6,095,769
Total Major Programs		118,585,769	31,044,022

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Commerce, Community & Economic Development, continued			
Nonmajor Programs:			
2019 Port of Anchorage	19-DC-006	\$ 20,000,000	\$ 400,000
Muldoon Community Park	11-DC-111	1,000,000	428
121st Ave Storm Drain Construction	12-DC-239	1,200,000	3,461
Birchtree/Elmore LRSA Road and Drainage	13-DC-412	750,000	6,406
South Central Law Enforcement Tactical Range - Phase II	13-DC-493	1,750,000	14,543
Turnagain Traffic and Pedestrian Safety	08-DC-447	150,000	10,294
Fire Department Station 3 Replacement	09-DC-379	6,000,000	2,000
Duben Street Upgrade - Patterson Street East to Muldoon Road	13-DC-542	3,000,000	5,945
South Anchorage Sports Park Facility	13-DC-571	2,950,000	50,010
Northeast Anchorage Traffic and Pedestrian Safety	09-DC-407	160,000	1,208
Pavement Rehab Matching Program	09-DC-414	5,000,000	198,509
13th Avenue Gateway Element Improvements	11-DC-002	100,000	14,133
Abbott Loop Traffic Calming Improvements	11-DC-007	120,000	37,442
Pavement Rehabilitation Matching Program	13-DC-598	6,000,000	221,256
Viburnum Drive - Oakwood and Burlwood Reconstruction	13-DC-613	7,600,444	(176)
Design Upgrades to Yosemite Drive	14-DC-013	1,900,000	116,975
East Anchorage Community Town Square Park Planning	14-DC-015	500,000	28,730
Fire Department Emergency Communication and Data Systems Upgrade	14-DC-017	750,000	142,645
Girdwood Volunteer Fire Department Station 41 Renovation	14-DC-020	5,750,000	6,798
Intersection Safety and Congestion Relief Matching Program	14-DC-022	1,500,000	246,218

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Commerce, Community & Economic Development, continued			
Nonmajor Programs, continued:			
Mountain View Drive Pedestrian Lighting Improvements - Taylor Street to Boniface Parkway	14-DC-024	\$ 1,000,000	\$ 19,039
Capital upgrades, repairs, and renovations to facility systems and infrastructure at Dempsey Anderson Ice Arena	15-RR-028	6,224,409	241,597
Capital upgrades, repairs, and renovations to facility systems and infrastructure at Harry J. McDonald Memorial Center	15-RR-029	3,920,887	204,190
Capital upgrades, repairs, and renovations to facility systems and infrastructure at the Anchorage Museum	15-RR-030	4,901,109	176,980
Residential pavement rehabilitation, traffic calming, and pedestrian safety upgrades in House District 19	15-RR-033	4,312,976	312,269
Pavement Rehab Matching Program (50/50) Local Match	14-DC-027	3,000,000	11,272
Southcentral Law Enforcement Tactical Range/Construction	14-DC-037	5,000,000	96,763
Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II	14-DC-039	3,000,000	1,890
Begich Middle School Lighting for Track and Field	11-DC-022	200,000	194
Fire Station #9 Remodel	11-DC-061	5,000,000	12,360
Klatt Road/Southport Drive Surface Rehabilitation - 100th Avenue to C Street	15-DC-022	1,500,000	56,209
Loussac Renovation	15-DC-023	10,000,000	15,800
Pleasant Valley Subdivision Area Road and Drainage Rehabilitation	15-DC-027	400,000	17,098
Golden View Drive Intersection and Safety Upgrades - Rabbit Creek Road to Romania Drive	11-DC-067	3,000,000	33,199

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Commerce, Community & Economic Development, continued			
Nonmajor Programs, continued:			
Pavement Rehab Matching Program	11-DC-131	\$ 5,340,500	\$ 214,062
Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II (HD 17-32)	11-DC-168	2,500,000	9,283
Traffic Calming and Pedestrian Safety	11-DC-169	350,000	305,557
Alpenglow Elementary School CCTV Security System Upgrade	12-DC-247	175,000	36,647
Kasuun Elementary School CCTV/Security System Upgrade	12-DC-285	175,000	9,598
Scenic Park Elementary School CCTV/Security System Upgrade	12-DC-312	175,000	9,598
Spring Hill Elementary School CCTV/Security System Upgrade	12-DC-317	175,000	9,598
Susitna Elementary School CCTV and Security System Upgrade	12-DC-318	175,000	8,630
Arlberg Ave Extension	12-DC-250	3,500,000	21,359
Eagle River Traffic Mitigation Artillery Road, Eagle River Road, Old Glenn Highway Interchange	12-DC-267	2,500,000	25,248
Pedestrian Safety and Rehab Matching Program	12-DC-297	250,000	1,007
Traffic Calming Safety Improvements	12-DC-321	500,000	81,908
Chugiak Volunteer Fire and Rescue Department Station #35 Replacement	12-DC-800	6,150,000	3,265
Hillside Integration Commission for Drainage and Roads	13-DC-124	100,000	2,656
Reka Drive Southside Separated Pedestrian Facility - Bragaw Street to Pine Street	13-DC-256	200,000	5,978
Fish Creek Trail - Northwood Drive to Spenard Road	13-DC-394	575,000	191,506
Hightower Road Upgrade - Alyeska Highway to Community Center	13-DC-423	795,860	(4,109)
Cordova Street Pedestrian and Traffic Safety Improvements - 3rd Avenue to 16th Avenue	13-DC-442	1,000,000	126,900

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Commerce, Community & Economic Development, continued			
Nonmajor Programs, continued:			
Mountain View Drive and McCarrey Street Intersection Safety	13-DC-460	\$ 1,100,000	\$ 74,994
Birch Road Safety Improvements - O'Malley Road to Naknek Lane	13-DC-464	1,200,000	27,035
Anchorage Football Stadium Building, Turf Replacement	13-DC-475	1,500,000	8,606
ARDSA - Abbott Loop and Taku/Campbell Area Pavement Rehabilitation	13-DC-536	3,000,000	56,465
ARDSA - Spenard and Turnagain Residential Areas Pavement Rehabilitation	13-DC-540	3,000,000	314,560
Police Department Expansion - Outdoor Storage	13-DC-565	3,800,000	5,969
Eagle River Traffic Mitigation -			
Business Boulevard to Eagle River and Artillery Road	13-DC-597	6,000,000	195,136
Dimond Boulevard Upgrade - Jodphur Road to Sand Lake Road	13-DC-608	7,500,000	7,552
27th Avenue Pedestrian Safety - Minnesota Drive to Blueberry St.	14-DC-002	500,000	1,560
78th Avenue Upgrade/Jewel Lake Road to Blackberry Street	14-DC-003	75,579	(17,061)
Campbell Creek Stormwater Mitigation	14-DC-006	340,000	242,742
Chugiak-Eagle River Parks & Recreation Audio, Video and Teleconference System	14-DC-012	75,000	2,483
Fairview Recreation Center Safety Upgrades	14-DC-016	398,000	5
Safety Upgrades and Field Repair at Papago Park	14-RR-034	100,000	9,069
Girdwood Road Service Area Road and Drainage Rehabilitation	14-DC-019	250,000	13,050
Hightower Road Upgrade - Alyeska Highway to Community Center	14-DC-021	1,300,000	4,046
Little Tree Drive/53rd Avenue Sidewalk - 56th Avenue to Trena Street	14-DC-023	600,000	684
Nunaka Valley Area Street and Pedestrian Upgrades	14-DC-025	800,000	3,478
Pioneer Drive Upgrade Muldoon Road to Resurrection Drive	14-DC-028	2,400,000	162,605

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Commerce, Community & Economic Development, continued			
Nonmajor Programs, continued:			
Senate District J Residential Pavement Rehabilitation	14-DC-033	\$ 1,000,000	\$ 23,400
Senate District L Residential Pavement Rehabilitation	14-DC-035	1,500,000	204,597
Sylvan Drive Improvements	14-DC-038	1,500,000	100
Bowman Elementary School Pedestrian Improvements (Grant Awarded to ASD, MOU with MOA)	14-DC-180	650,000	650
Pedestrian Safety Improvements on Zarvis Place	14-RR-019	55,715	755
AVAIL Alternative School Interactive Display Technology	14-DM-002	6,400	155
Fire Station Number 14 Building Renovation and Equipment Purchase and Installation	14-RR-024	98,000	7,561
Improvements and Safety Upgrades at the Intersection on Goldenview Drive from Rabbit Creek to Romania Drive	14-RR-032	3,520,064	74,593
10th Avenue Bike Boulevard - P Street to Medfra Street	15-DC-006	100,000	5,227
Boniface Parkway Pedestrian Improvements - 22nd Avenue to Debarr Road (West Side)	15-DC-010	140,000	41,623
Far North Bicentennial Park Safety Improvement	15-DC-017	100,000	190
Foothills East Subdivision Area Street Reconstruction	15-DC-018	3,000,000	19,667
Pedestrian and Student Safety	15-DC-026	250,000	14,033
Critical road improvements, safety upgrades, and drainage upgrades in House Districts 13 and 14	15-RR-019	1,786,879	270,825

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Commerce, Community & Economic Development, continued			
Nonmajor Programs, continued:			
Drainage and Flood Study in the Prospect Heights Subdivision Area	15-RR-022	\$ 100,000	\$ (3,710)
Capital upgrades, repairs, and renovations to facility systems and infrastructure at the Sullivan Arena	15-RR-026	9,119,004	4,404
Capital upgrades, repairs, and renovations to facility systems and infrastructure at Ben Boeke Ice Arena	15-RR-027	6,900,762	568
Capital upgrades, repairs, and renovations to facility systems and infrastructure at the Alaska Center for the Performing Arts	15-RR-032	539,122	103,861
Alaska Domestic Violence and Sexual Assault Program	17-RR-002	902,471	263,569
APD Patrol - Seward Hwy Between Anchorage & Indian	18-DC-010	200,000	114,694
FY18 Shared Fisheries Landing Tax	None	1,198	1,197
FY18 Shared Fisheries Business Tax	None	17,663	17,663
Total Nonmajor Programs		<u>207,702,042</u>	<u>6,042,976</u>
Total Alaska Department of Commerce, Community & Economic Development		<u>326,287,811</u>	<u>37,086,998</u>
Alaska Department of Education & Early Development			
Nonmajor Programs:			
Public Library Assistance	PLA-18-713-01	35,000	35,000
Public Library Assistance	PLA-17-713-01	34,500	36
Bilingual Storytimes	ILC-18-713-03	3,220	3,214
Total Alaska Department of Education & Early Development		<u>72,720</u>	<u>38,250</u>

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Environmental Conservation			
Nonmajor Program -			
ADEC Hazmat Team Support	2018 ADEC/HAZMAT MOU	\$ 20,000	\$ 20,000
Alaska Department of Health & Social Services			
Major Programs:			
Public Health Nursing	601-289-19001	3,076,900	1,497,112
Public Health Nursing	601-289-18001	3,076,900	1,707,529
Total Major Programs		<u>6,153,800</u>	<u>3,204,641</u>
Nonmajor Programs:			
Human Services Community Matching Grants	605-231-18001	828,548	436,433
Human Services Community Matching Grants	605-231-19001	826,231	243,592
Aging and Disability Resource Centers & Medicare Counseling and Outreach	607-299-18002	233,858	92,920
Aging and Disability Resource Center & Short-Term Assistance and Referral Services	607-PA-164	107,389	152,977
Aging and Disability Resource Centers & Medicare Counseling and Outreach	607-299-19003	200,000	59,408
Nutrition, Transportation, and Support Services	607-309-19003	227,237	174,581
Nutrition, Transportation, and Support Services	607-309-18002	240,933	94,846
Planning and Design for the Alaska Center for Treatment	C05-536-1604	374,960	130,107
Total Nonmajor Programs		<u>3,039,156</u>	<u>1,384,864</u>
Total Alaska Department of Health & Social Services		<u>9,192,956</u>	<u>4,589,505</u>

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Military & Veterans Affairs			
Nonmajor Programs:			
2018 Local Emergency Planning Committee Grant	20LEPC-GY18	\$ 19,200	\$ 19,200
2019 Local Emergency Planning Committee Grant	20LEPC-GY19	20,100	7,671
Total Alaska Department of Military & Veterans Affairs		<u>39,300</u>	<u>26,871</u>
Alaska Department of Revenue			
Major Program -			
FY 18 Telephone/Electric Cooperative Tax Revenue Sharing	None	817,526	817,526
Nonmajor Programs:			
FY 18 Liquor Licensing	None	373,100	373,100
FY18 Fish Business Shared Tax	None	53,269	53,269
Aviation Motor Fuel Program	None	20,165	20,165
Total Nonmajor Programs		<u>446,534</u>	<u>446,534</u>
Total Alaska Department of Revenue		<u>1,264,060</u>	<u>1,264,060</u>
Alaska Department of Transportation & Public Facilities			
Major Program -			
FY 18 Traffic Signal Management	None	1,923,482	1,923,482

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Department of Transportation & Public Facilities, continued			
Nonmajor Programs:			
Construction Parallel Taxiway Bravo (Land Acquisition)	CGRNT00081	\$ 66,500	\$ 345
Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements	53166	1,990,345	271,168
Chugiak Interim Pedestrian Facilities	57303	220,000	97,048
2016-2020 APDES Program (NPDES Municipal Storm Water Discharge Permit)	APDES 2016 - 2020	1,050,000	255,035
Alaska Community Transit Reimbursable Grant	2525-19-0100	110,120	110,120
Anchorage Signal Electronics Upgrades	STP-000S(734)/52417	415,380	30,237
AMATS: Air Quality Public & Business Awareness 2017-2018	CFHWY00247	54,180	12,131
AMATS: Transit Marketing Program CY2016-2018	CGRMT00114	147,757	45,574
AMATS: Anchorage Ridesharing CY2016	CGRNT00115	94,081	29,148
AMATS: Consolidated Municipality of Anchorage MTP Update	Z577120000	52,239	(2,050)
NPDES Storm Water Permit Application 2011	None	2,500,000	87,210
FY 18 TORA Anchorage/Eagle River Area Street Cleaning	None	83,064	83,064
Total Nonmajor Programs		<u>6,783,666</u>	<u>1,019,030</u>
Total Alaska Department of Transportation & Public Facilities		<u>8,707,148</u>	<u>2,942,512</u>

The accompanying notes are an integral part of this schedule.

Municipality of Anchorage, Alaska
Schedule of State Financial Assistance, continued
For the Year Ended December 31, 2018

State Grantor/ Program Title	Grant Number	Award Amount	State Share of Expenditures
Alaska Mental Health Trust Authority			
Nonmajor Programs:			
Housing & Homeless Services Coordinator (FY18)	GIFTS ID: 7365.01	\$ 187,000	\$ 95,205
Housing & Homeless Services Coordinator (FY19)	7365.02	196,500	90,258
Crisis Intervention Training - September & December (FY18)	GIFTS ID: 1427.08	42,100	29,783
Total Alaska Mental Health Trust Authority		<u>425,600</u>	<u>215,246</u>
Alaska State Troopers			
Nonmajor Program -			
SART AST Reimbursement-2018	None	70,000	50,000
Total Alaska State Troopers		<u>70,000</u>	<u>50,000</u>
Total Schedule of State Financial Assistance		<u>\$ 356,370,994</u>	<u>\$ 56,524,841</u>

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, 2018

1. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state grant activity of the Municipality of Anchorage, Alaska (Anchorage) excluding its component unit, Anchorage School District, for the year ended December 31, 2018. 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. 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. PERS On-behalf

Anchorage has recorded \$10,291,399 in PERS On-behalf payments in the schedule of state financial assistance. This represents the PERS relief payments appropriated and transferred into the plan during calendar year 2018. In the governmental fund financial statements, on-behalf revenue and expenditures have been recognized in their proportional share of on-behalf payments within the calendar year under audit. However, in the full accrual financial statements (the government-wide and enterprise fund financial statements), GASB provisions prescribe that on-behalf contributions in a special funding situation may only be recognized during the measurement period in which the plan recognizes the contributions. For the Municipality of Anchorage, the PERS plan measurement period is July 1, 2017 through June 30, 2018, creating a six-month timing difference between the cash contribution and revenue and expense recognition by Anchorage in those funds. As a result of these perspective and timing differences, amounts reported on the financial statements do not agree to the amount reported on the schedule of state financial assistance.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs for the Year Ended December 31, 2018

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	<u>X</u> no
Significant deficiency(ies) identified?	___ yes	<u>X</u> (none reported)

Noncompliance material to financial statements noted?	___ yes	<u>X</u> no
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Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified?	___ yes	<u>X</u> (none reported)

Type of auditor's report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes	<u>X</u> no
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Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
10.557	Special Supplemental Nutrition for Women, Infants, and Children	Department of Agriculture
20.106	Airport Improvement Program	Department of Transportation
20.600/ 20.616	Highway Safety Cluster	Department of Transportation
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Environmental Protection Agency

Dollar threshold used to distinguish between type A and type B programs:	\$1,103,876
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Auditee qualified as low-risk auditee?	___ yes	<u>X</u> no
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Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued for the Year Ended December 31, 2018

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? Yes none reported

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

Unmodified

Dollar threshold used to distinguish a state major program: \$500,000

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

There were no findings required to be reported in accordance with *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

Section IV - State Award Findings and Questioned Costs

Finding 2018-001

Special Tests and Provisions -Significant Deficiency in Internal Control over Compliance

State Agency: Department of Commerce, Community and Economic Development

Grant Name: ARDSA Sand Lake, Bayshore, Klatt, and Oceanview Pavement Rehabilitation

Grant Number: 13-DC-539 Award Year: 2012

Criteria:

AS 36.05.010 states a contractor or subcontractor who performs work on public construction in the state, shall pay not less than the current prevailing rates of wages. AS 36.05.040 states all contractors or subcontractors who perform work on a public construction project for the state or a political subdivision of the state shall, before Friday of every second week, file with the Department of Labor & Workforce Development a sworn affidavit for the previous reporting period, setting out in detail the number of persons employed, wages paid and other information on a form provide by the Department of Labor and Workforce Development.

Municipality of Anchorage, Alaska

Schedule of Findings and Questioned Costs, continued for the Year Ended December 31, 2018

<i>Condition:</i>	Anchorage Public Works Administration (Public Works) did not retain copies of certified payrolls required to be submitted by the contractor to the Department of Labor & Workforce Development.
<i>Questioned Costs:</i>	Unknown.
<i>Context:</i>	Auditor selected 4 time periods in which construction activities occurred and found 1 time period in which certified payrolls were not retained by Anchorage.
<i>Effect:</i>	Requirements of AS 36.05.010 could not be met. Contractors could pay wages below current prevailing rates.
<i>Cause:</i>	Public Works did not have controls in place requiring copies of certified payrolls to be obtained and retained for each period in which construction activities took place.
<i>Recommendation:</i>	We recommend Public Works develop and implement controls requiring contractors to submit certified payrolls, and for certified payrolls to be retained.
<i>Views of responsible officials:</i>	Management concurs with the finding. See corrective action plan.



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Independent Auditor's Report on Supplementary Information

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

Our audits of 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) were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is 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 audits of the basic 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, LLP

Anchorage, AK
August 23, 2019

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 HIV/AIDS Prevention
 601-281-18004
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	48,049	41,121	89,170	89,170	-
Total revenues	48,049	41,121	89,170	89,170	-
Expenditures:					
Direct costs:					
Personal services	44,200	21,123	65,323	61,147	(4,176)
Other operating costs	101	12,116	12,217	16,393	4,176
Total direct costs	44,301	33,239	77,540	77,540	-
Indirect costs	3,748	7,882	11,630	11,630	-
Total expenditures	\$ 48,049	\$ 41,121	\$ 89,170	\$ 89,170	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 HIV/AIDS Prevention
 601-281-19004
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	-	64,296	64,296	106,470	(42,174)
Total revenues	-	64,296	64,296	106,470	(42,174)
Expenditures:					
Direct costs:					
Personal services	-	43,588	43,588	78,530	34,942
Other operating costs	-	14,893	14,893	16,310	1,417
Total direct costs	-	58,481	58,481	94,840	36,359
Indirect costs	-	5,815	5,815	11,630	5,815
Total expenditures	\$ -	\$ 64,296	\$ 64,296	\$ 106,470	\$ 42,174

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Teen and Unintended Pregnancy Prevention
 601-285-18002
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	32,669	44,831	77,500	77,500	-
Total revenues	32,669	44,831	77,500	77,500	-
Expenditures:					
Direct costs:					
Personal services	24,567	26,992	51,559	51,605	46
Other operating costs	4,828	11,276	16,104	16,058	(46)
Total direct costs	29,395	38,268	67,663	67,663	-
Indirect costs	3,274	6,563	9,837	9,837	-
Total expenditures	\$ 32,669	\$ 44,831	\$ 77,500	\$ 77,500	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Teen and Unintended Pregnancy Prevention
 601-285-19001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	-	32,571	32,571	80,000	(47,429)
Total revenues	-	32,571	32,571	80,000	(47,429)
Expenditures:					
Direct costs:					
Personal services	-	25,932	25,932	56,624	30,692
Other operating costs	-	1,421	1,421	12,941	11,520
Total direct costs	-	27,353	27,353	69,565	42,212
Indirect costs	-	5,218	5,218	10,435	5,217
Total expenditures	\$ -	\$ 32,571	\$ 32,571	\$ 80,000	\$ 47,429

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Public Health Nursing
 601-289-18001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ 1,234,867	\$ 1,707,529	\$ 2,942,396	\$ 3,076,900	\$ (134,504)
Federal passed through the State of Alaska	69,691	95,309	165,000	165,000	-
Total revenues	1,304,558	1,802,838	3,107,396	3,241,900	(134,504)
Expenditures:					
Direct costs:					
Personal services	1,093,042	1,247,072	2,340,114	2,436,816	96,702
Other operating costs	50,756	311,212	361,968	377,480	15,512
Total direct costs	1,143,798	1,558,284	2,702,082	2,814,296	112,214
Indirect costs	160,760	244,554	405,314	427,604	22,290
Total expenditures	\$ 1,304,558	\$ 1,802,838	\$ 3,107,396	\$ 3,241,900	\$ 134,504

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Public Health Nursing
 601-289-19001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
State of Alaska	\$ 1,497,112	\$ 1,497,112	\$ 3,076,900	\$ (1,579,788)
Federal passed through the State of Alaska	63,302	63,302	128,600	(65,298)
Total revenues	1,560,414	1,560,414	3,205,500	(1,645,086)
Expenditures:				
Direct costs:				
Personal services	1,240,116	1,240,116	2,624,724	1,384,608
Other operating costs	111,244	111,244	162,668	51,424
Total direct costs	1,351,360	1,351,360	2,787,392	1,436,032
Indirect costs	209,054	209,054	418,108	209,054
Total expenditures	\$ 1,560,414	\$ 1,560,414	\$ 3,205,500	\$ 1,645,086

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Public Health Preparedness and Response for Bioterrorism
 601-299-18003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	182,237	275,413	457,650	457,650	-
Total revenues	182,237	275,413	457,650	457,650	-
Expenditures:					
Direct costs:					
Personal services	156,882	163,477	320,359	318,961	(1,398)
Other operating costs	7,071	70,527	77,598	78,996	1,398
Total direct costs	163,953	234,004	397,957	397,957	-
Indirect costs	18,284	41,409	59,693	59,693	-
Total expenditures	\$ 182,237	\$ 275,413	\$ 457,650	\$ 457,650	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Public Health Preparedness and Response for Bioterrorism
 601-299-19003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	-	200,510	200,510	455,954	(255,444)
Total revenues	-	200,510	200,510	455,954	(255,444)
Expenditures:					
Direct costs:					
Personal services	-	162,342	162,342	362,952	200,610
Other operating costs	-	8,432	8,432	33,530	25,098
Total direct costs	-	170,774	170,774	396,482	225,708
Indirect costs	-	29,736	29,736	59,472	29,736
Total expenditures	\$ -	\$ 200,510	\$ 200,510	\$ 455,954	\$ 255,444

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Title X Clinical Family Planning Services
 601-301-18001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	\$ -
Federal passed through the State of Alaska	6,988	163,012	170,000	170,000	-
Total revenues	6,988	163,012	170,000	170,000	-
Expenditures:					
Direct costs:					
Personal services	-	66,843	66,843	59,595	(7,248)
Other operating costs	-	82,100	82,100	88,231	6,131
Total direct costs	-	148,943	148,943	147,826	(1,117)
Indirect costs	6,988	14,069	21,057	22,174	1,117
Total expenditures	\$ 6,988	\$ 163,012	\$ 170,000	\$ 170,000	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Title X Clinical Family Planning Services
 601-301-19001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:				
State of Alaska	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	68,859	68,859	160,000	(91,141)
Total revenues	68,859	68,859	160,000	(91,141)
Expenditures:				
Direct costs:				
Personal services	47,714	47,714	97,219	49,505
Other operating costs	10,800	10,800	42,092	31,292
Total direct costs	58,514	58,514	139,311	80,797
Indirect costs	10,345	10,345	20,689	10,344
Total expenditures	\$ 68,859	\$ 68,859	\$ 160,000	\$ 91,141

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Child Care Licensing
 604-260-18001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	760,058	849,575	1,609,633	1,609,633	-
Total revenues	760,058	849,575	1,609,633	1,609,633	-
Expenditures:					
Direct costs:					
Personal services	677,679	712,902	1,390,581	1,388,923	(1,658)
Other operating costs	5,394	4,428	9,822	10,758	936
Total direct costs	683,073	717,330	1,400,403	1,399,681	(722)
Indirect costs	76,985	132,245	209,230	209,952	722
Total expenditures	\$ 760,058	\$ 849,575	\$ 1,609,633	\$ 1,609,633	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Child Care Licensing
 604-260-19001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	\$ -
Federal passed through the State of Alaska	-	776,303	776,303	1,643,435	(867,132)
Total revenues	-	776,303	776,303	1,643,435	(867,132)
Expenditures:					
Direct costs:					
Personal services	-	663,973	663,973	1,411,718	747,745
Other operating costs	-	5,150	5,150	17,356	12,206
Total direct costs	-	669,123	669,123	1,429,074	759,951
Indirect costs	-	107,180	107,180	214,361	107,181
Total expenditures	\$ -	\$ 776,303	\$ 776,303	\$ 1,643,435	\$ 867,132

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Aging and Disability Resource Centers and Medicare Counseling and Outreach
 607-299-18002
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ 140,938	\$ 92,920	\$ 233,858	\$ 233,858	\$ -
Federal passed through the State of Alaska	56,652	37,348	94,000	94,000	-
Total revenues	197,590	130,268	327,858	327,858	-
Expenditures:					
Direct costs:					
Personal services	151,632	28,129	179,761	179,670	(91)
Other operating costs	31,577	69,393	100,970	101,061	91
Total direct costs	183,209	97,522	280,731	280,731	-
Indirect costs	14,381	32,746	47,127	47,127	-
Total expenditures	\$ 197,590	\$ 130,268	\$ 327,858	\$ 327,858	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Special Supplemental Nutrition Program for Women, Infants, and Children
 604-268-18001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	748,706	886,167	1,634,873	1,637,539	(2,666)
Total revenues	748,706	886,167	1,634,873	1,637,539	(2,666)
Expenditures:					
Direct costs:					
Personal services	634,330	629,965	1,264,295	1,267,636	3,341
Other operating costs	30,929	127,629	158,558	156,312	(2,246)
Total direct costs	665,259	757,594	1,422,853	1,423,948	1,095
Indirect costs	83,447	128,573	212,020	213,591	1,571
Total expenditures	\$ 748,706	\$ 886,167	\$ 1,634,873	\$ 1,637,539	\$ 2,666

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Special Supplemental Nutrition Program for Women, Infants, and Children
 604-268-19001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ -	\$ -	\$ -	-
Federal passed through the State of Alaska	-	727,990	727,990	1,554,619	(826,629)
Total revenues	-	727,990	727,990	1,554,619	(826,629)
Expenditures:					
Direct costs:					
Personal services	-	574,380	574,380	1,237,548	663,168
Other operating costs	-	52,223	52,223	114,426	62,203
Total direct costs	-	626,603	626,603	1,351,974	725,371
Indirect costs	-	101,387	101,387	202,645	101,258
Total expenditures	\$ -	\$ 727,990	\$ 727,990	\$ 1,554,619	\$ 826,629

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Human Services Community Matching Grants
 605-231-18001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ 392,115	\$ 436,433	\$ 828,548	\$ 828,548	\$ -
Federal passed through the State of Alaska	-	-	-	-	-
Total revenues	392,115	436,433	828,548	828,548	-
Expenditures:					
Direct costs:					
Personal services	-	-	-	-	-
Other operating costs	373,894	415,199	789,093	789,093	-
Total direct costs	373,894	415,199	789,093	789,093	-
Indirect costs	18,221	21,234	39,455	39,455	-
Total expenditures	\$ 392,115	\$ 436,433	\$ 828,548	\$ 828,548	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Human Services Community Matching Grants
 605-231-19001
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ 243,592	\$ 243,592	\$ 826,231	\$ (582,639)
Federal passed through the State of Alaska	-	-	-	-	-
Total revenues	-	243,592	243,592	826,231	(582,639)
Expenditures:					
Direct costs:					
Personal services	-	-	-	-	-
Other operating costs	-	223,920	223,920	786,887	562,967
Total direct costs	-	223,920	223,920	786,887	562,967
Indirect costs	-	19,672	19,672	39,344	19,672
Total expenditures	\$ -	\$ 243,592	\$ 243,592	\$ 826,231	\$ 582,639

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Aging and Disability Resource Centers and Medicare Counseling and Outreach
 607-299-19003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ 59,408	\$ 59,408	\$ 200,000	\$ (140,592)
Federal passed through the State of Alaska	-	-	-	-	-
Total revenues	-	59,408	59,408	200,000	(140,592)
Expenditures:					
Direct costs:					
Personal services	-	41,650	41,650	160,899	119,249
Other operating costs	-	4,715	4,715	13,014	8,299
Total direct costs	-	46,365	46,365	173,913	127,548
Indirect costs	-	13,043	13,043	26,087	13,044
Total expenditures	\$ -	\$ 59,408	\$ 59,408	\$ 200,000	\$ 140,592

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Nutrition, Transportation and Support Services
 607-309-18002
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2018

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ 146,087	\$ 94,846	\$ 240,933	\$ 240,933	\$ -
Federal passed through the State of Alaska	251,446	163,249	414,695	414,695	-
Total revenues	397,533	258,095	655,628	655,628	-
Expenditures:					
Direct costs:					
Personal services	-	19,636	19,636	19,636	-
Other operating costs	384,426	238,459	622,885	622,885	-
Total direct costs	384,426	258,095	642,521	642,521	-
Indirect costs	13,107	-	13,107	13,107	-
Total expenditures	\$ 397,533	\$ 258,095	\$ 655,628	\$ 655,628	\$ -

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Nutrition, Transportation and Support Services
 607-309-19003
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:					
State of Alaska	\$ -	\$ 174,581	\$ 174,581	\$ 227,237	\$ (52,656)
Federal passed through the State of Alaska	-	327,931	327,931	426,837	(98,906)
Total revenues	-	502,512	502,512	654,074	(151,562)
Expenditures:					
Direct costs:					
Personal services	-	-	-	-	-
Other operating costs	-	488,438	488,438	640,000	151,562
Total direct costs	-	488,438	488,438	640,000	151,562
Indirect costs	-	14,074	14,074	14,074	-
Total expenditures	\$ -	\$ 502,512	\$ 502,512	\$ 654,074	\$ 151,562

See accompanying auditor's report.

MUNICIPALITY OF ANCHORAGE, ALASKA
 Department of Health and Social Services
 Planning and Design for the Alaska Center for Treatment
 C05-536-1604
 Schedule of Revenues and Expenditures - Budget and Actual
 Grant Period Ended June 30, 2019

	Fiscal Year Ending December 31, 2016	Fiscal Year Ending December 31, 2017	Fiscal Year Ending December 31, 2018	Total Actual	Budget	Variance Favorable (Unfavorable)
Revenues:						
State of Alaska	\$ 8,246	\$ 46,535	\$ 130,107	\$ 184,888	\$ 374,960	\$ (190,072)
Federal passed through the State of Alaska	-	-	-	-	-	-
Total revenues	8,246	46,535	130,107	184,888	374,960	(190,072)
Expenditures:						
Direct costs:						
Personal services	-	-	2,544	2,544	88,421	85,877
Other operating costs	-	46,535	127,563	174,098	252,452	78,354
Total direct costs	-	46,535	130,107	176,642	340,873	164,231
Indirect costs	8,246	-	-	8,246	34,087	25,841
Total expenditures	\$ 8,246	\$ 46,535	\$ 130,107	\$ 184,888	\$ 374,960	\$ 190,072

See accompanying auditor's report.

Municipality of Anchorage Response to Single Audit (Unaudited)

MUNICIPALITY OF ANCHORAGE



Office of the Chief Fiscal Officer

Phone: (907) 343-6610

Alexander Slivka, CFO

Municipality of Anchorage, Alaska

Summary Schedule of Prior Audit Findings for the Year Ended December 31, 2018

Financial Statement Findings

Finding 2017-001 **SAP Software Conversion - Internal Control over Financial Reporting - Material Weakness**

Finding The Municipality did not have in place a properly functioning ERP system. A significant number of account balances and financial statement areas were not fully adjusted, reconciled and closed until months after year end.

Status The SAP ERP system is functioning properly. We were able to provide accurate accounting data and financial reporting in a timely manner.

Finding 2017-002 **Port Inventory - Internal Control over Financial Reporting - Significant Deficiency**

Finding Management did not accurately record contributed steel sheet pile inventory in the fiscal year of the receipt. In subsequent years, management did not conduct an adequate count and measurement of inventory on hand.

Status Port Management has provided timely communication between operations and finance staff. An annual inventory of physical assets is conducted.

Finding 2017-003 **CAMA Software - Internal Control over Financial Reporting - Significant Deficiency**

Finding A properly secured Computer Assisted Mass Appraisal (CAMA) program is an integral component in providing accurate accounting data and information regarding property tax revenue. Multiple personnel with access to promote program changes into production also have access to source code in CAMA program. As a result, the CAMA program is open to potential program changes by unauthorized personnel.

Status The MOA is in the process of upgrading the CAMA program. This will resolve the password complexity issue. IT has a stringent process of upgrading source code and can quickly and easily identify any unauthorized program changes.

MUNICIPALITY OF ANCHORAGE



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Municipality of Anchorage, Alaska

Summary Schedule of Prior Audit Findings for the Year Ended December 31, 2018

Federal Award Findings and Questioned Costs

Finding 2017-004 Eligibility - Significant Deficiency in Internal control over Compliance

Finding Childcare licensing departments internal control system for the approval of the childcare license applications is not operating effectively. A childcare license application was awarded without review and approval of the childcare licensing supervisor. The department did not have in place an approved secondary reviewer to review applications in the absence of the primary reviewer.

Status The department has implemented a secondary review process. This was completed as of December 31, 2018

Finding 2017-005 Special Tests and Provisions - Noncompliance and Significant Deficiency in Internal Control over Compliance

Finding Childcare licensing department did not have an internal control system in place to ensure annual health and safety inspections occur at each licensed childcare facility and that each inspection was reviewed by the childcare licensing supervisor. The department lacked sufficient staffing to ensure all required childcare facility site inspections are reviewed.

Status The department has implemented a process to review all childcare facility site inspections. This was completed as of December 31, 2018

Finding 2017-006 Special Tests and Provisions - Significant Deficiency in Internal Control over Compliance

Finding There were no internal controls in place to ensure that all contractors submit credited payrolls to the Municipality. The department did not communicate to the contractor performing work to submit to them the weekly certified payrolls and no controls were in place to ensure certified payroll was properly submitted.

Status The Department now clearly communicates to all contractors that they must submit credited payrolls to the Municipality.

MUNICIPALITY OF ANCHORAGE



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Municipality of Anchorage, Alaska

Summary Schedule of Prior Audit Findings for the Year Ended December 31, 2018

Finding 2017-007 **Activities Allowed and Unallowed, Allowable Costs & Period of Performance - Significant Deficiency in Internal Control over Compliance**

Finding Internal controls were not in place to ensure payroll errors post- SAP implementation were correctly identified and corrected. After SAP was placed into service management identified significant errors in payroll where large number of employees were over or under paid.

Status The Municipality has acted to identify and correct payroll errors.

Finding 2017-008 **Equipment and Real Property Management - Noncompliance and Significant Deficiency in Internal Control over Compliance**

Finding Internal controls were not in place to ensure approval from the Federal Transit Authority (FTA) was received prior to disposing of assets with a fair market value greater than \$5,000 and that funds are timely returned to FTA if required.

Status The Transit Department worked with Purchasing and Controller divisions to establish a clear process to correctly identify auction proceeds that would be required to be returned to Grant funders.

MUNICIPALITY OF ANCHORAGE



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Municipality of Anchorage, Alaska

Corrective Action Plan Year Ended December 31, 2018

Finding 2018-001 **Special Tests and Provisions -Significant Deficiency in Internal Control over Compliance**

Corrective Action Plan: Public Works will develop and implement controls requiring contractors to submit certified payrolls, and for certified payrolls to be retained.

Expected Completion **December 31, 2019**
Date: