ASSEMBLY FINANCE COMMITTEE
THE CITY AND BOROUGH OF JUNEAU, ALASKA
Wednesday, March 3, 2021, 6:00 PM.
Zoom Webinar & FB Live Stream

(webinar: https://juneau.zoom.us/j/93917915176 or call 1-346-248-7799 Webinar ID: 939 1791 5176)

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

a. **February 3, 2021**

IV. ITEMS FOR ACTION

a. **Juneau School District FY21 Budget Revision #3 - Ordinance 2020-10(B)**
b. **Juneau Economic Plan Proposal**

V. ITEMS FOR DISCUSSION

a. **Annual CBJ Investment Portfolio Update - Insight Investments**
b. **Audit of FY20 Financial Statements - Elgee Rehfeld**

VI. INFORMATION ITEMS

a. **FY22 Revised Budget AFC Calendar**

VII. STAFF REPORTS

a. **Update on FY22 Budget Development**

b. **Update on A Balancing Act Budget Tool**

c. **Update on FY22 Draft Manager's Passenger Fee Proposal**

VIII. NEXT MEETING DATE

a. **April 7, 2021**

IX. SUPPLEMENTAL MATERIALS

a. **2021 Export Manufacturing Exemption**

X. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

DRAFT

City and Borough of Juneau
Minutes - Assembly Finance Committee Meeting
Wednesday, February 3, 2021, 6:00 PM

I. Call to Order

The meeting was called to order at 6:00 PM by Carole Triem, Chair.

II. Roll Call

Committee Members Participating Virtually: Mayor Beth Weldon; Carole Triem, Chair; Loren Jones; Alicia Hughes-Skandijs; Wade Bryson; Michele Bonnet Hale; Maria Gladziszewski; Greg Smith; Christine Woll

Committee Members Absent: None

Staff Present Virtually: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Jeff Rogers, Finance Director; Adrien Speegle, Budget Analyst; Rob Palmer, City Attorney; Bridget Weiss, Juneau School District (JSD) Superintendent

Others Present Virtually: Erin Walker-Tolles, Catholic Community Services Executive Director; Brian Holst, Juneau Economic Development Council (JEDC) Executive Director; Tari Stage-Harvey, Shepherd of the Valley Lutheran Church Pastor

III. APPROVAL OF MINUTES

a. The January 6, 2021 minutes were approved as presented.

Chair Triem suggested an agenda change to move Shepherd of the Valley's Safe Space for Schooling Request and the COVID-19 Emergency Loan Program topics to the beginning of the agenda. Hearing no objections, the agenda change was approved.

IV. ITEMS FOR ACTION

a. **Shepherd of the Valley – Safe Space for Schooling Request**

Mr. Rogers stated that Shepherd of the Valley has requested to retain and use the remaining unspent balance of $13,470 of their initial $70,000 appropriation of CARES Act funding. The original appropriation included an eligible expenditure period deadline of December 30, 2020, however this deadline has been extended by the Federal Government to December 31, 2021. Shepherd of the

Valley is requesting to expend the remaining balance on operating the Safe Space for Schooling program through the end of May. Resolution 2940 would amend the eligible expenditure deadline from December 30, 2020 to December 31, 2021.

Motion: by Ms. Gladziszewski to move Resolution 2940 to the full Assembly and ask for unanimous consent.

Motion passed by unanimous consent.

b. **COVID-19 Emergency Loan Program**

Mr. Holst gave an update on the COVID-19 Emergency Loan Program. As of February 3, 2021, of the 173 approved emergency loans, 24 have been fully repaid to JEDC and 149 are in the process of repayment.

Mr. Bryson questioned whether outstanding loan funds, once returned to JEDC, will be used to fund additional loans.

Mr. Holst stated that the Emergency Loan Program is closed and JEDC will not be issuing additional loans with the funds they are collecting. Per the language in Emergency Appropriation Resolution 2888(b)(am) establishing the loan program, JEDC is to return all loan payments collected to CBJ no later than December 31, 2023.

Mr. Rogers added that he has communicated with Mr. Holst about potentially returning funds to CBJ at more regular intervals rather than in one lump sum at the end of 2023. Mr. Rogers stated that he recognizes the urgency on behalf of the Assembly to repay the restricted budget reserve, however also recognizes JEDC's request to utilize the interest earned on the loan funds to support the operational cost of program administration and loan servicing.

Mr. Holst reiterated that if loan repayments were returned to CBJ immediately after collection, CBJ would earn and retain 2% investment interest, whereas JEDC is hoping to use the 2% interest earned as a way to make the program administration less financially burdensome.

Mayor Weldon suggested that JEDC return $1 million to CBJ by December 31, 2021, and return another $1 million by December 31, 2022.

Mr. Bryson stated that he believes it is in Juneau's best interest to have JEDC retain all loan repayments and retain the investment earnings until December 31, 2023, as JEDC directly supports Juneau's local economy and the funds will inevitably be repaid to CBJ in 2023.

Ms. Gladziszewski suggested that JEDC determine a dollar amount they are owed for administering the grant which CBJ could disburse to them directly rather than retaining an unknown amount of interest.

The Committee took no action on the subject during the meeting.

c. **COVID – Local Need and Federal Support**

Mr. Rogers presented an updated CBJ Allocation of CARES Act Funds pie chart on packet page 9. He stated that in addition to the $213,000 of unallocated funding remaining, there is also approximately $1.2 million available from underspent appropriations. An additional $700,000 could potentially become available if the Assembly chooses to change the funding source of the COVID-19 testing equipment to Bartlett Regional Hospital's allocation of CARES Act funds, which is being considered later in the meeting. Mr. Rogers noted that since the eligible expenditure period of the CARES Act has been extended through December 31, 2021, the Assembly may choose to reserve these remaining balances to cover eligible CBJ operational costs, which would realize a savings to the General Fund.

Referencing the memo on packet page 10 and the document on packet page 169, Mr. Rogers highlighted that additional state and federal support is being made available, including a $900 billion federal coronavirus stimulus bill signed into law on December 27, 2020, and a $1.9 trillion federal response and stimulus plan proposed by the Biden administration on January 14, 2021. Both legislation contains resources for rental assistance, direct individual payments, and supplemental unemployment insurance benefits. Additionally, the State of Alaska has been authorized to expend $200 million in federal funding for a COVID-19 housing assistance program administered by the Alaska Housing Finance Corporation.

The committee recessed at 6:53 PM.
The committee reconvened at 7:00 PM.

d. **Bartlett Regional Hospital Testing Equipment – Ordinance 2020-09(AK)**

Mr. Rogers stated that the proposed amendment to Ordinance 2020-09(AK) would shift the $700,000 cost of COVID-19 testing equipment from CBJ's CARES Act funding to Bartlett Regional Hospital's CARES Act funding. This change in funding sources would increase the unobligated funds available in CBJ's CARES Act Special Revenue Fund, and could be used to fund other programs in need.

<u>Motion</u>: by Mayor Weldon to move Ordinance 2020-09(AK) to the full Assembly for public hearing.

Minutes - Assembly Finance Committee Meeting
Wednesday, February 3, 2021, 6:00 p.m.

Motion passed by unanimous consent.

Ms. Hale suggested moving Resolution 2941 under Supplemental Materials to be the next agenda item discussed, as it functions in concert with Ordinance 2020-09(AK). Chair Triem approved the agenda change.

e. **Resolution 2941 – Individual Assistance Program Amendment**

Ms. Hale introduced Resolution 2941 amending the COVID-19 Emergency Individual Assistance program criteria. The amendment aims to lower the dollar amount awarded to grant recipients to ensure the limited available funding reaches a wider base of eligible applicants. Additionally, the grant applications would no longer be processed on a first-come, first-served basis, but instead would be processed on a need-based income prioritization.

Ms. Walker-Tolles stated that there are about 1,300 individuals who have not been determined eligible due to program funding having been fully expended. Of the applications that have not been processed for payments, 794 applicants fall into the lowest income bracket, 253 into the middle bracket, and 84 into the highest income range. Ms. Walker-Tolles emphasized that the vast majority of applicants fall into the lowest income bracket.

Motion: by Ms. Hale to amend Resolution 2941 to exclude individuals from eligibility who have received a Housing Assistance program grant award, and award all three income categories $300 per child instead of the ranked dollar value in the proposed resolution.

Motion passed by unanimous consent.

Motion: by Mayor Weldon to amend Resolution 2941 Section 1 a) to remove 'housing' in the last sentence.

Mayor Weldon withdrew the motion.

Motion: by Ms. Hale to direct Mr. Palmer to draft Resolution 2941, as amended, as a Phase 2 version of the Individual Assistance program, to be introduced and publically heard on the February 8, 2021 Assembly meeting agenda, and asked for unanimous consent.

Motion passed by unanimous consent.

Minutes - Assembly Finance Committee Meeting
Wednesday, February 3, 2021, 6:00 p.m.

f. **Remaining RALLY CARES Act Funding Request**

Mr. Rogers presented a memorandum from JSD on packet page 122. He stated that JSD was originally awarded $600,000 of CARES Act funds with an eligible expenditure period through December 30, 2020 to subsidize the cost of the RALLY program for families.

Ms. Weiss stated that when the subsidy for families expired at the end of December, many participants dropped out of the program. JSD is requesting that the eligible expenditure period of the original CARES Act appropriation be extended, and that the Assembly allow $140,000 of the unspent balance be used to continue subsidizing the cost of RALLY for families through the end of May.

<u>Motion:</u> by Mayor Weldon to allocate up to $140,000 of the remaining unspent balance of JSD's CARES Act funding appropriation to subsidize the cost of RALLY through May.

Objection by Mayor Weldon.

<u>Roll Call Vote:</u>

Ayes: Woll, Smith, Hale, Gladziszewski, Jones, Triem
Nays: Hughes-Skandijs, Bryson, Weldon

Motion passed. Six (6) Ayes, Three (3) Nays.

The committee recessed at 8:14 PM.
The committee reconvened at 8:20 PM.

g. **General Obligation Bond – Ordinance 2021-02**

Mr. Rogers stated that Juneau voters have approved two general obligation bond ordinances in recent years: one to be utilized for Centennial Hall improvements, and one to be used for updating the energy efficiency of public buildings, along with improvements to schools, parks, and streets. He elaborated on the approach for selling the bonds in the spring of 2021. Mr. Rogers outlined the proposed timing of bond legislation and sale, stating that the bond ordinance will be introduced at the February 8, 2021 Assembly meeting and publically heard on March 1, 2021. Mr. Rogers' intent is to close on the bond by mid-May.

Mr. Rogers stated that the Assembly may choose the term of the bond, directing the Committee's attention to packet pages 59 and 60 that outline options for a ten, fifteen, and twenty year debt service amortization plan.

<u>Motion:</u> by Mayor Weldon to move Ordinance 2021-02 to the full Assembly for introduction on February 8, 2021 and public hearing on March 1, 2021, at the 15-year term option, and asked for unanimous consent.

Motion passed by unanimous consent.

V. ITEMS FOR DISCUSSION

a. Remote Sales Tax – Draft Uniform Code Changes

Mr. Rogers stated that CBJ's current local sales tax code exempts the sale of goods ordered and delivered outside the borough. This exemption does not apply to the sale of services ordered and delivered outside the borough, most often pertaining to professional services such as work done by attorneys, engineers, and architects. This rift leads to the seller of a service being taxed twice, once at the point of origin and again at the point of delivery. The Alaska Remote Sellers Sales Tax Commission (ARSSTC) agrees that the Uniform Remote Sales Tax Code and local sales tax codes need to be in alignment to prevent double taxation. As the ARSSTC continues to register remote services such as Hulu, Netflix, Disney+, and HBO, it is important to ensure that Alaska-based service providers are receiving the same taxation. Mr. Rogers stated that he believes that jurisdiction where a service is being delivered has the greatest claim to the sales tax.

Mr. Rogers stated that the ARSSTC does not have the authority to direct a jurisdiction's sales tax code, however if the ARSSTC adopts the proposed changes to the Uniform Remote Sales Tax Code, CBJ will be required to amend its sales tax code to be in line with the ARSSTC's updates in order to remain a member of the ARSSTC. At this time, the ARSSTC is seeking input from local jurisdictions on the proposed changes prior to moving forward with any amendments. Mr. Rogers stated that he believes CBJ would benefit from the changes, as big service/digital providers are operating outside of the state and it would be beneficial to be able to collect remote sales tax on those services.

Mr. Rogers responded to committee questions.

b. Manager's Passenger Fee Proposal

Mr. Rogers stated that the numbers presented in the Manager's Passenger Fee Proposal are draft and are likely to change slightly before being presented again as COVID-19 regulations impacting cruise ship traffic continue to evolve. The

Minutes - Assembly Finance Committee Meeting
Wednesday, February 3, 2021, 6:00 p.m.

Passenger Fee Proposal is currently out for public comment, and will appear again before the Committee in March or April.

c. **FY22 Revised Budget AFC Calendar**

Mr. Rogers provided the Assembly with the upcoming FY22 Revised Budget AFC Calendar as an information item. The final calendar will be provided to the Committee at the March or April meeting.

VI. NEXT MEETING DATE

a. Wednesday, March 3, 2021

VII. ADJOURNMENT

The meeting was adjourned at 9:18 pm.

Presented by:	The Manager
Introduced:	February 8, 2021
Drafted by:	Finance

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-10(B)

An Ordinance Appropriating $302,929 from the Treasury for FY21 School District Operations.

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Estimated Funding Sources. This Ordinance will make the following changes to the City and Borough of Juneau School District Operating Budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

Estimated Revenue	
State Support:	$ 246,283
CBJ General Fund Support:	$ 56,646
Total Changes	**$ 302,929**

Section 3. Appropriation. The following amounts are hereby changed for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

General Operations:	$ 302,266
Quality Schools:	$ 663
Total Changes	**$ 302,929**

Section 4. Effective Date. This ordinance shall become effective immediately upon adoption.

Adopted this ________ day of ____________, 2021.

____
Beth A. Weldon, Mayor

Attest:

____
Elizabeth J. McEwen, Municipal Clerk

CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT

BOARD AGENDA ITEM

_____ INFORMATION

DEPARTMENT: ADMINISTRATIVE SERVICES 7.3

__X__ ACTION

TITLE: FY 2021 BUDGET REVISON #3 (FINAL READING)

STRATEGIC INITIATIVE:
N/A Operational

BACKGROUND
Operating Fund: The District submitted its FY 2021 OASIS report to the Alaska Department of Education & Early Development (DEED) on November 5. Duplicate students were reconciled on December 21. The reports from DEED are attached. We have decrease of 570 students under projected enrollment for this year, rounded to the nearest whole number. The initial enrollment count for intensive students matches projected.

The decrease in enrollment has triggered the Hold Harmless provision of the DEED Foundation Formula. As a result of the decreased enrollment and Hold Harmless provision, we anticipate an additional $245,620 in foundation funding and a slight increase to Quality Schools funding of $663 for a total of $246,283 in additional state funds. The City & Borough of Juneau may choose to provide an additional $56,646 for general school operations. The total of additional education funding available is $302,929.

There is also a final adjustment to PERS/TRS On-behalf as a result of corrections made during the DEED budget submission process in July 2020.

The original Juneau Community Charter School budget calculation contained a value for the proposed FY21 Legislative Operating Grant that was vetoed by the governor.

Some vacant elementary and special education teacher positions are not being filled.

The increase in HomeBRIDGE enrollment created a subsequent increase in student allocation expenditures. There is not usually a line item for this cost.

School non-personnel budgets are reduced according to reduced enrollment.

Instructional supplies and technology increase from Revision #2 are being transferred to CARES funding.

The district has procured a new accounting software vendor. Implementation will occur in FY21, so funds previously committed for this purpose can be released.

Grants and Programs: The DEED Transportation grant revenue is expected to be reduced due to the decrease in enrollment. Final DEED Transportation revenue was released in December.

The District has received additional grant funding due to the COVID-19 pandemic. A summary appears below.

FUNDING SOURCE	FY21 GRANT AMOUNT
DEED CARES GRANT	925,000
DEED CONTACT TRACING	103,000
CBJ CARES GRANT	2,953,000
TOTAL	$3,981,000

CURRENT ISSUE BEFORE THE BOARD:
Whether to approve the attached budget revision.

RECOMMENDATION:
The administration recommends approving this budget revision.

PROS/CONS:
This budget revision is an adjustment for changes in revenues and expenditures since budget revision #2 was approved.

EQUITY CONSIDERATIONS:
N/A

BUDGET IMPLICATIONS:
Recognition of changes to revenues and expenditures.

NEXT STEPS:
If approved, the administration will submit the revision to the Assembly for approval and appropriation.

MOTION: I move to approve the FY21 Budget Revision #3 as presented.

Attachments
- October 2020 Enrollment, reconciled
- FY21 ADM Foundation and Local Calc
- FY21 Budget Revision #3 – Operating Fund
- FY21 Budget Revision #3 – Grants & Programs
- DEED OASIS Update Report

FY21 October Count (reconciled) compared to Projected Enrollment

Oct 16th	K	1	2	3	4	5	6*	7	8	9	10	11	12	Subtl	Sped PK	Total	Proj.	+/- Proj.
AB	25	36	35	31	43	43								213	7	**220**	373	**-153**
GA	27	38	43	36	29	38								211	6	**217**	291	**-74**
GV	26	42	33	43	45	38								227	10	**237**	350	**-113**
HV	27	30	38	24	36	31								186	5	**191**	244	**-53**
TCLL	10	12	13	10	12	12								69	0	**69**	65	**4**
MR	31	37	35	33	49	35								220	20	**240**	311	**-71**
RB	34	40	41	39	47	36								237	13	**250**	319	**-69**
JCCS		6	12	6	11	9	8	10	7	12				81		**81**	93	**-12**
MONT	5	20	20	16	19	14	13	13	18					138	1	**139**	182	**-43**
DH							138	130	140					408		**408**	516	**-108**
FD							127	112	108					347		**347**	432	**-85**
JD										151	133	145	109	538		**538**	632	**-94**
TM										157	135	142	138	572		**572**	655	**-83**
YD/JYS										3	10	20	50	83		**83**	74	**9**
HB	38	42	34	37	28	28	30	36	38	24	29	28	18	410		**410**	35	**375**
JYC*								1		2	3	4	10	20		**20**	20	**0**
TOTAL	**223**	**303**	**304**	**275**	**319**	**284**	**316**	**302**	**311**	**349**	**310**	**339**	**325**	**3960**	**62**	**4022**	**4592**	**-570**
Projected	**344**	**374**	**346**	**326**	**361**	**318**	**366**	**335**	**361**	**377**	**323**	**366**	**335**	**4532**	**60**	**4592**		
+/- Proj	**-121**	**-71**	**-42**	**-51**	**-42**	**-34**	**-50**	**-33**	**-50**	**-28**	**-13**	**-27**	**-10**	**-572**	**2**	**-570**		

***JYC ADM set by DEED, adjusted to actual in 12th grade**

Prepared 01/06/21 after reconciliation to DEED report

Foundation and Local Funding

				PROJECTED		WITH HOLD HARMLESS	FY21+HH	FY21+HH
		FY20		FY21		FY21	less FY21 Proj	less FY20
Enrollment		**4620**		**4592**		**4021.50**	(571)	(599)
ADM (w/o Corr.)		**4590.26**		**4557**		**3612.70**	(944)	(978)
Multiplied by various school formulas								
School Adjusted ADM		5396.00		5363.48		5151.94	(212)	(244)
District Cost Factor		1.145		1.145		1.145		
		6178.42		6141.18		5898.98		
Special Needs Factor		1.2		1.2		1.2		
		7414.1		7369.42		7078.78		
CTE Factor		1.015		1.015		1.015		
		7525.31		7479.96		7184.96	$ (1,749,350)	$ (2,018,276)
Intensive Count x 13	96	1248	93	1209	93	1209	-	(231,270)
Correspondence Count x 0.90	29.75	26.78	35	31.50	408.8	367.92	1,994,971	2,022,960
District Adjusted ADM		**8800.09**		**8720.46**		**8761.88**	$ 245,621	$ (226,585)
Foundation Calculation								
Basic Need (AADM x $5930)		$ 52,184,534		$ 51,712,328		$ 51,957,948	245,620	(226,586)
Required Local Contribution		(14,508,530)		(14,916,199)		(14,916,199)	-	(407,669)
State Aid		37,676,004		36,796,129		37,041,749	245,620	(634,255)
Additional State Aid		1,016,893		-		-	-	(1,016,893)
Total State Aid		$ 38,692,897		$ 36,796,129		$ 37,041,749	**245,620**	**(1,651,148)**
Local Contribution Calculation		FTV 2018		FTV 2019		FTV 2019		
CBJ Full & True Value		5,474,917,000		5,628,754,200		5,628,754,200		
Multiplied by 2.65 mills								
Required Local Contribution		$ 14,508,530		$ 14,916,199		$ 14,916,199	**-**	**407,669**
Determination of Cap								
23% of Basic Need		12,002,443		11,893,835		11,950,328	56,493	(52,115)
23% of Quality Schools		32,384		32,091		32,244	153	(140)
23% Additional State Aid		233,885		-		-	-	(233,885)
Additional allowable local contribution		12,268,712		11,925,926		11,982,572	**56,646**	**(286,140)**
Maximum Local Appropriation (Cap)		$ 26,777,242		$ 26,842,125		$ 26,898,771	**56,646**	**121,529**
Total Foundation and Local Contribution		**$ 65,470,139**		**$ 63,638,254**		**$ 63,940,520**		
Quality Schools Grants (ADM*16)		140,801		139,527		140,190	663	(611)
Change in funding							**$ 302,929**	**$ (1,530,231)**

Prepared 01/06/2021 after duplicate count reconciliation, verified to DEED report prepared 12/18/2020

FY 2021 Operating Budget	Original Operating	Revision 1	Revision 2	Revision 3	Revised Operating
REVENUES					
State Foundation Program	36,796,100			245,600	37,041,700
Quality Schools	139,500			700	140,200
CBJ General Fund Appropriation	26,842,100			56,600	26,898,700
CBJ Restricted Fund Appropriation	-				-
PERS/TRS On-behalf	5,400,000	500,000		263,000	6,163,000
Other Revenues	727,000				727,000
OTHER FINANCIAL SOURCES					
Release of Committed Funds - Accounting Software	-			230,000	230,000
Use of fund balance	1,217,600	-	267,400	(237,400)	1,247,600
Total Funding Sources	**71,122,400**	**500,000**	**267,400**	**558,500**	**72,448,200**
	+100 rounding				
EXPENDITURES					
REQUIRED OPERATING EXPENDITURES					
Insurance: Property, Liability, etc.	995,900				995,900
Learn to Swim	50,400				50,400
Recovery of Indirect Costs	(260,000)				(260,000)
Utilities	1,966,100				1,966,100
Certificated Payment for Leave	45,000				45,000
Teacher Discretionary	50,400				50,400
Student Activities—Elementary	57,800				57,800
JSAA Professional Development	56,100				56,100
Juneau Community Charter School	1,343,300			(21,000)	1,322,300
Grants Administrator	4,800				4,800
Payments to Retirement Systems by State	5,400,000	500,000		263,000	6,163,000
Subtotal Required Operating Expenditures	**9,709,800**	**500,000**		**242,000**	**10,451,800**
ESSENTIAL EXPENDITURES					
Formula Driven Allocations					
Elementary Teachers	11,160,100			(487,800)	10,672,300
Middle School Teachers	4,685,100		30,000		4,715,100
High School Teachers	7,216,100				7,216,100
Montessori Teachers	1,273,100				1,273,100
HomeBRIDGE Teacher	54,200				54,200
HomeBRIDGE Student Allocations	-			1,000,000	1,000,000
Principals	1,650,000				1,650,000
Assistant Principals	600,000				600,000
Increased Sub Pay	77,200				77,200
Classified Staffing	3,417,300				3,417,300
Cultural Education Paraeducators	318,900				318,900
Health Services	775,000				775,000
Health Services Supplies and Support	17,400				17,400
School Non-personnel Budgets	527,800			(105,500)	422,300
Total Formual Driven Allocations	**31,772,200**	**-**	**30,000**	**406,700**	**32,208,900**
Program Based Allocations					
Special Education	16,089,800			(326,900)	15,762,900
English Learner	1,126,800				1,126,800
English Learner Supplies	13,500				13,500
Talented Enrichment Development	653,400				653,400
Talented Enrichment Supplies	15,300				15,300
Teaching and Learning District Staff and Supplies	329,500				329,500
Native Student Success Staff	99,600				99,600

FY 2021 Operating Budget	**Original Operating**	**Revision 1**	**Revision 2**	**Revision 3**	**Revised Operating**
Assessment Staff and Supplies	531,100				531,100
PowerSchool Services	29,700				29,700
Career and Technical Education Staff and Supplies	161,200				161,200
Guidance Counselor Supplies	3,500				3,500
Instructional Technology	871,500		43,000	(43,000)	871,500
Total Program Based Allocations	**19,924,900**	**-**	**43,000**	**(369,900)**	**19,598,000**
Administration					
Board of Education	73,800				73,800
Office of Superintendent	351,600				351,600
Chief of Staff and Communications	231,400				231,400
Administrative Services and Fiscal Services	1,274,900			230,000	1,504,900
Human Resources	736,300				736,300
Total Administration	**2,668,000**	**-**	**-**	**230,000**	**2,898,000**
Total Facility & Information Technology	**6,474,700**	**-**	**-**	**-**	**6,474,700**
Subtotal Essential Expenditures	**60,839,800**	**-**	**73,000**	**266,800**	**61,179,600**
DISCRETIONARY SERVICES					
Supplemental Instructional					
Instructional Supplies, Library support	232,400		194,400	(194,400)	232,400
SAT/ACT/WorkKeys	18,000				18,000
High School Credit Recovery	30,000				30,000
Total Supplemental Instructional	**280,400**	**-**	**194,400**	**(194,400)**	**280,400**
Total Staff Services	**216,800**	**-**	**-**	**-**	**216,800**
Total District Level Enrichment	**15,000**	**-**	**-**	**-**	**15,000**
Total Professional Development	**60,600**	**-**	**-**	**-**	**60,600**
Subtotal Discretionary Services	**572,800**	**-**	**194,400**	**(194,400)**	**572,800**
Total Expenditures	**71,122,400**	**500,000**	**267,400**	**314,400**	**72,204,200**
Projected Change in Fund Balance	-	-	-	244,100	244,000
Total Funding Sources	71,122,400				72,448,200
Required Expenditures	9,709,800				10,451,800
Essential Expenditures	60,839,800				61,179,600
Other Essential Expenditures	572,800				572,800
Total Operating Expenditures	71,122,400				72,204,200
Funding Sources less Expenditures	-				244,000

FY21 Grants and Program Budgets	FY21 Budget	Revision 3	FY21 Revised
REVENUES			
CBJ Restricted Fund Appropriations & CARES	2,055,100	2,953,000	5,008,100
Pupil Transportation	3,035,000	(629,400)	2,405,600
CARES	-	1,028,000	1,028,000
Other Revenues	9,435,000		9,435,000
OTHER FINANCIAL SOURCES			
Total Unassigned Fund Balance	531,000	-	531,000
Total Funding Sources	**15,056,100**	**3,351,600**	**18,407,700**
EXPENDITURES			
ESSENTIAL EXPENDITURES			
Formula Driven Allocations			
Health Services		103,000	103,000
Total Formual Driven Allocations	**855,000**	**103,000**	**958,000**
Program Based Allocations			
Instructional Technology		1,330,000	1,330,000
Total Program Based Allocations	**1,645,000**	**1,330,000**	**2,975,000**
Facility & Informational Technology			
Maintenance	-	325,000	325,000
Total Facility & Information Technology	**-**	**325,000**	**325,000**
Subtotal Essential Expenditures	**2,500,000**	**1,758,000**	**4,258,000**
DISCRETIONARY SERVICES			
Supplemental Instructional			
Instructional Supplies, Library support	-	1,073,000	1,073,000
Total Supplemental Instructional	**100,000**	**1,073,000**	**1,173,000**
Total District Level Enrichment	**52,500**	**-**	**52,500**
Total Student Activities	**1,201,500**	**-**	**1,201,500**
Targeted Assistance Programs			
Total Targeted Assistance Programs	**2,702,000**	**-**	**2,702,000**
Total Professional Development	**530,000**	**-**	**530,000**
Total Student Services	**73,000**	**-**	**73,000**
Ancilliary Services			
Pupil Transportation	3,035,000	(629,400)	2,405,600
Meal Transportation		300,000	300,000
Community Schools	395,000		395,000
Food Service	2,378,600	250,000	2,628,600
RALLY	1,515,000	600,000	2,115,000
Total Ancilliary Services	**7,323,600**	**520,600**	**7,844,200**
Subtotal Discretionary Services	**11,982,600**	**1,593,600**	**13,576,200**
Total Expenditures	**14,482,600**	**3,351,600**	**17,834,200**
Projected Ending Fund Balance	573,500	-	573,500
Total Funding Sources	15,056,100	3,351,600	18,407,700
Essential Expenditures	2,500,000	1,758,000	4,258,000
Discretionary Services	11,982,600	1,593,600	13,576,200
Total Operating Expenditures	14,482,600	3,351,600	17,834,200
Funding Sources less Expenditures	573,500	-	573,500

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Education & Early Development

Finance & Support Services
801 West 10th Street, Suite 200
P.O. Box 110500
Juneau, Alaska 99811-0500
Main: 907.465.2261
Mindy.Lobaugh@alaska.gov

TO: Superintendent

FROM: Mindy Lobaugh
School Finance Specialist

DATE: December 21, 2020

SUBJECT: FY 2021 Foundation Update – OASIS

Districts submitted FY2021 Fall OASIS data through the State Report Manager (SRM) for counting average daily membership (ADM). On November 10, 2020 each district was emailed regarding the duplicate listings, errors, or conflicts including information on how to correct the student data.

Attached is the reconciled FY2021 OASIS Update Foundation Report and the District Foundation Summary. Please note, this is not the *Closeout* Foundation Report as the impact aid vouchers continue to be applied through the end of February 2021 as well as the intensive student reviews have not yet been finalized by the Special Education (SPED) Division. This information is anticipated to be in the closeout notification of the FY2021 Foundation Entitlement that is sent mid-March 2021, along with an updated foundation payment schedule.

If the district does not agree with the Department of Education & Early Development's reconciled ADM's, a written appeal may be submitted to the department, as outlined in regulation 4 AAC 40. The appeal must provide evidence that demonstrates money to which the district is entitled to has been denied or withheld by the department; and the appeal must be postmarked no later than 30-days from the above date.

If there are any questions regarding the attached information, you may contact me at Mindy.Lobaugh@alaska.gov or at the above phone number.

Attachment: FY2021 OASIS Update Foundation Report
District Foundation Summary of Student Counts

cc: Elwin Blackwell, School Finance Manager
Business Manager

School District	$5,930 Basic Need	Minimum Required Local Effort	Eligible Federal Impact Aid Total prior to applying %	Impact AID Percent	Deductible Impact AID 90%	BSA State AID	Quality Schools	FY2021 Total State Entitlement
Alaska Gateway	9,187,290	0	356,572	100.00%	320,915	8,866,375	24,789	8,891,164
Aleutian Region	1,417,507	0	20,185	100.00%	18,167	1,399,340	3,825	1,403,165
Aleutians East	5,920,334	518,791	1,761,726	45.84%	726,818	4,674,725	15,974	4,690,699
Anchorage	436,473,203	108,008,941	14,709,937	50.01%	6,620,796	321,843,466	1,177,668	323,021,134
Annette Island	6,188,726	0	1,722,950	100.00%	1,550,655	4,638,071	16,698	4,654,769
Bering Strait	42,295,369	0	12,399,481	100.00%	11,159,533	31,135,836	114,119	31,249,955
Bristol Bay	1,962,296	969,279	63,309	54.52%	31,064	961,953	5,295	967,248
Chatham	3,340,843	0	101,313	100.00%	91,182	3,249,661	9,014	3,258,675
Chugach	4,961,512	0	4,041	100.00%	3,637	4,957,875	13,387	4,971,262
Copper River	7,007,659	0	372,637	100.00%	335,373	6,672,286	18,908	6,691,194
Cordova	4,820,675	877,505	40,220	46.26%	16,745	3,926,425	13,007	3,939,432
Craig	7,131,537	456,422	558,668	59.65%	299,921	6,375,194	19,242	6,394,436
Delta/Greely	10,254,393	0	311,927	100.00%	280,734	9,973,659	27,668	10,001,327
Denali	9,127,219	963,260	3,772	34.41%	1,168	8,162,791	24,627	8,187,418
Dillingham	6,934,898	767,188	482,191	55.39%	240,377	5,927,333	18,711	5,946,044
Fairbanks	146,502,429	30,283,537	19,399,460	61.49%	10,735,855	105,483,037	395,285	105,878,322
Galena	51,337,374	97,845	186,805	13.08%	21,991	51,217,538	138,516	51,356,054
Haines	4,198,499	1,154,820	0	71.29%	0	3,043,679	11,328	3,055,007
Hoonah	2,852,686	215,318	16,409	43.99%	6,496	2,630,872	7,697	2,638,569
Hydaburg	2,504,298	50,089	0	37.36%	0	2,454,209	6,757	2,460,966
Iditarod Area	6,372,378	0	516,635	100.00%	464,972	5,907,406	17,194	5,924,600
Juneau	51,957,948	14,916,199	0	55.48%	0	37,041,749	140,190	37,181,939
Kake	2,234,958	92,305	299,592	58.42%	157,519	1,985,134	6,030	1,991,164
Kashunamiut	6,098,649	0	2,313,849	100.00%	2,082,464	4,016,185	16,455	4,032,640
Kenai Peninsula	104,428,190	28,329,664	0	56.12%	0	76,098,526	281,762	76,380,288
Ketchikan Gateway	31,495,713	4,915,414	0	44.95%	0	26,580,299	84,980	26,665,279
Klawock	2,658,478	180,024	664,159	81.64%	487,997	1,990,457	7,173	1,997,630
Kodiak Island	33,537,115	4,492,198	2,720,734	47.65%	1,166,787	27,878,130	90,488	27,968,618
Kuspuk	8,666,161	0	2,934,557	100.00%	2,641,101	6,025,060	23,383	6,048,443
Lake & Peninsula	9,747,615	458,226	645,053	21.58%	125,282	9,164,107	26,300	9,190,407
Lower Kuskokwim	80,351,263	0	19,637,317	100.00%	17,673,585	62,677,678	216,799	62,894,477
Lower Yukon	43,741,518	0	12,660,010	100.00%	11,394,009	32,347,509	118,021	32,465,530
Mat-Su	206,050,718	32,944,658	0	52.38%	0	173,106,060	555,955	173,662,015
Nenana	11,773,481	81,065	0	73.64%	0	11,692,416	31,767	11,724,183
Nome	10,354,670	1,241,891	60,833	37.52%	20,542	9,092,237	27,938	9,120,175
North Slope	36,287,212	16,139,142	5,487,306	38.77%	1,914,686	18,233,384	97,908	18,331,292
Northwest Arctic	41,729,351	2,014,033	5,391,697	40.12%	1,946,834	37,768,484	112,592	37,881,076
Pelican *	499,543	37,094	0	98.67%	0	462,449	1,348	502,158
Petersburg	7,304,989	1,178,855	0	63.19%	0	6,126,134	19,710	6,145,844
Pribilof	1,429,130	0	697,999	100.00%	628,199	800,931	3,856	804,787
Saint Mary's	3,751,555	88,003	0	46.96%	0	3,663,552	10,122	3,673,674
Sitka	16,114,182	3,448,307	55,510	48.47%	24,215	12,641,660	43,478	12,685,138
Skagway	2,223,216	793,905	0	49.22%	0	1,429,311	5,999	1,435,310
Southeast Island	4,325,757	0	0	100.00%	0	4,325,757	11,672	4,337,429
Southwest Region	13,986,261	0	4,234,986	100.00%	3,811,487	10,174,774	37,737	10,212,511
Tanana	837,790	39,547	10,024	81.84%	7,383	790,860	2,260	793,120
Unalaska	5,593,828	1,886,365	10,545	57.40%	5,448	3,702,015	15,093	3,717,108
Valdez	9,392,053	3,993,757	6,917	44.81%	2,790	5,395,506	25,341	5,420,847
Wrangell	3,876,975	583,830	913	90.58%	744	3,292,401	10,461	3,302,862
Yakutat	1,582,717	215,360	16,795	34.49%	5,213	1,362,144	4,270	1,366,414
Yukon Flats	6,556,979	0	1,688,578	100.00%	1,519,720	5,037,259	17,692	5,054,951
Yukon/Koyukuk	30,779,902	0	1,348,552	100.00%	1,213,697	29,566,205	83,049	29,649,254
Yupiit	10,260,738	0	3,959,856	100.00%	3,563,870	6,696,868	27,685	6,724,553
Mt. Edgecumbe	4,184,030	0	0	100.00%	0	4,184,030	11,289	4,195,319
								26,027,300
TOTALS:	1,574,603,810	262,432,837	117,874,020		83,319,971	1,228,851,002	4,248,512	1,259,165,175

**Pelican's funding floor is included in the State Entitlement*

School Distr	FY2021 ADM	FY2021 Corresp. ADM	FY2021 Total ADM	Before School Size Adjust HH	School Size ADM; HH included where eligb.	District Cost Factor	Adjusted for Cost Factor	Special Needs Factor 1.20	CTE Factor 1.015	SPED Intsv.	Adjust for SPED Intsv *13.00	Students + Intensive Special Education	District Corresp 90%	District Adjusted ADM
Alaska Gatew	332.90	62.80	395.70	594.78	594.78	1.594	948.08	1,137.70	1,154.77	26	338	1,492.77	56.52	1,549.29
Aleutian Reg	24.95	-	24.95	79.20	79.20	1.939	153.57	184.28	187.04	4	52	239.04	0.00	239.04
Aleutians Eas	206.25	-	206.25	379.53	379.53	1.991	755.64	906.77	920.37	6	78	998.37	0.00	998.37
Anchorage	38,505.94	2,814.00	41,319.94	44,058.10	48,222.21	1.000	48,222.21	57,866.65	58,734.65	949	12337	71,071.65	2532.60	73,604.25
Annette Islan	313.40	-	313.40	448.94	448.94	1.338	600.68	720.82	731.63	24	312	1,043.63	0.00	1,043.63
Bering Strait	1,742.15	-	1,742.15	2,802.66	2,802.66	1.998	5,599.71	6,719.65	6,820.44	24	312	7,132.44	0.00	7,132.44
Bristol Bay	95.33	16.00	111.33	148.67	168.59	1.478	249.18	299.02	303.51	1	13	316.51	14.40	330.91
Chatham	139.50	1.00	140.50	249.55	259.16	1.576	408.44	490.13	497.48	5	65	562.48	0.90	563.38
Chugach	80.85	567.55	648.40	164.58	164.58	1.496	246.21	295.45	299.88	2	26	325.88	510.80	836.68
Copper River	268.53	141.55	410.08	444.54	495.56	1.316	652.16	782.59	794.33	20	260	1,054.33	127.40	1,181.73
Cordova	262.30	26.38	288.68	388.32	438.58	1.234	541.21	649.45	659.19	10	130	789.19	23.74	812.93
Craig	207.81	668.51	876.32	319.12	356.02	1.206	429.36	515.23	522.96	6	78	600.96	601.66	1,202.62
Delta/Greely	533.67	239.64	773.31	753.22	898.13	1.241	1,114.58	1,337.50	1,357.56	12	156	1,513.56	215.68	1,729.24
Denali	163.70	1,032.55	1,196.25	299.98	351.86	1.332	468.68	562.42	570.86	3	39	609.86	929.30	1,539.16
Dillingham	410.60	-	410.60	555.65	578.53	1.346	778.70	934.44	948.46	17	221	1,169.46	0.00	1,169.46
Fairbanks	10,338.20	933.10	11,271.30	12,662.86	14,551.60	1.070	15,570.21	18,684.25	18,964.51	377	4901	23,865.51	839.79	24,705.30
Galena	141.50	8,923.01	9,064.51	230.53	354.45	1.391	493.04	591.65	600.52	2	26	626.52	8030.71	8,657.23
Haines	201.40	63.10	264.50	310.98	365.51	1.200	438.61	526.33	534.22	9	117	651.22	56.79	708.01
Hoonah	128.89	-	128.89	213.65	213.65	1.399	298.90	358.68	364.06	9	117	481.06	0.00	481.06
Hydaburg	67.90	96.70	164.60	112.27	126.25	1.504	189.88	227.86	231.28	8	104	335.28	87.03	422.31
Iditarod Area	168.25	136.83	305.08	348.00	348.00	1.846	642.41	770.89	782.45	13	169	951.45	123.15	1,074.60
Juneau	3,612.70	408.80	4,021.50	4,419.78	5,151.95	1.145	5,898.98	7,078.78	7,184.96	93	1209	8,393.96	367.92	8,761.88
Kake	92.14	-	92.14	144.62	168.19	1.459	245.39	294.47	298.89	6	78	376.89	0.00	376.89
Kashunamiut	306.85	-	306.85	442.43	442.43	1.619	716.29	859.55	872.44	12	156	1,028.44	0.00	1,028.44
Kenai Penins	6,012.16	1,743.75	7,755.91	8,138.48	9,478.36	1.171	11,099.16	13,318.99	13,518.77	194	2522	16,040.77	1569.38	17,610.15
Ketchikan Ga	1,905.27	168.62	2,073.89	2,381.17	2,580.58	1.170	3,019.28	3,623.14	3,677.49	114	1482	5,159.49	151.76	5,311.25
Klawock	116.50	-	116.50	195.79	208.92	1.302	272.01	326.41	331.31	9	117	448.31	0.00	448.31
Kodiak Island	2,015.58	230.10	2,245.68	2,555.21	2,658.86	1.289	3,427.27	4,112.72	4,174.41	98	1274	5,448.41	207.09	5,655.50
Kuspuk	350.75	-	350.75	630.40	630.40	1.734	1,093.11	1,311.73	1,331.41	10	130	1,461.41	0.00	1,461.41
Lake & Penir	312.55	5.70	318.25	647.94	647.94	1.994	1,291.99	1,550.39	1,573.65	5	65	1,638.65	5.13	1,643.78
Lower Kusko	4,008.75	-	4,008.75	5,957.92	5,957.92	1.663	9,908.02	11,889.62	12,067.96	114	1482	13,549.96	0.00	13,549.96
Lower Yukon	2,029.69	-	2,029.69	2,978.92	2,978.92	1.861	5,543.77	6,652.52	6,752.31	48	624	7,376.31	0.00	7,376.31
Mat-Su	14,495.12	3,390.00	17,885.12	17,180.66	18,864.36	1.070	20,184.87	24,221.84	24,585.17	547	7111	31,696.17	3051.00	34,747.17
Nenana	115.00	1,685.68	1,800.68	192.84	271.40	1.338	363.13	435.76	442.30	2	26	468.30	1517.11	1,985.41
Nome	624.40	62.70	687.10	785.04	838.98	1.450	1,216.52	1,459.82	1,481.72	16	208	1,689.72	56.43	1,746.15
North Slope	1,941.95	-	1,941.95	2,680.00	2,680.00	1.791	4,799.88	5,759.86	5,846.26	21	273	6,119.26	0.00	6,119.26
Northwest Ar	1,929.59	22.96	1,952.55	2,837.91	2,837.91	1.823	5,173.51	6,208.21	6,301.33	55	715	7,016.33	20.66	7,036.99
Pelican	11.00	-	11.00	39.60	39.60	1.477	58.49	70.19	71.24	1	13	84.24	0.00	84.24
Petersburg	425.99	-	425.99	613.11	650.00	1.244	808.60	970.32	984.87	19	247	1,231.87	0.00	1,231.87
Pribilof	52.00	6.00	58.00	88.58	95.45	1.691	161.41	193.69	196.60	3	39	235.60	5.40	241.00
Saint Mary's	192.85	-	192.85	300.12	300.12	1.624	487.39	584.87	593.64	3	39	632.64	0.00	632.64
Sitka	1,065.88	77.83	1,143.71	1,352.29	1,443.72	1.195	1,725.25	2,070.30	2,101.35	42	546	2,647.35	70.05	2,717.40
Skagway	131.00	-	131.00	216.73	216.73	1.174	254.44	305.33	309.91	5	65	374.91	0.00	374.91
SE Island	145.25	0.80	146.05	300.74	357.99	1.403	502.26	602.71	611.75	9	117	728.75	0.72	729.47
Southwest Re	605.25	-	605.25	1,022.53	1,022.53	1.685	1,722.96	2,067.55	2,098.56	20	260	2,358.56	0.00	2,358.56
Tanana	29.55	-	29.55	55.07	58.97	1.786	105.32	126.38	128.28	1	13	141.28	0.00	141.28
Unalaska	386.90	-	386.90	530.05	530.05	1.441	763.80	916.56	930.31	1	13	943.31	0.00	943.31
Valdez	541.50	111.30	652.80	751.47	840.42	1.170	983.29	1,179.95	1,197.65	22	286	1,483.65	100.17	1,583.82
Wrangell	178.80	-	178.80	282.28	398.67	1.159	462.06	554.47	562.79	7	91	653.79	0.00	653.79
Yakutat	71.40	25.00	96.40	117.49	126.99	1.412	179.31	215.17	218.40	2	26	244.40	22.50	266.90
Yukon Flats	196.25	-	196.25	351.84	398.76	2.116	843.78	1,012.54	1,027.73	6	78	1,105.73	0.00	1,105.73
Yukon/Koyul	301.85	3,945.30	4,247.15	559.17	559.17	1.835	1,026.08	1,231.30	1,249.77	30	390	1,639.77	3550.77	5,190.54
Yupiit	498.90	-	498.90	793.53	793.53	1.723	1,367.25	1,640.70	1,665.31	5	65	1,730.31	0.00	1,730.31
Mt. Edgecum	372.15	-	372.15	444.59	484.75	1.195	579.28	695.14	705.57	0	0	705.57	0.00	705.57
TOTALS:	99,409.54	27,607.26	127,016.80	125,553.43	136,912.36		165,085.61	198,102.74	201,074.28	3,047	39,611	240,685.28	24,846.56	265,531.84

School District	2019 Full Values	FY2020 prior year Basic Need	.00265 x 2019 Full Value	45% of PY Basic Need	Required Minimum Local Effort [Lesser of .00265 or 45%]
Alaska Gateway	-	9,232,773	-	0	-
Aleutian Region	-	1,340,417	-	0	-
Aleutians East	195,770,298	5,677,145	518,791	2,554,715	518,791
Anchorage	40,758,090,887	443,427,610	108,008,941	199,542,425	108,008,941
Annette Island	-	5,190,648	-	0	-
Bering Strait	-	41,745,480	-	0	-
Bristol Bay	446,600,753	2,153,954	1,183,492	969,279	969,279
Chatham	-	3,520,226	-	0	-
Chugach	-	4,062,347	-	0	-
Copper River	-	6,800,702	-	0	-
Cordova	331,134,027	4,699,051	877,505	2,114,573	877,505
Craig	172,234,643	5,597,149	456,422	2,518,717	456,422
Delta/Greely	-	10,315,294	-	0	-
Denali	363,494,308	7,931,197	963,260	3,569,039	963,260
Dillingham	289,504,895	6,931,933	767,188	3,119,370	767,188
Fairbanks	11,427,749,901	150,104,430	30,283,537	67,546,994	30,283,537
Galena	36,922,615	30,232,800	97,845	13,604,760	97,845
Haines	435,781,192	3,872,527	1,154,820	1,742,637	1,154,820
Hoonah	81,252,007	2,714,220	215,318	1,221,399	215,318
Hydaburg	18,901,623	1,837,173	50,089	826,728	50,089
Iditarod Area	-	6,084,477	-	0	-
Juneau	5,628,754,202	52,184,534	14,916,199	23,483,040	14,916,199
Kake	34,832,176	2,317,622	92,305	1,042,930	92,305
Kashunamiut	-	5,525,040	-	0	-
Kenai Peninsula	10,690,439,310	106,276,452	28,329,664	47,824,403	28,329,664
Ketchikan Gateway	1,854,873,241	30,108,211	4,915,414	13,548,695	4,915,414
Klawock	67,933,467	2,930,962	180,024	1,318,933	180,024
Kodiak Island	1,695,168,901	32,644,947	4,492,198	14,690,226	4,492,198
Kuspuk	-	8,892,747	-	0	-
Lake & Peninsula	172,915,580	9,716,364	458,226	4,372,364	458,226
Lower Kuskokwim	-	80,443,593	-	0	-
Lower Yukon	-	42,716,755	-	0	-
Mat-Su	12,431,946,561	201,569,832	32,944,658	90,706,424	32,944,658
Nenana	30,590,529	9,278,375	81,065	4,175,269	81,065
Nome	468,638,188	9,981,435	1,241,891	4,491,646	1,241,891
North Slope	22,209,401,546	35,864,759	58,854,914	16,139,142	16,139,142
Northwest Arctic	760,012,531	41,317,631	2,014,033	18,592,934	2,014,033
Pelican	13,997,761	499,543	37,094	224,794	37,094
Petersburg	444,851,060	7,261,285	1,178,855	3,267,578	1,178,855
Pribilof	-	1,380,030	-	0	-
Saint Mary's	33,208,499	3,666,875	88,003	1,650,094	88,003
Sitka	1,301,247,929	15,882,023	3,448,307	7,146,910	3,448,307
Skagway	409,473,580	1,764,234	1,085,105	793,905	793,905
Southeast Island	-	5,098,495	-	0	-
Southwest Region	-	13,520,222	-	0	-
Tanana	14,923,545	1,116,145	39,547	502,265	39,547
Unalaska	711,835,683	5,955,914	1,886,365	2,680,161	1,886,365
Valdez	2,427,238,746	8,875,016	6,432,183	3,993,757	3,993,757
Wrangell	220,313,378	4,355,882	583,830	1,960,147	583,830
Yakutat	81,268,037	1,602,938	215,360	721,322	215,360
Yukon Flats	-	6,909,873	-	0	-
Yukon/Koyukuk	-	17,229,971	-	0	-
Yupiit	-	9,674,795	-	0	-
Mt. Edgecumbe	-	4,299,606	-	0	-
TOTALS:	116,261,301,599	1,534,333,659	308,092,448	562,657,575	262,432,837

School District	FY2021 Basic Need	Additional Local .002 Mills of Current F/V	23% of Basic Need + Quality Schools AADM	Additional Local Contribution [Greater of .002 or 23% subtotal]	MAXIMUM LOCAL: Required plus additional Local Contribution
Alaska Gateway	9,187,290	-	-	-	-
Aleutian Region	1,417,507	-	-	-	-
Aleutians East	5,920,334	391,541	1,365,351	1,365,351	1,884,142
Anchorage	436,473,203	81,516,182	100,659,700	100,659,700	208,668,641
Annette Island	6,188,726	-	-	-	-
Bering Strait	42,295,369	-	-	-	-
Bristol Bay	1,962,296	893,202	452,546	893,202	1,862,481
Chatham	3,340,843	-	-	-	-
Chugach	4,961,512	-	-	-	-
Copper River	7,007,659	-	-	-	-
Cordova	4,820,675	662,268	1,111,747	1,111,747	1,989,252
Craig	7,131,537	344,469	1,644,679	1,644,679	2,101,101
Delta/Greely	10,254,393	-	-	-	-
Denali	9,127,219	726,989	2,104,925	2,104,925	3,068,185
Dillingham	6,934,898	579,010	1,599,330	1,599,330	2,366,518
Fairbanks	146,502,429	22,855,500	33,786,474	33,786,474	64,070,011
Galena	51,337,374	73,845	11,839,455	11,839,455	11,937,300
Haines	4,198,499	871,562	968,260	968,260	2,123,080
Hoonah	2,852,686	162,504	657,888	657,888	873,206
Hydaburg	2,504,298	37,803	577,543	577,543	627,632
Iditarod Area	6,372,378	-	-	-	-
Juneau	51,957,948	11,257,508	11,982,572	11,982,572	26,898,771
Kake	2,234,958	69,664	515,427	515,427	607,732
Kashunamiut	6,098,649	-	-	-	-
Kenai Peninsula	104,428,190	21,380,879	24,083,289	24,083,289	52,412,953
Ketchikan Gateway	31,495,713	3,709,746	7,263,559	7,263,559	12,178,973
Klawock	2,658,478	135,867	613,100	613,100	793,124
Kodiak Island	33,537,115	3,390,338	7,734,349	7,734,349	12,226,547
Kuspuk	8,666,161	-	-	-	-
Lake & Peninsula	9,747,615	345,831	2,248,000	2,248,000	2,706,226
Lower Kuskokwim	80,351,263	-	-	-	-
Lower Yukon	43,741,518	-	-	-	-
Mat-Su	206,050,718	24,863,893	47,519,535	47,519,535	80,464,193
Nenana	11,773,481	61,181	2,715,207	2,715,207	2,796,272
Nome	10,354,670	937,276	2,388,000	2,388,000	3,629,891
North Slope	36,287,212	44,418,803	8,368,578	44,418,803	60,557,945
Northwest Arctic	41,729,351	1,520,025	9,623,647	9,623,647	11,637,680
Pelican	499,543	27,996	115,205	115,205	152,299
Petersburg	7,304,989	889,702	1,684,681	1,684,681	2,863,536
Pribilof	1,429,130	-	-	-	-
Saint Mary's	3,751,555	66,417	865,186	865,186	953,189
Sitka	16,114,182	2,602,496	3,716,262	3,716,262	7,164,569
Skagway	2,223,216	818,947	512,719	818,947	1,612,852
Southeast Island	4,325,757	-	-	-	-
Southwest Region	13,986,261	-	-	-	-
Tanana	837,790	29,847	193,212	193,212	232,759
Unalaska	5,593,828	1,423,671	1,290,052	1,423,671	3,310,036
Valdez	9,392,053	4,854,477	2,166,001	4,854,477	8,848,234
Wrangell	3,876,975	440,627	894,110	894,110	1,477,940
Yakutat	1,582,717	162,536	365,007	365,007	580,367
Yukon Flats	6,556,979	-	-	-	-
Yukon/Koyukuk	30,779,902	-	-	-	-
Yupiit	10,260,738	-	-	-	-
Mt. Edgecumbe	4,184,030	-	-	-	-
TOTALS:	1,574,603,810	232,522,602	293,625,596	333,244,800	595,677,637

Schedule A: 23% of Basic Need + Quality Schools.

School District	Required Local	FY2021 Basic Need	AADM Quality Schools grant x 23%	23% of Basic Need + Grants issued on AADM
Alaska Gateway	-	9,187,290	-	-
Aleutian Region	-	1,417,507	-	-
Aleutians East	518,791	5,920,334	15,974	1,365,351
Anchorage	108,008,941	436,473,203	1,177,668	100,659,700
Annette Island	-	6,188,726	-	-
Bering Strait	-	42,295,369	-	-
Bristol Bay	969,279	1,962,296	5,295	452,546
Chatham	-	3,340,843	-	-
Chugach	-	4,961,512	-	-
Copper River	-	7,007,659	-	-
Cordova	877,505	4,820,675	13,007	1,111,747
Craig	456,422	7,131,537	19,242	1,644,679
Delta/Greely	-	10,254,393	-	-
Denali	963,260	9,127,219	24,627	2,104,925
Dillingham	767,188	6,934,898	18,711	1,599,330
Fairbanks	30,283,537	146,502,429	395,285	33,786,474
Galena	97,845	51,337,374	138,516	11,839,455
Haines	1,154,820	4,198,499	11,328	968,260
Hoonah	215,318	2,852,686	7,697	657,888
Hydaburg	50,089	2,504,298	6,757	577,543
Iditarod Area	-	6,372,378	-	-
Juneau	14,916,199	51,957,948	140,190	11,982,572
Kake	92,305	2,234,958	6,030	515,427
Kashunamiut	-	6,098,649	-	-
Kenai Peninsula	28,329,664	104,428,190	281,762	24,083,289
Ketchikan Gateway	4,915,414	31,495,713	84,980	7,263,559
Klawock	180,024	2,658,478	7,173	613,100
Kodiak Island	4,492,198	33,537,115	90,488	7,734,349
Kuspuk	-	8,666,161	-	-
Lake & Peninsula	458,226	9,747,615	26,300	2,248,000
Lower Kuskokwim	-	80,351,263	-	-
Lower Yukon	-	43,741,518	-	-
Mat-Su	32,944,658	206,050,718	555,955	47,519,535
Nenana	81,065	11,773,481	31,767	2,715,207
Nome	1,241,891	10,354,670	27,938	2,388,000
North Slope	16,139,142	36,287,212	97,908	8,368,578
Northwest Arctic	2,014,033	41,729,351	112,592	9,623,647
Pelican	37,094	499,543	1,348	115,205
Petersburg	1,178,855	7,304,989	19,710	1,684,681
Pribilof	-	1,429,130	-	-
Saint Mary's	88,003	3,751,555	10,122	865,186
Sitka	3,448,307	16,114,182	43,478	3,716,262
Skagway	793,905	2,223,216	5,999	512,719
Southeast Island	-	4,325,757	-	-
Southwest Region	-	13,986,261	-	-
Tanana	39,547	837,790	2,260	193,212
Unalaska	1,886,365	5,593,828	15,093	1,290,052
Valdez	3,993,757	9,392,053	25,341	2,166,001
Wrangell	583,830	3,876,975	10,461	894,110
Yakutat	215,360	1,582,717	4,270	365,007
Yukon Flats	-	6,556,979	-	-
Yukon/Koyukuk	-	30,779,902	-	-
Yupiit	-	10,260,738	-	-
Mt. Edgecumbe	-	4,184,030	-	-
TOTALS:	262,432,837	1,574,603,810	3,435,272	293,625,596

District Foundation Summary

Fall 2020 OASIS Collection from State Report Manager

School Year 2020-2021

Prepared 12/18/2020

	Certified/Submitted SRM Data as of 11/6/2020				Reconciled/Processed OASIS Data as of 12/18/2020				Change
	Elementary (PK-6)	Secondary (7-12)	Total (PK-12)	Intensive	Elementary (PK-6)	Secondary (7-12)	Total (PK-12)	Intensive*	in ADM
Juneau Borough School District									
Auke Bay Elementary (220010)	219.60	0.00	219.60	4	220.35		220.35	4.00	0.75
Dzantik'i Heeni Middle School (220020)	137.75	270.00	407.75	9	137.75	270.00	407.75	9.00	0.00
Floyd Dryden Middle School (220030)	127.20	223.75	350.95	3	127.20	219.75	346.95	3.00	(4.00)
Harborview Elementary (220060)	260.50	0.00	260.50	13	260.50		260.50	13.00	0.00
HomeBRIDGE (228010)	236.80	173.00	409.80	4	236.80	172.00	408.80	4.00	(1.00)
Johnson Youth Center (227020)	0.00	16.15	16.15	0		20.00	20.00		3.85
Juneau Community Charter School (229010)	62.35	18.65	81.00	0	62.35	18.65	81.00		0.00
Juneau-Douglas High School: Yadaa.at Kalé (220070)	0.00	538.45	538.45	8		538.45	538.45	8.00	0.00
Mendenhall River Community School (220140)	240.46	0.00	240.46	17	239.96		239.96	17.00	(0.50)
Montessori Borealis Public Alternative School (227030)	108.00	31.00	139.00	1	107.60	31.00	138.60	1.00	(0.40)
Riverbend Elementary (220100)	250.25	0.00	250.25	16	250.10		250.10	16.00	(0.15)
Sayéik: Gastineau Community School (220040)	218.00	0.00	218.00	2	217.05		217.05	2.00	(0.95)
Sít' Eetí Shaanáx̱ - Glacier Valley Elementary (220050)	238.15	0.00	238.15	1	236.75		236.75	1.00	(1.40)
Thunder Mountain High School (220150)	0.00	572.34	572.34	15		572.34	572.34	15.00	0.00
Yaakoosge Daakahidi Alt. H.S. (227010)	0.00	82.90	82.90	0		82.90	82.90		0.00
Total	2099.06	1926.24	4025.30	93	2,096.41	1,925.09	4,021.50	93.00	(3.80)

**Intensives are reviewed separately and have not been updated.*

McKINLEY RESEARCH
GROUP, LLC
Formerly McDowell Group

9360 Glacier Highway, Suite 201
Juneau, AK 99801

January 29, 2021

Mila Cosgrove
Deputy City Manager
City and Borough of Juneau

Sent via email: Mila.Cosgrove@juneau.org

Dear Ms. Cosgrove:

Please consider this letter McKinley Research Group's professional services proposal to update key aspects of the *Juneau Economic Plan* (JEP). Our proposed scope of work, budget, and timeline are outlined below.

Completed in 2015, JEP included detailed economic baseline conditions analysis, economic development research and planning, household surveys, business surveys, extensive outreach to special interest groups, and numerous public meetings. The year-long planning effort culminated with identification of eight economic development initiatives to be accomplished over the next decade. For each initiative, the plan identified specific goals, objectives, and metrics for measuring progress. Now six years into the JEP planning horizon, it is an appropriate time to evaluate progress made toward each initiative and consider how changing circumstances may warrant re-prioritizing goals or pursuit of new initiatives.

Additionally, Juneau is experiencing a major economic shock from COVID-19. Certain sectors experienced massive impacts while others fared reasonably well. Refocused economic development planning efforts, targeting the workforce and small business owners in the most impacted sectors, may be required to rebuild the economy.

Scope of Work

We propose a two-phase scope of work, including the following:

PHASE 1

- High-level overview of trends in Juneau's economy from 2015 through 2019, to gauge conditions and overall economic progress from when JEP was adopted to just prior to the pandemic.
- Review and assessment of each economic development initiative identified in JEP, including:
  - Specific actions taken, if any, in pursuit of each initiative since 2015.
  - Measurable progress toward each objective, as indicated by specific milestones and metrics identified in JEP.
  - Barriers to progress encountered since 2015.

PHASE 2

- Overview of the economic impacts in Juneau of COVID-19, including employment, income, business sales, and other metrics illustrating the range and depth of impacts across various sectors of the economy.
- Outlook for economic recovery, with sector-by-sector analysis of key factors affecting the pace of recovery.
- Recommendations for pandemic-related economic recovery initiatives.

Our Phase 1 research will include interviews with key stakeholders who have direct engagement and/or specific knowledge of JEP initiatives. Through these interviews we will gain an understanding of where development effort has been focused, specific achievements, challenges, and recommendations for further action.

For Phase 2, we will rely on a range of published and unpublished data from Alaska Department of Labor and Workforce Development, other state and federal agencies, and City of Borough of Juneau. We will also conduct interviews with industry representatives to assess the latest business conditions and outlook for 2021 and 2022.

Budget and Schedule

The professional services budget for Phase 1 is $19,000, with work completed and a draft report delivered within 60 days. The Phase 2 budget is $17,000. If conducted concurrently with Phase 1, both phases could be completed within approximately 90 days.

Qualifications

In addition to our role as lead contractor for the 2015 JEP, our recent projects in other communities position us well to conduct this work for CBJ. We are just completing a detailed examination of the pandemic's economic impacts in Kodiak (in addition to preparing a comprehensive economic baseline analysis). We are also in the final stages of preparing a community economic profile, pandemic impact analysis, and recovery plan for Yakutat. Our employment forecast for Anchorage Economic Development Corporation (released this week) also required careful analysis of the pandemic's economic impact and potential path to recovery.

Thank you for this opportunity to offer our professional services to CBJ. Please let us know if you have any questions.

Sincerely,

Jim Calvin
Senior Vice President

FOR PROFESSIONAL CLIENTS ONLY
NOT TO BE REPRODUCED WITHOUT PRIOR WRITTEN APPROVAL
PLEASE REFER TO ALL RISK DISCLOSURES AT THE BACK OF THIS DOCUMENT

City & Borough of Juneau

March 3, 2021

Insight INVESTMENT

BNY MELLON | INVESTMENT MANAGEMENT

This document has been prepared by Insight North America LLC (INA), a registered investment adviser under the Investment Advisers Act of 1940 and regulated by the US Securities and Exchange Commission. INA is part of ‘Insight’ or ‘Insight Investment’, the corporate brand for certain asset management companies operated by Insight Investment Management Limited including, among others, Insight Investment Management (Global) Limited and Insight Investment International Limited. Unless otherwise stated, the performance presented is that of Insight and should not specifically be viewed as the performance of INA. The performance of Insight is being presented to show the historical performance of the portfolio management team responsible for managing the strategy. The track records presented include all accounts managed by Insight with substantially similar investment objectives, policies and strategies for which the strategy management teams were responsible. Advisory services referenced herein are available in the US only through INA. INA and its Insight affiliates are part of the GIPS® firm Insight Investment, which claims compliance with GIPS. Please refer to the important disclosures at the back of this document.

Performance presented is that of Insight Investment and should not specifically be viewed as the performance of Insight North America LLC. Please refer to the important disclosures at the back of this document.

Agenda

- Market outlook
- Portfolio update
- GASB 40 Holdings
- Appendix

Market outlook

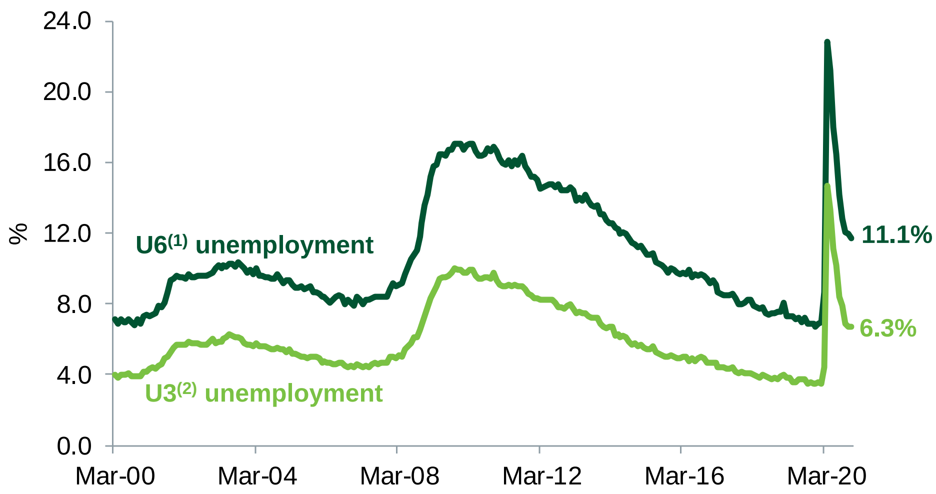
Q4 2020 summary

- **Markets became significantly more optimistic in Q4:** Hope returned to markets in Q4, with announcements from several major pharmaceutical companies that effective vaccines for the coronavirus were available for widespread distribution. Against this backdrop the S&P 500 Index rose to all-time highs, and this supported risk assets generally.
- **New president means new policies:** We expect an additional stimulus package in the $500bn to $1 trillion range, a normalization of relations with the EU, and a focus on climate change. Pressure on China should remain, though the approach is likely to be more multilateral.
- **The yield curve steepened as sentiment improved:** The Treasury yield curve steepened over the quarter as shorter maturities remained anchored by Fed policy, but longer-maturity yields rose as risk sentiment improved. The 2-year maturity Treasury was unchanged at 12bp, the 10-year maturity Treasury yield rose by 23bp to 0.92% and the 30-year maturity Treasury yield rose by 19bp to 1.65%.
- **Credit spreads rallied towards pre-crisis levels:** Credit spreads tightened in Q4, with aggregate US corporate spreads ending the quarter 40bp tighter. The long area of the credit curve outperformed, tightening by 48bp. BBB-rated issues and high yield generally outperformed given the more positive outlook. Cumulative investment grade credit gross issuance reached $2.1 trillion over 2020, breaking above the previous annual high of $1.47 trillion set in 2017.
- **The S&P 500 Index broke to record highs:** US equity markets experienced a strong quarter, driven by a rotation from tech to value as vaccines boosted hopes for a “return to normal.”
- **Risks include:**
  - Pressure to increase corporate leverage in a world of ultra low yields could lead to credit downgrades
  - Virus mutations that impair vaccine efficacy
  - Valuations may have already priced in much of the good news

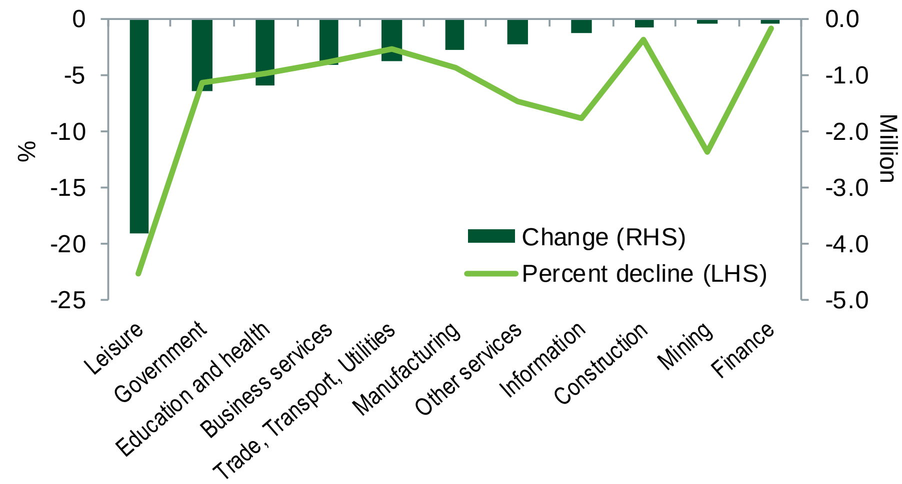
Although improving, the US labor market needs additional ‘healing’ to reach pre-COVID levels

Insight INVESTMENT

US unemployment rate



Non-farm payroll employment, YoY change



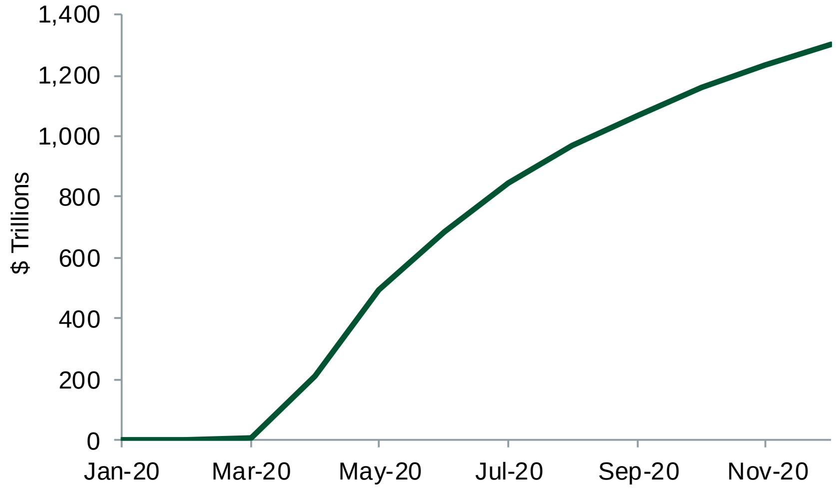
- Labor markets have healed significantly:
  - The U3 unemployment rate has fallen by 8% since April, though the pace of improvement has stalled
  - The potential for large corporations, which had instituted ‘firing freezes’ post-COVID, to initiate layoffs poses a downside risk to further job gains

- Significant job losses led to 9 million fewer jobs:
  - The leisure sector has shed nearly 3.9 million jobs while state governments have cut another 1 million
  - Given most job losses are in ‘virus sensitive’ sectors, the labor market is unlikely to improve further prior to widespread vaccination

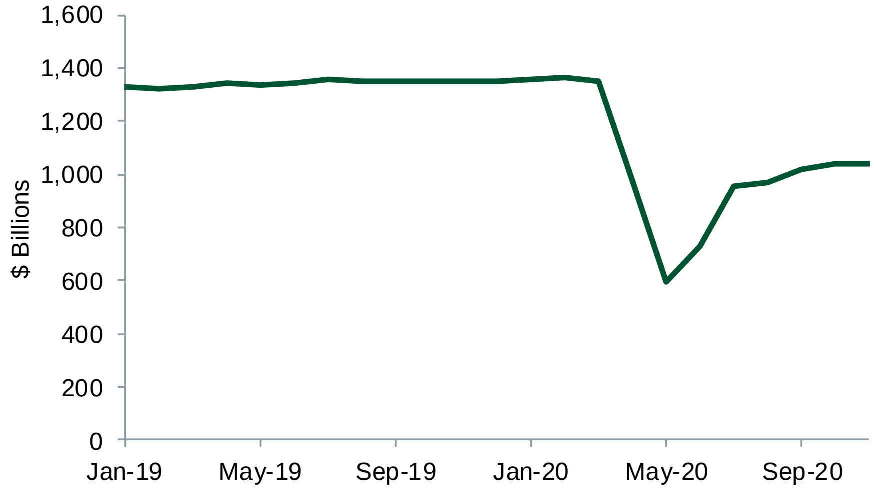
Source: (LHS) Federal Reserve Bank of St. Louis, as of December 31, 2020; (RHS) Bureau of Labor Statistics. [1] U6 unemployment rate includes discouraged workers who have quit looking for a job and part-time workers who are seeking full-time employment. [2] U3 official unemployment rate.

Better times ahead in 2021

Excess personal savings



Recreation & leisure spending



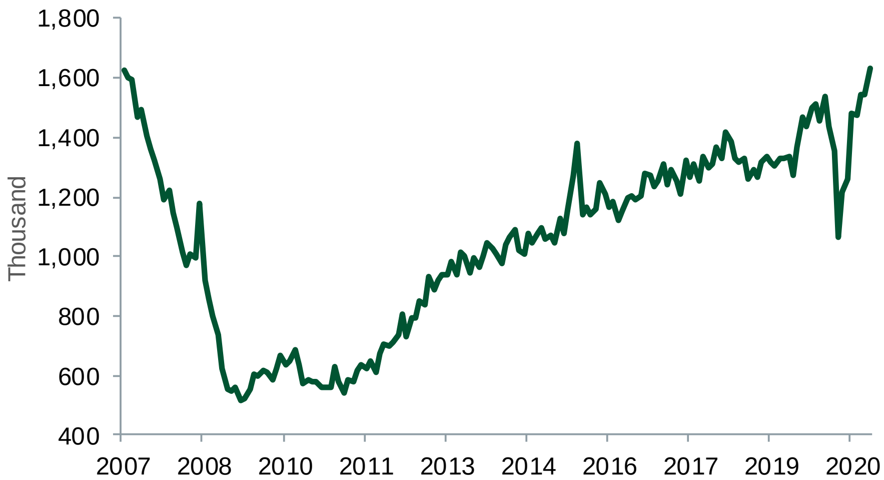
- Consumers have 'dry powder':
  - The combination of fiscal stimulus and lower discretionary spending has allowed consumers to stockpile over $1.3 trillion in personal savings
  - With the December COVID-19 relief package poised to add $400+ billion to personal income, these savings will continue to rise until consumers can return to 'normal' recreation spending levels

- Recreation and leisure spending can surge post-vaccine:
  - While recreation and leisure account for just 7% of GDP, they account for 50% of the 2020 decline in GDP
  - As consumers use savings to meet significant pent-up demand for these activities, growth could accelerate past 6% in the second half

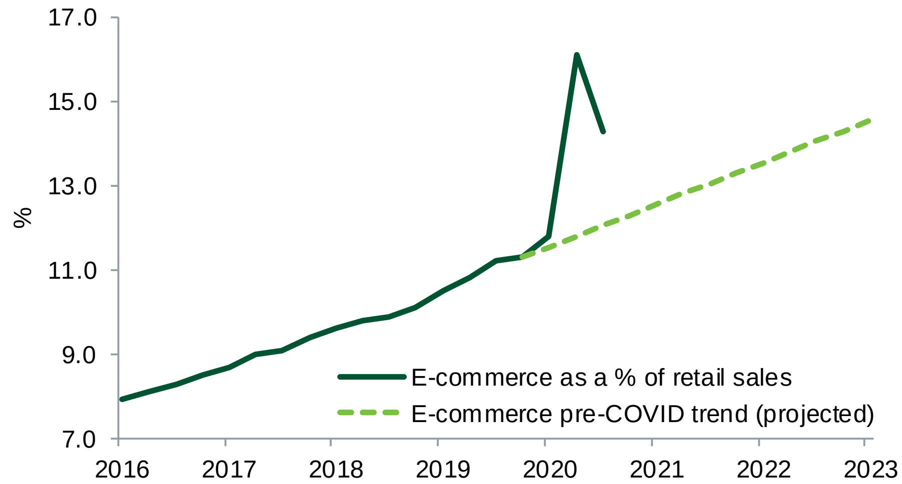
Source: (LHS) Bureau of Economic Analysis, as of December 31, 2020; (RHS) Bureau of Economic Analysis, as of November 30, 2020

Personal consumption – a source of strength

Building permits



E-commerce[1]



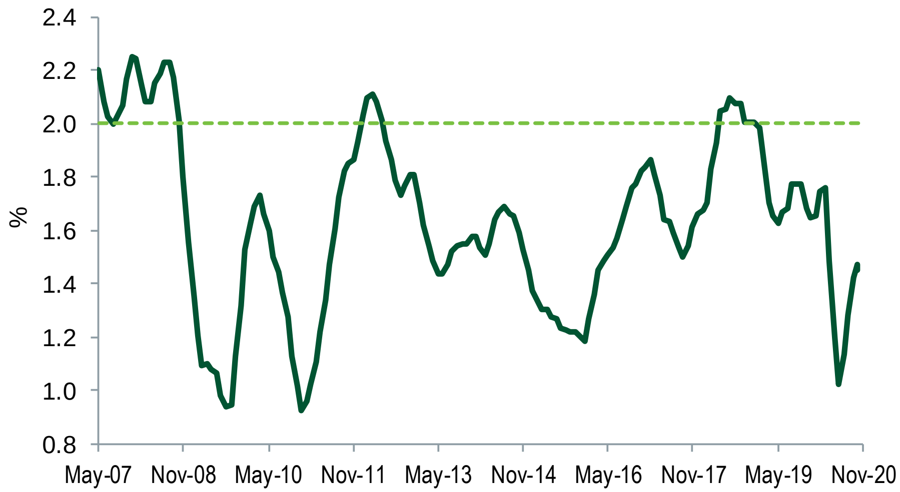
- Housing demand is a significant bright spot:
  - Low interest rates and migration trends into suburbs have boosted housing sales with construction activity set to return to 2006 levels in 2021, potentially adding 0.25% to GDP
  - As such, strength in housing will support increased demand for associated products, particularly durable goods like furniture, appliances, and autos

- How we consume is permanently changing:
  - Given public health restrictions, consumers have accelerated their shift online, bringing e-commerce penetration to a level not expected until 2023
  - This shift is unlikely to reverse, which will be a headwind for physical retailers, malls, and retail employment while boosting the logistics sector

Source: (LHS) Census Bureau, as of December 31, 2020; (RHS) Federal Reserve Bank of St. Louis, as of December 31, 2020.
[1] Insight estimate based on the change in e-commerce share from 2015 to March 2020. e-commerce: commercial transactions conducted electronically over the internet.

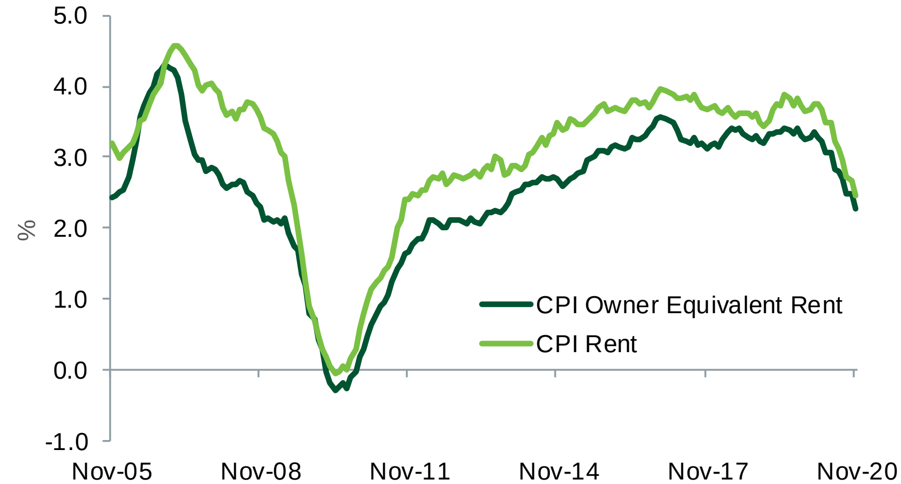
Inflation pressures remain benign for now…

Core PCE[1]



- Core PCE remains well below target:
  - However, it has recovered and should enjoy favorable base effects next year that temporarily push it over 2%
  - Still, we do not expect core PCE to be sustainably above target for several years, which means we are likely years from Fed tightening

Rent is 30% of CPI and its biggest component[2]

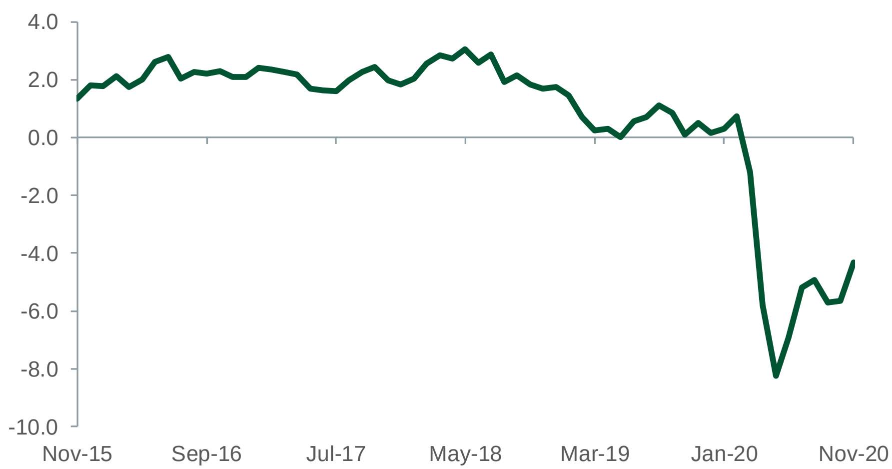


- Migration trends are weighing on rent:
  - As consumers have moved out of cities, we have seen a significant deceleration in rents, which may persist through 2021
  - Shelter is the largest component of CPI, accounting for 33% of the index, so a deceleration in rents may cap the ability for inflation to sustainably hit the Fed's target

Source: (LHS) Bureau of Economic Analysis, as of December 31, 2020; (RHS) Bureau of Labor Statistics, as of December 31, 2020. [1] Core PCE price index measures the prices paid by consumers for goods and services without the volatility caused by movements in food and energy prices to reveal underlying inflation trends. [2] Flexible Price Consumer Price Index (CPI) is calculated from a subset of goods and services included in the CPI that change price relatively frequently.

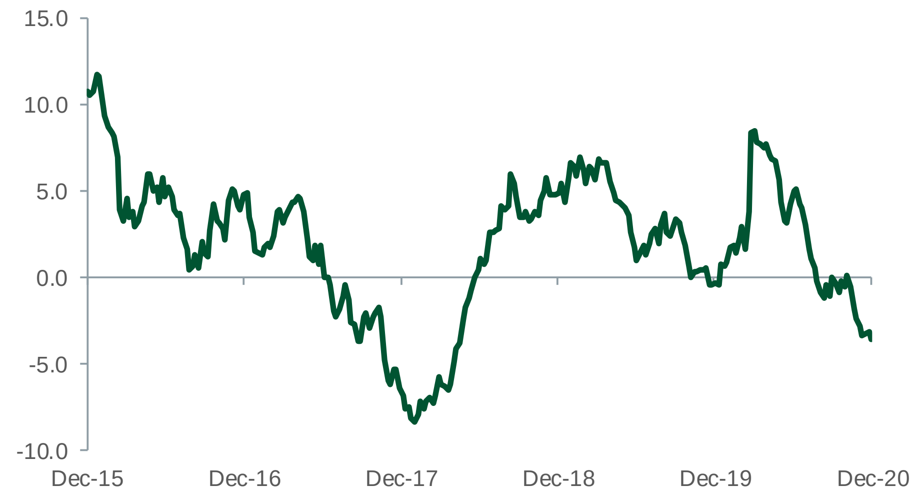
…but inflation metrics should be watched

COVID-sensitive CPI



- COVID-19 deflationary impact is fading:
  - COVID-19 reduced pricing power in some sectors, like airlines, hotels, and theaters though some losses have been recouped
  - A rebound in demand could translate to firmer prices, potentially boosting CPI by over 40 bps in 2021

Trade Weighted Dollar[1]

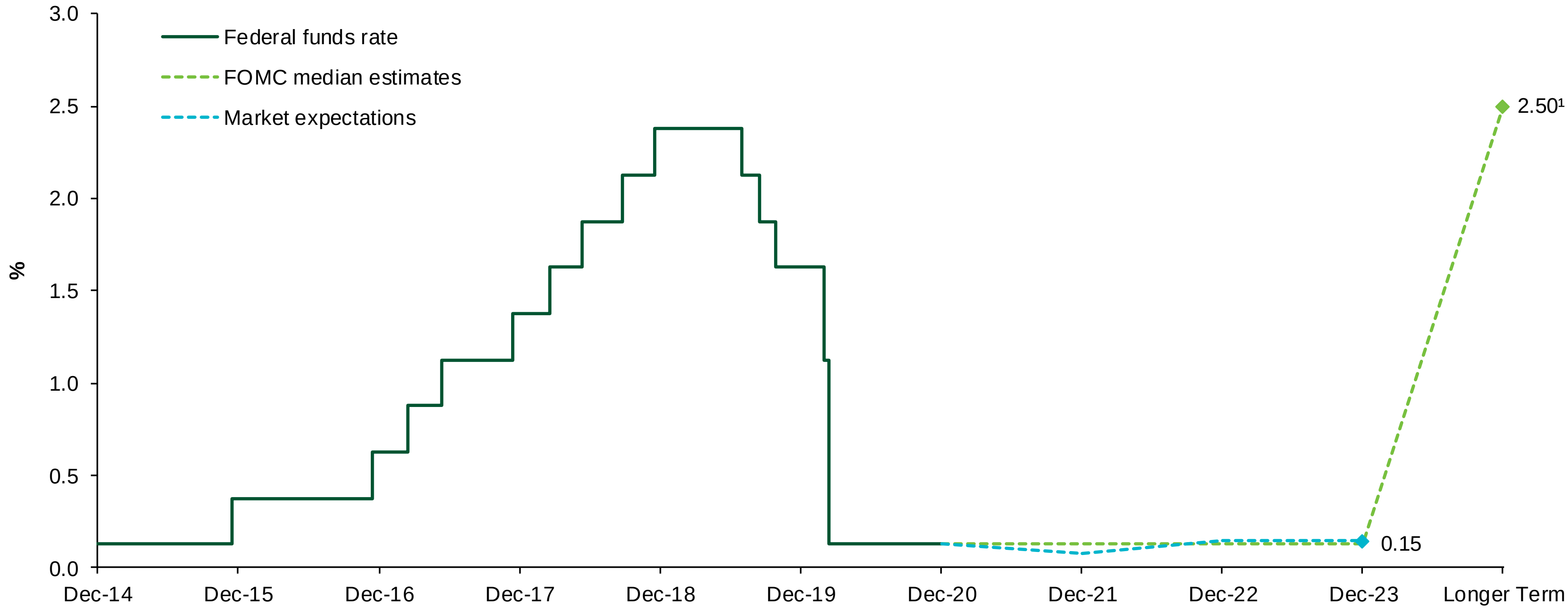


- Continued dollar weakness may boost prices:
  - Global growth optimism and lower rate differentials led to significant weakening in the dollar over the past six months
  - As imports are 15% of GDP, continued dollar weakness could lead to higher imported inflation

Source: (LHS) BLS, Insight as of December 31, 2020; (RHS) Bloomberg, as of December 31, 2020. [1] US Fed Trade Weighted Nominal Broad Dollar Index.

The Fed will be patient

- We expect the Fed to keep interest rates unchanged at least through 2023 in its effort to facilitate an ‘overshoot’ of its 2% inflation target
- The Fed will likely continue its $130 billion monthly QE program through 2021, with potential tapering through 2022
- While reflation hopes may push rates higher at times, a Fed committed to several years at 0% with an active QE program is likely to keep a lid on how high rates can sustainably go



Source: Bloomberg, as of December 16, 2020. Opinions expressed herein are as of the date stated, and are subject to change without notice. Insight assumes no responsibility to update such information or to notify a client of any changes. [1] 2.50% is the FOMC projection of the longer run neutral Fed Funds Rate. Any projections or forecasts contained herein are based upon certain assumptions considered reasonable. Projections are speculative in nature and some or all of the assumptions underlying the projections may not materialize or vary significantly from the actual results. Accordingly, the projections are only an estimate. Please refer to the important disclosures at the back of this presentation.

Fiscal policy outlook

Potential policies

- **$500bn to $1trn in additional COVID relief**
  - Some state and local aid
  - Extended unemployment insurance
  - $2,000 checks to individuals
- **A public option for health care insurance**
- **An unwind of one-third to one-half of the 2017 tax cuts**
  - Most measures to potentially take effect in 2022
  - Removal of the $10,000 state and local tax (SALT) deduction cap for most taxpayers
- **~$1.5trn in infrastructure spending over a decade with a focus tilted toward 'green energy'**

Unlikely policies

- End of the legislative filibuster
- A $15 federal minimum wage
- Larger ~$2.5trn (or more) COVID relief spending
- Medicare for all
- Big Tech antitrust regulation
- Expanding the Supreme Court
- Full repeal of the 2017 tax cuts
- More than $2.5trn of infrastructure spending

There will likely be 3 4% of incremental fiscal stimulus delivered to the US economy in 2021 while slim majorities will curtail tax increases and regulatory changes

Fiscal policy impact on financial markets

Implementation	Policy	Market Impact
H1 2021	$1 trillion in COVID relief	+ + +
H1 2021	Oil leasing moratorium	–
2021	$1.5-2 trillion in infrastructure	+ +
2021	European tariff suspension	+
2022	Corporate tax rate to 25-28%	– –
2022	Top tax rate to 39.6%	–
2022	Capital Gains tax rate to 28-30%	–
2023	Healthcare Pubic Option	–

After being a significant tailwind to start 2021, fiscal policy is likely to be a headwind for capital markets in late 2021 and 2022

Insight's 2021 US outlook

- The US economy will continue to recover in 2021, led by consumption, with growth set to accelerate as a critical mass of Americans get vaccinated during Q2/Q3
- We forecast that Gross Domestic Product (GDP) will expand about 5.4% in 2021, though incremental stimulus could push growth higher
- GDP will likely pass pre-COVID levels during Q3 and finish 2021 at least 2% above pre-COVID levels
- The unemployment rate will likely finish 2021 at around 5%
- The Consumer Price Index will accelerate into the summer, likely to over 2.5%, before decelerating as favorable base effects fade away and the sizable output gap dissipates pricing pressure
- Europe's harsher lockdowns will constrain output, and GDP will finish 2021 at or slightly below pre-COVID levels
- China has already surpassed its pre-COVID level of output and will likely close its output gap by year end
- We expect the Fed to keep rates at 0–0.25% through 2023 and view tapering as unlikely in 2021
- Corporate profits are likely to rise by about 22%, finishing 2021 around 5% above pre-COVID levels

Source: Bloomberg, December 31, 2020. Any projections or forecasts contained herein are based upon certain assumptions considered reasonable. Projections are speculative in nature and some or all of the assumptions underlying the projections may not materialize or vary significantly from the actual results. Accordingly, the projections are only an estimate. Opinions expressed herein are as of the date stated, and are subject to change without notice. Insight assumes no responsibility to update such information or to notify a client of any changes. Please see important disclosures for additional information.

[1] Gross domestic product.

Portfolio update

Portfolio highlights

Sources of Return		Market	Positioning	Outlook
Duration/ Curve	• *Long bias given Fed on hold*	• Treasury yields dragged towards 0% Fed Funds Rate • Yields repriced higher with fiscal stimulus and vaccine hopes • 5yr Treasury @ 0.58% – up 20 bps YTD	• Managed long relative to benchmark in 2020, but became defensive with recovery	• Steeper curves beginning to look attractive • Risks to higher yields – inflation – supply – investor rotation
Sector/ Sub-Sector	• *Full recovery is priced-in for credit sectors*	• Investment grade corporate yield spreads are back to 2019 levels • Late stage risk-on to BBB-rated and high yield • Fed is still buying Agency MBS	• At corporate policy limit in 2Q, but back down to modest overweight by 4Q	• Maintain flexibility for future risk events • Biased to own Agency MBS versus corporate securities
Security Selection	• *Carry and roll*	• Higher quality investments are left with little yield spread versus Treasuries	• Overweight to highly regulated banking and utility sectors • Agencies with call features were added in 3Q	• Remain diversified amongst corporate issuers • Take advantage of steeper curves

As of 2/19/2021

City & Borough of Juneau

Performance and key characteristics as of January 31, 2021

Total market value: $ 168,649,569

Total return (gross of fees)

	3 months %	YTD %	1 year %	Since Inception % p.a.
Portfolio	0.41	0.03	4.23	4.26
Benchmark	0.34	-0.03	3.75	3.84
Relative	**0.07**	**0.05**	**0.48**	**0.42**

Key characteristics	Portfolio	Benchmark	Relative
Yield to worst (%)	0.46	0.35	0.11
Yield to maturity (%)	0.50	0.38	0.12
Effective duration (years)	2.63	2.76	-0.13
Average coupon	2.03	2.03	0.00
Convexity	-0.17	0.05	-0.22
Number of issuers	48	616	
Average rating	AA	AA	
Average life	3.03	2.85	0.18

- Well-positioned to handle market response to pandemic
- Added risk once Federal Reserve stepped in
- Returns pulled forward to 2020, the challenge begins in 2021
  - Timing of Fed policy
  - Avoiding the “reach for yield”

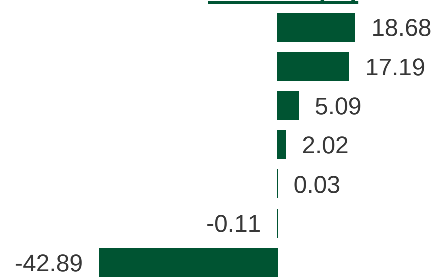
Sources: Insight, NT, Rimes, Bloomberg
Inception date: 10/31/2019
Benchmark history:
Bloomberg Barclay’s 1-5 Yr Gov/Credit: 10/31/2019- present

City & Borough of Juneau

Sector allocation as of January 31, 2021

	Market value (%)	
Sector	**Portfolio**	**Benchmark**
Government Mortgage Backed Securities	18.68	-
Government Agencies	21.38	4.19
Asset Backed Securities	5.09	-
Corporate Bonds	33.44	31.42
Cash & Cash Equivalent	0.03	-
Municipal/Provincial Bonds	-	0.11
Government Bonds	21.39	64.28
Total	**100.00**	**100.00**

Relative (%)



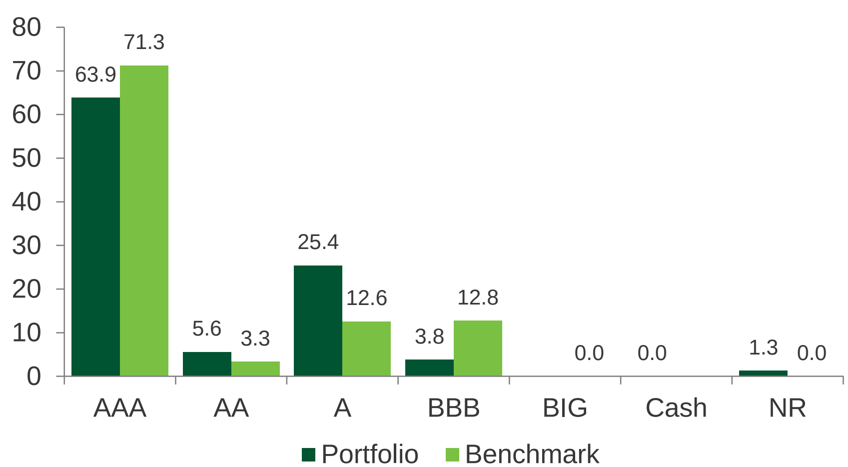
- Small overweight to corporate securities, maintain flexibility to add risk at higher yield spreads

City & Borough of Juneau

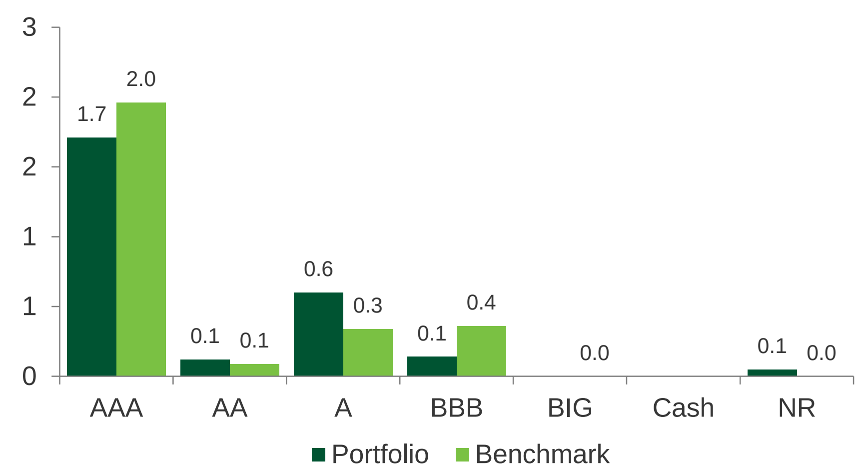
Ratings summary as of January 31, 2021

	Market value (%)			Contribution to duration		
Rating	**Portfolio**	**Benchmark**	**Relative**	**Portfolio**	**Benchmark**	**Relative**
AAA	65.17	71.28	-6.11	1.76	1.96	-0.20
AA	5.62	3.34	2.28	0.12	0.09	0.03
A	25.37	12.58	12.79	0.60	0.34	0.26
BBB	3.82	12.76	-8.94	0.14	0.36	-0.22
BIG	-	0.03	-0.03	-	0.00	0.00
Cash	0.03	-	0.03	-	-	-
Total	**100.00**	**100.00**		**2.63**	**2.76**	

Market value distribution (%)



Contribution to duration



Approach used for credit rating: Average.

City & Borough of Juneau
Maturity and duration summary as of January 31, 2021

	Market value (%)		
Maturity	**Portfolio**	**Benchmark**	**Relative**
0 - 1 Year	9.23	1.11	8.12
1 - 3 Years	30.93	54.22	-23.29
3 - 5 Years	35.52	43.53	-8.01
5 - 7 Years	11.81	1.14	10.67
7 - 10 Years	3.89	-	3.89
10 - 15 Years	7.35	-	7.35
15 - 25 Years	0.63	-	0.63
25+ Years	0.64	-	0.64
Total	**100.00**	**100.00**	

- Maturity exposures beyond 5yrs are mostly in amortizing securities, which have monthly paydown factors that reduce interest rate sensitivity

	Market value (%)			Contribution to duration		
Duration	**Portfolio**	**Benchmark**	**Relative**	**Portfolio**	**Benchmark**	**Relative**
0 - 1 Year	14.25	1.34	12.91	0.07	0.01	0.06
1 - 3 Years	44.82	58.68	-13.86	0.93	1.17	-0.24
3 - 5 Years	39.21	39.97	-0.76	1.54	1.58	-0.04
5 - 7 Years	1.71	-	1.71	0.09	-	0.09
7 - 10 Years	-	-	-	-	-	-
10 - 15 Years	-	-	-	-	-	-
15 - 25 Years	-	-	-	-	-	-
25+ Years	-	-	-	-	-	-
Total	**100.00**	**100.00**		**2.63**	**2.76**	

City & Borough of Juneau

Performance attribution for the 12 months ending December 31, 2020

Factors	Value added (bps)
Duration and Yield Curve	14
Allocation	9
Security Selection	32
Total	**55**

Key rate duration exposures (KRDs)

Key Rates	OAD	6 Mo	1 Yr	2 Yr	5 Yr	7 & Over
Portfolio	2.53	0.05	0.14	0.98	1.24	0.12
Benchmark	2.75	0.01	0.16	1.29	1.30	0.00

- Positive outcomes for primary risk factors
- Expect that Duration and Yield Curve management will play a larger role in 2021

Sector	Overweight/ underweight	Contribution (bps)
Positive contributors		
Corporate	10.8	7.2
MBS	9.4	6.4
Treasury	-41.2	6.1
Others	0.3	2.1
Sov_Supra	-1.6	0.0
Negative contributors		
Sov_Supra	-1.6	0.0
Cash	0.6	-2.0
ABS	7.2	-2.7
CMBS	7.1	-3.8
Agency	7.6	-4.0

Issuer	Overweight/ underweight	Contribution (bps)
Positive contributors		
LOWE'S COMPANIES INC	0.5	4.3
EXXON MOBIL CORPORATION	0.7	4.2
APPLE INC	0.6	3.6
ONCOR ELECTRIC DELIVERY	0.8	2.1
DUKE ENERGY CAROLINAS	1.3	1.8
Negative contributors		
FLORIDA POWER & LIGHT CO	0.3	-3.7
MONDELEZ INTERNATIONAL	0.4	-1.5
FEDERAL FARM CREDIT BANK	3.6	-1.4
PROCTER & GAMBLE CO/THE	0.3	-1.1
COCA-COLA CO/THE	1.6	-0.9

What does responsible investment mean in fixed income?

How we align value with client values

1 **Core process:** all portfolios

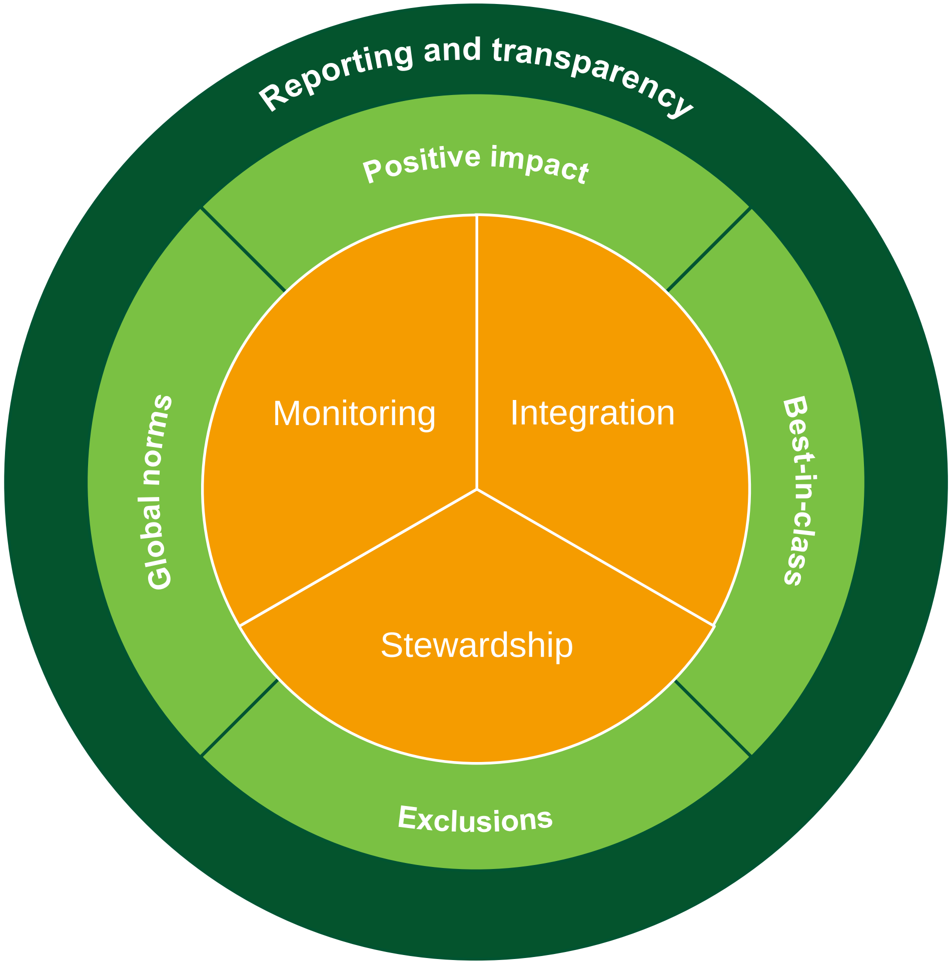
- **Integration**: a risk based approach to evaluating ESG factors as part of our credit due diligence
- **Stewardship**: a systematic approach to corporate engagement on ESG factors
- **Monitoring**: a regular review of ESG risks across portfolios

2 **Values allocation:** client led approach

- **Positive impact**: a broad approach to achieving impact using various bottom-up and top-down techniques
- **Best-in-class**: using ESG ratings to tilt portfolios towards better-rated issuers
- **Exclusions**: applying ethical or legal restrictions to portfolio holdings
- **Global norms**: identifying issuers with egregious negative impacts against global codes

3 **Reporting and transparency:** all portfolios

- **All clients**: ESG rating and carbon footprint summary
- **ESG portfolios**: enhanced and bespoke ESG solutions



Responsible investment timeline and considerations

3Q 2020

- Staff introduced Finance Committee concerns regarding fossil fuel exposures in the investment portfolio
- Insight analyzed potential impact from excluding the energy exploration and transportation sectors
- Estimated 2-5 basis points of opportunity cost from exclusionary policies
- 1 basis point = .01%
- .01% per year approximates to $16,000 in portfolio earnings

4Q 2020

- Provided investment policy alternatives that demonstrate progress towards a responsible investment program
- Responsible investment policy objectives can reflect community values
- Exclusionary policies are difficult to reverse, but may be considered with staff directives
- Best in class policies reward improving corporate behavior
- Expanding guidelines to include supranational agencies, i.e. World Bank

1Q 2021

- Consider adding policy objectives that define and encourage socially responsible investment practices
- Safety, Liquidity, Yield, and **Sustainability**
  - Wherever possible, investment decisions shall take into account environmental, social and governance ("ESG") factors
- Sustainability objectives can further identify the City and Borough's core values
- Consider guideline expansion to include supranational agencies
- Consider supplemental ESG reporting for Staff

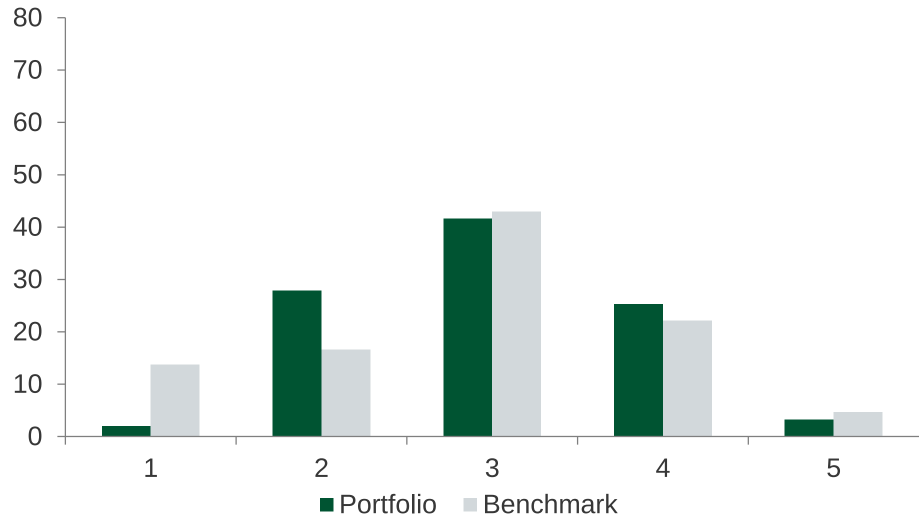
City & Borough of Juneau
ESG Report as of December 31, 2020

ESG Weighted Average Scores

	Overall	Environment	Social	Governance	Issuers
Portfolio score	3.0	2.1	3.3	3.3	35
Benchmark score	2.9	2.3	3.1	3.1	576

1	Strongest
2	
3	
4	
5	Weakest

Overall ESG score distribution (%)



ESG detail

- Better than benchmark environmental score
  - “4 or better” ranks
  - Energy companies rated “3”
- Large banks score well in environmental, poor in governance
- Failure to protect consumer information can result in poor social scores

Further information on rating methodology can be found on the next page.

Insight's ESG reporting methodology

Ratings for corporate and sovereign assessments

Insight operates proprietary ESG ratings for corporate and sovereign issuers

- The Insight ESG ratings aim to be dynamic and integrate our fixed income analysts' and portfolio manager views effectively. Our raw data inputs can include datasets from MSCI ESG Research, Sustainalytics, VigeoEiris, CDP, World Bank, UN and others.
- Each raw metric has two key elements: 1) a score evaluating metric performance, and 2) a weight evaluating metric materiality. For corporates, they are mapped to our 29 key issues framework (see below), which is then industry weight-adjusted; sovereigns are rated against 48 factors, equally weighted, which are categorised by theme and weighted.

ESG Overall Score Normalised industry-adjusted score 1-5								
Environment Pillar Absolute score 1-5			Social Pillar Absolute score 1-5			Governance Pillar Absolute score 1-5		
Climate change	Natural capital	Pollution	Customer	Product	Workforce	Corporate Governance	Behaviour	Macro
Environmental controversies			Social controversies			Governance controversies		
Carbon Emissions	Biodiversity and land use	Pollution and waste	Customer relations	Controversial sourcing	Health and demographic risk	Board	Anti-Competitive Practices	Conflict
Carbon financing and exposure	Raw material sourcing		Privacy and data security	Financial security	Health and safety	Pay	Business ethics	Financial system instability
Product Footprint	Water management			Quality and safety	Human capital	Ownership	Corruption and Instability	Policy and lobbying
				Responsible investment	Labour management	Accounting	Tax transparency	
					Supply chain			

- Insight's ESG ratings methodology focuses on themes our investment staff consider most pertinent for risk. This simplifies the ratings input and ensures the output is materiality-focused. Analysts can recommend to an ESG panel changing the rating by 1.
- Carbon intensity calculations take a companies' total Scope 1 and Scope 2 emissions, then normalised by revenue (US$). This data is taken directly without modifications.

Final output

- The corporate ESG rating indicates an issuer's relative peer performance. We calculate a percentile based on the raw ESG ratings within each GICS industry, and assign an ESG rating (see table).

ESG rating	Percentile range
1 (best)	90-100
2	70-89
3	30-69
4	10-29
5 (worst)	0-10

- The sovereign ESG rating indicates an issuer's performance relative to its 185 peers. We calculate a raw score and assign that score into 1-5 buckets.
- Final scores for both ESG and Carbon are a weighted calculation, and only issuers with data are included. The calculations for ESG overall score, plus the individual pillars are calculated in the same way. No sovereigns are included in carbon calculations.

GASB 40

The following list of holdings is only valid as of January 31, 2021 and should not be relied upon as a complete listing of past investment decisions. Holdings are subject to change without notice, may not represent current or future decisions and should not be construed as investment recommendations.

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
United States Treasury Note/Bond												
9128283C2	USA TREASURY 2%	2.000	10/31/2022		AA+	Aaa	2,130,000.00	2,155,134.48	1.31	2,199,557.81	1.31	1.72
912828P38	USA TREASURY 1.75%	1.750	01/31/2023		AA+	Aaa	4,100,000.00	4,119,873.11	2.50	4,232,609.38	2.52	1.97
912828VB3	USA TREASURY 1.75%	1.750	05/15/2023		AA+	Aaa	390,000.00	391,966.54	0.24	404,259.38	0.24	2.24
912828ZU7	USA TREASURY 0.25%	0.250	06/15/2023		AA+	Aaa	1,525,000.00	1,529,348.63	0.93	1,528,812.50	0.91	2.36
912828ZY9	USA TREASURY 0.125%	0.125	07/15/2023		AA+	Aaa	1,950,000.00	1,947,569.03	1.18	1,948,857.42	1.16	2.45
91282CAP6	USA TREASURY 0.125%	0.125	10/15/2023		AA+	Aaa	3,000,000.00	2,994,023.44	1.81	2,996,835.93	1.78	2.70
91282CAW1	USA TREASURY 0.25%	0.250	11/15/2023		AA+	Aaa	900,000.00	901,721.77	0.55	902,039.06	0.54	2.78
912828W48	USA TREASURY 2.125%	2.125	02/29/2024		AA+	Aaa	2,025,000.00	2,148,873.04	1.30	2,144,443.37	1.28	2.97
912828YH7	USA TREASURY 1.5%	1.500	09/30/2024		AA+	Aaa	4,000,000.00	4,209,843.75	2.55	4,178,906.24	2.49	3.56
912828YV6	USA TREASURY 1.5%	1.500	11/30/2024		AA+	Aaa	2,450,000.00	2,568,390.41	1.56	2,562,451.18	1.53	3.73
9128283J7	USA TREASURY 2.125%	2.125	11/30/2024		AA+	Aaa	2,000,000.00	2,101,959.82	1.27	2,139,531.24	1.27	3.69
9128285J5	USA TREASURY 3%	3.000	10/31/2025		AA+	Aaa	3,765,000.00	4,298,158.42	2.60	4,223,418.15	2.51	4.46
91282CAT8	USA TREASURY 0.25%	0.250	10/31/2025		AA+	Aaa	2,500,000.00	2,472,566.97	1.50	2,481,054.70	1.48	4.73
912828P46	USA TREASURY 1.625%	1.625	02/15/2026		AA+	Aaa	1,650,000.00	1,749,608.12	1.06	1,746,099.61	1.04	4.84
9128286L9	USA TREASURY 2.25%	2.250	03/31/2026		AA+	Aaa	1,550,000.00	1,690,535.50	1.02	1,690,529.29	1.01	4.89
912828R36	USA TREASURY 1.625%	1.625	05/15/2026		AA+	Aaa	500,000.00	535,705.13	0.32	529,394.53	0.32	5.09
Issuer total							34,435,000.00	35,815,278.16	21.69	35,908,799.79	21.38	3.37
Fannie Mae Pool												
3140XTAA9	FANNIE MAE FN FP0000	3.000	11/01/2027		AA+	Aaa	500,911.48	520,008.75	0.31	534,809.95	0.32	1.83
3138MRMU	FANNIE MAE FN AQ9370	2.000	01/01/2028		AA+	Aaa	2,142,904.89	2,140,561.09	1.30	2,247,349.30	1.34	1.99
3138ELF24	FANNIE MAE FN AL3784	2.000	07/01/2028		AA+	Aaa	2,054,487.47	2,051,919.38	1.24	2,153,813.41	1.28	1.89
3140J5Z44	FANNIE MAE FN BM1662	3.500	04/01/2031		AA+	Aaa	413,887.57	440,143.55	0.27	445,678.65	0.27	1.72
3140X5AD5	FANNIE MAE FN FM1803	3.000	08/01/2031		AA+	Aaa	2,000,596.56	2,057,175.94	1.25	2,112,607.80	1.26	1.68
3140X5MQ3	FANNIE MAE FN FM2166	2.500	01/01/2033		AA+	Aaa	1,194,347.90	1,233,164.21	0.75	1,255,746.16	0.75	2.11

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Fannie Mae Pool												
3140X6XQ9	FANNIE MAE FN FM3386	3.500	07/01/2034		AA+	Aaa	1,267,580.27	1,347,002.08	0.82	1,369,969.98	0.82	1.65
Issuer total							**9,574,716.14**	**9,789,975.00**	**5.93**	**10,119,975.25**	**6.03**	**1.85**
Freddie Mac REMICS												
3137F8BJ1	FREDDIE MAC FHR 5058	1.000	10/15/2026		AA+	Aaa	1,475,085.37	1,492,544.39	0.90	1,494,998.58	0.89	2.16
3137ASSN5	FREDDIE MAC FHR 4093	1.750	08/15/2027		AA+	Aaa	1,980,248.20	1,962,224.83	1.19	2,022,471.25	1.20	2.20
3137BYYN4	FREDDIE MAC FHR 4690	3.000	01/15/2032		AA+	Aaa	1,745,996.47	1,793,874.96	1.09	1,854,930.24	1.10	1.89
3137FTHV2	FREDDIE MAC FHR 4980	1.250	10/25/2034		AA+	Aaa	1,518,584.58	1,540,651.52	0.93	1,539,738.92	0.92	3.28
3137FVEN8	FREDDIE MAC FHR 5000	1.250	01/25/2035		AA+	Aaa	1,450,900.14	1,476,007.50	0.89	1,483,340.38	0.88	3.49
3137FVM90	FREDDIE MAC FHR 5007	1.500	10/15/2046		AA+	Aaa	1,063,933.68	1,077,565.33	0.65	1,078,392.75	0.64	1.02
Issuer total							**9,234,748.44**	**9,342,868.53**	**5.66**	**9,473,872.12**	**5.64**	**2.38**
Federal Farm Credit Banks Funding Corp												
3133EKSN7	FEDERAL FARM CREDIT	1.770	06/26/2023		AA+	Aaa	1,890,000.00	1,899,083.34	1.15	1,961,804.88	1.17	2.35
3133ELCP7	FEDERAL FARM CREDIT	1.625	12/03/2024		AA+	Aaa	1,500,000.00	1,497,915.00	0.91	1,573,939.29	0.94	3.74
3133ELQ49	FEDERAL FARM CREDIT	0.700	06/30/2025	06/30/2021	AA+	Aaa	1,000,000.00	999,200.00	0.61	1,000,106.46	0.60	1.50
3133ELKW3	FEDERAL FARM CREDIT	1.920	08/04/2025	02/04/2021	AA+	Aaa	1,625,000.00	1,623,375.00	0.98	1,625,248.85	0.97	0.72
3133ELJU9	FEDERAL FARM CREDIT	1.980	01/27/2026	01/27/2022	AA+	Aaa	1,600,000.00	1,598,400.00	0.97	1,623,617.58	0.97	1.23
3133EL4D3	FEDERAL FARM CREDIT	0.900	08/19/2027	08/19/2021	AA+	Aaa	1,500,000.00	1,498,125.00	0.91	1,492,872.30	0.89	2.70
Issuer total							**9,115,000.00**	**9,116,098.34**	**5.52**	**9,277,589.36**	**5.52**	**2.06**
Federal National Mortgage Association												
3135G0X24	FANNIE MAE 1.625%	1.625	01/07/2025		AA+	Aaa	1,194,000.00	1,190,191.14	0.72	1,253,688.68	0.75	3.82
3136G4D75	FANNIE MAE 0.6%	0.600	07/29/2025	07/29/2022	AA+	Aaa	1,750,000.00	1,751,573.25	1.06	1,749,918.22	1.04	2.80
3135G05S8	FANNIE MAE 0.5%	0.500	08/14/2025	08/14/2023	AA+	Aaa	1,500,000.00	1,497,000.00	0.91	1,497,913.26	0.89	3.63
3136G4H71	FANNIE MAE 0.5%	0.500	08/18/2025	02/18/2022	AA+	Aaa	1,200,000.00	1,199,040.00	0.73	1,194,134.80	0.71	2.82

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal National Mortgage Association												
3135G05X7	FANNIE MAE 0.375%	0.375	08/25/2025		AA+	Aaa	1,447,000.00	1,440,228.04	0.87	1,442,716.36	0.86	4.53
Issuer total							**7,091,000.00**	**7,078,032.43**	**4.29**	**7,138,371.32**	**4.25**	**3.50**
Federal Home Loan Mortgage Corp												
3134GVRC4	FREDDIE MAC 0.65%	0.650	02/04/2025	05/04/2021	AA+	Aaa	2,000,000.00	1,999,600.00	1.21	1,998,525.32	1.19	1.36
3137EAEP0	FREDDIE MAC 1.5%	1.500	02/12/2025		AA+	Aaa	1,615,000.00	1,613,756.45	0.98	1,689,185.78	1.01	3.90
3137EAEX3	FREDDIE MAC 0.375%	0.375	09/23/2025		AA+	Aaa	1,290,000.00	1,286,117.10	0.78	1,284,397.43	0.76	4.61
Issuer total							**4,905,000.00**	**4,899,473.55**	**2.97**	**4,972,108.53**	**2.96**	**3.05**
United States International Development Finance Corp												
690355AU6	INT DEVELOPMENT FIN	0.000	07/23/2022		AA+	Aaa	2,000,000.00	2,000,000.00	1.21	2,094,768.86	1.25	1.48
90376PCN9	INT DEVELOPMENT FIN	0.800	05/15/2029		AA+	Aaa	1,000,000.00	1,000,000.00	0.61	997,854.04	0.59	4.81
90376PAD3	INT DEVELOPMENT FIN	1.790	10/15/2029		AA+	Aaa	1,538,961.42	1,538,961.42	0.93	1,625,066.77	0.97	4.45
Issuer total							**4,538,961.42**	**4,538,961.42**	**2.75**	**4,717,689.67**	**2.81**	**3.22**
Freddie Mac Multifamily Structured Pass Through Certificates												
3137BWWD	FHLMC MULTIFAMILY	3.002	01/25/2024		AAA	NR	1,425,000.00	1,479,328.13	0.90	1,527,495.98	0.91	2.79
3137F2L38	FHLMC MULTIFAMILY	2.797	12/25/2026		AA+	Aaa	2,832,216.38	2,935,879.92	1.78	3,042,396.01	1.81	3.59
Issuer total							**4,257,216.38**	**4,415,208.05**	**2.67**	**4,569,891.99**	**2.72**	**3.32**
Federal Home Loan Banks												
3130AJ7E3	FEDERAL HOME LOAN	1.375	02/17/2023		AA+	Aaa	680,000.00	678,748.80	0.41	697,785.05	0.42	2.01
3130A4CH3	FEDERAL HOME LOAN	2.375	03/14/2025		AA+	Aaa	2,000,000.00	2,063,140.00	1.25	2,163,895.04	1.29	3.92
3130AK5E2	FEDERAL HOME LOAN	0.375	09/04/2025		AA+	Aaa	435,000.00	433,695.00	0.26	434,059.80	0.26	4.55
Issuer total							**3,115,000.00**	**3,175,583.80**	**1.92**	**3,295,739.89**	**1.96**	**3.60**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
HSBC Holdings PLC												
404280BR9	HSBC HOLDINGS PLC FRN	1.220	05/18/2024		A-	A2	1,250,000.00	1,245,387.50	0.75	1,265,688.18	0.75	0.10
404280CM9	HSBC HOLDINGS PLC	1.589	05/24/2027	05/24/2026	A-	A2	1,500,000.00	1,500,000.00	0.91	1,517,863.88	0.90	5.09
Issuer total							**2,750,000.00**	**2,745,387.50**	**1.66**	**2,783,552.06**	**1.66**	**2.83**
PNC Bank NA												
69353RFP8	PNC BANK NA 2.232%	2.232	07/22/2022	07/22/2021	A	A2	2,750,000.00	2,756,545.00	1.67	2,775,163.22	1.65	0.48
Issuer total							**2,750,000.00**	**2,756,545.00**	**1.67**	**2,775,163.22**	**1.65**	**0.48**
State Street Corp												
857477AL7	STATE STREET CORP 3.1%	3.100	05/15/2023		A-	A2	1,000,000.00	1,029,900.00	0.62	1,061,196.80	0.63	2.21
857477BM4	STATE STREET CORP	2.901	03/30/2026	03/30/2025	A	A1	1,500,000.00	1,629,930.00	0.99	1,624,831.73	0.97	3.91
Issuer total							**2,500,000.00**	**2,659,830.00**	**1.61**	**2,686,028.53**	**1.60**	**3.25**
Bank of America Corp												
06051GJH3	BANK OF AMERICA CORP	0.810	10/24/2024	04/21/2021	A-	A2	1,250,000.00	1,253,900.00	0.76	1,257,413.24	0.75	2.69
06051GGZ6	BANK OF AMERICA CORP	3.366	01/23/2026	01/23/2025	A-	A2	1,250,000.00	1,303,450.00	0.79	1,371,372.48	0.82	3.75
Issuer total							**2,500,000.00**	**2,557,350.00**	**1.55**	**2,628,785.72**	**1.57**	**3.23**
JPMorgan Chase & Co												
46647PBB1	JPMORGAN CHASE & CO	3.207	04/01/2023	04/01/2022	A-	A2	1,500,000.00	1,535,880.00	0.93	1,548,687.72	0.92	1.14
46647PBQ8	JPMORGAN CHASE & CO	1.514	06/01/2024	06/01/2023	A-	A2	1,000,000.00	1,022,880.00	0.62	1,023,313.24	0.61	2.29
Issuer total							**2,500,000.00**	**2,558,760.00**	**1.55**	**2,572,000.96**	**1.53**	**1.60**
Public Service Electric and Gas Co												
74456QBC9	PUBLIC SERVICE	2.375	05/15/2023	02/15/2023	A	Aa3	1,700,000.00	1,722,423.00	1.04	1,771,802.54	1.06	2.00
74456QBD7	PUBLIC SERVICE	3.750	03/15/2024	12/15/2023	A	Aa3	599,000.00	638,246.48	0.39	651,956.88	0.39	2.72
Issuer total							**2,299,000.00**	**2,360,669.48**	**1.43**	**2,423,759.42**	**1.44**	**2.19**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Coca-Cola Co/The												
191216CL2	COCA-COLA CO/THE	1.750	09/06/2024	08/06/2024	A+	A1	2,200,000.00	2,192,278.00	1.33	2,308,319.73	1.37	3.48
Issuer total							**2,200,000.00**	**2,192,278.00**	**1.33**	**2,308,319.73**	**1.37**	**3.48**
Israel Government AID Bond												
46513EFF4	AID-ISRAEL 5.5%	5.500	09/18/2023		AA+	Aaa	2,000,000.00	2,279,977.54	1.38	2,274,258.62	1.35	2.45
Issuer total							**2,000,000.00**	**2,279,977.54**	**1.38**	**2,274,258.62**	**1.35**	**2.45**
Fannie Mae REMICS												
3136B9V53	FANNIE MAE FNR	1.500	06/25/2035		AA+	Aaa	1,113,789.22	1,130,322.04	0.68	1,136,058.54	0.68	2.66
3136A5QR0	FANNIE MAE FNR	2.000	05/25/2041		AA+	Aaa	1,035,467.56	1,057,147.66	0.64	1,064,521.12	0.63	1.27
Issuer total							**2,149,256.78**	**2,187,469.70**	**1.32**	**2,200,579.66**	**1.31**	**1.99**
Hashemite Kingdom of Jordan Government AID Bond												
418097AF8	AID-JORDAN 3%	3.000	06/30/2025		AA+	Aaa	2,000,000.00	2,126,480.00	1.29	2,198,559.84	1.31	4.16
Issuer total							**2,000,000.00**	**2,126,480.00**	**1.29**	**2,198,559.84**	**1.31**	**4.16**
Freddie Mac Gold Pool												
3128MFBL1	FREDDIE MAC FG G16143	2.500	04/01/2027		AA+	Aaa	2,042,238.08	2,067,845.80	1.25	2,144,231.55	1.28	1.64
Issuer total							**2,042,238.08**	**2,067,845.80**	**1.25**	**2,144,231.55**	**1.28**	**1.64**
Exxon Mobil Corp												
30231GBH4	EXXON MOBIL	2.992	03/19/2025	02/19/2025	AA	Aa1	1,975,000.00	1,975,000.00	1.20	2,143,451.01	1.28	3.82
Issuer total							**1,975,000.00**	**1,975,000.00**	**1.20**	**2,143,451.01**	**1.28**	**3.82**
Toronto-Dominion Bank/The												
89114QCL0	TORONTO-DOMINION	0.525	09/28/2023		A	Aa3	2,100,000.00	2,100,000.00	1.27	2,113,150.45	1.26	0.17
Issuer total							**2,100,000.00**	**2,100,000.00**	**1.27**	**2,113,150.45**	**1.26**	**0.17**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Duke Energy Carolinas LLC												
26442CAV6	DUKE ENERGY	3.050	03/15/2023	02/15/2023	A	Aa2	2,000,000.00	2,066,080.00	1.25	2,111,728.84	1.26	1.97
Issuer total							**2,000,000.00**	**2,066,080.00**	**1.25**	**2,111,728.84**	**1.26**	**1.97**
DTE Electric Co												
250847EJ5	DTE ELECTRIC CO 2.65%	2.650	06/15/2022	03/15/2022	A	Aa3	1,000,000.00	1,013,590.00	0.61	1,025,323.82	0.61	1.11
23338VAB2	DTE ELECTRIC CO 3.65%	3.650	03/15/2024	12/15/2023	A	Aa3	975,000.00	1,034,075.25	0.63	1,058,504.58	0.63	2.73
Issuer total							**1,975,000.00**	**2,047,665.25**	**1.24**	**2,083,828.40**	**1.24**	**1.93**
Florida Power & Light Co												
341081GA9	FLORIDA POWER & LIGHT	0.599	07/28/2023		A	A1	1,677,000.00	1,677,000.00	1.02	1,677,068.76	1.00	0.22
341081FZ5	FLORIDA POWER & LIGHT	2.850	04/01/2025	03/01/2025	A+	Aa2	347,000.00	346,646.06	0.21	376,554.04	0.22	3.86
Issuer total							**2,024,000.00**	**2,023,646.06**	**1.23**	**2,053,622.80**	**1.22**	**0.84**
CNH Equipment Trust 2019-B												
12596TAC5	CNH EQUIPMENT TRUST	2.520	08/15/2024		AAA	NR	2,000,000.00	2,020,625.00	1.22	2,034,490.40	1.21	0.96
Issuer total							**2,000,000.00**	**2,020,625.00**	**1.22**	**2,034,490.40**	**1.21**	**0.96**
United States Department of Housing and Urban												
911759MU9	HOUSING URBAN	2.570	08/01/2021		AA+	Aaa	2,000,000.00	2,027,980.00	1.23	2,023,459.06	1.20	0.50
Issuer total							**2,000,000.00**	**2,027,980.00**	**1.23**	**2,023,459.06**	**1.20**	**0.50**
Unilever Capital Corp												
904764BJ5	UNILEVER CAPITAL CORP	0.375	09/14/2023		A+	A1	1,163,000.00	1,161,511.36	0.70	1,169,691.84	0.70	2.60
904764AY3	UNILEVER CAPITAL CORP	2.900	05/05/2027	02/05/2027	A+	A1	750,000.00	833,227.50	0.50	829,139.95	0.49	5.64
Issuer total							**1,913,000.00**	**1,994,738.86**	**1.21**	**1,998,831.79**	**1.19**	**3.87**
Morgan Stanley												
61746BDZ6	MORGAN STANLEY	3.875	01/27/2026		BBB+	A1	1,000,000.00	1,134,950.00	0.69	1,136,767.26	0.68	4.60

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Morgan Stanley												
6174468Q5	MORGAN STANLEY	2.188	04/28/2026	04/28/2025	BBB+	A1	775,000.00	817,462.25	0.50	813,043.95	0.48	4.04
Issuer total							**1,775,000.00**	**1,952,412.25**	**1.18**	**1,949,811.21**	**1.16**	**4.37**
Freddie Mac Pool												
3131XBNE5	FREDDIE MAC FR ZK7589	2.500	12/01/2028		AA+	Aaa	1,671,906.80	1,749,232.48	1.06	1,768,930.29	1.05	1.96
Issuer total							**1,671,906.80**	**1,749,232.48**	**1.06**	**1,768,930.29**	**1.05**	**1.96**
World Omni Auto Receivables Trust 2019-C												
98162RAD0	WORLD OMNI AUTO	1.960	12/16/2024		AAA	NR	1,675,000.00	1,674,873.87	1.01	1,708,764.48	1.02	1.18
Issuer total							**1,675,000.00**	**1,674,873.87**	**1.01**	**1,708,764.48**	**1.02**	**1.18**
Wells Fargo & Co												
94974BGA2	WELLS FARGO &	3.300	09/09/2024		BBB+	A2	1,500,000.00	1,586,055.00	0.96	1,638,627.65	0.98	3.39
Issuer total							**1,500,000.00**	**1,586,055.00**	**0.96**	**1,638,627.65**	**0.98**	**3.39**
Ford Credit Floorplan Master Owner Trust A												
34528QGH1	FORD CREDIT	3.520	10/15/2023		AAA	NR	1,545,000.00	1,586,883.98	0.96	1,580,732.61	0.94	0.70
Issuer total							**1,545,000.00**	**1,586,883.98**	**0.96**	**1,580,732.61**	**0.94**	**0.70**
Chevron USA Inc												
166756AK2	CHEVRON USA INC FRN	0.414	08/11/2023		AA	Aa2	1,495,000.00	1,495,000.00	0.91	1,496,938.96	0.89	0.04
Issuer total							**1,495,000.00**	**1,495,000.00**	**0.91**	**1,496,938.96**	**0.89**	**0.04**
Consumers Energy Co												
210518CW4	CONSUMERS ENERGY CO	3.125	08/31/2024	05/31/2024	A	Aa3	1,385,000.00	1,450,122.70	0.88	1,493,720.53	0.89	3.16
Issuer total							**1,385,000.00**	**1,450,122.70**	**0.88**	**1,493,720.53**	**0.89**	**3.16**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Mitsubishi UFJ Financial Group Inc												
606822AT1	MITSUBISHI UFJ FIN GRP	3.455	03/02/2023		A-	A1	1,400,000.00	1,450,544.00	0.88	1,488,217.47	0.89	2.00
Issuer total							**1,400,000.00**	**1,450,544.00**	**0.88**	**1,488,217.47**	**0.89**	**2.00**
Oncor Electric Delivery Co LLC												
68233JBM5	ONCOR ELECTRIC	2.750	06/01/2024	05/01/2024	A+	A2	1,385,000.00	1,421,882.55	0.86	1,487,737.53	0.89	3.12
Issuer total							**1,385,000.00**	**1,421,882.55**	**0.86**	**1,487,737.53**	**0.89**	**3.12**
ViacomCBS Inc												
92556HAA5	VIACOMCBS INC 4.75%	4.750	05/15/2025	04/15/2025	BBB	Baa2	1,275,000.00	1,471,796.25	0.89	1,469,905.28	0.88	3.85
Issuer total							**1,275,000.00**	**1,471,796.25**	**0.89**	**1,469,905.28**	**0.88**	**3.85**
Deere & Co												
244199BH7	DEERE & COMPANY	2.750	04/15/2025	03/15/2025	A	A2	1,250,000.00	1,248,300.00	0.76	1,354,643.36	0.81	3.91
Issuer total							**1,250,000.00**	**1,248,300.00**	**0.76**	**1,354,643.36**	**0.81**	**3.91**
John Deere Capital Corp												
24422ETL3	JOHN DEERE CAPITAL	2.650	01/06/2022		A	A2	1,250,000.00	1,229,850.00	0.74	1,277,880.05	0.76	0.96
Issuer total							**1,250,000.00**	**1,229,850.00**	**0.74**	**1,277,880.05**	**0.76**	**0.96**
Westpac Banking Corp												
961214EA7	WESTPAC BANKING	0.941	05/15/2023		AA-	Aa3	1,250,000.00	1,262,262.50	0.76	1,267,722.91	0.75	0.06
Issuer total							**1,250,000.00**	**1,262,262.50**	**0.76**	**1,267,722.91**	**0.75**	**0.06**
American International Group Inc												
026874DD6	AMERICAN INTL GROUP	3.750	07/10/2025	04/10/2025	BBB+	Baa1	1,115,000.00	1,189,716.15	0.72	1,241,876.35	0.74	3.95
Issuer total							**1,115,000.00**	**1,189,716.15**	**0.72**	**1,241,876.35**	**0.74**	**3.95**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Government National Mortgage Association												
38382E5P8	GOVERNMENT NATIONAL	1.000	05/20/2035		AA+	Aaa	1,154,487.66	1,168,557.98	0.71	1,168,848.68	0.70	3.09
Issuer total							**1,154,487.66**	**1,168,557.98**	**0.71**	**1,168,848.68**	**0.70**	**3.09**
Apple Inc												
037833AK6	APPLE INC 2.4%	2.400	05/03/2023		AA+	Aa1	1,000,000.00	1,018,090.00	0.62	1,047,333.84	0.62	2.19
Issuer total							**1,000,000.00**	**1,018,090.00**	**0.62**	**1,047,333.84**	**0.62**	**2.19**
Oracle Corp												
68389XBC8	ORACLE CORP 2.95%	2.950	05/15/2025	02/15/2025	A	A3	950,000.00	1,033,343.50	0.63	1,032,418.28	0.61	3.86
Issuer total							**950,000.00**	**1,033,343.50**	**0.63**	**1,032,418.28**	**0.61**	**3.86**
UnitedHealth Group Inc												
91324PBV3	UNITEDHEALTH GROUP	2.875	03/15/2022	12/15/2021	A+	A3	1,000,000.00	990,360.00	0.60	1,022,776.52	0.61	0.86
Issuer total							**1,000,000.00**	**990,360.00**	**0.60**	**1,022,776.52**	**0.61**	**0.86**
Mercedes-Benz Auto Lease Trust 2019-B												
58769QAC5	MERCEDES-BENZ AUTO	2.000	10/17/2022		AAA	NR	1,000,000.00	999,841.00	0.61	1,011,731.90	0.60	0.66
Issuer total							**1,000,000.00**	**999,841.00**	**0.61**	**1,011,731.90**	**0.60**	**0.66**
Verizon Communications Inc												
92343VEN0	VERIZON	3.376	02/15/2025		BBB+	Baa1	875,000.00	925,426.25	0.56	962,149.45	0.57	3.76
Issuer total							**875,000.00**	**925,426.25**	**0.56**	**962,149.45**	**0.57**	**3.76**
Citibank NA												
17325FAX6	CITIBANK NA FRN	0.824	05/20/2022	05/20/2021	A+	Aa3	926,000.00	928,472.42	0.56	927,616.86	0.55	0.06
Issuer total							**926,000.00**	**928,472.42**	**0.56**	**927,616.86**	**0.55**	**0.06**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Toyota Auto Receivables 2019-D Owner Trust												
89233MAE3	TOYOTA AUTO	1.990	02/18/2025		AAA	Aaa	891,000.00	890,804.07	0.54	922,403.12	0.55	2.14
Issuer total							**891,000.00**	**890,804.07**	**0.54**	**922,403.12**	**0.55**	**2.14**
John Deere Owner Trust 2019-B												
477870AC3	JOHN DEERE OWNER	2.210	12/15/2023		NR	Aaa	850,000.00	852,623.05	0.52	865,758.83	0.52	0.95
Issuer total							**850,000.00**	**852,623.05**	**0.52**	**865,758.83**	**0.52**	**0.95**
AbbVie Inc												
00287YAQ2	ABBVIE INC 3.6%	3.600	05/14/2025	02/14/2025	BBB+	Baa2	750,000.00	832,395.00	0.50	831,274.13	0.50	3.81
Issuer total							**750,000.00**	**832,395.00**	**0.50**	**831,274.13**	**0.50**	**3.81**
AT&T Inc												
00206RCN0	AT&T INC 3.4%	3.400	05/15/2025	02/15/2025	BBB	Baa2	750,000.00	784,335.00	0.48	828,005.57	0.49	3.82
Issuer total							**750,000.00**	**784,335.00**	**0.48**	**828,005.57**	**0.49**	**3.82**
MidAmerican Energy Co												
595620AK1	MIDAMERICAN ENERGY	3.700	09/15/2023	06/15/2023	A+	Aa2	730,000.00	767,930.80	0.47	785,839.10	0.47	2.26
Issuer total							**730,000.00**	**767,930.80**	**0.47**	**785,839.10**	**0.47**	**2.26**
PepsiCo Inc												
713448EQ7	PEPSICO INC 2.25%	2.250	03/19/2025	02/19/2025	A+	A1	665,000.00	664,527.85	0.40	707,709.73	0.42	3.88
Issuer total							**665,000.00**	**664,527.85**	**0.40**	**707,709.73**	**0.42**	**3.88**
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide												
03522AAG5	ANHEUSER-BUSCH	3.650	02/01/2026	11/01/2025	BBB+	Baa1	500,000.00	562,255.00	0.34	560,712.44	0.33	4.46
Issuer total							**500,000.00**	**562,255.00**	**0.34**	**560,712.44**	**0.33**	**4.46**

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of January 31, 2021

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
American Electric Power Co Inc												
025537AS0	AMERICAN ELECTRIC	0.704	11/01/2023	11/20/2021	BBB+	Baa2	500,000.00	500,000.00	0.30	500,606.63	0.30	(0.01)
Issuer total							**500,000.00**	**500,000.00**	**0.30**	**500,606.63**	**0.30**	**(0.01)**
Toyota Auto Receivables 2017-C Owner Trust												
89237RAE8	TOYOTA AUTO	1.980	12/15/2022		AAA	Aaa	450,440.52	449,507.97	0.27	452,931.95	0.27	0.36
Issuer total							**450,440.52**	**449,507.97**	**0.27**	**452,931.95**	**0.27**	**0.36**
Cash and Cash Equivalents												
	INVESTED CASH	0.000					46,675.29	46,675.29	0.00	46,675.29	0.03	0.00
Issuer total							**46,675.29**	**46,675.29**	**0.00**	**46,675.29**	**0.03**	**0.00**
Grand total							160,954,647.51	165,103,884.38	100.00	167,932,140.98	100.00	2.62

Appendix

Biographies

Jason Celente, CFA, CTP, Senior Portfolio Manager

Jason joined Insight in 1997 (via predecessor company, Cutwater Asset Management). He is a senior portfolio manager overseeing short duration and customized investment strategies for Insight's public sector group. Prior to this, Jason was an investment accountant for Cutwater's asset-liability portfolios and short-term mutual funds. He has a BS degree from Colgate University and an MBA from the Stern School of Business at New York University. Jason holds Series 7 and 63 licenses from the Financial Industry Regulatory Authority (FINRA), is a CFA charterholder and holds the Certified Treasury Professional (CTP) designation from the Association for Financial Professionals.

David Witthohn, CFA, CIPM, Senior Portfolio Specialist

David joined Insight in 1997 (via predecessor company, Cutwater Asset Management) and has worked in the financial services industry since 1982. David's areas of expertise include portfolio management and statistical performance review. He has extensive years of experience in working with public entities on their investment portfolios and has additional experience in the areas of institutional mutual funds and bank portfolio management. He speaks frequently in the US on public funds asset management and is active in many public finance associations across the US. David holds a BA in Business Economics from the University of Pittsburgh and a Master of Science (MSF) in Finance from the University of Colorado. He is a CFA charterholder and also has the Certification for Investment Performance Measurement™ (CIPM).

Biographies

Mary Donovan, CFA, Senior Portfolio Manager

Mary joined Insight in 1991 (via predecessor company, Cutwater Asset Management). She is a senior portfolio manager and has worked in the financial services industry since 1989. Mary has responsibilities for the public sector group strategy. Additionally, she monitors the credit markets and economic conditions daily to develop active portfolio management strategies consistent with each client's investment objectives and cash flow needs. Her areas of expertise include US Treasury and high-grade corporate securities and bond swap analytics. Mary is a past president of the Colorado Treasury Management Association. She speaks regularly in the US on public funds asset management and is active in many US public finance associations. She holds a BS degree from the University of Colorado and is a CFA charterholder.

Gerard Berrigan, Head of Insurance and Intermediate

Gerard joined Insight in 1994 (via predecessor company, Cutwater Asset Management) and has worked in the financial services industry since 1984.Gerard's responsibilities include overseeing all aspects of portfolio management for insurance and Public Sector Group clients in North America. Previously, he worked at the Federal National Mortgage Association as a member of the Portfolio Management and Treasury Groups where he developed and applied expertise in ABS, MBS and portfolio hedging. Gerard also worked at First Boston Corp. developing and implementing investment strategies for the firm's public finance clients. He has a BS degree from Bucknell University and an MBA from Columbia University. Gerard holds Series 7 and 63 licenses from the Financial Industry Regulatory Authority (FINRA).

Biographies

Matthew Logan, CFA, CAIA, Client Service Specialist

Matthew joined Insight in February 2017 as a client service specialist, working directly with the client directors and investment teams to support the business in the delivery of exemplary service to a range of North American clients consisting of pension funds, insurance companies, financial institutions and other corporate investors. Prior to Insight, Matthew spent three years at Allianz Global Investors as an assistant vice president within the client service team covering US financial institutions. He has also worked within relationship management at Merrill Lynch and as a portfolio management associate at Empire Asset Management Company. Matthew holds a BS degree in Business Economics from State University of New York, Oneonta, and is a CAIA charterholder. He also holds Series 7, 63 and 65 licenses from the Financial Industry Regulatory Authority (FINRA) and is a CFA charterholder.

Jenna Rivers, Head of Client Service, North America

Jenna joined Insight in June 2018 as Head of Client Service for the North America region responsible for the oversight of client service support provided to the firm's relationship management function. Prior to joining Insight, Jenna spent eight years at Schroder Investment Management North America Inc., as Head of Client Account Management, responsible for managing the client service team which covered US and Canadian institutional clients. Jenna started her career in financial services in 2007 at AG Morgan Financial as a financial advisor to high net worth individuals. Jenna graduated from Michigan State University with a BA in Finance. She also holds Series 6 and 63 licenses from the Financial Industry Regulatory Authority (FINRA) and is a NEC Canadian Registered Representative.

Bertha Lui-McKee, CPA, Senior Client Service Specialist

Bertha joined Insight's Client Service Team in January 2015, following BNY Mellon's acquisition of Cutwater Asset Management (Cutwater). As a senior client service specialist, she assists in the creation of a strong and robust client service platform in the US which will have the flexibility and ability to manage global service across the Insight product range. Bertha originally joined Cutwater in 1998 and has over 20 years of experience in the financial services industry. Since 2010, Bertha has been focused on client services, special projects and new product execution. She was also responsible for contract and RFP reviews. Prior to this role, Bertha structured and executed commercial paper and medium-term note transactions for Cutwater's asset-backed conduits. She also supervised the operations for MBIA's 11 funding vehicles. Bertha holds a BS degree in Finance and Accounting from New York University and is a Certified Public Accountant.

Important disclosures

Important disclosures

This document has been prepared by Insight North America LLC (INA), a registered investment adviser under the Investment Advisers Act of 1940 and regulated by the US Securities and Exchange Commission. INA is part of 'Insight' or 'Insight Investment', the corporate brand for certain asset management companies operated by Insight Investment Management Limited including, among others, Insight Investment Management (Global) Limited, Insight Investment International Limited and Insight Investment Management (Europe) Limited (IIMEL).

Opinions expressed herein are current opinions of Insight, and are subject to change without notice. Insight assumes no responsibility to update such information or to notify a client of any changes. Any outlooks, forecasts or portfolio weightings presented herein are as of the date appearing on this material only and are also subject to change without notice. Insight disclaims any responsibility to update such views. No forecasts can be guaranteed.

Nothing in this document is intended to constitute an offer or solid action to sell or a solid action of an offer to buy any product or service (nor shall any product or service be offered or sold to any person) in any jurisdiction in which either (a) INA is not licensed to conduct business, and/or (b) an offer, solicitation, purchase or sale would be unavailable or unlawful.

This document should not be duplicated, amended, or forwarded to a third party without consent from INA. This is a marketing document intended for institutional investors only and should not be made available to or relied upon by retail investors. This material is provided for general information only and should not be construed as investment advice or a recommendation. You should consult with your adviser to determine whether any particular investment strategy is appropriate.

Assets under management (AUM) represented by the value of the client's assets or liabilities Insight is asked to manage. These will primarily be the mark-to-market value of securities managed on behalf of clients, including collateral if applicable. Where a client mandate requires Insight to manage some or all of a client's liabilities (e.g. LDI strategies), AUM will be equal to the value of the client specific liability benchmark and/or the notional value of other risk exposure through the use of derivatives. Regulatory assets under management without exposures can be provided upon request.

Unless otherwise specified, the performance shown herein is that of Insight Investment (for Global Investment Performance Standards (GIPS), the 'firm') and not specifically of Insight North America. A copy of the GIPS composite disclosure page is available upon request.

Past performance is not a guide to future performance, which will vary. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes). Future returns are not guaranteed and a loss of principal may occur.

All performance numbers used in the analysis are gross returns. The performance reflects the reinvestment of all dividends and income. INA charges management fees on all portfolios that they manage and these fees will reduce the returns on the portfolios. For example, assume that $30 million is invested in an account with INA, and this account achieves a 5.0% annual return compounded monthly, gross of fees, for a period of five years. At the end of five years that account would have grown to $38,500,760 before the deduction of management fees. Assuming management fees of 0.25% per year are deducted monthly from the account, the value at the end of the five year period would be $38,022,447. Actual fees for new accounts are dependent on size and subject to negotiation. INA's investment advisory fees are discussed in Part 2A of its Form ADV. A full description of INA's advisory fees are described in Part 2A of Form ADV available from INA at www.adviserinfo.sec.gov.

Targeted returns intend to demonstrate that the strategy is managed in such a manner as to seek to achieve the target return over a normal market cycle based on what Insight has observed in the market, generally, over the course of an investment cycle. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that the specific deal will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment.

The information shown is derived from a representative account deemed to appropriately represent the management styles herein. Each investor's portfolio is individually managed and may vary from the information shown. The mention of a specific security is not a recommendation to buy or sell such security. The specific securities identified are not representative of all the securities purchased, sold or recommended for advisory clients. It should not be assumed that an investment in the securities identified will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed.

The quoted benchmarks within this presentation do not reflect deductions for fees, expenses or taxes. These benchmarks are unmanaged and cannot be purchased directly by investors. Benchmark performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison such as differences in volatility, and regulatory and legal restrictions between the indices shown and the strategy.

Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved.

Insight does not provide tax or legal advice to its clients and all investors are strongly urged to consult their tax and legal advisors regarding any potential strategy or investment.

Information herein may contain, include or is based upon forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include all statements, other than statements of historical fact, that address future activities, events or developments, including without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals expansion and growth of our business, plans, prospects and references to future or success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as 'anticipate,' 'estimate,' 'expect,' 'project,' 'intend,' 'plan,' 'believe,' and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Insight and BNY Mellon Securities Corporation (BNYMSC) are subsidiaries of BNY Mellon. BNYMSC is a registered broker and FINRA member. BNY Mellon is the corporate brand of the Bank of New York Mellon Corporation and may also be used as a generic term to reference the Corporation as a whole or its various subsidiaries generally. Products and services may be provided under various brand names and in various countries by subsidiaries, affiliates and joint ventures of the Bank of New York Mellon Corporation where authorized and regulated as required within each jurisdiction. Unless you are notified to the contrary, the products and services mentioned are not insured by the FDIC (or by any government entity) and are not guaranteed by or obligations of the Bank of New York Mellon Corporation or any of its affiliates. The Bank of New York Mellon Corporation assumes no responsibility for the accuracy or completeness of the above data and disclaims all expressed or implied warranties in connection there with. Personnel of certain of our BNY Mellon affiliates may act as: (i) registered representatives of BNYMSC (in its capacity as a registered broker-dealer) to offer securities, (ii) officers of the Bank of New York Mellon (a New York chartered bank) to offer bank-maintained collective investment funds and (iii) associated persons of BNYMSC (in its capacity as a registered investment adviser) to offer separately managed accounts managed by BNY Mellon Investment Management firms.

Disclaimer for Non-US Clients: Prospective clients should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the purchase and ongoing provision of advisory services. No regulator or government authority has reviewed this document or the merits of the products and services referenced herein.

This document is directed and intended for 'institutional investors' (as such term is defined in various jurisdictions). By accepting this document, you agree (a) to keep all information contained herein (the 'Information') confidential, (b) not use the Information for any purpose other than to evaluate a potential investment in any product described herein, and (c) not to distribute the Information to any person other than persons within your organization or to your client that has engaged you to evaluate an investment in such product.

Telephone conversations may be recorded in accordance with applicable laws.

September 17, 2020

Mr. Jeff Rogers
Finance Director, City and Borough of Juneau
155 S. Seward Street
Juneau, AK 99801

Re: Energy sector analysis

Dear Jeff,

Per the City and Borough of Juneau's request, Insight Investment has analyzed the potential costs that may result from limiting fossil fuel exposure in your investment program. Our analysis considers an exclusionary policy to the energy sector of the corporate bond market. This sector includes companies that focus on fossil fuel extraction, pipeline transportation and energy services.

The result of the analysis indicates that there exists a potential cost to excluding the energy sector from your investment program. Insight examined current and historical market factors dating back to the year 2002. These factors included available market exposure, historical returns, returns relative to other corporate sectors and yields. From this analysis, Insight estimates that the cost to the City and Borough's investment program will average between 0.02% and 0.05% in lost return opportunity per year. It is worth noting that 0.01% of return, or 1 basis point of return, results in $16,700 in earnings on your $167 million investment portfolio managed by Insight. Our analysis therefore infers that the potential lost earnings range between $33,400 and $83,500 annually.

Insight welcomes the opportunity to discuss this analysis further or weigh alternative options to an exclusionary policy at your convenience. For your consideration and as separately discussed, one alternative option is to include an investment policy objective that defines and encourages socially responsible investment practices. This option begins the framework for a sustainable investment program without sacrificing return opportunity or the principle of diversification.

Best regards,

Jason Celente, CFA
Senior Portfolio Manager

Insight Investment, 200 Park Avenue, 7th Floor, New York, NY 10166
T: 212 527 1800 F: 212 527 1818 www.insightinvestment.com
Insight North America LLC

City and Borough of Juneau Investment Policy
June 3, 2019

Table of Contents

I. Scope of Authority

In accordance with the Charter and the Codes of the City and Borough of Juneau (CBJ), authority for collection, custody and disbursement of all moneys from whatever sources is the responsibility of the Finance Director (CBJ 57.05.040). The Finance Director, with the support of the Treasurer, is responsible for the management of the investment portfolio, the funds needed for annual operations and unexpended bond proceeds, and the day to day accounting and financial reporting of the Central Treasury functions.

In making investments, the Finance Director and Treasurer shall exercise the judgment and care under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of investments under the investment objectives of these investment policies and the CBJ codes. (CBJ 57.25.018)

The Finance Director and Treasurer will monitor the performance and activities of external portfolio managers to insure compliance with the then prevailing policy and code restrictions and to insure a net benefit to the CBJ.

II. Scope of Policy

This policy applies to investments specified in CBJ code section 57.25.015. Should bond covenants be more restrictive than this policy, funds shall be invested in full compliance with those restrictions.

III. General Objectives

The investment of the Central Treasury is directed to the objectives of safety, liquidity and return. The Working Capital and Intermediate-Term Portfolio (ITP) will be invested with the objectives of safeguarding principal and providing liquidity, with a commensurate investment return. The Long-Term Portfolio (LTP) will be invested according to a total return philosophy. In combination, the following objectives will be met:

1. **Safety** of the nominal value of assets. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to

mitigate credit risk and interest rate risk.

2. **Liquidity** to meet cash flow needs. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets to meet unanticipated demands (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds, ETFs, or local government investment pools which offer same-day liquidity for short-term funds.

3. **Return** on investments that is commensurate with the time horizons of the assets, [leading to a higher level of distributable earnings], over a full market cycle. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following as possible exceptions:

    - A security with declining credit may be sold early to minimize the loss of principal.
    - A security swap would improve the quality, yield, or target duration of the portfolio.
    - Liquidity needs of the portfolio require that the security be sold early.

IV. Standards of Care Prudence

The standard of prudence to be used by investment officials shall be the "Uniform Prudent Investor Act" standard and shall be applied in the context of managing an overall portfolio. Investment officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidation and sale of securities are carried out in accordance with the terms of this policy.

Ethics and Conflicts of Interest

Investment officials will recognize that the investment portfolio is subject to public review and evaluation. The overall program will be designed and managed with a degree of professionalism that is worthy of the public trust.

Officers and employees involved in the investment process shall comply with CBJ Code 01.45 Conflict of Interest and shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Investment officials shall disclose to the Finance Director any material financial interests in financial institutions that conduct business with CBJ, and they will further disclose any personal financial or investment positions that could be related to the performance of CBJ portfolios, particularly with regard to the timing of purchases and sales.

Delegation of Authority

Authority to manage the investment program is granted to the Finance Director, and derived from the following: CBJ Code Section 57.05.040. The Finance Director shall act in accordance with this investment policy for the operation of the investment. No person may engage in an investment transaction except as provided under the terms of this policy. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and external investment managers.

V. External Investment Managers

Selection of an External InvestmentManager

To achieve the investment objectives, the Finance Director may employ external investment managers to invest assets. External managers will be considered for those assignments where they contribute additional expertise, and when the additional expense of external management is justified.

External investment managers must meet the following minimum criteria:

1. Be a bank, insurance company, independent investment counselor, SEC registered mutual fund, or investment adviser as defined by the Registered Investment Advisers Act of1940.
2. Clearly articulate the investment strategy that will be followed, provide historical performance associated with the strategy, and document that the strategy is consistent with the guidelines in this Investment Policy Statement.
3. Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees.
4. Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, and support personnel.
5. Have no past or pending regulatory enforcement, civil or criminal actions or judgments that may reflect negatively upon the firm's professional conduct and ability to perform.
6. Demonstrate the absence of conflict of interest.
7. Offer a competitive fee structure.

Duties and Responsibilities of an External Investment Manager

The following duties and responsibilities shall be included as mandatory terms of all contracts with third party investment managers:

1. Manage the assets under its care, custody and/or control in accordance with the objectives and guidelines set forth herein and also expressed in separate written agreements when deviation is deemed prudent and desirable by the Finance Director.
2. Exercise investment discretion within the objectives and guidelines set forth herein.
3. Provide the following regular reports to the Finance Director and Treasurer. 1) Provide monthly reports of the holdings and transactions, and the total return achieved. 2) Provide semi-annual reports that provide additional detail on the investment strategy and outlook, and performance attribution for the prior period. Semi-annual reports must state whether the portfolio is in compliance with the guidelines, and note the steps being taken to correct any failures to comply. Semi-annual reports should be provided within 30 days of quarter end. 3) Provide fiscal year end reports consistent with CBJ's professional standards (GAAP and GASB.)
4. Promptly inform the Finance Director in writing of all significant and/or material matters and changes within the investment management firm pertaining to the investment of Central Treasury assets, including, but not limited to:

a. Investment strategy
b. Portfolio structure
c. Tactical approaches
d. Ownership & CBJ account principals
d. Financial condition
e. Recommendations for guideline changes
f. All legal, SEC, and other regulatory agency proceedings relating to the firm's business and/or investment operations, activities or conduct.

5. Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like investment programs with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.
6. Adopt a brokerage policy that reasonably ensures that all transactions effected for the Central Treasury are subject to the best price and execution.
7. Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire Investment Policy Statement set forth herein, and as modified in thefuture.

VI. Safe Keeping and Custody of Investments

The Finance Director shall enter into agreements with one or more financial institutions to provide custodial safekeeping services for Central Treasury investments and or pledged collateral. All investments purchased, or the required collateral to secure investments purchased, shall be held directly by the Central Treasury, by the third party custodial institution, or insured directly by the Federal Government. Where the holding of the investment directly by the Central Treasury or the third party custodial institution is impractical or impossible, the collateral will be pledged as security for the investment. The exception to this requirement will be investments in the Alaska Municipal League Investment Pool (AMLIP), in mutual funds, or in exchange-traded funds (ETFs).
AMLIP investment will be held by a third party institution retained by the Investment Pool's manager and board.

The third party custodial safekeeping agreement shall include statements of authority from the Finance Director, details as to responsibilities of each party, notification of security purchases, sales, delivery, repurchase agreements, wire transfers, safekeeping and transaction costs, procedures in case of wire failures or other unforeseen mishaps and the liability of each party.

All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the third party custodial institution simultaneously with the release of funds. Securities held by the third party custodian are evidenced by safekeeping receipts and monthly activity reports.

VII. Authorized Investments

Funds may be invested only in the following instruments:

1. Obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;
2. Commercial paper issued by corporations or businesses and rated at least A1/P1 by a nationally recognized statistical rating organization (NRSRO), and collateralized commercial paper with no time limit;
3. Negotiable certificates of deposit issued by rated banks;

4. Repurchase agreements secured by obligations insured or guaranteed by the United States, or agencies or instrumentalities of the United States;
5. Bank obligations insured by the appropriate federal insurance agency, including nonnegotiable certificates of deposit secured as provided in Section 57.25.030;
6. Custodial money market and other mutual funds so long as the nature of the fund is generally consistent with all other provisions of this section of the code;
7. U.S. dollar denominated corporate bonds and rated investment grade or higher by nationally recognized rating agency at the time of purchase;
8. Mortgage-backed securities and collateralized mortgage obligations (CMOs)) issued and insured or guaranteed by the United States or agencies or instrumentalities of the United States;
9. Asset-backed securities that are publicly traded and rated AAA by a NRSRO at the time of purchase;
10. Domestic Fixed Income Mutual Fund or ETF: Securities issued in the United States matching security types, quality and maturity ranges contained in the Bloomberg Barclays Aggregate Index;
11. Domestic Equity Mutual Fund or ETF: Common and preferred stock issued by companies domiciled in the United States, and traded on a domestic stock exchange, or traded through the National Association of Securities Dealers Automated Quotation (NASDAQ) system;
12. International Equity Mutual Fund or ETF: Common and preferred stock issued by companies domiciled outside the United States, primarily in developed countries, as defined by the Financial Times Stock Exchange;
13. Loans to specified funds of the City and Borough for the purpose of capital acquisition, made as provided in Section 57.05.045;
14. An investment pool for public entities authorized by AS 37.23;
15. Other investment types or asset classes as provided in this Investment Policy and consistent with all other provisions of the CBJ code.

VIII. Investment Parameters

The following general guidelines apply to all portfolios. Any mutual funds or other commingled vehicles utilized will be reviewed to determine that their governing instruments are substantially consistent with the following guidelines.

A. General Guidelines

- All guidelines are considered at the time of purchase. The sale of a security is not automatically required due to a subsequent change in circumstance.
- Holdings of individual securities shall be large enough for easy liquidation.
- Each portfolio will be diversified with regard to specific issuer, industry, and economic sector, in order to reduce risk. The LTP will be further diversified by type of security (fixed income and equity).
- Securities may be sold at a loss from any portfolio, if such an action is deemed to be consistent with the overall portfolio investment objectives.
- Commingled investment vehicles, such as mutual funds and ETFs, are permissible if the fund is managed in a manner consistent with this policy.

B. Analysis of Cash Flow to Determine Investable Funds

The cash flow forecast will be updated at least annually and reviewed monthly to determine funds available for investment. Investable funds are determined by analyzing known and projected cash sources and uses of funds for the next month. Sources analyzed include major projected receipts of property tax, sales tax, state grants, and future investment maturities. Uses of cash analyzed include current and projected accounts payable, payroll and payroll taxes, capital project outlays, debt service coverage, and other payments expected to exceed
$100,000. Projected inflows and outflows are included for City and Borough general accounts, Bartlett Regional Hospital, and the Juneau School District.

Because a review of the cash flows and daily balances of the Central Treasury has revealed that a portion of the assets remain in the Central Treasury for periods of time significantly longer than one year, the Central Treasury may prudently invest a portion of its assets in longer-term securities. Assets will be added to the appropriate Portfolio based on duration/average maturity and liquidity, as outlined below.

C. CBJ Portfolios

- *Working Capital Portfolio* The Working Capital Portfolio shall be the portion of the total investment portfolio that is managed for short-term liquidity, typically with an average maturity of 1 to 270 days. The funds in this portfolio are generally expected to be used within a 12-month period. The Working Capital Portfolio is intended to provide same-day liquidity for immediate cash needs. In addition to providing liquidity, the objective of the Working Capital Portfolio is to preserve principal and generate current income by investing in high-quality, short-term instruments as defined in the "Authorized Investments" section of this policy and code 57.25.020.

  Current Benchmark: *Bloomberg Barclays 1-3 Month US Treasury Bill Index or other comparable index available*

- *Intermediate-Term Portfolio (ITP)* The Intermediate-Term Portfolio shall have an average maturity of less than five years. Funds in this portfolio are intended for cash flow needs projected in the next 1- 5 years.
  Current Benchmark: *Barclays U.S. Government/Credit 1-5 Year Index or other comparable index available*

- *Long-Term Portfolio (LTP)* This portfolio has a long-term investment horizon, and will include long- term CBJ funds and other endowments. To create real growth (inflation proof) and provide for annual spending needs, the LTP assets shall be invested in equity, as well as fixed income securities. Both domestic and international equity securities are permissible and appropriate to consider. The Finance Director may select commingled funds, registered mutual funds, or ETFs. **Current Benchmark by Asset Class**:
  - Domestic Equity: *S&P 500 Index or other comparable index available*
  - International Equity: *FTSE Developed All Cap ex US Index or other comparable index available*
  - Domestic Fixed Income: *Bloomberg Barclays US Aggregate Float Adjusted Index or other comparable index available*

D. Intermediate-Term Portfolio Management

1. *Average Maturity/Duration*

The average maturity of the ITP shall not exceed five years, and the duration shall be +/- 10% of the chosen benchmark.

2. *Quality*

All fixed income securities held in the segment shall be comparable to those held in the respective benchmark used, and have an "investment grade" rating (Moody's rating of Baa, or a Standard & Poor's rating of BBB) or better by a NRSRO.

3. *Diversification*

It is the policy of CBJ to diversify its investment portfolios. To eliminate risk of loss resulting from the overconcentration of assets in a specific maturity, issuer, or class of securities, all investment assets shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the Finance Director.

The exposure of any one of the portfolios to any one issuer shall not exceed 5 percent of the market value of the portfolio, with the exception of: U.S. Treasury or Agency securities, the AMLIP, or collateralized investments.

Positions in securities having potential default risk (e.g., corporate bonds) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities

4. *Sector Allocations*

- Corporate securities shall constitute no more than 40% of the market value of the portfolio; furthermore, corporate securities with a Moody's rating of Baa or a Standard & Poor's rating of BBB shall constitute no more than 20% of the corporate bond holdings.
- Mortgage-backed securities, including CMOs shall constitute no more than 20% of the market value of the portfolio. The aggregate total of asset-backed securities should not exceed 25% of the market value of the portfolio.
- Certificates of Deposit shall not exceed 20% of the market value of the portfolio.
- US Agency Securities shall not exceed 40% of the market value of the portfolio. In addition, callable securities are limited to 20% of the portfolio.
- US Treasury Securities may comprise up to 100% of the portfolio.

5. *Repurchase Agreements*

The Central Treasury may invest in repurchase agreements per the requirements set forth in the CBJ 57.25.020(6). The Central Treasury will have an executed Master Repurchase Agreement on file for each firm conducting repurchase agreements with the Central Treasury prior to entering into repurchase agreements. The use of repurchase agreements will be consistent with GFOA "Recommended Practices on Repurchase Agreements". All repurchase agreements will be collateralized at a minimum of 102% of market value of principal and interest.

E. Portfolio Management for the Long Term Portfolio (LTP)

1. *Eligible Securities*

a. Domestic Equity

The domestic equity allocation will be invested in an indexed mutual fund or ETF, managed to the S&P 500 Index. All the stocks in the benchmark are permissible investments. Cash should be kept to a minimum.

b. International Equity

The international equity allocation will be invested in an index fund, managed to the *FTSE Developed All Cap ex US Index*. All securities in the benchmark are permissible.

c. Domestic Fixed Income

The objective of this investment is exposure to US investment-grade bonds, including both corporate and government bonds of all maturities. The domestic fixed income allocation will be invested in an index mutual fund or ETF, managed to the Bloomberg Barclays US Aggregate Float Adjusted Index.

2. *Maturity, Duration, Sector Allocation and Credit Quality*

Maturity, duration, sector allocation, and credit quality of the Domestic Fixed Income allocation are to be managed to reproduce the same risks as the Bloomberg Barclays US Aggregate Float Adjusted Index.

3. *Asset Allocation*

The strategic asset allocation of the Long

portfolio shall be: Broad Domestic Equity

	30% ± 4%
International Equity	19% ± 3%
Domestic Fixed	51% ± 7%

The policy establishes for each asset class the target allocation, and a band around that target. The strategic asset allocation is expected to produce a median real return of 3.5% + the annual rate of inflation annualized over a 5-year period.

4. *Portfolio Rebalancing*

The current asset allocation of the Funds will deviate from the strategic asset allocation target due to differences in market returns between the stock and bond markets. The current allocation will be evaluated quarterly and a rebalancing program will be initiated when the current allocation is no longer within the target range. Contributions or withdrawals will be directed in a manner that moves the current allocation closer to the strategic allocation. Rebalancing will be done at minimum, once each year to bring assets closer to their desired levels. Rebalancing may also take place quarterly and when funds are withdrawn.

5. *Use of Commingled Funds*

The Finance Director shall evaluate the use of commingled funds for the LTP. Commingled funds include registered mutual funds, unregistered institutional trusts and ETFs. Commingled funds will be considered when the total costs are lower than for a separately managed account.

When using commingled funds, the Finance Director shall review the prospectus and other written material about the fund to ensure that the management is essentially consistent with the guidelines set forth in this policy.

6. *Total Investments*

It is expected that the long portfolio will consist of endowment funds and some long-term CBJ funds. Total CBJ funds invested are not to exceed $5 million plus appreciation.

IX. Performance Reporting

The Finance Department will prepare, on a calendar quarter basis, financial reports which will be posted to the CBJ website.

On a quarterly basis, the Finance Director will review:

- The investment manager's adherence to the security and portfolio guidelines and the duties and responsibilities of money managers;
- Material changes in the investment manager's organization, investment philosophy and/or personnel; and,
- Comparisons of the investment manager's results to appropriate benchmarks:
- The return on the total LTP shall be compared to a composite benchmark consisting of each benchmark applied by the portfolio investment allocation.

X. Internal CBJ Investment Transactions

A. Authorized Financial Dealers and Institutions

A list of five approved security broker/dealers will be maintained for transactions initiated by authorized CBJ staff. To be selected as a security broker/dealer the firm must be a primary dealer (as provided by the Federal Reserve Bank of New York) or have at minimum capital of $10,000,000 and in operation for at least the past five consecutive years.

All broker/dealers who are not primary dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate.

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of Alaska state registration
- Completed City and Borough of Juneau broker/dealer application form

Primary dealers will only be required to submit the completed City and Borough of Juneau broker/dealer application form.

A review of the financial condition and registration of the qualified bidders listing will be conducted by the

Finance Director annually. The Finance Director may require additional information to confirm the financial ability of any firm wishing to do business with CBJ as a broker/dealer. Financial compliance files will be maintained by the Finance Department on all approved broker/dealers.

In addition to direct broker/dealer transactions, the internally managed segment may utilize one or more web- based sites for transactions. Since these sites provide direct transactions with selling brokers, dealers and other institutional traders, care will be taken to insure that there is sufficient transactional security provided by the site and that transaction fees are competitive.

B. Investment Placement and Internal Control

The following tasks outline the required procedures necessary to properly determine and place appropriate Central Treasury Investments.

Selection of Investment Vehicle
After determining investable funds the investment analysis will include a review of interest rate trends, the yield curve analysis, existing portfolio mix and alternative investment instruments. Once the approximate maturity date range and investment vehicle are selected, bids will be solicited from authorized brokers.

Competitive Pricing on Investment Purchases
Competitive pricing shall be obtained on all purchases. For new issue securities offered at par, Treasury may contact one broker for this purchase. Care will be exercised to ensure that purchases are made from multiple brokers and no one broker is favored. For investment purchases of up to three million (<=$3,000,000), three quotes will be solicited or use of independent financial pricing sources will be made to ensure that "best" execution has been obtained. For investment purchases in excess of three million (>$3,000,000), five quotes will be solicited. It is anticipated that no single purchase will exceed four million (>$4,000,000).

When Treasury solicits bids for a block dollar amount containing multiple trades, a minimum of five brokers will be solicited. Bids will be solicited on a systematic rotation method that will, over time, offer reasonable opportunities for bidding to all persons on the qualified active brokers list.

All investment purchases (except AMLIP, repurchase agreements or investments secured by the federal government (i.e.: FDIC or NCUA)) will be made on a delivery vs. payment basis (DVP). Brokers not responding to a bid solicitation within 15 minutes or other specified time period will be considered non-responsive.

Investment Transaction Authority
The following are authorized to execute investment transactions for the CBJ: The Finance Director and Treasurer.

Investment Purchase
When an investment is purchased, an investment transaction file will be created. The file will include all pertinent information regarding the investment purchased, including any bid information, trade ticket, trade confirmation and any documentation received from the broker. Each investment will be entered into an investment system database for monitoring and reporting. Each investment transaction file will be maintained and retained per CBJ's retention schedule.

The custodian shall be notified of the transaction details in a timely manner, either the day prior for regular settlement and two days prior for longer settlements. Notification will be made by fax or other secure electronic means. The custodial bank handles the receipt of the security and the delivery of payment as agreed to in the custodial services contract.

Wire and ACH Transfers - Outgoing

Wire transfers require a written authorization confirming the transfer sent via fax or through a secure electronic bank transfer method.

The following people are authorized to approve outgoing wire and ACH transfers: Finance Director, Treasurer and Deputy Treasurer.

XI. Policy Considerations

A. Accounting for Investments

General Provisions
Investments are recorded at historical cost at time of purchase. Investments are marked to market and recorded monthly. Accrued interest receivable is calculated and recorded monthly.

Central Treasury
CBJ uses a Central Treasury concept to account for investments for all CBJ funds and its component unit, the Juneau School District.

Investment Schedules & Reconciliation
Schedules that provide detail investment support by investment will be maintained for the general Central Treasury portfolio and for all invested funds having specific investment earnings restrictions (arbitrage restrictions). All investment schedules will be updated and balanced to the general ledger and custodial statements monthly by the Treasury Division. These reports will be made available to the Finance Director on request.

Year-End Disclosures
Year-end disclosures included in the CBJ Comprehensive Annual Financial Report (CAFR) will include; investments allowed under CBJ Ordinances, investment carrying amount, risk category (according to current accounting requirements) and market value, as of June 30.

B. Interest Allocation of Central Treasury Earnings

The CBJ Treasurer's office shall record all interest earnings from the general investment portfolio in the general fund as the transactions occur. Interest income will be allocated at least annually. The following operating funds will be allocated interest income based on their cash positions, average monthly cash balance, and the associated general portfolio monthly yield:

- Forfeited Assets, required by Federal Regulations
- Enterprise Funds
- School District Agency Fund
- LID's with external debt
- Grants, as required by state or federal law
- Bond proceeds used for capital projects
- Agency Funds

For IRS Arbitrage reporting purposes, bond proceeds may be segregated and kept in a separate restricted investment portfolio. For each separate restricted investment portfolio the interest allocation will be the actual earnings from the investments in the applicable restricted portfolio.

XII. Approval of Investment Policy

The Finance Director can call for a review and update of the CBJ Investment Policy as needed. Changes to the Investment Policy are subject to City Manager authorization. Material policy changes shall be brought to the Assembly Finance Committee by the City Manager for review (57.25.015(2)).

Effective Date: This policy will take effect on date policy is signed.

Dated at Juneau, Alaska, this 3RD day of JUNE, 2019.

Duncan Rorie Watt
City and Borough Manager

Exploring supranationals

Insight INVESTMENT

Definition

A supranational organization is an international group or union in which the power and influence of member states transcend national boundaries or interests to share in decision making and vote on issues concerning the collective body.

The European Union and the World Trade Organization are both supranational entities. In the EU, each member votes on policy that will affect each member nation. The benefits of this construct are the synergies derived from social and economic policies, and a stronger presence on the international stage.

Also known as “Multilateral Lending Institutions” or MLI’s.

Source: Bloomberg, Insight Investment

Are they really that super?

World Bank:	To end extreme poverty; To promote shared prosperity
IBRD:	Loans, guarantees, advisory services to middle-income and low-income countries
	Established 1944, 189 member countries
IFC:	By 2030, end extreme poverty and promote shared prosperity in every country
	Established 1956, 51% of capital held by “G7” countries, 24% US
IADB:	Reduce poverty and inequality in Latin America and Carribean
	Established 1958, 27 member countries, 30% US
Non DC:	European Investment Bank (EIB)
	African Development Bank (AFDB)
	Asia Development Bank (ASIA), 16% US ownership

Sources: worldbank.org; ifc.org; iadb.org

Bureaucracy is good for credit ratings

Environmental & social

Involved in social missions

Leaders in “green” bond issuance:
Use of proceeds and potential impact

Governance

Transparency and oversight

Visibility into financials and projects

All have process for detecting fraud

The Fraud Investigations Division aims to protect the EIB Group’s finances and reputation through six core activities:

1. **Assessment** and, where necessary, **investigation of allegations**
2. **Policy work** aiming at ensuring the existence of a robust anti-fraud policy framework at the EIB Group and incorporating the lessons learned from the investigations into policies and practices
3. **Proactive Integrity Reviews (PIRs)** to identify actual fraud or potential vulnerabilities
4. **Fraud awareness training** for all EIB Group staff
5. **Raising awareness** of Prohibited Conduct-related issues in the public and private sectors
6. **Analysis and information gathering** to support the above five activities

Sources: European Investment Bank

Investment policy implications

Typical corporate bond language

Corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time or purchase, from at least two of the following rating agencies with minimum ratings as follows: Moody's – "A", Standard & Poor's – "A", or Fitch – "A".

Proposed language to cover other investments

Other debt securities issued as notes, bonds, debentures or commercial paper such that the long term debt rating, at the time or purchase, is rated by least two of the following rating agencies with minimum ratings as follows: Moody's – "Aa", Standard & Poor's – "AA", or Fitch – "AA". Issuing entities eligible under this category typically include, but are not limited to, supranational agencies, universities, non profit organizations and foreign governments.

General sector and issuer limitations

Supranational and other debt obligations can hold similar limits to corporate securities

Sources: Florida State Statutes, Insight Investment

City and Borough of Juneau

Fiscal Year 2020 Audit Presentation

March 3, 2021

Karen Tarver, CPA

Elgee Rehfeld, LLC

Elgee Rehfeld
Alaska's CPA Firm

FY20 Audit Teams

- **CBJ – Karen Tarver**
  - Adam Sycks, Jill Smith, Ryan Beason , Cody Campbell, Tim Lewis, William Paneak, Colt Franklin, Eric McDonald, Naomi Moritz
- **BRH – Sarah Griffith**
  - Adam Sycks, Tim Lewis, William Paneak
- **CBJSD – Karen Tarver**
  - Jill Smith, William Paneak, Cody Campbell, Colt Franklin, Eric McDonald

Elgee Rehfeld
Alaska's CPA Firm

When We Audit and Issued

City and Borough of Juneau (CBJ)

Fieldwork - August and October-January

FY20 FS – issued in December

FY20 Single Audits – issued in February

Bartlett Regional Hospital (BRH)

Fieldwork - August and September

FY20 FS – issued in December

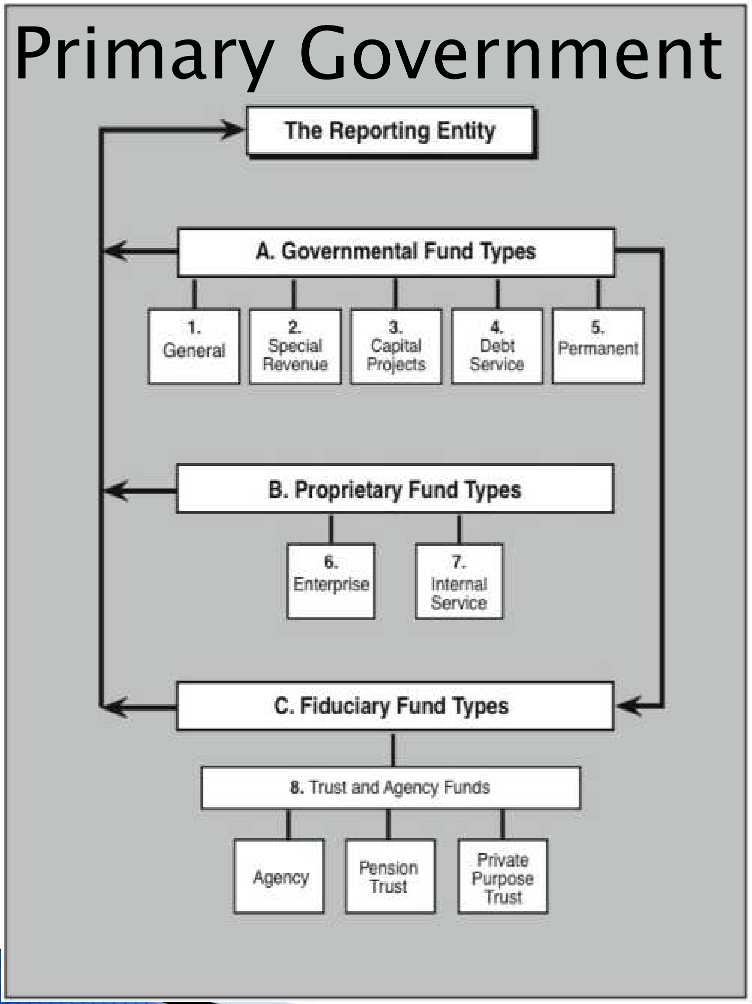
Juneau School District (CBJSD)

Fieldwork - July and September

FY20 FS & Single Audits – issued in November

Elgee Rehfeld
Alaska's CPA Firm

CBJ – Primary Government



- **Governmental Activities**
- **Business Type Activities**
- **Discretely presented component unit** (CBJSD)
  - Includes separately issued audit
- **Each Major Fund**
  - Includes separately issued audit on the Hospital (BRH) Enterprise Fund
- **Aggregate Remaining Fund Information**
- **Compliance**
  - Federal Major Programs
  - State Major Programs
  - FAA Pass. Fac. Charge

Elgee Rehfeld
Alaska's CPA Firm

CBJ's Activities and Funds

- Governmental Activities
  - General Fund
  - General Debt Service
  - Special Revenue Funds – 11 (2 major)
  - Capital Project Funds - 5
  - Permanent Fund
- Business-Type Activities
  - Enterprise Funds – 7 (all major)
- Other
  - Internal Service Funds – 3 (allocated into Governmental and Business-Type Activities)
  - Fiduciary Funds - 2

Elgee Rehfeld
Alaska's CPA Firm

Annual Financial Reports of CBJ

- CBJ
  - CAFR (Comprehensive Annual Financial Report)
  - Compliance Reports
    - Federal and State Major Programs & Schedules
    - FAA Passenger Facility Charges Program and Schedule
- Bartlett Hospital
  - Financial Statements
- CBJSD
  - Financial Statements
  - Compliance Reports
    - Federal and State Major Programs & Schedules
    - State of Alaska DEED Tuition Rate Report

Elgee Rehfeld
Alaska's CPA Firm

"CAFR"

FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
  - Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to the Financial Statements
- Required Supplementary Information
- Combining Fund Statements and Schedules
- Governmental Individual Fund Statements and Schedules
- Proprietary Individual Fund Statements and Schedules
- Capital Assets Used in the Operation of Governmental Funds

Elgee Rehfeld
Alaska's CPA Firm

CBJ CAFR Contents

MD&A	Management's Discussion and Analysis (required supplementary information)	
Basic Financial Statements	Government-wide Financial Statements (pages 15-17)	Fund Financial Statements (pages 18-37)
	Notes to the Basic Financial Statements (pages 39-85)	
RSI	Required Supplementary Information (pages 88-95)	
Supplementary Information	Governmental Funds - Special Revenue Funds, Debt Service Fund, Capital Projects funds, and Permanent Fund (pages 98-136)	
	Proprietary Funds - Enterprise Funds and Internal Service Funds (pages 138-163)	
	Capital Assets Used in the Operation of Governmental Funds (pages 166-168)	Additional Information (pages 170-176)
	Statistical Section (unaudited) (pages 178-217)	

Elgee Rehfeld
Alaska's CPA Firm

Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of CBJ are included on the statement of net position (deficit). The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the government fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expense) in net total position. The statement of cash flows provides information about how CBJ finances and meets the cash flow needs of its proprietary activities.

Elgee Rehfeld
Alaska's CPA Firm

CBJ Independent Auditor's Report – What We Audit

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements as listed in the table of contents.

Elgee Rehfeld
Alaska's CPA Firm

CBJ Independent Auditor's Report – Management's Responsibilities for the Financial Statements

Management's Responsibility for the Financial Statements

The City and Borough's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Elgee Rehfeld
Alaska's CPA Firm

CBJ Independent Auditor's Report – Auditor's Responsibility

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Elgee Rehfeld
Alaska's CPA Firm

Audit Process

Planning and Risk Assessment

Testing of Significant Internal Controls

Testing of Balances and Significant Transactions and Disclosures

Concluding on Work

Drafting Auditor Reports

Issuance

Changes in Fiscal Year 2020

- CARES funding
  - CBJ – CARES Relief Special Revenue Fund created & additional COVID-19 funding added to existing programs
  - BRH – Provider Relief Funds
  - CBJSD – CARES funding for Education

- GASB No. 84 – Fiduciary Activities
  - Presentation format changed and funds previously classified as agency funds were reclassed into other fund types under new definition for fiduciary funds.

- COVID-19 – Disruptions and Changes in Processes

Significant Transaction Cycles

- **CBJ and CBJSD**
  - **Treasury** – Cash, Investments, Taxation (CBJ), other Revenue and Related Receivables
  - **Capital Assets** (CBJ only)
  - **Debt Instruments** (CBJ only)
  - **Expenditure** – Purchasing, Accounts Payable, Inventory and Supplies, and Payroll
  - **Budget**
  - **Risk** (Concentrated at CBJ)
  - **Financial Reporting**
  - **Compliance** – Legal, General Grant and Specific (Passenger Facility Charges and Tuition Rate Report)
- **BRH**
  - **Revenue Cycle** – Patient/consumer services revenue from admissions through billing including related management of contractual and bad debt recording
  - **Property, plant and equipment**
  - **Expenditure** – Purchasing, Accounts Payable, Inventory and Supplies, and Payroll
  - **Financial Reporting**
  - **Compliance** – Legal, General Grant and Specific

Elgee Rehfeld
Alaska's CPA Firm

Bartlett Hospital Audit Results

- Unmodified Opinion on Financial Statements

- Recommendations to the Hospital Board
  - No new recommendations for FY20

- Detailed Presentation with the Finance Committee and Hospital Board

Elgee Rehfeld
Alaska's CPA Firm

Juneau School District Audit Results

- Unmodified Opinions on Financial Statements and Federal and State major Programs
  - No findings or questioned costs
  - No audit adjustments to the financial statements

- Recommendations to the School Board
  - No new recommendations for FY20
  - Informal communications with management regarding:
    - New Accounting System implementation planned in FY21
    - Implementation of GASB No. 84 – Fiduciary Activities
    - Continued impact of COVID-19

- Presentation to the School Board

Elgee Rehfeld
Alaska's CPA Firm

CBJ – FY20 Financial Statement Audit Results

- CAFR / Financial Statements
  - Unmodified opinions

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Elgee Rehfeld
Alaska's CPA Firm

CBJ – FY20 State of Alaska Compliance Audit Results

- State Major Programs (compliance)
  - Unmodified opinions on 9 major programs

Total State Eligible Expenditures
FY20 –$20,535,209

Elgee Rehfeld
Alaska's CPA Firm

CBJ – FY20 Federal Compliance Audit Results

- Federal Major Programs (compliance)
  - Qualified opinion on Coronavirus Relief program:
    - Finding: 2020-001
    - Corrective Action Plan developed by management
  - Unmodified opinions on other Federal Major Programs

Total Federal Eligible Expenditures
FY20 –$35,366,768

- FAA
  - Passenger facility charges program - unmodified

Elgee Rehfeld
Alaska's CPA Firm

Letter to the Assembly

- Auditor Responsibility
- Planned Scope and Timing of Audit
- Compliance Regarding Independence
- Entity's Significant Accounting Policies Aspects
  - Significant Accounting Policies – Use & Changes
  - Significant Accounting Estimates
  - Significant Disclosure
- Uncorrected and Corrected Misstatements
- Disagreements, Representations and Consultations with or by Management
- Other Significant Matters, Findings or Issues

Elgee Rehfeld
Alaska's CPA Firm

Letter to the Assembly – Significant Accounting Policies

- Adoption of GASB No. 84, *Fiduciary Activities and GASB No. 90, Major Equity Interests*

- Prior Period Adjustment to CAFR
  - Restatements related to the reclassification of the Airport and Harbor Enterprise Funds bond issuance cost capitalization (totally $12,468)

Elgee Rehfeld
Alaska's CPA Firm

Letter to Assembly - Significant Estimates

- Pension and OPEB Assets, Liabilities, Deferred In/Outflows
  - Based on information provided by the State of Alaska
- Accounts, Taxes, Assessments and Other Receivables
  - Based on historical collection, market conditions
  - Assumes ability to collect
  - Accuracy of allowance for doubtful accounts
- Self-insurance reserves for claims liabilities
  - Represents reserves for reported and unreported losses
  - Based on an estimated (by an actuary) ultimate cost of settling the claims
- Provider Relief Funds (BRH)
  - Based on guidance made available by U.S. Department of Health and Human Services, at time financials were issued.

Elgee Rehfeld
Alaska's CPA Firm

Letter to Assembly – Uncorrected and Corrected Misstatements

- Corrected
  - Bartlett Regional Hospital Enterprise Fund – presentation of the Provider Relief Funds revenue from operating revenue to non-operating revenue to comply with GASB guidance.
  - Schedule of Expenditures of Federal Awards (SEFA) – reduction of eligible expenses for the Coronavirus Relief Fund program to reflect amounts expended as of fiscal year-end.
- Uncorrected
  - Management elected to pass on reducing accounts receivable and federal revenue in the CARES Relief Special Revenue Fund for the amount expended after fiscal year-end but reflected as earned in the CAFR.

Elgee Rehfeld
Alaska's CPA Firm

Letter to the Assembly - Internal Control Matters and Recommendations

Finding 2020-001: Significant Deficiency in Internal Controls over Compliance and Noncompliance – Allowable Costs for Federal Major Program (Coronavirus Relief Fund)

- We recommend management implement a process to ensure that expenditures reported in the SEFA as eligible costs are supported by the accounting system's subledgers, rather than transferred amounts.

Elgee Rehfeld
Alaska's CPA Firm

Letter to the Assembly – Status of Prior Year Finding & Comments

Finding 2019-001: Major Program Non-Compliance and Significant Deficiency over Compliance – Reporting (BRH Grant)

- Finding resolved in FY20.

Other Internal Control Matters:

- **Further Develop and Document Accounting Procedures**
  - We recommend management complete this documentation by adding the controller's CAFR review procedures.

- **Aggregate, Record and Disclose CBJ Leases Receivable**
  - Management is addressing in FY21 as they work on preparing for implementation of GASB No. 87, *Leases*, in fiscal year 2022. This is a large task and external software can provide time and cost savings related to implementation and continued compliance with reporting and disclosure requirements.

Elgee Rehfeld
Alaska's CPA Firm

Conclusion

- Thank you to the CBJ Finance and Treasury Departments, JSD Finance, and BRH's Finance staff. All our interactions were professional, and we appreciate how seriously each person takes their responsibilities.

- We are happy to sit down with members of the Assembly to discuss any items related to our audits.

- Questions?

Elgee Rehfeld
Alaska's CPA Firm

CITY AND BOROUGH OF JUNEAU, ALASKA

LETTER TO THE ASSEMBLY

Year Ended June 30, 2020

February 19, 2021

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

February 19, 2021

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

Dear Members:

We have audited the financial statements of the City and Borough of Juneau, Alaska (City and Borough or CBJ) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 29, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 17, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City and Borough solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our financial statement audit consistent with the planned scope and timing we previously communicated to you. We delayed the completion of the compliance audits as federal guidance, necessary for completion of our audit procedures, was not available until after the timeframe we originally planned.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Elgee Rehfeld, LLC | 9309 Glacier Hwy | Ste B-200 | Juneau, AK 99801 | (907) 789-3178

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City and Borough is included in Note 1 to the financial statements.

As described in Note 19 to the financial statements, during the year, the City and Borough changed aspects of its financial statement presentation by adopting Governmental Accounting Standards Board (GASB) *Statement No. 84, Fiduciary Activities* and GASB *Statement No. 90, Major Equity Interests*. As a result, CBJ identified two activities that met the definition of fiduciary fund, namely custodial funds. These funds are presented as fiduciary funds in the basic financial statements, including a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

As described in Note 21 to the financial statements, during the year, within the Airport Fund, management determined that bond issuance costs capitalized as part of work in process were transferred to buildings and improvements twice when the project closed. This resulted in an adjustment of $9,190 to the work in process account to zero out the balance. Likewise, in the Harbors Fund, management determined that work in process was overstated due to assets being double-booked. This resulted in an adjustment of $12,468 to the work in process to bring the balance to actual.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

> Management's estimate of the net pension liability, OPEB asset, OPEB liabilities, related deferred inflows, and related deferred outflows are based on information provided by the State of Alaska. We evaluated the key factors and assumptions used to develop the net pension and OPEB liabilities and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
>
> Management's estimates of the net realizable value of accounts, taxes, assessments and government agency receivables are based on historical collections of these receivables,

current market conditions and management's assessment of the collectability of the various individual and classes of receivables. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. Actual results could differ from those estimates.

Management's estimate of the reserves for losses and loss adjustment expenses represent (a) individual case estimates for reported losses, (b) estimates for unreported losses based on past experience modified for current trends, and (c) estimates of expenses for investigating and settling claims. The reserves are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors. These estimates are limited to the appropriate per occurrence retention for the coverage and policy year. We evaluated the key factors and assumptions used to develop the reserve for losses and loss adjustment expenses in making our determination whether they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net realizable value of the Provider Relief Funds, in Bartlett Regional Hospital enterprise fund, is based on the guidance made available by the Department of Health and Human Services, at the time the financial statements were issued. The guidance outlining requirements on how to recognize these funds may change subsequent to the date of audit issuance, which may impact the ability of the Hospital to retain some or all of the distributions received. We evaluated the key factors and assumptions used to develop the above-mentioned values in determining that it was reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate, and communicate to the appropriate level of management:

- All known and likely misstatements identified during the audit, other than those that we believe are trivial.
- All material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatement, identified as a result of our review of the draft financial statements, was brought to the attention of, and corrected by, management in the issued financial statements:

- Adjust $6.3 Million of Federal Provider Relief Funds reflected as operating revenue, in the Bartlett Regional Hospital Enterprise Fund, to nonoperating revenue, in accordance with GASB Technical Bulletin 2020-1, *Accounting and Financial Reporting Issues Related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Diseases*.

The following misstatement, identified as a result of our review of the draft schedule of expenditures of federal awards (SEFA), was brought to the attention of, and corrected by, management in the issued SEFA, but not the issued financial statements:

- Reduced a portion of eligible expenditures of the Federal Coronavirus Relief Fund program from $550,000 to $13,728, on the SEFA, to reflect costs incurred as of June 30, 2020 rather than the internally transferred amount. Management elected to pass on reducing accounts receivable and the federal revenue in the CARES Relief Special Revenue Fund as was earned after year-end.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City and Borough's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management related to the financial statements and federal and state single audit compliance audits that are included in the attached management representation letters. As our financial statement audit and compliance audits were issued separately so there are two separate letters attached.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City and Borough, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City and Borough's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing CBJ's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Internal Control and Other Matters

Significant Deficiency in Internal Controls over Compliance

As described in our *Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance,* we identified major program noncompliance and a deficiency in internal control over compliance that we consider to be a significant deficiency, as described below:

> <u>2020-001 Major Program Noncompliance and Significant Deficiency in Internal Controls Over Compliance – Allowable Costs</u>
> Internal controls over compliance were not sufficiently designed and implemented to ensure that allowable costs were calculated correctly as of June 30, 2020 for the U.S. Department of the Treasury, Coronavirus Relief Fund.

Prior Year Significant Deficiencies in Internal Controls over Compliance and Non-Compliance Findings

As described in our prior year *Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, we identified a significant deficiency in internal controls over compliance and non-compliance that we considered a finding as listed below.

> <u>Finding 2019-001: Major Program Non-Compliance and Significant Deficiency in Internal Controls over Compliance – Reporting</u>
>
> The finding was reported as resolved in fiscal year 2020.

Internal Control Matters Noted During the Prior Audit and Their Current Status

During our prior audits we noted other internal control matters that were opportunities for strengthening internal controls and operating efficiency. Following are the recommendations we made in the prior years that were reported as unresolved as of June 30, 2019, and the current status of those recommendations:

Further Develop and Document Accounting Procedures:

In prior year, we recommended management document the tasks associated with the annual close of CBJ's accounting records, and the production of its financial reports used in the comprehensive annual financial report (CAFR).

Status: Management has continued to improve the documentation of accounting procedures to close the accounting year, produce CAFR and review the CAFR prior to providing the CAFR for us to audit. We continue to recommend management complete the documentation for the controller's CAFR review procedures.

Aggregate, Record and Disclose CBJ Leases Receivable:

In prior year, we recommended CBJ aggregate its leases and evaluate how leases are recorded and disclosed.

Status: Management has continued the process of collecting lease documentation from all departments and aggregating them in a single shared lease documentation location. The leases will be aggregated in preparation of GASB No. 87, *Leases*. The implementation was to be effective for fiscal year 2021 financial statements but has been delayed until fiscal year 2022. Due to the complexities related to compiling, evaluating, monitoring and reporting on leases we recommend management evaluate the use of external lease accounting services and software, to assist with the implementation and ongoing reporting requirements of GASB No. 87. The cost savings anticipated by using specialized lease software and utilizing external services is expected to result in overall cost and time savings, as well as reduce the risk of non-compliance with the new reporting requirements.

This information is intended solely for the use of the Assembly, federal and state granting authorities and management of the City and Borough and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Elgee Rehfeld

CITY AND BOROUGH OF JUNEAU

Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5278, Fax: 907-586-4552

December 29, 2020

Elgee Rehfeld, LLC
9309 Glacier Highway, Suite B-200
Juneau, Alaska 99801

City and Borough of Juneau Assembly Members,

This representation letter is provided in connection with your audit of the financial statements of the City and Borough of Juneau, Alaska (City and Borough) as of June 30, 2020 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the City and Borough in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 29, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 17, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of uncorrected misstatement summarized below and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
    a. Non-Federal operating revenue, totaling $225,655, is included in Federal nonoperating revenue, in the Bartlett Regional Hospital Enterprise Fund. There is no impact to net position.
12. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All funds and activities are properly classified.

15. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
17. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
18. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
19. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
20. All interfund and intra-entity transactions and balances have been properly classified and reported.
21. Special items and extraordinary items have been properly classified and reported.
22. Deposit and investment risks have been properly and fully disclosed.
23. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
24. All required supplementary information is measured and presented within the prescribed guidelines.
25. With regard to investments and other instruments reported at fair value:
    a. The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated courses of action.
    b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.

   d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

26. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
30. We have disclosed to you all information that we are aware of in relation to fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
31. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
32. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
33. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
34. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

35. The City and Borough has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
36. We have disclosed to you all guarantees, whether written or oral, under which the City and Borough is contingently liable.
37. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
38. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
39. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
40. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
41. There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.

c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

42. The City and Borough has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
43. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

44. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
45. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
46. The methods of measurement or presentation have not changed from those used in the prior period.
47. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Use of Specialist

48. We agree with the findings of specialists performing actuarial services and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts

derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

The Uniform Guidance and State of Alaska Awards

With respect to federal and state awards, we represent the following to you:

49. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.
50. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance and the schedule of state financial assistance (SSFA) in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.
51. The methods of measurement or presentation have not changed from those used in the prior period.
52. We believe the significant assumptions or interpretations underlying the measurement or presentation of the SEFA and SSFA, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
53. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* compliance audits.
54. We have notified you of federal awards and funding increments that were received before December 26, 2014, and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
55. As the SEFA and SSFA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date of issuance by the entity of the SEFA and SSFA and the auditor's report thereon.
56. We have provided to you our interpretations of any compliance requirements that have varying interpretations.

57. We have made available to you all federal and state awards (including amendments, if any) and any other correspondence relevant to federal or state programs and related activities that have taken place with federal or state agencies or pass-through entities.
58. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
59. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal and state awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.
60. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received to the date of the auditor's report.
61. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
62. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared).
63. The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
64. We have monitored subrecipients, as necessary, to determine if they have expended subawards in compliance with federal and state statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.
65. We have issued management decisions for audit findings that relate to federal and state awards we make to subrecipients and such management decisions are issued within six months of acceptance of the audit report by the FAC or State. Additionally, we have followed-up ensuring that the subrecipients have taken the appropriate and timely action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal and state award provided to the subrecipient from the pass-through entity.

66. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
67. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
68. We have charged costs to federal and state awards in accordance with applicable cost principles.
69. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included, and we have provided you with all information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.
70. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
71. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
72. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

73. We are responsible for understanding and complying with the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards related to each of our federal and state programs.
74. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal and state programs that provide reasonable assurance that we are managing our federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state award that could have a material effect on our federal and state programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management

with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

Rorie Watt, City Manager

Jeff Rogers, Finance Director

Sam Muse, Controller

for

Cheryl Crawford, Treasurer

CITY AND BOROUGH OF JUNEAU

Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5278, Fax: 907-586-4552

February 19, 2021

Elgee Rehfeld, LLC
9309 Glacier Highway, Suite B-200
Juneau, Alaska 99801

This representation letter is provided in connection with your audit of the City and Borough of Juneau, Alaska (City and Borough) major federal and state programs as of June 30, 2020 and for the year then ended, for the purpose of expressing an opinion on compliance for major federal and state award programs pursuant to the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and for the purpose of expressing an opinion on compliance for the Passenger Facility Charge Program pursuant to the audit requirements of the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration Guide. We confirm that we are responsible for compliance with requirements applicable to our major federal and state award programs.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of February 19, 2021:

1. We are responsible for understanding and complying with and have complied with the requirements of the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits.*
2. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance and the schedule of state financial assistance (SSFA) in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.
3. We believe the SEFA and SSFA, including its form and content, are fairly presented in accordance with the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.
4. As part of your audits, you prepared the draft financial statements and related notes, SEFA and SSFA. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, SEFA and SSFA.
5. The methods of measurement or presentation have not changed from those used in the prior period.
6. We believe the significant assumptions or interpretations underlying the measurement or presentation of the SEFA and SSFA, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
7. We are responsible for including the auditor's report on the SEFA and SSFA in any document that contains the schedules and that indicates that the auditor has reported on such information.
8. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* compliance audits.
9. We have notified you of federal awards and funding increments that were received before December 26, 2014 and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
10. When the SEFA and SSFA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date of issuance by the entity of the SEFA and SSFA and the auditor's report thereon.

11. We have, in accordance with the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, identified in the SEFA and SSFA, expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
12. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors, regulators, or others, other than as disclosed in the schedule of findings and questioned costs.
13. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
14. We have a process to track the status of audit findings and recommendations.
15. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, abuse or waste that you have reported to us.
16. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
17. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
18. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
19. We have made available to you all federal and state awards (including amendments, if any) and any other correspondence relevant to federal or state programs and related activities that have taken place with federal or state agencies or pass-through entities.
20. We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
21. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material requirements of federal and state awards,

including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditor's report.

22. We have disclosed to you any communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
23. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
24. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the SEFA and SSFA).
25. The copies of federal and state program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable .
26. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

For subrecipients:

(1) We have monitored subrecipients, as necessary, to determine if they have expended subawards in compliance with state and federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance and *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

(2) We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.

27. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, as applicable.
28. We have charged costs to federal and state awards in accordance with applicable cost principles.
29. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included, and we have provided you with all

information on the status of the follow-up on prior audit findings by federal and state awarding agencies and pass-through entities, including all management decisions.

30. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
31. The reporting package does not contain personally identifiable information.
32. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
33. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

34. We are responsible for understanding and complying with the requirements of state and federal statutes, regulations, and the terms and conditions of federal awards related to each of our state and federal programs and have identified and disclosed to you the state and federal statutes, regulations, and the terms and conditions of state and federal awards that are considered to have a direct and material effect on each major state and federal program; and we have complied with these direct and material compliance requirements.
35. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for state and federal programs that provides reasonable assurance that we are managing our federal awards in compliance with state and federal statutes, regulations, and the terms and conditions of the state and federal award that could have a material effect on our state and federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance that have occurred subsequent to the period covered by the auditor's report.
36. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the

compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

To the best of our knowledge and belief, no events have occurred subsequent to the date of the SEFA and SSFA and through the date of this letter that would require adjustment to or disclosure in the aforementioned SEFA and SSFA.

Passenger Facility Charge Program

With respect to the passenger facility charge program, we represent the following to you:

37. We are responsible for compliance with the requirements, laws, regulations, contracts, and grants applicable to the passenger facility charge program.
38. We are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.
39. We are responsible for the preparation and presentation of the schedule of expenditures of the passenger facility charges.

Rorie Watt, City Manager

Sam Muse, Controller

2/18/21

Jeff Rogers, Finance Director

CITY AND BOROUGH OF JUNEAU, ALASKA

FEDERAL FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2020

CITY AND BOROUGH OF JUNEAU, ALASKA

FEDERAL FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2020

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

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*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements, and have issued our report thereon dated December 29, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City and Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the City and Borough'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Elgee Rehfeld, LLC | 9309 Glacier Hwy | Ste B-200 | Juneau, AK 99801 | (907) 789-3178

Compliance and Other Matters

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

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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Elgee Rehfeld

December 29, 2020
February 19, 2021 (updated for completion of single audit)

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

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

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

Report on Compliance for Each Major Federal Program

We have audited the City and Borough of Juneau, Alaska's (City and Borough) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City and Borough's major federal programs for the year ended June 30, 2020. The City and Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City and Borough's financial statements include the operations of the City and Borough of Juneau School District, which expended $5,922,148 in federal awards which is not included in the schedule during the year ended June 30, 2020. Our compliance audit, described below, did not include the operations of the City and Borough of Juneau School District because the component unit had its own audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City and Borough'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 (CFR) 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 the City and Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Elgee Rehfeld, LLC | 9309 Glacier Hwy | Ste B-200 | Juneau, AK 99801 | (907) 789-3178

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the City and Borough's compliance.

Basis for Qualified Opinion on Coronavirus Relief Fund Program

As described in the accompanying schedule of findings and questioned costs, the City and Borough did not comply with requirements regarding CFDA 21.019, Coronavirus Relief Fund, as described in finding 2020-001 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for the City and Borough to comply with the requirements applicable to that program.

Qualified Opinion on Coronavirus Relief Fund Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City and Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Coronavirus Relief Fund program for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City and Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Other Matter

The City and Borough's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The City and Borough's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City and Borough 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 the City and Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 the City and Borough's internal control over compliance.

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. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 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. We consider the deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, to be a significant deficiency.

The City and Borough's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. The City and Borough'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 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 unit, each major fund, and the aggregate remaining fund information of the City and Borough as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements. We issued our report thereon dated December 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

Elgee Rehfeld

February 19, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
U.S. Department of Homeland Security:								
Federal Emergency Management Agency:								
Hazard Mapping	EMS-2018-CA-00011-S01	97.045	$ 205,000	$ -	$ -	$ -	$ 140,944	$ 140,944
COVID-19 - Presidential Disaster - COVID	-	97.036	393,000	-	-	-	-	-
			598,000	-	-	-	140,944	140,944
State Pass-Through Grant:								
Alaska Department of Military and Veterans Affairs:								
2017 State Homeland Security Grant Program	EMW-2017-SS-00048-S01	97.067	192,018	21,115	23,232	-	170,586	168,469
2018 State Homeland Security Grant Program	EMW-2018-SS-00045-S01	97.067	328,725	45,908	100,898	-	60,000	5,010
2019 State Homeland Security Grant Program	EMW-2019-SS-00031-S01	97.067	432,050	-	-	-	-	-
			952,793	67,023	124,130	-	230,586	173,479
2018 Emergency Management Performance Grant	EMS-2018-EP-00002-S01	97.042	160,000	84,474	84,474	-	-	-
2019 Emergency Management Performance Grant	EMS-2019-EP-00001	97.042	115,995	-	75,589	-	110,077	34,488
2019 Emergency Management Performance Grant	EMS-2019-EP-00001	97.042	28,677	-	-	-	28,677	28,677
2019 Emergency Management Performance Grant	EMS-2019-EP-00001	97.042	15,328	-	-	-	15,328	15,328
			320,000	84,474	160,063	-	154,082	78,493
Total U.S. Department of Homeland Security			1,870,793	151,497	284,193	-	525,612	392,916
U.S. Environmental Protection Agency:								
State Pass-Through Loan:								
Alaska Department of Environmental Conservation:								
Clean Water State Revolving Fund Cluster								
Glacier Highway Sewer Improvements	445311	66.458	1,791,595	-	-	-	-	-
Biosolids Treatment Project	445251	66.458	16,666,000	-	-	-	-	-
Total Clean Water State Revolving Fund Cluster			18,457,595	-	-	-	-	-
Drinking Water State Revolving Fund Cluster								
Water Main Replacement Egan Drive - 10th to Main Street (Design)	445221	66.468	1,550,600	11,595	-	-	-	11,595
Douglas Highway Water System Replacement Phase III	445421	66.468	4,000,000	-	-	-	-	-
Total Drinking Water State Revolving Fund Cluster			5,550,600	11,595	-	-	-	11,595
Total U.S. Environmental Protection Agency			24,008,195	11,595	-	-	-	11,595

(continued)

See notes to schedule of expenditures of federal awards.

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
U.S. Department of Agriculture:								
State Pass-Through Grant:								
Alaska Department of Commerce, Community, and Economic Development:								
Forest Service Schools and Roads Cluster								
Schools and Roads - Grants to States FY13, Title III Forest Timber Receipts	-	10.665	63,591	(63,591)	-	-	37,881	(25,710)
Schools and Roads - Grants to States FY14, Title III Forest Timber Receipts	-	10.665	51,024	(51,024)	-	-	-	(51,024)
Schools and Roads - Grants to States FY15, Title III Forest Timber Receipts	-	10.665	48,483	(48,483)	-	-	-	(48,483)
Schools and Roads - Grants to States FY16, Title III Special Projects	-	10.665	47,550	(47,550)	-	-	-	(47,550)
Schools and Roads - Grants to States FY18, Title III	-	10.665	42,275	(42,275)	-	-	-	(42,275)
Schools and Roads - Grants to States FY19, Title III	-	10.665	39,368	(39,368)	-	-	-	(39,368)
Schools and Roads - Grants to States FY20, Title III	-	10.665	38,732	-	38,732	-	-	(38,732)
Schools and Roads - Grants to States FY20, Title I	-	10.665	470,319	-	470,319	-	470,319	-
Total Forest Service Schools and Roads Cluster			801,342	(292,291)	509,051	-	508,200	(293,142)
Total U.S. Department of Agriculture			801,342	(292,291)	509,051	-	508,200	(293,142)
U.S. Department of Transportation:								
Federal Transit Administration:								
State Pass-Through Grants:								
Alaska Department of Transportation and Public Facilities:								
Alaska Community Transit - Section 5311 Grant (FY19 Operating Grant)	2511-19-0100	20.509	1,000,000	151,130	151,130	-	-	-
Alaska Community Transit - Section 5311 Grant (FY20 Operating Grant)	AK-2018-020	20.509	617,680	-	617,680	-	617,680	-
Alaska Community Transit - Section 5311 Grant (FY20 Operating Grant)	5311-AK-2019-028	20.509	482,320	-	227,149	-	482,320	255,171
Snow Removal/Support Equipment/Facilities Equipment	AK-18-X088/2511-19-0500	20.509	176,000	-	-	-	-	-
COVID-19 - CARES Alaska Community Transit - Section 5311 Grant (FY20 Operating Grant)	AK-2020-027	20.509	2,920,889	-	-	-	889,738	889,738
			5,196,889	151,130	995,959	-	1,989,738	1,144,909
Federal Transit Cluster								
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-2016-013	20.526	1,175,760	223,390	223,390	-	-	-
Purchase Replacement Std 35 ft Bus & 30 ft Bus	AK-2017-011	20.526	1,612,080	-	-	-	-	-
Purchase Replacement Std 35 ft Bus	AK-34-0007	20.526	407,630	-	-	-	-	-
Snow Removal/Acquisition-Misc. Equip	AK-2019-021/2511-20-0200	20.526	140,000	-	-	-	-	-
Paratransit Buses/Bus and IT; 30 ft	AK-2019-021/2511-20-0200	20.526	216,000	-	-	-	-	-
Purchase Replacement Std 35 ft Bus	5339(c) AK-2019/2511-20-0300	20.526	1,350,000	-	-	-	-	-
Construct Maintenance Facility	AK-2016-013	20.526	800,000	42,663	-	-	162,610	205,273
Support Equipment/Facilities Equipment	AK-2017-011	20.526	208,191	-	-	-	-	-
Support Equipment/Facilities Equipment	AK-04-X028	20.500	243,321	-	-	-	-	-
Support Equipment/Facilities Equipment	AK-04-X023	20.500	148,488	-	-	-	-	-
Total Federal Transit Cluster			6,301,470	266,053	223,390	-	162,610	205,273
Total Federal Transit Administration			11,498,359	417,183	1,219,349	-	2,152,348	1,350,182

(continued)

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
National Highway Traffic Safety Administration:								
State Pass-Through Grants:								
Alaska Department of Transportation and Public Facilities:								
Highway Safety Cluster								
Comprehensive Traffic Safety Plan	402 PT-19-06-00(C)	20.600	38,265	7,556	20,868	-	13,312	-
Seatbelt Overtime Enforcement FFY20	402 PT-20-06-FA(A)-6	20.600	10,006	-	-	-	-	-
Seatbelt Overtime Enforcement FFY20	402 PT-20-06-FA(A)-3	20.600	1,700	-	1,590	-	1,590	-
FFY2020 High Visibility Enforcement - DUI Events	405d M5HVE-19-01-FA(A)-6	20.616	17,510	-	-	-	2,583	2,583
Total Highway Safety Cluster			67,481	7,556	22,458	-	17,485	2,583
Total National Highway Traffic Safety Administration			67,481	7,556	22,458	-	17,485	2,583
Federal Highway Administration								
Highway Planning and Construction Cluster								
Treadwell Ditch Reroute	COOP 6905671850004	20.224	116,535	-	107,322	-	107,322	-
Total Federal Highway Administration			116,535	-	107,322	-	107,322	-
Federal Aviation Administration:								
Expand Aircraft Rescue & Fire Fighting (ARFF) Building	3-02-0133-065-2016	20.106	2,200,312	4,425	4,425	-	-	-
Construct Snow Removal Equipment Building (SREB)	3-02-0133-067-2016	20.106	16,694,036	281,287	-	-	99,309	380,596
Design for Rehabilitate Taxiway A, D-1 Relocation, Taxiway E Alignment	3-02-0133-071-2017	20.106	1,979,062	446,347	571,574	-	350,438	225,211
Improve Seaplane Base	3-02-0133-072-2017	20.106	765,000	212,816	187,190	-	25,094	50,720
Construct NW Apron Phase 2, Construct NE Apron Phase 3	3-02-0133-073-2017	20.106	10,125,000	6,257,371	6,534,367	-	289,492	12,496
Acquire Snow Removal Equipment and Command Vehicle	3-02-0133-074-2017	20.106	4,823,551	2,086,779	2,086,779	-	1,307,844	1,307,844
Energy Efficiency Equipment/Infrastructure (Ramp Lighting Replacement)	3-02-0133-075-2017	20.106	240,000	-	-	-	393	393
Improve Terminal Building, Passenger Boarding Bridge (Gate 2)	3-02-0133-076-2018	20.106	1,801,875	63,486	63,486	-	-	-
Construct Sand & Chemical Storage Building (Design Only)	3-02-0133-077-2018	20.106	529,688	27,736	-	-	-	27,736
Reconstruct North Terminal Building (Design)	3-02-0133-078-2018	20.106	634,735	634,735	571,261	-	-	63,474
Construct Sand and Chemical Storage Building, Phase 2 (Construction)	3-02-0133-079-2018	20.106	9,985,312	4,530,993	8,318,858	-	4,003,873	216,008
Rehabilitate Taxiway A and E; Construct Taxiway D1; Acquire Emergency Generator; Relocation Airfield Lighting Vault	3-02-0133-080-2019	20.106	25,402,903	-	331,204	-	10,069,247	9,738,043
COVID-19 - CARES Maintain Safe Airports	3-02-0133-082-2020	20.106	21,736,343	-	-	-	724,664	724,664
Total Federal Aviation Administration			96,917,817	14,545,975	18,669,144	-	16,870,354	12,747,185
Total U.S. Department of Transportation			108,600,192	14,970,714	20,018,273	-	19,147,509	14,099,950

(continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
U.S. Department of the Interior:								
Office of the Secretary:								
Payments in Lieu of Taxes FY19	-	15.226	2,373,449	(2,373,449)	-	-	2,373,449	-
Payments in Lieu of Taxes FY20	-	15.226	2,528,835	-	2,528,835	-	56,450	(2,472,385)
Total Office of the Secretary			4,902,284	(2,373,449)	2,528,835	-	2,429,899	(2,472,385)
Fish and Wildlife Service:								
State Pass-Through Grants:								
Alaska Department of Fish and Game:								
Harris and Statter Harbors Boat Sewage Pump-out Facility Improvements	20-019	15.616	45,000	-	-	-	-	-
Fish and Wildlife Cluster								
Amalga Harbor Fish Cleaning Float	15-049	15.605	37,500	31,528	31,528	-	-	-
Total Fish and Wildlife Service			82,500	31,528	31,528	-	-	-
Total U.S. Department of the Interior			4,984,784	(2,341,921)	2,560,363	-	2,429,899	(2,472,385)
National Endowment for the Arts:								
NEA Big Read FY20	-	45.024	8,200	-	8,200	-	8,200	-
Total National Endowment for the Arts			8,200	-	8,200	-	8,200	-
National Endowment for the Humanities:								
COVID-19 - AK Humanities Forum	C20-0030	45.129	6,250	-	6,250	-	-	(6,250)
Total National Endowment for the Humanities			6,250	-	6,250	-	-	(6,250)
Institute of Museum and Library Services:								
State Pass-Through Grant:								
Alaska Department of Education and Early Development:								
Continuing Education FY19	-	45.310	2,500	-	2,500	-	2,500	-
Alaska Mail Services	ILC-20-743-12	45.310	208,000	-	208,000	-	208,000	-
			210,500	-	210,500	-	210,500	-
Total Institute of Museum and Library Services			210,500	-	210,500	-	210,500	-

(continued)

See notes to schedule of expenditures of federal awards.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Agency/Pass-through Agency/Program Title	Pass-through Grantor's Number	Catalog of Federal Domestic Assistance Number	Program or Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Passed through to Subrecipients	Expenditures	Receivable (Deferral) at June 30, 2020
U.S. Department of Health and Human Services:								
Health Resources and Services Administration:								
State Pass-Through Grant:								
Alaska Department of Health and Social Services:								
Alaska Rural Small Hospital Improvement Program (SHIP 18)	H3HRH00026	93.301	10,523	-	-	-	10,523	10,523
Total Health Resources and Services Administration			10,523	-	-	-	10,523	10,523
Substance Abuse and Mental Health Services Administration:								
State Pass-Through Grant:								
Alaska Department of Health and Social Services:								
Medically Assisted Treatment Expansion Grant	602-238-19002	93.243	350,000	60,053	60,053	-	-	-
Total Substance Abuse and Mental Health Services Administration			350,000	60,053	60,053	-	-	-
Office of the Secretary:								
State Pass-Through Grant:								
Alaska Department of Health and Social Services:								
Healthcare Organization Preparedness	NU90TP921914-019-04	93.889	2,296	-	2,296	-	2,296	-
Total Office of the Secretary			2,296	-	2,296	-	2,296	-
Centers for Disease Control and Prevention:								
COVID-19 - CARES Relief - Activities to Support Healthcare Crisis	-	93.391	41,991	-	41,991	-	41,991	-
Total U.S. Department of Health and Human Services			404,810	60,053	104,340	-	54,810	10,523
U.S. Department of Justice:								
Bureau of Justice Assistance:								
Bullet Proof Vests	2016BUBX16081765	16.607	7,153	-	-	-	-	-
Bullet Proof Vests	2017BUBX17088549	16.607	4,470	2,155	2,931	-	776	-
Bullet Proof Vests	2018BUBX18094122	16.607	8,003	-	2,719	-	3,643	924
Bullet Proof Vests	2019BUBX19098241	16.607	7,213	-	-	-	-	-
Total Bureau of Justice Assistance			26,839	2,155	5,650	-	4,419	924
Office of Justice Programs:								
FY19 EBMJA (JAG)	2019-DJ-BX-0763	16.738	35,292	-	-	-	-	-
Total Office of Justice Programs			35,292	-	-	-	-	-
Total U.S. Department of Justice			62,131	2,155	5,650	-	4,419	924
U.S. Department of Treasury:								
State Pass-Through Grant:								
Alaska Department of Commerce, Community, and Economic Development:								
Coronavirus Relief Fund:								
COVID-19 - CARES Relief - CBJ Ops	20-CRF-091	21.019	53,288,390	-	-	4,228,500	12,477,619	12,477,619
Total U.S. Department of Treasury			53,288,390	-	-	4,228,500	12,477,619	12,477,619
Total Federal Expenditures			$ 194,245,587	$ 12,561,802	$ 23,706,820	$ 4,228,500	$ 35,366,768	$ 24,221,750

See notes to schedule of expenditures of federal awards.

CITY AND BOROUGH OF JUNEAU, ALASKA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

General

The accompanying schedule of expenditures of federal awards (SEFA) presents the activity of all federal financial assistance programs of the City and Borough of Juneau, Alaska (City and Borough). The information in the SEFA 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). Federal awards received directly from federal agencies, as well as federal financial assistance passed through the State of Alaska and other agencies, are included in the SEFA. The City and Borough's reporting entity is defined in Note 1 to the City and Borough's basic financial statements.

Basis of Accounting

Expenditures reported on the accompanying SEFA are presented using the modified-accrual and accrual basis of accounting, which are described in Note 1 to the City and Borough's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and 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 SEFA represent grant funds returned for previously reimbursed unallowable costs or reclassification of expenses previously reported for on-going capital projects to other funding sources. The City and Borough has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Federal Assistance Not Included in the SEFA (Unaudited)

Not included in the total expenditures of federal awards, as presented in the SEFA, is donated personal protective equipment (PPE), from federal assistance passed through other agencies, in the amount of $3,400.

Relationship to Basic Financial Statements

The following is a reconciliation of federal revenues reported in the City and Borough's basic financial statements to federal expenditures reported in the schedule of expenditures of federal awards:

Federal revenues as reported in the basic financial statements:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 16,258,564
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	7,749,217
Plus:	
Amounts reported as federal expenditures in the schedule of expenditures of federal awards, but not reported as federal revenue in the basic financial statements:	
Federal grants passed through the State of Alaska	2,767,298
Federal grant and loan sources reported as capital contributions in Juneau International Airport, Boat Harbors, and Dock enterprise funds	16,145,690

(continued)

CITY AND BOROUGH OF JUNEAU, ALASKA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Less:	
Amounts reported as federal revenue in the basic financial statements but not included in the schedule of expenditures of federal awards:	
Amounts reported as federal revenue in Bartlett Regional Hospital enterprise fund but not included in the schedule of expenditures of federal awards	(6,600,923)
Amounts reported as federal revenue in the CARES Relief special revenue fund but not included in the schedule of expenditures of federal awards	(536,272)
Municipality of Anchorage memorandum of agreement reported as federal revenue	(3,699)
Juneau International Airport Transportation Security Administration reimbursement reported as federal revenue	(413,107)
Total federal expenditures per schedule of expenditures of federal awards	$ 35,366,768

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ Yes _x_ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _x_ None reported
Noncompliance material to financial statements noted?	___ Yes _x_ No

Federal Awards

Type of auditor's report issued on compliance for major programs:	
20.106 – Airport Improvement Program	Unmodified
20.509 – Formula Grants for Rural Areas	Unmodified
21.019 – Coronavirus Relief Fund	Qualified
Internal control over major programs:	
• Material weakness(es) identified?	___ Yes _x_ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_x_ Yes ___ None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_x_ Yes ___ No

Major programs:

CFDA#	Program
20.106	Airport Improvement Program
20.509	Formula Grants for Rural Areas
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	$ 1,061,003
Auditee qualified as low-risk auditee?	_x_ Yes ___ No

FINANCIAL STATEMENT FINDINGS

None to report for fiscal year 2020.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2020-001	**Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance – Allowable Costs**
Program:	U.S. Department of the Treasury, Coronavirus Relief Fund – CFDA 21.019
Criteria:	An allowable expenditure under the "Uses of Funds" requirements of Section 601(d) under Title VI of the Social Security Act, as amended by Title V of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides that payments from the Fund may only be used to cover costs that: • are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19); • were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and • were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. When an organization uses their federal funding to further pass down to another organization through a subrecipient relationship, the federal funds are determined to be expended when the organization becomes obligated to the subrecipient for payment. Generally, that is when the disbursement is made to the subrecipient (per 2 CFR 200.34). Other, non-pass through, costs are reported when direct expenditures are incurred.
Condition:	Internal controls over compliance were not sufficiently designed and implemented to ensure that transfers, from the CARES Relief Special Revenue Fund to other funds, were not accounted for as subrecipient payments and recognized as eligible expenditures at the time of transfer.
Questioned costs:	There are no questioned costs associated with this finding due to a $536,272 reduction to eligible expenditures on the Schedule of Expenditures of Federal Awards (SEFA) as of June 30, 2020 for amounts unexpended as of the fiscal year-end.

Cause:	Internal transfers out of the CARES Relief Special Revenue Fund were treated as subrecipient payments. The receiving funds were to administer a project with a local non-profit organization. Costs incurred for the project in the other funds were not taken into consideration when calculating total eligible costs, on the SEFA, for June 30, 2020.
Context and effect:	A project and appropriation totaling $550,000 was approved and funds were moved internally from the CARES Relief Special Revenue Fund to other funds. Subsidiary accounts were set up in each receiving fund to track costs for the project. As of year-end, $13,728 of direct costs had been incurred. The SEFA included the amount of the transfer out of the CARES Relief Special Revenue Fund incorrectly, therefore overstating eligible expenditures by $536,272.
Recommendation:	We recommend management review its procedures for capturing internally funded projects from the CARES Relief Special Revenue Fund to ensure the SEFA reports the receiving funds direct costs, rather than the transfer amount as the eligible costs.
View of responsible officials:	Management concurs with this finding, see corrective action plan.

CITY AND BOROUGH OF JUNEAU, ALASKA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2020

FINANCIAL STATEMENT FINDINGS

None reported for fiscal year 2019.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported for fiscal year 2019.

Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5278, Fax: 907-586-4552

City & Borough of Juneau
Corrective Action Plan
Year Ended June 30, 2020

STATE AWARD FINDINGS AND QUESTIONED COSTS

Finding:	2020-001 Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance – Allowable Costs
Name of Contact Person:	Sam Muse, Controller
Corrective Action:	The City will record all program expenditures related to this grant within the CARES Relief Special Revenue Fund and will no longer make transfers to other funds that are not direct reimbursements for expenditures already incurred.
Proposed Completion Date:	2/18/21

CITY AND BOROUGH OF JUNEAU, ALASKA

STATE FINANCIAL ASSISTANCE REPORTS

Year Ended June 30, 2020

CITY AND BOROUGH OF JUNEAU, ALASKA

STATE FINANCIAL ASSISTANCE REPORTS

TABLE OF CONTENTS

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

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*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough of Juneau, Alaska (City and Borough) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements, and have issued our report thereon dated December 29, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City and Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City and Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the City and Borough'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 weaknesses. However, material weaknesses may exist that have not been identified.

Elgee Rehfeld, LLC | 9309 Glacier Hwy | Ste B-200 | Juneau, AK 99801 | (907) 789-3178

Compliance and Other Matters

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

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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Elgee Rehfeld

December 29, 2020
February 19, 2021 (updated for completion of single audit)

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE *STATE OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS*

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

Report on Compliance for Each Major State Program

We have audited the City and Borough of Juneau, Alaska's (City and Borough's) 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 the City and Borough's major state programs for the year ended June 30, 2020. The City and Borough's major state programs are identified in the accompanying schedule of state financial assistance.

The City and Borough's basic financial statements include the operations of the City and Borough of Juneau School District, which expended $48,654,894 in state awards which is not included in the City and Borough's schedule of state financial assistance during the year ended June 30, 2020. Our audit, described below, did not include the operations of the City and Borough of Juneau School District because the component unit had its own audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City and Borough'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 audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City and Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Elgee Rehfeld, LLC | 9309 Glacier Hwy | Ste B-200 | Juneau, AK 99801 | (907) 789-3178

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 the City and Borough's compliance.

Opinion on Each Major State Program

In our opinion, the City and Borough 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 identified in the schedule of state financial assistance for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City and Borough 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 the City and Borough'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 the City and Borough'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 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. 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 *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 and Schedule of Expenditures - Budget and Actual Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and the State of Alaska Department of Health and Social Services, Respectively

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements, and have issued our report thereon dated December 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of state financial assistance and schedule of expenditures - budget and actual are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and the State of Alaska Department of Health and Social Services, respectively, and are 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 state financial assistance and schedule of expenditures - budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

Elgee Rehfeld

February 19, 2021

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2020

State of Alaska Agency/Program Title		Grant Number	Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Expenditures	Receivable (Deferral) at June 30, 2020
Alaska Mental Health Trust Authority:							
Housing and Homelessness Services Coordinator (FY19)		GIFT ID 8674.01	$ 52,763	$ 30,470	$ 30,196	$ (274)	$ -
Housing and Homelessness Services Coordinator (FY20)		AMHTA 8674.02	110,000	-	32,905	106,391	73,486
Cold Weather Emergency Shelter FY19		GIFTS ID 10108	30,000	6,000	6,000	-	-
AMHTA Mini Grant		10316	25,000	-	25,000	25,000	-
Total Alaska Mental Health Trust Authority			217,763	36,470	94,101	131,117	73,486
Alaska State Housing Authority:							
ASHA 'in-lieu' tax		-	91,355	-	91,355	91,355	-
Total Alaska State Housing Authority			91,355	-	91,355	91,355	-
Department of Administration:							
Employer Relief Balance SFY2020 - City and Borough of Juneau	*	ER 126 HB39	2,865,909	-	2,865,909	2,865,909	-
Employer Relief Balance SFY2020 - Bartlett Regional Hospital	*	ER 219 HB39	2,717,458	-	2,717,458	2,717,458	-
Total Department of Administration			5,583,367	-	5,583,367	5,583,367	-
Department of Commerce, Community, and Economic Development:							
Direct Programs:							
Community Assistance Program	*	-	831,662	-	831,662	831,662	-
Designated Legislative Grant Programs:							
N Douglas Hwy Extension		13-RR-028	2,972,785	88,359	88,359	-	-
Construction of a Joint City, State, and Federal Parking Facility in the Willoughby District	*	15-RR-044	1,574,466	343,284	711,435	411,870	43,719
Airport Snow Removal Equipment Facility		14-DC-061	3,000,000	6,688	96,684	89,996	-
International Airport Approach Lighting		15-DC-070	93,750	60	1,146	1,236	150
Total Department of Commerce, Community, and Economic Development			8,472,663	438,391	1,729,286	1,334,764	43,869
Department of Education and Early Development:							
Public Library Assistance		PLA-20-743-01	21,000	-	21,000	21,000	-
Museum Grant in Aid FY19		FY2019 GRANT-IN-AID	10,000	-	2,581	2,581	-
Museum Grant in Aid FY20		FY2020 GRANT-IN-AID	10,000	-	10,000	10,000	-
State Shared Revenue:							
School Debt Retirement FY19		-	8,369,390	84,543	84,543	-	-
School Debt Retirement FY20	*	-	3,441,732	-	2,849,845	3,441,732	591,887
Total Department of Education and Early Development			11,852,122	84,543	2,967,969	3,475,313	591,887

(continued)

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2020

State of Alaska Agency/Program Title		Grant Number	Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Expenditures	Receivable (Deferral) at June 30, 2020
Department of Environmental Conservation:							
Salmon Creek LT2 Upgrade		44593	4,000,000	586,524	640,868	54,344	-
Total Department of Environmental Conservation			4,000,000	586,524	640,868	54,344	-
Department of Fish and Game:							
Amalga Harbor Fish Cleaning Float		15-049	12,500	10,509	10,509	-	-
Total Department of Fish and Game			12,500	10,509	10,509	-	-
Department of Health and Social Services:							
Sobering Center, Withdrawal Management & Residential SUD Treatment Srvs		602-239-19004	700,000	350,000	350,000	-	-
Sobering Center, Withdrawal Management & Residential SUD Treatment Srvs (Capital)		602-239-19008	500,000	-	-	111,889	111,889
Sobering Center, Withdrawal Management & Residential SUD Treatment Srvs		602-239-19010	105,000	(7,750)	(7,750)	-	-
Comprehensive Behavioral Health Treatment and Recovery Program - FY19		602-208-19018	497,239	24,861	24,861	-	-
Sobering Center, Withdrawal Management & Residential SUD Treatment Srvs	*	602-239-20004	800,000	(26,013)	553,315	691,453	112,125
Sobering Center, Withdrawal Management & Residential SUD (Ambulatory)		602-239-20010	175,000	-	118,194	175,000	56,806
Comprehensive Behavioral Health Treatment and Recovery (RRC 3.5)	*	602-208-20015	404,267	-	384,054	404,267	20,213
Comprehensive Behavioral Health Treatment and Recovery (RRC 3.7)		602-208-20016	101,067	-	74,330	101,067	26,737
Total Department of Health and Social Services			3,282,573	341,098	1,497,004	1,483,676	327,770
Department of Labor and Workforce Development:							
State Training and Employment Program		STEP-18-304	28,794	4	-	(4)	-
Total Department of Labor and Workforce Development			28,794	4	-	(4)	-
Department of Military and Veterans Affairs:							
Local Emergency Planning Committee FY19		20LEPC-GY19	17,688	13,671	13,671	-	-
Total Department of Military and Veterans Affairs			17,688	13,671	13,671	-	-

(continued)

See notes to schedule of state financial assistance.

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2020

State of Alaska Agency/Program Title		Grant Number	Award Amount	Receivable (Deferral) at July 1, 2019	Amount Received	Expenditures	Receivable (Deferral) at June 30, 2020
Department of Revenue:							
State Shared Revenue FY20:							
Aviation Fuel		-	72,648	-	-	72,648	72,648
Liquor Taxes		-	57,400	-	57,400	75,000	17,600
Marijuana Fee		-	6,000	-	6,000	6,000	-
Raw Fish Tax	*	-	409,173	-	409,173	409,173	-
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)		-	5,970,995	-	5,970,995	-	(5,970,995)
State Shared Revenue FY19:							
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)		-	43,929	43,929	43,929	-	-
Aviation Fuel		-	43,650	9,100	9,100	-	-
Liquor Taxes		-	5,271,135	(5,271,135)	-	-	(5,271,135)
State Shared Revenue FY18:							
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	*	-	4,769,390	(4,769,390)	-	4,073,877	(695,513)
State Shared Revenue FY17:							
Commercial Passenger Vessel Excise Taxes (CPV-SMPF)	*	-	4,622,160	(3,727,669)	-	3,727,669	-
Total Department of Revenue			21,266,480	(13,715,165)	6,496,597	8,364,367	(11,847,395)
Department of Public Safety:							
Purchase of Thermal Imager & 3D Scan Station		SB 142 CRIME PREV & RESPONS	190,643	173,029	186,929	13,900	-
Total Department of Public Safety			190,643	173,029	186,929	13,900	-
Department of Transportation and Public Facilities:							
CBJ A/P Expand ARFF Building Match 65		SSAPT00082 AIP 3-02-0133-065-2016	73,344	178	178	-	-
CBJ A/P Expand SRE Building Match 67		SSAPT00096 AIP 3-02-0133-067-2016	556,467	24,302	24,302	3,310	3,310
Douglas Harbor Anode Installation		19-HG-003	83,392	-	-	-	-
Alaska Community Transit Reimbursable Grant (FY19 Operating Grant)		2511-19-0200	61,149	9,196	9,196	-	-
Total Department of Transportation and Public Facilities			774,352	33,676	33,676	3,310	3,310
Total State Financial Assistance			$ 55,790,300	$ (11,997,250)	$ 19,345,332	$ 20,535,509	$ (10,807,073)

*Major Program

See notes to schedule of state financial assistance.

CITY AND BOROUGH OF JUNEAU, ALASKA

NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended June 30, 2020

General

The accompanying schedule of state financial assistance presents the activity of all state financial assistance programs of the City and Borough of Juneau, Alaska (City and Borough). The City and Borough's reporting entity is defined in Note 1 to the City and Borough's basic financial statements. State financial assistance received directly from state agencies is included in the schedule.

Basis of Accounting

The accompanying schedule of state financial assistance is presented using the modified-accrual basis of accounting, which is described in Note 1 to the City and Borough's basic financial statements. Negative amounts shown on the schedule of state financial assistance represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Relationship to Basic Financial Statements

The following is a reconciliation of state revenues reported in the City and Borough's basic financial statements to state expenditures reported in the schedule of state financial assistance:

State revenues as reported in the basic financial statements:	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	$ 14,635,908
Combining Statement of Revenues, Expenses, and Changes in Net Position:	
Proprietary Funds	4,386,091
Internal Service Funds	135,147
Plus:	
Amounts reported as state expenditures in the schedule of state financial assistance, but not reported as state revenues in the basic financial statements:	
State grant revenue sources reported as capital contributions in Juneau International Airport, Boat Harbors, Dock, Areawide Water Utility and Areawide Wastewater Utility enterprise funds	8,062,319
State grant revenue sources reported in Bartlett Regional Hospital enterprise fund as charges for services revenue	710,375
Less:	
Amounts reported as state revenue in the basic financial statements but not included in the schedule of state financial assistance:	
Federal grants passed through the State of Alaska or reported as state sources in the capital projects and operations	(2,767,298)
Amounts reported as state revenue in the basic financial statements but do not meet the definition of state financial assistance for fiscal year 2020	(4,627,033)
Total state expenditures as reported in the schedule of state financial assistance	$ 20,535,509

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ Yes _x_ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes _x_ None reported
Noncompliance material to financial statements noted?	___ Yes _x_ No

State Financial Assistance

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	___ Yes _x_ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes _x_ None reported
Dollar threshold used to distinguish a State major program:	$ 200,000

SECTION II – FINANCIAL STATEMENT FINDINGS

None to report for fiscal year 2020.

SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS

None to report for fiscal year 2020.

Address: 155 Municipal Way, Juneau, AK 99801
Phone: 907-586-5278, Fax: 907-586-4552

CITY AND BOROUGH OF JUNEAU

CITY AND BOROUGH OF JUNEAU, ALASKA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2020

FINANCIAL STATEMENT FINDINGS

None reported for fiscal year 2019.

STATE AWARD FINDINGS AND QUESTIONED COSTS

2019-001 **Major Program Noncompliance and Significant Deficiency in Internal Controls over Compliance – Reporting**

Programs: State of Alaska Department of Health and Social Services (DHSS), Sobering Center, Withdrawal Management and Residential SUD Treatment Services, 602-239-19004

Condition: Expenditures reported in Bartlett Regional Hospital's (BRH) fourth quarter CFR incorrectly included FY20 expenditures.

BRH did not have internal controls in place to prepare and monitor reports to ensure they are supported by the accounting records, specifically general ledger reports.

Recommendation: We recommended management implement a process to ensure that expenditures reported are supported by the accounting system and that reconciliations be maintained if manual changes are made to data for reporting purposes.

Status: BRH implemented processes and procedures to ensure that expenditures reported are supported by the accounting system. Comment considered resolved.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Comprehensive Behavioral Health Treatment and Recovery (602-208-20015)

Year Ended June 30, 2020

	Budget	Actual	Variance
Personnel services	$ 404,267	$ 404,267	$ -

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Comprehensive Behavioral Health Treatment and Recovery (602-208-20016)

Year Ended June 30, 2020

	Budget	Actual	Variance
Personnel services	$ 101,067	$ 101,067	$ -

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withrawal Management and Residential SUD Treatment Srvs - Capital (602-239-19008)

Year Ended June 30, 2020

	Budget	Actual	Variance
Project Management	$ 100,000	$ 28,649	$ 71,351
Scope Development	300,000	-	300,000
Design/Construction	100,000	83,240	16,760
	$ 500,000	$ 111,889	$ 388,111

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withrawal Management and Residential SUD Treatment Srvs - Ambulatory (602-239-20010)

Year Ended June 30, 2020

	Budget	Actual	Variance
Personal services	$ 95,000	$ 95,000	$ -
Supplies	10,000	10,000	-
Other	70,000	70,000	-
	$ 175,000	$ 175,000	$ -

See independent auditor's report.

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Sobering Center, Withrawal Management and Residential SUD Treatment Srvs - (602-239-20004)

Year Ended June 30, 2020

	Budget	Actual	Variance
Personal services	$ 628,628	$ 520,081	$ 108,547
Travel	30,000	30,000	-
Facility	12,012	12,012	-
Supplies	9,360	9,360	-
Other	120,000	120,000	-
	$ 800,000	$ 691,453	$ 108,547

CITY AND BOROUGH OF JUNEAU, ALASKA

PASSENGER FACILITY CHARGES REPORT

Year Ended June 30, 2020

February 19, 2021

Elgee Rehfeld
Alaska's CPA Firm

Partners
Janelle Anderson, CPA
Ryan Beason, CPA
Sarah Griffith, CPA
Mark Mesdag, CPA
Adam Sycks, CPA
Karen Tarver, CPA

Founders: George Elgee, CPA & Robert Rehfeld, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE *FAA PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES*

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

Report on Compliance for the Passenger Facility Charge Program

We have audited the City and Borough of Juneau, Alaska's (City and Borough) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (FAA Guide), that could have a direct and material effect on the City and Borough's passenger facility charge program for the year ended June 30, 2020. The City and Borough's passenger facility charge program is identified as a major program in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City and Borough's passenger facility charge program 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 FAA Guide. Those standards and the FAA Guide 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 the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City and Borough'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 the passenger facility charge program. However, our audit does not provide a legal determination of the City and Borough's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the City and Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2020.

Elgee Rehfeld, LLC | 9309 Glacier Hwy | Ste B-200 | Juneau, AK 99801 | (907) 789-3178

Report on Internal Control over Compliance

Management of the City and Borough 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 the City and Borough's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the FAA Guide, 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 the City and Borough'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 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 FAA Guide. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and Borough as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City and Borough's basic financial statements. We issued our report thereon dated December 29, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by the FAA Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of passenger facility charges is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 19, 2021, on our consideration of the City and Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City and Borough's internal control over financial reporting and compliance.

Elgee Rehfeld

February 19, 2021

CITY AND BOROUGH OF JUNEAU

Schedule of Expenditures of Passenger Facility Charges (PFC)

Year ended June 30, 2020

	Date Approved	Amount Approved	Cumulative End FY19	Quarter Ended				Total FY20	Cumulative End FY20
Revenues				Sept '19	Dec '19	Mar '20	Jun '20		
Application: 08-08-C-00-JNU (PFC 8)									
PFC revenues received from carriers		$ 9,682,022	$ 8,519,790	$ -	$ -	$ -	$ -	$ -	$ 8,519,790
Interest received			24,052	3,900	1,144	4,338	-	9,382	33,434
Adjustments			1,334,301	-	-	-	(205,503)	(205,503)	1,128,798
			9,878,143	3,900	1,144	4,338	(205,503)	(196,121)	9,682,022
Application: 17-09-C-00-JNU (PFC 9)									
PFC revenues received from carriers		10,264,134	1,467,317	268,017	197,505	214,394	93,681	773,597	2,240,914
Interest received			21,205	12,919	4,592	21,937	22,944	62,392	83,597
Adjustments			1,116,064	-	-		205,503	205,503	1,321,567
			2,604,586	280,936	202,097	236,331	322,128	1,041,492	3,646,078
Total PFC Receipts/Interest/Adjustments:			12,482,729	284,836	203,241	240,669	116,625	845,371	13,328,100
Disbursements									
Application: 08-08-C-00-JNU (PFC 8)	01/22/08	8,142,712							
Amendment# 1:	10/09/08	1,763,158							
Amendment# 2:	10/08/09	(8,500)							
Amendment# 3:	10/16/17	281,020							
Amendment# 4:	05/18/18	(496,368)							
			9,563,244	-	-	118,778	-	118,778	9,682,022
Total by PFC:		9,682,022	9,563,244	-	-	118,778	-	118,778	9,682,022
Application: 17-09-C-00-JNU (PFC 9)	01/01/18	9,153,351							
Amendment# 1:	08/31/18	809,273							
Amendment# 2:	04/10/19	-							
Amendment# 3:	12/14/18	301,510							
			1,389,080	193,196	75,204	19,518	938,607	1,226,525	2,615,605
Total by PFC:		10,264,134	1,389,080	193,196	75,204	19,518	938,607	1,226,525	2,615,605
Total PFC Disbursements:			10,952,324	193,196	75,204	138,296	938,607	1,345,303	12,297,627
Net Increase (Decrease) in Cash			1,530,405	91,640	128,037	102,373	(821,982)	(499,932)	1,030,473
Cash balance, beginning			-	1,530,405	1,622,045	1,750,082	1,852,455	1,530,405	-
Cash balance, ending			$ 1,530,405	$ 1,622,045	$ 1,750,082	$ 1,852,455	$ 1,030,473	$ 1,030,473	$ 1,030,473

CITY AND BOROUGH OF JUNEAU, ALASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – PFC PROGRAM

Year Ended June 30, 2020

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ Yes _x_ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _x_ None reported
Noncompliance material to financial statements noted?	___ Yes _x_ No

Passenger Facility Charges (PFC)

Type of auditor's report issued on compliance for the PFC program:	Unmodified
Internal control over the PFC program:	
• Material weakness(es) identified?	___ Yes _x_ No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	___ Yes _x_ None reported

Major program:

CFDA #	Name
n/a	Passenger Facility Charge Program

FINANCIAL STATEMENT FINDINGS

None to report for fiscal year 2020.

PFC PROGRAM FINDINGS AND QUESTIONED COSTS

None to report for fiscal year 2020.

CITY AND BOROUGH OF JUNEAU, ALASKA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – PFC PROGRAM

Year Ended June 30, 2020

FINANCIAL STATEMENT FINDINGS

None reported for fiscal year 2019.

PFC PROGRAM FINDINGS AND QUESTIONED COSTS

None reported for fiscal year 2019.

City and Borough of Juneau
Assembly Finance Committee (AFC)
FY22 Revised Budget Calendar and Key Dates – as of 2/25/2021
Wednesdays at 5:30 pm, unless otherwise stated

APRIL 2021

5th **Regular Assembly Meeting – Monday – 7:00 pm**

Regular Assembly Meeting to Introduce FY22 Revised Budget

A. Introduction of the General Operating CBJ Budget Ordinance 2021-08
B. Introduction of the General Operating School District Budget Ordinance 2021-09
C. Introduction of the Mill Levy Ordinance 2021-10
D. Introduction of the CIP Resolution 2937

7th **AFC Meeting #1 – 5:30 pm**

A. Distribution of the Operating Budget, Capital Budget and Capital Improvement 6-Year Plan
B. FY22 Revised Budget Overview
C. School District Budget Presentation
D. Docks & Harbors (Carl Uchytil, Port Director)

14th **AFC Meeting #2 – 5:30 pm**

A. FY22 Revised Budget Overview (cont.)
B. Eaglecrest Ski Area (Dave Scanlan, Eaglecrest General Manager)
C. Capital Improvements Projects Program Budget/Plan

21st **Special Assembly Meeting - 5:00 pm - Followed by Assembly Finance Committee**

Within 30 days after receipt of the Juneau School District budget, the Assembly shall determine the amount to be made available from local sources for school purposes, and shall furnish the School Board with a statement (motion) of the amount to be made available for FY22 School District operations. (Charter Section 13.6 (b)).

Public hearings on the following (must be completed by May 1, per Charter Section 9.6)

A. General Operating CBJ Budget Ordinance 2021-08
B. General Operating School District Budget Ordinance 2021-09
C. Capital Improvement Program (CIP) Resolution 2937
D. Mill Levy Ordinance 2021-10

21st **AFC Meeting #3 (Immediately following Special Assembly Meeting)**

A. Juneau International Airport (Patty Wahto, Airport Manager)
B. Bartlett Regional Hospital Presentation (Kevin Benson, CFO)
C. Debt Service Presentation
D. Proposed Mill Rate Presentation
E. School District - Funding “Outside the cap” – For Action
F. School Operating Budget – For Action

28th **AFC Meeting #4 – 5:30 pm**

A. Hotel-Bed Tax Funding
B. Travel Juneau (Liz Perry, President/CEO)
C. Revised Passenger Fee Recommendations – For Review
D. Childcare

MAY 2021

5th **AFC Meeting #5 – 5:30 pm**

A. Marine Passenger Fee Recommendations – For Action
B. Capital Improvements Projects Program Budget/Plan – For Action
C. Requested Budget Increments
D. Pending Items List

12th **AFC Meeting #6 – 5:30 pm**

A. School District Funding Ordinance 2021-09 – For Final Action
B. Requested Budget Increments
C. Pending Items List
D. FY21 Supplemental Review

19th **AFC Meeting #7 – 5:30 pm**

A. Fund Balance – Committee Questions
B. Pending Items List – For Final Action
C. Set Mill Rates – For Final Action
D. Final FY22 Revised Budget Decisions –
  a. CIP Resolution 2937
  b. Mill Levy Ordinance 2021-10
  c. General CBJ Operating Ordinance 2021-08

24th **Regular Assembly Meeting – Monday – 7:00 pm**

A. Adoption of the School District's General Operating Budget Ordinance 2021-09

26th **BREAK – No meeting unless needed for critical items.**

By May 31st, the assembly must determine the amount to be made available from local sources for school purposes (Charter Section 13.6 (b)).

JUNE 2021

2nd **AFC Meeting**

A. TBD

9th **AFC Meeting**

A. TBD

14th **Regular Assembly Meeting – Monday – 7:00 pm**

A. Adoption of the General Operating CBJ Budget Ordinance 2021-08
B. Adoption of the CIP Resolution 2937
C. Adoption of the Mill Levy Ordinance 2021-10

The Charter requires that the following budget actions be made by June 15th:

- **Appropriating Ordinances Adopting a Budget (Charter Section 9.7 (a))**
- **Mill Levy Ordinance (Charter Section 9.7 (b))**
- **CIP by Resolution (Charter Section 9.8)**

MEMORANDUM OFFICE OF THE ASSESSOR

155 S Seward Street
Juneau, AK 99801
Phone: (907) 586-5220
Fax: (907) 586-5367
E-Mail: Mary.Hammond@juneau.org

Date: March 02, 2021

To: Mayor and Assembly

From: Mary Hammond, Assessor

RE: Economic Development – Export Manufacturing Exemption

The Assessor's Office received the following 2021 Export Manufacturing Exemption Applications for business personal property used in manufacturing. The Assembly must approve any export manufacturing exemption for real or business personal property, CBJ 69.10.020(1)(c).

The property owners listed below have had Assembly approval in the past. It is recommended that their new applications be approved.

2021	AK GLACIER SEAFOOD INC	AKBEV GROUP LLC	FORBIDDEN PEAK BREWERY
Total Assessed Value	2,630,166	9,831,376	325,257
Mandatory Exempt Amount	100,000	100,000	100,000
Taxable Value	2,530,166	9,731,376	225,257
Tax Amount @ FY21 Estimated Mill Rate (10.66)	**26,972**	**103,736**	**2,401**
Prior Years Export Mfg Exempt Value	304,387	829,593	177,699
New Export Mfg Exempt Value	369,458	1,208,285	47,558
Total Export Mfg Exempt Value	**673,846**	**2,037,878**	**225,257**
Taxable Value Before Mandatory Exemption Value	1,956,321	7,793,498	100,000
Mandatory Exempt Value	100,000	100,000	100,000
Total Taxable Value after both exemptions	**1,856,321**	**7,693,498**	**0**
Total Amount Paid@ FY21 Estimated Mill Rate (10.66)	**19,788**	**82,013**	**0**
Total Prior YearsExport Mfg Tax Exempt	3,245	8,843	1,894
Total New Export Mfg Tax Exempt	3,938	12,880	507
Total Tax to be Exempted	**7,183**	**21,724**	**2,401**

Attached are copies of their applications.

A. Export Manufacturing

CBJ 69.10.020(10) provides for exempting qualifying manufacturing property from assessment and taxation. Qualifying property may receive a declining five-year percentage exemption from the property's market value as follows:

• 100% exemption in year 1
• 80% exemption in year 2
• 60% exemption in year 3
• 40% exemption in year 4
• 20% exemption in year 5

Property owners seeking an exemption must file a request with the Assessor's Office on or before January 31 of each year. The code places the authority for approving the manufacturing exemption requests with the Assembly.

The Assessor's Office has received three property manufacturing exemption requests for the 2021 tax year (FY22 budget year).

1. Alaska Glacier Seafood's, Inc. filed a manufacturing exemption for machinery, equipment totaling $369,458.22 ($3,938.42 in property tax).

In addition, Alaska Glacier Seafood's has $304,387.28 in property qualifying from prior years, for a total 2021 assessment exemption of $673,845 or ($7,183 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

2. Alaskan Brewing Company, LLC filed a manufacturing exemption for machinery, equipment, furniture and fixtures, computers and software, and vehicles totaling $1,208,285.05 ($12,880.32 in property tax).

In addition, Alaskan Brewing has $829,593.42 in property qualifying from prior years, for a total 2021 assessment exemption of $2,037,878 ($21,723.78 in property taxes).

3. Forbidden Peak Brewery filed a manufacturing exemption for machinery, equipment totaling $47,558 ($506.97 in property tax).

Forbidden Peak Brewery has $177,698.56 in property qualifying from prior years, for a total 2021 assessment exemption of $ ($2,401 in property taxes).

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

The Assessor's Office has determined that the property exemption request meets the code requirements and recommends approval of this exemption request.

I recommend approval of these exemption requests.

Mary Hammond 3-2-2021

Mary Hammond
Assessor

Date

CITY AND BOROUGH OF JUNEAU

Office of the Assessor
155 S Seward Street
Juneau AK 99801

Export Manufacturing Exemption Application		
Assessment Year	☐ 2017	☐ Other 2021
Organization Name	Alaska Glacier Seafoods	
BPP Account #	59811	
Parcel ID #		
Name of Applicant	Kristie Erickson	
Email Address	Kristie@alaskaglacierseafoods.com	

In Accordance with CBJ 69.10.020(10) certain Real Property and Business Personal Property may be partially exempt when used in a manufacturing business. Application for this exemption must be submitted to the municipal assessor before January 31 of the applicable tax year.

Primary Phone #	907-790-3592	Secondary Phone #	907-790-3590
Mailing Address	Box 34363 Juneau, AK 99803	Property Address	13555 Glacier Highway Juneau, AK 99801

Type of Business	Seafood Processing
Sales Tax Account Number	272728
Has this property ever been taxed in the CBJ?	☐ Yes ☑ No
Is this property used in a trade or business having fewer than 500 annual full-time equivalent employees?	☑ Yes ☐ No How Many? 95
Does this business create employment within the CBJ?	☑ Yes ☐ No

Explain:

We employ approx 50 year around employees at hire another 100-150 seasonal workers who work within CBJ,

Does this business generate sales outside the CBJ of goods produced within the CBJ?	☑ Yes ☐ No

Explain:

We buy and process fish withing CBJ and ship approx 96% of it out of CBJ.

What percent of total production is exported outside the CBJ?	96 %
Does this business reduce the importation of goods from outside the CBJ?	☑ Yes ☐ No

Explain:

AGS supplies locally caught fish and sells it to the local stores and restaurants and reduces the need for imported fish into CBJ.

Has this property been used in the same trade or business in another municipality within the past 6 months?	☐ Yes ☑ No
List detail of real or personal property and the total market value which you are seeking to be exempted. (use attachment if necessary)	Total market value to be exempted: $ all allowable

Certification:
I hereby certify that the answers given on this application are true and correct to the best of my knowledge. I understand that a willful misstatement is punishable by a fine or imprisonment under AS 11.56.210.

Signature and Title of Applicant: Kristie E

Date: 1/31/2021

Assessor Approval [ ] Yes [ ] No Date: ____________ Comments:

Contact Us: CBJ Assessor's Office			
Phone:	Email:	Website:	Physical Location
Phone # (907) 586-0333 Fax # (907) 586-4520	Assessor_Office@juneau.org	http://www.juneau.org/finance	155 South Seward St Rm. 114 Juneau AK 99801

Glacier Seafood 2021 Declaration and Export Exemption request

Total number of full time year round employees	**0**		
Total dollar amount of seafood sold in 2020	**$**	**27,654,950**	**100%**
Total dollar amount of seafood sold locally	**$**	**1,022,420**	3.70%
Total dollar amount of seafood exported	**$**	**26,632,530**	96.30%
Total percentage of product exported during 2020			**96.30%**

1) **Per 69.10.020(10)(A)(v)** table, the maximum exemption allowable for **96%** of product exported would be

2) **Per 69.10.020(10)(A)(v)** Export exemption *does not exceed the lesser of the amount* determined in 1) or 3) multiplied by **80%** the percentage allowable based on the number of full time employees **(50)**

1)	**$6,000,000**	80%	**$ 4,800,000**
3)	842,307	80%	$ 673,845

3) **Per 69.10.020 (10)(B) table Business Personal Property acquired annually over the preceding five years with percentage exempt;**

Total BPP acquired in 2020 (Year 1)	**$**	**461,823**	100% exempt
Total BPP carry over exemption approved for export in previous 4 years	**$**	**380,484**	20-80% exempt
	$	**842,307**	See Detail Sheet for Breakdown

$ 673,845 Exemption amount for 2021-See Details Sheet for breakdown

1)

% Export	Maximum Exemption
0% to 49%	$1,000,000.00
50% to 59%	2,000,000.00
60% to 69%	3,000,000.00
70% to 79%	4,000,000.00
80% to 89%	5,000,000.00
90% to 100%	**6,000,000.00**

2)

FTE	Adjusted Exemption
1 to 49	100%
50 to 99	**80%**
100 to 149	60%
150 to 199	40%
200 to 499	20%
Over 499	0%

Business Name/Address:	ALASKA GLACIER SEAFOOD INC ERICKSON MIKE J PO BOX 34363 JUNEAU AK 99803

Art	Automobile	Computers	Furniture	Leased	Machine	Other	Supplies
300.00	402,118.00	68,716.69	22,110.43	0.00	1,755,998.84	0.00	364,850.00

Total	Exemptions	Total Taxable
2,630,166.00	723,710.00	1,906,456.00

Item Description	Year Purchased	Original Value	% Good	Current Value	Export Exempt %-Current	Export Exemption Values	Current Value after Exemptions
						-	0.00
2001 CHEVY ASTRO VAN	2016	4,750.00	100%	4,750.00	20%	950.00	3800.00
2015 INFINITI QX80 (KE)	2016	76,000.00	100%	76,000.00	20%	15,200.00	60800.00
2010 FORD TRANSIT (NC	2016	11,800.00	100%	11,800.00	20%	2,360.00	9440.00
COMPUTER EQUIPMENT	2016	2,107.00	10%	210.70	20%	42.14	168.56
COMPUTER CHERYL	2016	1,100.00	10%	110.00	20%	22.00	88.00
COMPUTER HP PROBOC	2016	1,108.00	10%	110.80	20%	22.16	88.64
COMPUTER JIM	2016	1,733.00	10%	173.30	20%	34.66	138.64
COMPUTER PETER	2016	681.00	10%	68.10	20%	13.62	54.48
HP ELITE DISPLAY COMI	2016	245.00	10%	24.50	20%	4.90	19.60
PARITY INVENTORY SYS	2016	96,477.00	10%	9,647.70	20%	1,929.54	7718.16
SOFTWARE TIMEFORCE	2016	1,500.00	10%	150.00	20%	30.00	120.00
1998 GMC PUMPTRUCK	2016	28,747.00	59%	16,960.73	20%	3,392.15	13568.58
COMPRESSOR-QUINCY I	2016	17,941.00	45%	8,073.45	20%	1,614.69	6458.76
COMPRESSOR-HOLDING	2016	5,800.00	45%	2,610.00	20%	522.00	2088.00
FILLET MACHINE	2016	399,919.00	45%	179,963.55	20%	35,992.71	143970.84
FORKLIFT MITSUBISHI	2016	31,975.00	59%	18,865.25	20%	3,773.05	15092.20
34' REFER VAN	2016	27,022.00	59%	15,942.98	20%	3,188.60	12754.38
40' REFER VAN	2016	29,640.00	59%	17,487.60	20%	3,497.52	13990.08
TOTES INSULATED DAC(	2016	38,874.00	45%	17,493.30	20%	3,498.66	13994.64
FISH PUMP FOR SEINE N	2016	30,003.00	45%	13,501.35	20%	2,700.27	10801.08
HANGING SCALES MICHI	2016	21,560.00	45%	9,702.00	20%	1,940.40	7761.60
WELDER	2016	345.00	45%	155.25	20%	31.05	124.20
SCALES 2 TABLE TOP	2016	962.00	45%	432.90	20%	86.58	346.32
PRESSURE WASHERS 2	2016	545.00	45%	245.25	20%	49.05	196.20
AIRTHERM GUN (FOR TC	2016	434.00	45%	195.30	20%	39.06	156.24
CARTS PLANT 3	2016	1,091.00	45%	490.95	20%	98.19	392.76
PRINTER FORD	2016	470.00	32%	150.40	20%	30.08	120.32
PRINTER FORD LASER J	2016	225.00	32%	72.00	20%	14.40	57.60
PRINTERS CARD READE	2016	6,219.00	32%	1,990.08	20%	398.02	1592.06
PRINTER THERMAL TRAI	2016	2,829.00	32%	905.28	20%	181.06	724.22
2017 FORD F-250 (JE)	2017	66,603.00	100%	66,603.00	40%	26,641.20	39961.80
2010 FORD TRANSIT (IS	2017	12,300.00	100%	12,300.00	40%	4,920.00	7380.00
2014 NISSAN NV 200 (ID	2017	9,990.00	75%	7,574.00	40%	3,029.60	4544.40
HP COMPUTER-FISH DE!	2017	1,249.00	10%	124.90	40%	49.96	74.94
LOCKERS (28 SETS)	2017	7,939.00	40%	3,175.60	40%	1,270.24	1905.36
HOTWATER TANK 80GAL	2017	2,709.00	53%	1,435.77	40%	574.31	861.46
CRAB BASKETS (50)	2017	3,049.00	53%	1,615.97	40%	646.39	969.58
AIR HOIST LIFT & TROLL	2017	8,233.00	65%	5,351.45	40%	2,140.58	3210.87
BITZER COMPRESSOR F	2017	26,873.00	65%	17,467.45	40%	6,986.98	10480.47
DAYSPRING TRAILER	2017	10,438.00	65%	6,784.70	40%	2,713.88	4070.82
BOAT TRAILER (USED)	2017	2,000.00	65%	1,300.00	40%	520.00	780.00
2017 MITSUBISHI FORKL	2017	27,831.00	65%	18,090.15	40%	7,236.06	10854.09
2017 VACUUM PACKER (	2017	17,015.00	53%	9,017.95	40%	3,607.18	5410.77
PORTABLE FREEZER (U!	2017	15,912.00	40%	6,364.80	40%	2,545.92	3818.88
PALLET JACKS 10	2017	5,447.00	53%	2,886.91	40%	1,154.76	1732.15
BATTERY BACKUPS	2017	1,013.00	40%	405.20	40%	162.08	243.12
MONITOR (MARY)	2017	89.00	40%	35.60	40%	14.24	21.36
2016 FORD (15 PAX)	2018	25,869.00	100%	25,869.00	60%	15,521.40	10347.60
2007 GMC (MAINT)	2018	11,800.00	100%	11,800.00	60%	7,080.00	4720.00
IPAD (TRAM)	2018	459.00	25%	114.75	60%	68.85	45.90
COMPUTER (YVONNE)	2018	983.00	25%	245.75	60%	147.45	98.30
LAPTOPS X 3 (JON.MARY	2018	4,711.00	25%	1,177.75	60%	706.65	471.10
BARTENDER	2018	1,000.00	25%	250.00	60%	150.00	100.00
TABLE (MIXER)	2018	722.00	50%	361.00	60%	216.60	144.40
VELOCI BLAZE 200K BTU	2018	2,887.00	62%	1,789.94	60%	1,073.96	715.98

SALINITY/PH/CHLORINE	2018	4,968.00	62%	3,080.16	60%	1,848.10	1232.06
PALLET JACK (5)	2018	2,791.00	62%	1,730.42	60%	1,038.25	692.17
FISH RACK (150)	2018	11,250.00	62%	6,975.00	60%	4,185.00	2790.00
BEDDING. LINENS. PILLC	2018	8,760.00	50%	4,380.00	60%	2,628.00	1752.00
REFRIGERATOR (TM)	2018	607.00	50%	303.50	60%	182.10	121.40
REFRIGERATOR (GLEND	2018	624.00	50%	312.00	60%	187.20	124.80
VACUUM CLEANERS (6)	2018	944.00	50%	472.00	60%	283.20	188.80
MATRESSES. LAMPS. TA	2018	2,254.00	50%	1,127.00	60%	676.20	450.80
PRESSURE WASHER-HC	2018	1,100.00	62%	682.00	60%	409.20	272.80
MANUAL CUP SEALER	2018	897.00	62%	556.14	60%	333.68	222.46
MIXER 20 G	2018	1,118.00	62%	693.16	60%	415.90	277.26
CRYONITE HEAT MACHI	2018	4,265.00	62%	2,644.30	60%	1,586.58	1057.72
CELL PHONE REPEATER	2018	3,849.00	50%	1,924.50	60%	1,154.70	769.80
PHONES (VERIZON)	2018	3,628.00	50%	1,814.00	60%	1,088.40	725.60
2019 GMC CANYON	2019	43,556.00	100%	43,556.00	80%	34,844.80	8711.20
COSTCO HOME PACK SC	2019	735.00	50%	367.50	80%	294.00	73.50
PARITY SCANNERS (2)	2019	5,895.00	50%	2,947.50	80%	2,358.00	589.50
IMAC-JIM	2019	3,569.00	50%	1,784.50	80%	1,427.60	356.90
SOFTWARE SUBSCRIPTI	2019	25,568.00	50%	12,784.00	80%	10,227.20	2556.80
TABLE TOP SEALERS (2)	2019	1,250.00	73%	912.50	80%	730.00	182.50
COOLER/FREEZER @ FC	2019	105,428.00	81%	85,396.68	80%	68,317.34	17079.34
COMPRESSOR-FREEZEI	2019	6,820.00	81%	5,524.20	80%	4,419.36	1104.84
SMOKER @ FORD	2019	3,569.00	73%	2,605.37	80%	2,084.30	521.07
ALUMINUM CONNEX RAI	2019	27,904.00	73%	20,369.92	80%	16,295.94	4073.98
AIR HOIST CRAB	2019	6,647.00	73%	4,852.31	80%	3,881.85	970.46
INCLINE CONVEYOR-PE	2019	7,208.00	73%	5,261.84	80%	4,209.47	1052.37
STRETCH WRAPPER SIM	2019	12,538.00	73%	9,152.74	80%	7,322.19	1830.55
CRAB BASKET (10)	2019	6,300.00	73%	4,599.00	80%	3,679.20	919.80
40' CONNEX RED @ FOR	2019	2,050.00	81%	1,660.50	80%	1,328.40	332.10
HANDWASH SINK @ FOF	2019	2,235.00	73%	1,631.55	80%	1,305.24	326.31
BAND SAW TABLE	2019	1,568.00	73%	1,144.64	80%	915.71	228.93
SCALE FOR COSTCO CC	2019	769.00	73%	561.37	80%	449.10	112.27
POWER WASHER-HOUSI	2019	367.00	73%	267.91	80%	214.33	53.58
RED PET FOOD TUBS (1(	2019	2,225.00	73%	1,624.25	80%	1,299.40	324.85
INSULATED TOTES (30)	2019	19,350.00	73%	14,125.50	80%	11,300.40	2825.10
FISH RACKS (20)	2019	4,050.00	73%	2,956.50	80%	2,365.20	591.30
CARTS (6)	2019	1,616.00	73%	1,179.68	80%	943.74	235.94
DUMP TOTES (7)	2019	1,492.00	73%	1,089.16	80%	871.33	217.83
SUCTION HOSE 40'	2019	3,968.00	73%	2,896.64	80%	2,317.31	579.33
PLASTIC CURTAIN	2019	3,285.00	73%	2,398.05	80%	1,918.44	479.61
FISH RACK BASES (10)	2019	4,050.00	73%	2,956.50	80%	2,365.20	591.30
OFFICE EQUIPMENT 201	2019	10,159.00	63%	6,400.17	80%	5,120.14	1280.03
IN REACH (MIKE)	2019	200.00	63%	126.00	80%	100.80	25.20
TABLETS & ACCESSORIE	2019	1,442.00	63%	908.46	80%	726.77	181.69
SOFTWARE SUBSCRIPTI	2020	24,766.00	70%	17,336.20	100%	17,336.20	0.00
COMPUTERS (10)	2020	22,222.00	70%	15,555.40	100%	15,555.40	0.00
METRO CELL (CELL PHO	2020	3,000.00	70%	2,100.00	100%	2,100.00	0.00
COMPUTER MONITORS	2020	689.00	70%	482.30	100%	482.30	0.00
COMPRESSER	2020	1,939.00	85%	1,648.15	100%	1,648.15	0.00
MITSUBISHI FORKLIFTS	2020	53,000.00	90%	47,700.00	100%	47,700.00	0.00
DOCK TENT	2020	2,675.00	85%	2,273.75	100%	2,273.75	0.00
PRESSURE WASHER (2)	2020	3,745.00	85%	3,183.25	100%	3,183.25	0.00
PALLET JACKS (9)	2020	5,558.00	85%	4,724.30	100%	4,724.30	0.00
MEAT SLICER-HOBEDGE	2020	1,803.00	85%	1,532.55	100%	1,532.55	0.00
PRINTER	2020	553.00	79%	436.87	100%	436.87	0.00
FUEL HELD FOR CONSU	2020	650.00	100%	650.00	100%	650.00	0.00
REPLACEMENT OR SPAI	2020	12,000.00	100%	12,000.00	100%	12,000.00	0.00
BUSINESS SUPPLIES	2020	350,000.00	100%	350,000.00	100%	350,000.00	0.00
OFFICE. MAINTENANCE.	2020	2,200.00	100%	2,200.00	100%	2,200.00	0.00
TOTALS		**1,956,891.00**		**1,340,982.25**		**842,306.87**	

461,822.77	2021 Assessment Exemption
380,484.10	2020-2017 Assessment Exemption
842,306.87	
80%	% based on employee count
673,845	Final Export Exemption

CITY AND BOROUGH OF JUNEAU
Office of the Assessor
155 S Seward Street
Juneau AK 99801

Export Manufacturing Exemption Application	
Assessment Year	[✓] 2020 [ ] Other
Organization Name	AKBEV GROUP, LLC
BPP Account #	521150
Parcel ID #	
Name of Applicant	Alaskan Brewing Co.
Email Address	accounting@alaskanbeer.com

In Accordance with CBJ 69.10.020(10) certain Real Property and Business Personal Property may be partially exempt when used in a manufacturing business. Application for this exemption must be submitted to the municipal assessor before January 31 of the applicable tax year.

Primary Phone #	907-780-5866	Secondary Phone #	
Mailing Address	5429 Shaune Drive Juneau, AK 99801	Property Address	Same

Type of Business	Beverage Manufacturing
Sales Tax Account Number	890135
Has this property ever been taxed in the CBJ?	[ ] Yes [✓] No
Is this property used in a trade or business having fewer than 500 annual full-time equivalent employees?	[✓] Yes [ ] No How Many?
Does this business create employment within the CBJ?	[✓] Yes [ ] No

Explain:

We currently employ 96 full-time positions located in Juneau.

Does this business generate sales outside the CBJ of goods produced within the CBJ?	[✓] Yes [ ] No

Explain:

We ship our products to a total of 25 states including throughout the State of AK.

What percent of total production is exported outside the CBJ?	94 %
Does this business reduce the importation of goods from outside the CBJ?	[✓] Yes [ ] No

Explain:

Our locally manufactured products are sold in nearly every bar and liquor store in Juneau, as well as in our brewery tasting room.

Has this property been used in the same trade or business in another municipality within the past 6 months?	[ ] Yes [✓] No
List detail of real or personal property and the total market value which you are seeking to be exempted. (use attachment if necessary)	Total market value to be exempted: $ 1,820,147

Certification:
I hereby certify that the answers given on this application are true and correct to the best of my knowledge. I understand that a willful misstatement is punishable by a fine or imprisonment under AS 11.56.210.

Signature and Title of Applicant: Linda Thomas

Date: 1/31/21

Assessor Approval [ ] Yes [ ] No Date: ____________ Comments:

Contact Us: CBJ Assessor's Office			
Phone:	Email:	Website:	Physical Location
Phone # (907) 586-0333 Fax # (907) 586-4520	Assessor_Office@juneau.org	http://www.juneau.org/finance	155 South Seward St Rm. 114 Juneau AK 99801

Alaska Brewery 2021 Declaration and Export Exemption request

Total number of full time year round employees	**94**		
Total dollar amount of beer sold in 2020	**$**	**25,215,125**	**100%**
Total dollar amount of beer sold locally	**$**	**1,426,187**	5.66%
Total dollar amount of beer exported	**$**	**23,788,938**	94.34%
Total percentage of product exported during 2020			**94.34%**

1) **Per 69.10.020(10)(A)(v)** table, the maximum exemption allowable for **94%** of product exported would be

2) **Per 69.10.020(10)(A)(v)** Export exemption *does not exceed the lesser of the amount* determined in 1) or 3) multiplied by **80%** the percentage allowable based on the number of full time employees **(94)**

1)	**$6,000,000**	*80%	**$ 4,800,000**
3)	2,547,348	*80%	$ 2,037,878

3) **Per 69.10.020 (10)(B) table Business Personal Property acquired annually over the preceding five years with percentage exempt;**

Total BPP acquired in 2020 (Year 1)	**$**	**1,510,356**	100% exempt
Total BPP carry over exemption approved for export in previous 4 years	**$**	**1,036,992**	20-80% exempt
	$	**2,547,348**	See Detail Sheet for Breakdown

$ 2,037,878 Exemption amount for 2021-See Details Sheet for breakdown

1)

% Export	Maximum Exemption
0% to 49%	$1,000,000.00
50% to 59%	2,000,000.00
60% to 69%	3,000,000.00
70% to 79%	4,000,000.00
80% to 89%	5,000,000.00
90% to 100%	**6,000,000.00**

2)

FTE	Adjusted Exemption
1 to 49	100%
50 to 99	**80%**
100 to 149	60%
150 to 199	40%
200 to 499	20%
Over 499	0%

Business Name/Address: AKBEV GROUP, LLC
LARSON GEOFF & MARCELLE
5429 SHAUNE DR
JUNEAU AK 99801

Art	Automobile	Computers	Furniture	Leased	Machine	Other	Supplies
0.00	81,175.02	823,362.57	213,045.46	0.00	8,497,650.01	9,767.44	57,527.94

Total	Exemptions	Total Taxable
9,831,376.00	100,000.00	9,731,376.00

Item Description	Year Purchased	Original Value	% Good	Current Value	Export Exempt %- Current	Export Exemption Values	Current Value after Exemptions
1815 7IPADS RETAIL POS	2016	3,529.00	10%	352.90	20%	70.58	282.32
1815 1 DELL LATTITUDE	2016	2,102.10	10%	210.21	20%	42.04	168.17
1815 12 DELL 7040 PC	2016	11,381.85	10%	1,138.19	20%	227.64	910.55
1815 5 DELL MONITORS .	2016	3,932.95	10%	393.30	20%	78.66	314.64
1815 4 DELL ULTRASHAF	2016	1,598.79	10%	159.88	20%	31.98	127.90
1815 DESKTOP UPS REP	2016	1,230.92	10%	123.09	20%	24.62	98.47
1815 DELL SERVERS	2016	70,001.03	10%	7,000.10	20%	1,400.02	5600.08
1820 DAUGHTERY IT EN(	2016	36,361.42	10%	3,636.14	20%	727.23	2908.91
1820 ONBOARDING FEE	2016	2,500.00	10%	250.00	20%	50.00	200.00
1820 VMWARE VSAN 6 A	2016	42,915.52	10%	4,291.55	20%	858.31	3433.24
1820 PIPE FLOW PROGR	2016	824.81	10%	82.48	20%	16.50	65.98
1820 DATE WAREHOUSE	2016	75,261.17	10%	7,526.12	20%	1,505.22	6020.90
1820 MERAKI SYS MGR E	2016	1,403.86	10%	140.39	20%	28.08	112.31
1810 OFFICE FURNITURE	2016	121,865.29	45%	54,839.38	20%	10,967.88	43871.50
1610 SPARE LASER COD	2016	8,300.81	32%	2,656.26	20%	531.25	2125.01
1610 CAN WRAPPER	2016	129,146.98	32%	41,327.03	20%	8,265.41	33061.62
1610 BOTTLE FILLER HE/	2016	3,734.07	32%	1,194.90	20%	238.98	955.92
1610 PALLETIZER UPGR/	2016	17,270.59	32%	5,526.59	20%	1,105.32	4421.27
1610 CAN LINE PALLET L	2016	6,927.73	32%	2,216.87	20%	443.37	1773.50
1610 CAN SEAM SOFTW/	2016	2,106.37	32%	674.04	20%	134.81	539.23
CAN LINE DATE CODER	2016	12,593.88	32%	4,030.04	20%	806.01	3224.03
1610 CAN LINE 16OZ UP(	2016	60,875.23	32%	19,480.07	20%	3,896.01	15584.06
BOTTLING LINE OXINE P	2016	2,945.41	32%	942.53	20%	188.51	754.02
1600 BIOMASS UPGRADE	2016	68,339.96	45%	30,752.98	20%	6,150.60	24602.38
1600 BREWMAXX UPGR/	2016	87,524.64	45%	39,386.09	20%	7,877.22	31508.87
1600 CO2 CELLAR UPGR	2016	88,695.28	45%	39,912.88	20%	7,982.58	31930.30
1600 DRY HOP SHOOTEI	2016	4,986.22	45%	2,243.80	20%	448.76	1795.04
1600 GEHALTEMETER	2016	7,370.53	45%	3,316.74	20%	663.35	2653.39
1600 HARDPIPE UPGRAD	2016	49,437.42	45%	22,246.84	20%	4,449.37	17797.47
1600 TANKS 50 53 2016 II	2016	55,837.43	45%	25,126.84	20%	5,025.37	20101.47
1600 PASTEURIZATION S	2016	74,635.57	45%	33,586.01	20%	6,717.20	26868.81
1600 WASTE YEAST BUL	2016	2,067.49	45%	930.37	20%	186.07	744.30
1600 TANK WASHING PR	2016	852.63	45%	383.68	20%	76.74	306.94
1610 WA LIFT TRUCK US	2016	20,870.58	45%	9,391.76	20%	1,878.35	7513.41
1620 3600 1/6 BBL KEGS	2016	63,035.00	45%	28,365.75	20%	5,673.15	22692.60
1710 YARD TRACTOR	2016	63,235.85	59%	37,309.15	20%	7,461.83	29847.32
1810 PHONES LICENSE S	2016	2,717.35	32%	869.55	20%	173.91	695.64
1815 NETWORK SEITCHE	2016	21,664.48	32%	6,932.63	20%	1,386.53	5546.10
1815 RETAIL POS SYSTE	2016	5,843.82	32%	1,870.02	20%	374.00	1496.02
1815 PORTABLE SPEAKE	2016	1,782.31	32%	570.34	20%	114.07	456.27
1815 IT UPGRADES BRE\	2016	14,308.10	32%	4,578.59	20%	915.72	3662.87
1815 RETAIL PUBLIC ENI	2016	2,660.94	32%	851.50	20%	170.30	681.20
1815 CBJ CONFERENCE	2016	2,479.96	32%	793.59	20%	158.72	634.87
1815 3 HP PAGEWIDE PF	2016	4,619.97	32%	1,478.39	20%	295.68	1182.71

1815 SECURITY CAMERA	2016	9,290.93	32%	2,973.10	20%	594.62	2378.48
1520 CBJ OFFICE IMPRO	2016	9,206.06	67%	6,168.06	20%	1,233.61	4934.45
1520 SE WAREHOUSE AI	2016	2,522.10	67%	1,689.81	20%	337.96	1351.85
1815 1412 UPS FOR LAB	2017	1,084.98	10%	108.50	40%	43.40	65.10
1815 1413 8 DELL ULTRA	2017	4,799.85	10%	479.99	40%	192.00	287.99
1815 1415 2 DELL S2415	2017	409.98	10%	41.00	40%	16.40	24.60
1815 1414 8 DELL OPTIPL	2017	7,447.76	10%	744.78	40%	297.91	446.87
1815 1427-36 6 ELITEBOO	2017	9,085.59	10%	908.56	40%	363.42	545.14
1815 1438 DELL LATTITU	2017	4,234.18	10%	423.42	40%	169.37	254.05
1815 1440 DELL FX2 POW	2017	815.98	10%	81.60	40%	32.64	48.96
1815 1441 3 HP Z2 MINI G	2017	4,185.31	10%	418.53	40%	167.41	251.12
1815 1442 DELL SM POW	2017	1,471.17	10%	147.12	40%	58.85	88.27
1815 1283 NEW LAPTOPS	2017	2,829.47	10%	282.95	40%	113.18	169.77
1820 1447 MICROSOFT W	2017	13,814.40	10%	1,381.44	40%	552.58	828.86
1810 1405 OFFICE FURNI	2017	11,186.83	53%	5,929.02	40%	2,371.61	3557.41
1810 1408 LOFTWALL PA	2017	7,103.00	53%	3,764.59	40%	1,505.84	2258.75
1810 1448 2017 BBC COS	2017	12,120.85	53%	6,424.05	40%	2,569.62	3854.43
1520 1387 SE WAREHOU	2017	42,029.11	73%	30,681.25	40%	12,272.50	18408.75
1610 1260 SPARE LABEL	2017	5,481.64	40%	2,192.66	40%	877.06	1315.60
1610 1397 CAN LINE STO	2017	12,684.00	40%	5,073.60	40%	2,029.44	3044.16
1610 1409 CAN LINE DAT	2017	1,280.13	40%	512.05	40%	204.82	307.23
1600 1388 CIP HOT WATE	2017	2,147.87	53%	1,138.37	40%	455.35	683.02
1600 1389 TANK WASHIN	2017	18,580.73	53%	9,847.79	40%	3,939.12	5908.67
1600 WASTE YEAST BUL	2017	8,472.32	53%	4,490.33	40%	1,796.13	2694.20
1600 1391 TANKS 50-53 2	2017	3,541.23	53%	1,876.85	40%	750.74	1126.11
1600 1392 PASTEURIZAT	2017	708.75	53%	375.64	40%	150.26	225.38
1600 1393 BREWNAXX UI	2017	4,198.77	53%	2,225.35	40%	890.14	1335.21
1600 1395 STEAM ENGIN	2017	229,663.87	53%	121,721.85	40%	48,688.74	73033.11
1600 1396 GRAIN DRYER	2017	8,248.10	53%	4,371.49	40%	1,748.60	2622.89
1600 1449 WEATHER STA	2017	2,139.50	53%	1,133.94	40%	453.58	680.36
1610 1398 HACH PACKGI	2017	67,822.46	53%	35,945.90	40%	14,378.36	21567.54
1620 1800-1/6 BBL FRANI	2017	26,910.00	53%	14,262.30	40%	5,704.92	8557.38
1640 1399 GAS CHROMA	2017	43,674.25	53%	23,147.35	40%	9,258.94	13888.41
1710 1400 NEW DELIVER	2017	62,792.00	53%	33,279.76	40%	13,311.90	19967.86
1810 1406 GIFTSHOP BEI	2017	2,989.98	40%	1,195.99	40%	478.40	717.59
1810 1407 GIFT SHOP CF	2017	3,960.00	40%	1,584.00	40%	633.60	950.40
1815 1410 BREW2 CONF	2017	1,137.73	40%	455.09	40%	182.04	273.05
1815 1411 NETWORK/SEI	2017	11,770.63	40%	4,708.25	40%	1,883.30	2824.95
1815 1437 RETAIL SCANI	2017	1,151.64	40%	460.66	40%	184.26	276.40
1815 1439 NETWORK TIM	2017	1,488.10	40%	595.24	40%	238.10	357.14
1815 1443 DELL SHORT T	2017	1,346.97	40%	538.79	40%	215.52	323.27
1815 1444 ENPLUG SOCI	2017	3,586.71	40%	1,434.68	40%	573.87	860.81
1815 1446 PAGEWIDE EN	2017	4,753.30	40%	1,901.32	40%	760.53	1140.79
811 2009 TOYOTA 4 RUN	2018	14,900.00	80%	11,950.00	60%	7,170.00	4780.00
945 2011 TOYOTA TACOI	2018	19,300.00	80%	15,575.00	60%	9,345.00	6230.00
1107 2013 TOYOTA 4RUN	2018	29,825.00	82%	24,625.00	60%	14,775.00	9850.00
1488 ERP HARDWARE-20	2018	92,629.47	25%	23,157.37	60%	13,894.42	9262.95
1489 10-HP Z2 MINI 3G W	2018	12,279.54	25%	3,069.89	60%	1,841.93	1227.96
1490 5-25IN U2518D DELI	2018	1,499.95	25%	374.99	60%	224.99	150.00
1491 3-29IN U2917W DEL	2018	1,239.93	25%	309.98	60%	185.99	123.99
1492 4-DELL OPTIPLEX 7	2018	3,570.76	25%	892.69	60%	535.61	357.08
1494 BREW3 TASTING R(	2018	5,995.65	25%	1,498.91	60%	899.35	599.56
1497 4-DELL ULTRASHAF	2018	1,515.92	25%	378.98	60%	227.39	151.59
1498 3-HP ELITEBOOK X3	2018	5,285.17	25%	1,321.29	60%	792.77	528.52
1499 BATTERY BACKUP I	2018	660.50	25%	165.13	60%	99.08	66.05
1500 HP ELITEBOOK LAF	2018	1,599.05	25%	399.76	60%	239.86	159.90
1501 CISCO MERAKI MS2	2018	8,507.05	25%	2,126.76	60%	1,276.06	850.70
1502 2-LENOVO X1 YOGA	2018	3,296.65	25%	824.16	60%	494.50	329.66
1503 3-APPLE IPADS	2018	1,056.00	25%	264.00	60%	158.40	105.60
1506 3 ML500G-30 INDUS	2018	3,975.08	25%	993.77	60%	596.26	397.51
1507 ERP SOFTWARE-20	2018	390,737.84	25%	97,684.46	60%	58,610.68	39073.78
1508 AUTOCAD	2018	819.00	25%	204.75	60%	122.85	81.90

1478 OFFICE FURNITURE	2018	5,359.53	62%	3,322.91	60%	1,993.75	1329.16
1487 ANCHOR BLDG TAS	2018	72,434.03	62%	44,909.10	60%	26,945.46	17963.64
1457 TEMPORARY DEPO	2018	3,034.80	79%	2,397.49	60%	1,438.49	959.00
1964 SONIC CLEANER FO	2018	2,949.75	50%	1,474.88	60%	884.93	589.95
1466 COMPRESSOR FOR	2018	9,770.61	50%	4,885.31	60%	2,931.19	1954.12
1470 VP LINE UNCASER	2018	3,858.20	50%	1,929.10	60%	1,157.46	771.64
1458 STEAM ENGINE PR	2018	26,005.88	62%	16,123.65	60%	9,674.19	6449.46
1459 BIOMASS WEATHEI	2018	6,400.04	62%	3,968.02	60%	2,380.81	1587.21
1460 BIOMASS PLC UPGI	2018	1,414.00	62%	876.68	60%	526.01	350.67
1461 BOILER CLEANING	2018	6,411.51	62%	3,975.14	60%	2,385.08	1590.06
1462 EFFLUENT UPGRAD	2018	4,464.92	62%	2,768.25	60%	1,660.95	1107.30
1463 SILO SCALE PROJE	2018	1,165.67	62%	722.72	60%	433.63	289.09
1465 GRAIN DRYER FAN	2018	6,458.47	62%	4,004.25	60%	2,402.55	1601.70
1467 2-2 BBL TANKS	2018	9,037.94	62%	5,603.52	60%	3,362.11	2241.41
1474 KEGLINE TITRATIOI	2018	10,810.27	62%	6,702.37	60%	4,021.42	2680.95
1394 FRANKE 1/6 BBL KE	2018	26,909.88	62%	16,684.13	60%	10,010.48	6673.65
1471 FRANKE 1/2 BBL KE	2018	27,899.81	62%	17,297.88	60%	10,378.73	6919.15
1480 USED SCISSOR LIF	2018	8,000.00	73%	5,840.00	60%	3,504.00	2336.00
1479 11-MITEL/SHORTEL	2018	5,187.27	50%	2,593.64	60%	1,556.18	1037.46
1493 4-MERAKI CAMERA	2018	13,299.36	50%	6,649.68	60%	3,989.81	2659.87
1495 WIRELESS SPEAKE	2018	1,056.90	50%	528.45	60%	317.07	211.38
1496 2-HP PAGEWIDE PF	2018	3,044.98	50%	1,522.49	60%	913.49	609.00
1504 PRINTER FOR ENGI	2018	3,174.40	50%	1,587.20	60%	952.32	634.88
1505 IPAD WALL MOUNT	2018	500.56	50%	250.28	60%	150.17	100.11
1509 ERP SOFTWARE - 2	2019	238,927.19	50%	119,463.60	80%	95,570.88	23892.72
1520 ERP SOFTWARE - 2	2019	671,606.78	50%	335,803.39	80%	268,642.71	67160.68
536 BACK UP STORAGE	2019	6,353.79	50%	3,176.90	80%	2,541.52	635.38
1538 EXAGRID BACKUP	2019	28,823.45	50%	14,411.73	80%	11,529.38	2882.35
1540 QUICKSTATION BA	2019	11,241.48	50%	5,620.74	80%	4,496.59	1124.15
1546 4 - AZULLE MINI CO	2019	1,139.96	50%	569.98	80%	455.98	114.00
1547 LENOVO PORTABLI	2019	813.31	50%	406.66	80%	325.33	81.33
1548 2 THINKPAD X1 YO	2019	4,021.22	50%	2,010.61	80%	1,608.49	402.12
1551 INTELLIGENT CHAN	2019	16,000.00	50%	8,000.00	80%	6,400.00	1600.00
1552 FAS UPGRADE	2019	7,606.31	50%	3,803.16	80%	3,042.53	760.63
1553 SOLARWINDS ORIC	2019	6,000.00	50%	3,000.00	80%	2,400.00	600.00
1554 ACRONIS SNAP SEI	2019	2,200.00	50%	1,100.00	80%	880.00	220.00
1555 ADOBE PHOTOSHO	2019	539.91	50%	269.96	80%	215.97	53.99
1556 ADOBE CLOUD LICI	2019	4,996.07	50%	2,498.04	80%	1,998.43	499.61
1518 PLANT FURNITURE	2019	13,448.07	73%	9,817.09	80%	7,853.67	1963.42
1531 TASTING ROOM FU	2019	7,748.09	73%	5,656.11	80%	4,524.89	1131.22
1532 OFFICE FURNITURE	2019	18,325.00	73%	13,377.25	80%	10,701.80	2675.45
1533 APARTMENT FURNI	2019	7,193.76	73%	5,251.44	80%	4,201.15	1050.29
1557 GAS CHROMATAGF	2019	7,634.55	73%	5,573.22	80%	4,458.58	1114.64
1514 CANLINE UPGRADE	2019	9,269.36	73%	6,766.63	80%	5,413.30	1353.33
1468 1 - 2 BBL TANK	2019	4,518.97	73%	3,298.85	80%	2,639.08	659.77
1469 CAN LINE TRAY MA	2019	20,899.94	73%	15,256.96	80%	12,205.57	3051.39
1472 FRANKE 1/2 BBL KE	2019	28,508.69	73%	20,811.34	80%	16,649.07	4162.27
473 FRANKE 1/6 BBL KEC	2019	27,842.82	73%	20,325.26	80%	16,260.21	4065.05
1512 ELECTRIC CAR CH/	2019	7,537.53	73%	5,502.40	80%	4,401.92	1100.48
1530 USED ELECTRIC FC	2019	4,064.04	73%	2,966.75	80%	2,373.40	593.35
1526 2 BBL TANK 2019 C	2019	501.59	73%	366.16	80%	292.93	73.23
1525 CO2 GEHALTEMETI	2019	19,750.01	73%	14,417.51	80%	11,534.01	2883.50
1527 STEEL DUCTING FC	2019	21,585.00	73%	15,757.05	80%	12,605.64	3151.41
1559 LARGE CENTRIFUG	2019	10,870.86	73%	7,935.73	80%	6,348.58	1587.15
1513 ANTON PAAR ALCC	2019	59,565.19	73%	43,482.59	80%	34,786.07	8696.52
1528 NUCLEO YEAST CC	2019	11,689.66	73%	8,533.45	80%	6,826.76	1706.69
1519 CISCO MERAKI SEC	2019	20,398.75	63%	12,851.21	80%	10,280.97	2570.24
1534 FILTRATION ROOM	2019	7,832.87	63%	4,934.71	80%	3,947.77	986.94
1537 ARUBA NETWORK	2019	42,652.24	63%	26,870.91	80%	21,496.73	5374.18
1544 SONOS PLAY5 SPE.	2019	523.95	63%	330.09	80%	264.07	66.02
1539 RETAIL POS EQUIP	2019	11,905.19	63%	7,500.27	80%	6,000.22	1500.05
1541 HP LASERJET ENTE	2019	1,057.32	63%	666.11	80%	532.89	133.22

1542 HP LASERJET ENTE	2019	2,518.94	63%	1,586.93	80%	1,269.54	317.39
1543 HP SCANJET ENTEI	2019	1,017.33	63%	640.92	80%	512.74	128.18
1545 ROOM TEMPERATU	2019	1,078.28	63%	679.32	80%	543.46	135.86
1934 DELL & HP MONITO	2020	20,802.11	70%	14,561.48	100%	14,561.48	0.00
1937 LENOVO YOGA LAF	2020	12,125.18	70%	8,487.63	100%	8,487.63	0.00
1939 2020 TABLETS & AC	2020	4,330.53	70%	3,031.37	100%	3,031.37	0.00
1941 ERP - SOFTWARE 2	2020	38,107.50	70%	26,675.25	100%	26,675.25	0.00
1933 DELL OPTIPLEX 707	2020	32,747.76	70%	22,923.43	100%	22,923.43	0.00
1930 WAREHOUSE BENC	2020	5,696.66	85%	4,842.16	100%	4,842.16	0.00
1929 IT WORKBENCH - B	2020	1,987.41	85%	1,689.30	100%	1,689.30	0.00
1926 TASTING ROOM SL	2020	1,659.15	85%	1,410.28	100%	1,410.28	0.00
1925 TASTING ROOM TA	2020	1,354.16	85%	1,151.04	100%	1,151.04	0.00
1932 TASTING ROOM PLI	2020	3,100.07	85%	2,635.06	100%	2,635.06	0.00
1909 2020 GRAIN DRYER	2020	31,865.50	85%	27,085.68	100%	27,085.68	0.00
1915 CO2 COMPRESSOR	2020	22,377.15	85%	19,020.58	100%	19,020.58	0.00
1910 DISOLVED OXYGEN	2020	10,893.09	85%	9,259.13	100%	9,259.13	0.00
1914 MAG 1100 FULL-BO	2020	4,276.00	85%	3,634.60	100%	3,634.60	0.00
1913 SIEMENS MAG 110C	2020	1,704.64	85%	1,448.94	100%	1,448.94	0.00
1917 GENE-UP PCR SYS	2020	40,500.00	85%	34,425.00	100%	34,425.00	0.00
1918 LAMINAR FLOW HO	2020	4,919.00	85%	4,181.15	100%	4,181.15	0.00
1916 UV SPECTROPHOT	2020	4,660.50	85%	3,961.43	100%	3,961.43	0.00
1931 USED REFIGERATI(	2020	4,200.00	90%	3,780.00	100%	3,780.00	0.00
1921 CANLINE INSTALL 2	2020	1,309,338.73	90%	1,178,404.86	100%	1,178,404.86	0.00
1922 KHS SEAMER & INS	2020	48,414.76	90%	43,573.28	100%	43,573.28	0.00
1920 PAKTECH ACCUMU	2020	8,695.00	90%	7,825.50	100%	7,825.50	0.00
1935 DELL CONFERENCI	2020	4,838.99	79%	3,822.80	100%	3,822.80	0.00
1936 DELL CONFERENCI	2020	1,799.98	79%	1,421.98	100%	1,421.98	0.00
1938 CDW MERAKI CAME	2020	8,496.58	79%	6,712.30	100%	6,712.30	0.00
1940 UPS SYSTEM IN SE	2020	21,347.03	79%	16,864.15	100%	16,864.15	0.00
FUELS HELD FOR CONSI	2020	22,111.20	100%	22,111.20	100%	22,111.20	0.00
OFFICE, MAINTENANCE,	2020	6,745.65	100%	6,745.65	100%	6,745.65	0.00
REPLACEMENT OR SPAF	2020	28,671.09	100%	28,671.09	100%	28,671.09	0.00
TOTALS		**5.871.257.77**		**3.400.287.96**		**2.547.348.09**	

1.510.356.32	2021 Assessment Exemption
1.036.991.77	2020-2017 Assessment Exemption
2.547.348.09	
80%	% based on employee count
2.037.878	Final Export Exemption

CITY AND BOROUGH OF JUNEAU

Office of the Assessor
155 S Seward Street
Juneau AK 99801

Export Manufacturing Exemption Application	
Assessment Year	☐ 2017 ☑ Other 2021
Organization Name	Forbidden Peak Brewery LLC
BPP Account #	911751
Parcel ID #	4B2801030091
Name of Applicant	Skye Stekoll
Email Address	Skye@forbiddenpeak.com

In Accordance with CBJ 69.10.020(10) certain Real Property and Business Personal Property may be partially exempt when used in a manufacturing business. Application for this exemption must be submitted to the municipal assessor before January 31 of the applicable tax year.

Primary Phone #	(907) 209-7348	Secondary Phone #	(907)523-7787
Mailing Address	PO Box 211370 Auke Bay, AK 99821	Property Address	11798 Glacier Highway Juneau, AK 99801

Type of Business	Brewery
Sales Tax Account Number	01003760
Has this property ever been taxed in the CBJ?	☑ Yes ☐ No
Is this property used in a trade or business having fewer than 500 annual full-time equivalent employees?	☑ Yes ☐ No How Many? 7
Does this business create employment within the CBJ?	☑ Yes ☐ No

Explain:

Our employees all live within the CBJ and our products go to other businesses to be sold.

Does this business generate sales outside the CBJ of goods produced within the CBJ? ☑ Yes ☐ No

Explain:

We currently distribute to Anchorage and are planning to add other SE communities to our distribution this summer.

What percent of total production is exported outside the CBJ? 1 %

Does this business reduce the importation of goods from outside the CBJ? ☑ Yes ☐ No

Explain:

Bars and restaurants can replace imported beer with our locally produced beer.

Has this property been used in the same trade or business in another municipality within the past 6 months? ☐ Yes ☑ No

List detail of real or personal property and the total market value which you are seeking to be exempted. (use attachment if necessary)

Total market value to be exempted: $ 34,859.20

Certification:

I hereby certify that the answers given on this application are true and correct to the best of my knowledge. I understand that a willful misstatement is punishable by a fine or imprisonment under AS 11.56.210.

Signature and Title of Applicant: [signature] MEMBER

Date: 1/15/21

Assessor Approval [ ] Yes [ ] No Date: ________ Comments:

Contact Us: CBJ Assessor's Office

Phone:	Email:	Website:	Physical Location
Phone # (907) 586-0333 Fax # (907) 586-4520	Assessor_Office@juneau.org	http://www.juneau.org/finance	155 South Seward St Rm. 114 Juneau AK 99801

Forbidden Peak Brewery 2021 Declaration and Export Exemption request

Total number of full time year round employees	**0**	
Total dollar amount of alcohol sold in 2020	**$ 420,100**	**100%**
Total dollar amount of alcohol sold locally	**$ 419,050**	99.75%
Total dollar amount of alcohol exported	**$ 1,050**	0.25%
Total percentage of product exported during 2020		**0.25%**

1) **Per 69.10.020(10)(A)(v)** table, the maximum exemption allowable for **96%** of product exported would be

2) **Per 69.10.020(10)(A)(v)** Export exemption *does not exceed the lesser of the amount* determined in 1) or 3) multiplied by **100%** the percentage allowable based on the number of full time employees **(7)**

1)	**$1,000,000**	100%	$ 1,000,000			
3)	325,257	100%	$ 325,257	(100,000)	Standard Exemption	**$ 225,257**

3) **Per 69.10.020 (10)(B) table Business Personal Property acquired annually over the preceding five years with percentage exempt;**

Total BPP acquired in 2020 (Year 1)	**$ 47,558**	100% exempt
Total BPP carry over exemption approved for export in previous 4 years	**$ 277,699**	20-80% exempt
	$ 325,257	See Detail Sheet for Breakdown

$ 225,257 Exemption amount for 2021-See Details Sheet for breakdown

Note-This account gets a Standard 100,00 exemption that is applied before the Export Exemption

1)

% Export	Maximum Exemption
0% to 49%	$1,000,000.00
50% to 59%	2,000,000.00
60% to 69%	3,000,000.00
70% to 79%	4,000,000.00
80% to 89%	5,000,000.00
90% to 100%	6,000,000.00

2)

FTE	Adjusted Exemption
1 to 49	100%
50 to 99	80%
100 to 149	60%
150 to 199	40%
200 to 499	20%
Over 499	0%

Business Name/Address: FORBIDDEN PEAK BREWERY LLC
PO BOX 211370
ATTN: SKYE STEKOLL
AUKE BAY AK 99821

Art	Automobile	Computers	Furniture	Leased	Machine	Other	Supplies
3,686.00	23,000.00	1,250.00	0.00	0.00	356,994.32	0.00	4,600.00

Total	Exemptions	Total Taxable
394,681.00	100,000.00	294,681.00

Item Description	Year Purchased	Original Value	% Good	Current Value	Export Exempt %- Current	Export Exemption Values	Current Value after Exemptions
						-	0.00
ART 2019	2019	3,686.00	100%	3,686.00	80%	2,948.80	737.20
COMPUTER & SOFTWAR	2019	2,500.00	50%	1,250.00	80%	1,000.00	250.00
MACHINERY & EQUIPME	2019	3,917.00	50%	1,958.50	80%	1,566.80	391.70
MACHINERY & EQUIPME	2019	185,669.00	63%	116,971.47	80%	93,577.18	23394.29
MACHINERY & EQUIPME	2019	278,801.00	73%	203,524.73	80%	162,819.78	40704.95
MACHINERY & EQUIPME	2019	18,002.00	81%	14,581.62	80%	11,665.30	2916.32
OFFICE & EQUIP 2019	2019	8,176.00	63%	5,150.88	80%	4,120.70	1030.18
OFFICE SUPPLIES	2020	1,000.00	100%	1,000.00	100%	1,000.00	0.00
FUEL HELD FOR CONSU	2020	600.00	100%	600.00	100%	600.00	0.00
REPLACEMENT PARTS	2020	1,000.00	100%	1,000.00	100%	1,000.00	0.00
BUSINESS SUPPLIES	2020	2,000.00	100%	2,000.00	100%	2,000.00	0.00
2019 CHEV EXP	2020	23,000.00	100%	23,000.00	100%	23,000.00	0.00
MACHINERY & EQUIPME	2020	23,480.00	85%	19,958.00	100%	19,958.00	0.00
TOTALS		**551,831.00**		**394,681.20**		**325,256.56**	

47,558.00	2021 Assessment Exemption
277,698.56	2020-2017 Assessment Exemption
325,256.56	
100,000.00	Standard Exemption
100%	% based on employee count
225,257	Final Export Exemption