

Kenai Peninsula Borough, Alaska

**Federal and State Single Audit Reports
Year Ended June 30, 2020**

Kenai Peninsula Borough, Alaska

Federal and State Single Audit Reports
Year Ended June 30, 2020

Kenai Peninsula Borough, Alaska

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and
Members of the Assembly
Kenai Peninsula Borough
Soldotna, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kenai Peninsula Borough, Alaska, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Kenai Peninsula Borough's basic financial statements, and have issued our report thereon dated January 13, 2021.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kenai Peninsula 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.

BDO USA, LLP

Anchorage, Alaska
January 13, 2021



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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Honorable Mayor and
Members of the Assembly
Kenai Peninsula Borough
Soldotna, Alaska

Report on Compliance for Each Major Federal Program

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

Kenai Peninsula Borough's basic financial statements include the operations of its component units, Kenai Peninsula Borough School District and Central Peninsula General Hospital, which received \$9,624,748 and \$823,829 in federal awards, respectively, which are not included in the Schedule for the year ended June 30, 2020. Our audit described below, did not include the operations of Kenai Peninsula Borough School District and Central Peninsula General Hospital because they were subjected to separate audits in accordance with the Uniform Guidance. Kenai Peninsula Borough's basic financial statements also include the operations of its additional component unit, South Peninsula Hospital, which received \$703,888 in federal awards which is not included in the Schedule for the year ended June 30, 2020. Our audit, described below, did not include the operations of this component unit, because it was subjected to a separate audit; however, it did not meet the threshold for an audit in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Kenai Peninsula 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* 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 Kenai Peninsula 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 each major federal program. However, our audit does not provide a legal determination of Kenai Peninsula Borough's compliance.

Opinion on Each Major Federal Program

In our opinion, Kenai Peninsula 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 federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Kenai Peninsula 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 Kenai Peninsula Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Kenai Peninsula 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 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kenai Peninsula Borough as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Kenai Peninsula Borough's basic financial statements. We issued our report thereon dated January 13, 2021 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
January 13, 2021

Kenai Peninsula Borough
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Grant Number | Pass-Through Entity Identifier Number | Federal CFDA Number | Award Amount | Provided to Subre- cipients | Total Federal Expenditures |
|---|-----------------------|--|------------------------|--------------|-----------------------------------|-------------------------------|
| U.S. Department of the Interior | | | | | | |
| U.S. Bureau of Land Management: | | | | | | |
| Payment in Lieu of Taxes | | | | | | |
| (Settlement for underpayment 2015-2017) | 2015-2017 SEC 6901/02 | N/A | 15.226 | \$ 78,795 | \$ - | \$ 78,795 |
| Payment in Lieu of Taxes | 2020-SEC 6901/02 | N/A | 15.226 | 3,267,980 | - | 3,267,980 |
| Total CFDA 15.226 | | | | | - | 3,346,775 |
| U.S. Fish and Wildlife Service - | | | | | | |
| National Wildlife Refuge Revenue Sharing | FY2020 | N/A | 15.659 | 24,346 | - | 24,346 |
| Total U.S. Department of the Interior | | | | | - | 3,371,121 |
| U.S. Department of Homeland Security | | | | | | |
| Passed through Alaska Department of Military & Veterans Affairs: | | | | | | |
| November 2018 Cook Inlet Earthquake Disaster Relief Fund | FEMA-3410-EM | DR-4413-AK | 97.036 | 232,936 | - | 54,558 |
| Homeland Security Grant Program: | | | | | | |
| 2017 State Homeland Security Program | EMW-2017-SS-00048-S01 | 20SHSP-GY17 | 97.067 | 449,307 | - | 43,681 |
| 2018 State Homeland Security Program | EMW-2018-SS-00045-S01 | 20SHSP-GY18 | 97.067 | 63,422 | - | 16,190 |
| Total CFDA 97.067 | | | | | - | 59,871 |
| Emergency Management Performance Grant | EMS-2019-EP-00001 | 20EMPG-GY19 | 97.042 | 185,000 | - | 144,926 |
| Passed through City of Kenai - | | | | | | |
| Assistance to Firefighters Grant - | | | | | | |
| SCBA Equipment (CES & Nikiski Fire) | EMW-2018-FR-00456 | MOA | 97.044 | 872,727 | - | 588,627 |
| Total U.S. Department of Homeland Security | | | | | - | 847,982 |

Kenai Peninsula Borough
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2020

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Grant Number | Pass-Through Entity Identifier Number | Federal CFDA Number | Award Amount | Provided to Subre- cipients | Total Federal Expenditures |
|---|---------------------|--|------------------------|--------------|-----------------------------------|-------------------------------|
| U.S. Department of Transportation | | | | | | |
| Highway Planning and Construction Cluster - Extend Kenai Spur Hwy-North Road | DTFH7017E30003 | N/A | 20.205 | \$ 5,563,801 | \$ - | \$ 1,234,830 |
| U.S. Department of Agriculture | | | | | | |
| Passed Through Alaska Department of Commerce, Community & Economic Development - Forest Service Schools and Roads Cluster Schools and Roads - Grants to States - National Forest Receipts | FY2020 | N/A | 10.665 | 511,540 | - | 511,540 |
| Passed Through Alaska Department of Natural Resources - Cooperative Forestry Assistance: Kenai Peninsula Borough Community Wildfire Protection Plans Grant | 2018-DG11100106-810 | DNR 399170 | 10.664 | 103,366 | - | 21,867 |
| Volunteer Fire Assistance Grant | N/A | 2020 VFA | 10.664 | 3,476 | - | 3,476 |
| Total CFDA 10.664 | | | | | - | 25,343 |
| Total U.S. Department of Agriculture | | | | | - | 536,883 |
| U.S. Department of Housing and Urban Development | | | | | | |
| Passed Through Alaska Department of Commerce, Community & Economic Development - Community Development Block Grant - Funny River Fire Station #5 - Pumper/Tanker Purchase | B-18-DC-02-0001 | 18-CDBG-05 | 14.228 | 470,351 | - | 470,351 |
| U.S. Department of Treasury | | | | | | |
| Passed Through Alaska Department of Commerce, Community & Economic Development - Coronavirus Relief Fund - COVID-19 - Coronavirus Relief Fund | 20-CRF-099 | N/A | 21.019 | 37,458,449 | 400,000 | 2,797,602 |
| Total Expenditures of Federal Awards | | | | | <u>\$ 400,000</u> | <u>\$ 9,258,769</u> |

The accompanying notes are an integral part of this schedule.

Kenai Peninsula Borough, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kenai Peninsula Borough under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Kenai Peninsula Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of Kenai Peninsula Borough.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

Kenai Peninsula Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**Independent Auditor's Report on Compliance for Each Major State Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
State Financial Assistance Required by the *State of Alaska Audit Guide and
Compliance Supplement for State Single Audits***

Honorable Mayor and
Members of the Assembly
Kenai Peninsula Borough
Soldotna, Alaska

Report on Compliance for Each Major State Program

We have audited Kenai Peninsula 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 Kenai Peninsula Borough's major state programs for the year ended June 30, 2020. Kenai Peninsula Borough's major state programs are identified in the accompanying schedule of state financial assistance.

Kenai Peninsula Borough's basic financial statements include the operations of its component units, Kenai Peninsula Borough School District and Central Peninsula General Hospital, which received \$100,033,586 and \$989,035 in state awards, respectively, which is not included in the schedule for the year ended June 30, 2020. Our audit, described below, did not include the operations of Kenai Peninsula Borough School District and Central Peninsula General Hospital because they were subjected to separate audits in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Kenai Peninsula Borough's basic financial statements also include the operations of its additional component unit, South Peninsula Hospital, which received \$0 in state awards which is not included in the Schedule for the year ended June 30, 2020. Our audit, described below, did not include the operations of this component unit, because it was subjected to a separate audit; however, it did not meet the threshold for an 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, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Kenai Peninsula 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 Kenai Peninsula 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 each major state program. However, our audit does not provide a legal determination of Kenai Peninsula Borough's compliance.

Opinion on Each Major State Program

In our opinion, Kenai Peninsula 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 for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Kenai Peninsula 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 Kenai Peninsula 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 Kenai Peninsula 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 Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Kenai Peninsula Borough as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Kenai Peninsula Borough's basic financial statements. We issued our report thereon dated January 13, 2021, 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 is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BDO USA, LLP

Anchorage, Alaska
January 13, 2021

Kenai Peninsula Borough
Schedule of State Financial Assistance
Year Ended June 30, 2020

| State Agency / Program Title | Award Number | Total Award Amount | Passed Through to Subrecipients | State Expenditures |
|--|--------------|--------------------|---------------------------------|--------------------|
| Alaska Department of Commerce, Community & Economic Development | | | | |
| Shared Fisheries Business Tax | N/A | \$ 2,059 | \$ - | \$ 2,059 |
| * Community Revenue Sharing - Borough | FY20 | 843,613 | - | 843,613 |
| Community Revenue Sharing - Anchor Point: Snomads Snowmachine Club, Inc | FY16 | 2,042 | 2,042 | 2,042 |
| Community Revenue Sharing - Diamond Ridge: Snomads Snowmachine Club, Inc | FY16 | 4,503 | 4,503 | 4,503 |
| Community Revenue Sharing - Fritz Creek: Snomads Snowmachine Club, Inc | FY16 | 4,825 | 4,825 | 4,825 |
| Community Revenue Sharing - Fritz Creek: McNeil Canyon Community Council | FY17 | 4,301 | 4,191 | 4,191 |
| Community Assistance Program - Clam Gulch: Caribou Hills Cabin Hoppers | FY18 | 15,789 | 2,708 | 2,708 |
| Community Assistance Program - Fritz Creek: McNeil Canyon Community Council | FY18 | 3,903 | 3,903 | 3,903 |
| Community Assistance Program - Seldovia Village: Seldovia Village Tribe | FY18 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Voznesenka: Voznesenka Community Council | FY18 | 15,789 | 6,994 | 6,994 |
| Community Assistance Program - Fritz Creek: McNeil Canyon Community Council | FY19 | 3,947 | 3,714 | 3,714 |
| Community Assistance Program - Nikiski: North Peninsula Community Council | FY19 | 7,894 | 4,283 | 4,283 |
| Community Assistance Program - Voznesenka: Voznesenka Community Council | FY19 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Anchor Point: Anchor Point Public Library | FY20 | 5,263 | 5,263 | 5,263 |
| Community Assistance Program - Anchor Point: Anchor Food Pantry | FY20 | 5,263 | 5,263 | 5,263 |
| Community Assistance Program - Anchor Point: Anchor Point Senior Citizens | FY20 | 5,263 | 5,263 | 5,263 |
| Community Assistance Program - Bear Creek: Bear Creek Volunteer Fire Department | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Cohoe: Boys & Girls Club of the Kenai Peninsula | FY20 | 7,895 | 7,895 | 7,895 |
| Community Assistance Program - Cohoe: Kasilof Public Library | FY20 | 7,894 | 7,894 | 7,894 |
| Community Assistance Program - Cooper Landing: Cooper Landing Community Club | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Crown Point: Moose Pass Volunteer Fire Department | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Diamond Ridge: Homer Cycling Club | FY20 | 4,834 | 827 | 827 |
| Community Assistance Program - Diamond Ridge: Kachemak Ski Club | FY20 | 4,835 | 4,835 | 4,835 |
| Community Assistance Program - Diamond Ridge: Kachemak Nordic Ski Club | FY20 | 3,060 | 3,060 | 3,060 |

Kenai Peninsula Borough
Schedule of State Financial Assistance, continued
Year Ended June 30, 2020

| State Agency / Program Title | Award Number | Total Award Amount | Passed Through to Subrecipients | State Expenditures |
|--|-----------------|-----------------------|------------------------------------|-----------------------|
| Alaska Department of Commerce, Community & Economic Development, continued | | | | |
| Community Assistance Program - Diamond Ridge: Snomads Snowmachine Club, Inc | FY20 | \$ 3,060 | \$ 1,938 | \$ 1,938 |
| Community Assistance Program - Frtiz Creek: Kachemak Nordic Ski Club | FY20 | 7,894 | 7,894 | 7,894 |
| Community Assistance Program - Fritz Creek: Snomads Snowmachine Club, Inc | FY20 | 7,985 | 3,305 | 3,305 |
| Community Assistance Program - Funny River: Funny River Chamber of Commerce | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Kachemak Selo: Village of Kachemak Selo, Inc. | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - K-Beach: Kenai Peninsula Food Bank, Inc. | FY20 | 3,947 | 3,947 | 3,947 |
| Community Assistance Program - K-Beach: Peninsula Spay and Neuter Association (Bridges) | FY20 | 3,948 | 3,948 | 3,948 |
| Community Assistance Program - K-Beach: Tsateshi Trails Association | FY20 | 3,947 | 3,947 | 3,947 |
| Community Assistance Program - Kasilof: Kasilof Regional Historical Association | FY20 | 7,895 | 7,895 | 7,895 |
| Community Assistance Program - Kasilof: Kasilof-Cohoe Cemetery Association | FY20 | 7,894 | 7,894 | 7,894 |
| Community Assistance Program - Moose Pass: Moose Pass Chamber of Commerce | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Nikiski: Nikiski Senior Citizens, Inc | FY20 | 7,895 | 7,895 | 7,895 |
| Community Assistance Program - Nikolaevsk: Nikolaevsk Community Council | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Ninilchik: Kenai Peninsula Fair Association | FY20 | 3,692 | 3,692 | 3,692 |
| Community Assistance Program - Ninilchik: Ninilchik Community Library | FY20 | 3,692 | 3,692 | 3,692 |
| Community Assistance Program - Ninilchik: Ninilchik Emergency Services | FY20 | 3,693 | 3,693 | 3,693 |
| Community Assistance Program - Ninilchik: Ninilchik Saturday Lunch Program (Bridges) | FY20 | 1,020 | 1,020 | 1,020 |
| Community Assistance Program - Ninilchik: Ninilchik Senior Citizens | FY20 | 3,692 | 3,692 | 3,692 |
| Community Assistance Program - Port Graham: Port Graham Village Council | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Primrose: Moose Pass Volunteer Fire Department | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Salamatof: Alaska Children's Institute for the Performing Art | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Sterling: Rural Alaska Community Action Program | FY20 | 5,263 | 5,263 | 5,263 |
| Community Assistance Program - Sterling: Sterling Area Senior Citizens | FY20 | 5,263 | 5,263 | 5,263 |
| Community Assistance Program - Sterling: Sterling Community Club | FY20 | 5,263 | 5,263 | 5,263 |
| Community Assistance Program - Tyonek: Boys & Girls Club of Southcentral Alaska | FY20 | 15,789 | 15,789 | 15,789 |
| Community Assistance Program - Voznesenka: Voznesenka Community Council | FY20 | 15,789 | 15,789 | 15,789 |
| * Total Community Revenue Sharing | | | \$ 378,750 | \$ 1,222,363 |

Kenai Peninsula Borough
Schedule of State Financial Assistance, continued
Year Ended June 30, 2020

| State Agency / Program Title | Award Number | Total Award Amount | Passed Through to Subrecipients | State Expenditures |
|---|--------------|--------------------|---------------------------------|---------------------|
| Alaska Department of Commerce, Community & Economic Development, continued | | | | |
| Marijuana Application Review Fees | FY20 | \$ 14,500 | \$ - | \$ 14,500 |
| * Borough-wide Road Upgrades | 15-DC-089 | 4,000,000 | - | 239,177 |
| Jabob's Ladder Access Trail Repair & Maintenance | 14-RR-042 | 100,000 | - | 61,734 |
| Seward Bear Creek Flood Mitigation Projects | 15-DC-090 | 500,000 | - | (41,995) |
| Total Alaska Department of Commerce, Community & Economic Development | | | 378,750 | 1,497,838 |
| Alaska Department of Revenue | | | | |
| Commercial Passenger Vessel Tax | FY19(CY18) | 35,815 | 35,815 | 35,815 |
| * Electric & Telephone Cooperative | FY20 | 156,635 | - | 156,635 |
| Fish Tax - Reduction of FY19 Estimated Receivable | FY19 | (107,989) | - | (107,989) |
| * Fish Tax | FY20 | 585,741 | - | 585,741 |
| Total Alaska Department of Revenue | | | 35,815 | 670,202 |
| Alaska Department of Education & Early Development | | | | |
| * School Debt Reimbursement | N/A | 1,283,885 | - | 1,283,885 |
| Alaska Department of Administration | | | | |
| * Division of Retirement & Benefits - PERS Relief | FY20 HB39 | 1,446,442 | - | 1,446,442 |
| Alaska Department of Military & Veteran Affairs | | | | |
| Division of Homeland Security & Emergency Management - Local Emergency Planning Committee | DR-4413-AK | 77,645 | - | 18,186 |
| Total Expenditures of State Financial Assistance | | | \$ 414,565 | \$ 4,916,553 |

The accompanying notes are an integral part of this schedule.

Kenai Peninsula Borough, Alaska

Notes to the Schedule of State Financial Assistance Year Ended June 30, 2020

1. Major Program Notation

* Denotes a major program.

2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Kenai Peninsula Borough under programs of the State of Alaska for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Kenai Peninsula Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of Kenai Peninsula Borough.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Kenai Peninsula Borough, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

___ yes

X no

Significant deficiency(ies) identified?

___ yes

X (none reported)

Noncompliance material to financial statements noted?

___ yes

X no

Federal Financial Assistance

Internal control over major federal programs:

Material weakness(es) identified?

___ yes

X no

Significant deficiency(ies) identified?

___ yes

X (none reported)

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

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)?

___ yes

X no

Identification of major federal programs:

CFDA Number Name of Federal Program or Cluster

Agency

21.019

Coronavirus Relief Fund

U.S. Department of the Treasury

Dollar threshold used to distinguish between a Type A and Type B program:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes

___ no

State Financial Assistance

Internal control over major state programs:

Material weakness(es) identified?

___ yes

X no

Significant deficiency(ies) identified?

___ yes

X (none reported)

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

Unmodified

Dollar threshold used to distinguish a state major program:

\$ 150,000

Kenai Peninsula Borough, Alaska

Schedule of Findings and Questioned Costs, continued

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

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - State Award Findings and Questioned Costs

There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.