

CITY OF VALDEZ, ALASKA  
Federal and State Single Audit Reports  
Year Ended December 31, 2024

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Year Ended December 31, 2024

CITY OF VALDEZ, ALASKA

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**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**

**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska  
Valdez, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Valdez, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Valdez's basic financial statements and have issued our report thereon dated Month XX, 2025. Our report includes a reference to other auditors who audited the financial statements of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center, as described in our report of City of Valdez's basic financial statements. The financial statements of the Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center or that are reported on separately by those auditors who audited the financial statements of the Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center.

**Report on Internal Control over Financial Reporting**

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

Honorable Mayor and City Council  
City of Valdez, Alaska

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 the limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Valdez'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 City of Valdez'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.

Anchorage, Alaska  
Month XX, 2025

**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**

**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska  
Valdez, Alaska

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Valdez, Alaska's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Valdez's major federal programs for the year ended December 31, 2024. City of Valdez's major federal programs are identified in the summary of auditor's results section of the accompanying federal schedule of findings and questioned costs.

City of Valdez's basic financial statements include the operations of Valdez City Schools which received \$1,034,306 in federal awards which is not included in City of Valdez's Schedule of Expenditures of Federal Awards during the year ended December 31, 2024. Our audit described below, did not include the operations of Valdez City Schools because it was subjected to a separate audit in accordance with Uniform Guidance. Our audit described below, did not include the operations of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center because they were subjected to separate audits; however, none of the entities met the threshold for an audit in accordance with the Uniform Guidance.

In our opinion, City of Valdez complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

### ***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Valdez's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Valdez's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Valdez's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Valdez's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Valdez's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Valdez's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 City of Valdez, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Valdez's basic financial statements. We issued our report thereon dated Month XX, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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 and accompanying notes are presented for purposes of additional analysis as required by the Uniform Guidance 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 expenditures of federal awards and accompanying notes are fairly stated in all material respects in relation to the basic financial statements as a whole.

Anchorage, Alaska  
Month XX, 2025

**CITY OF VALDEZ, ALASKA**

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor	Federal Assistance Listing Number	Federal Award Number or Pass-through Entity Identifying Award Number	Program or Award Amount	Federal Expenditures
U.S. Department of Agriculture:				
Passed through the State of Alaska, Department of Commerce, Community and Economic Development:				
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665	None	\$ 1,310,777	1,310,777
Passed through the State of Alaska, Department of Natural Resources:				
Volunteer Fire Assistance	10.664	None	6,300	6,300
Total U.S. Department of Agriculture			<u>1,317,077</u>	<u>1,317,077</u>
U.S. Department of Health and Human Services:				
Passed through the State of Alaska, Department of Health:				
COVID-19 Healthy and Equitable Communities	93.268	C0622-584-E	31,877	12,525
COVID-19 Healthy and Equitable Communities	93.391	C0622-584-E	31,877	12,525
Total passed through the State of Alaska			<u>63,754</u>	<u>25,050</u>
Passed through Thread - COVID-19 Child Care Community INNOVATION	93.575	None	880,000	100,976
Total U.S. Department of Health and Human Services			<u>943,754</u>	<u>126,026</u>
U.S. Department of Commerce:				
Passed through the State of Alaska, Department of Commerce, Community and Economic Development:				
COVID-19 Competitive ARPA State Tourism Grant	11.307	None	2,532,734	1,692,002
U.S. Department of the Treasury:				
Passed through the State of Alaska, Department of Commerce, Community and Economic Development:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	AK0140	2,039,244	1,060,432
Total federal financial assistance			\$ <u>6,832,809</u>	<u>4,195,537</u>
Reconciliation to federal source revenues in the Statement of Revenues, Expenditures and Changes in Fund Balances:				
Total federal financial assistance				4,195,537
Payments in lieu of taxes are not considered to be federal financial assistance but are classified as federal revenues for financial statement presentation				<u>805,367</u>
			\$	<u><u>5,000,904</u></u>

See accompanying notes to the schedule.

CITY OF VALDEZ, ALASKA

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of City of Valdez, Alaska, under programs of the federal government for the year ended December 31, 2024. 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 City of Valdez, it is not intended to and does not present the basic financial statements of City of Valdez.

**(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. City of Valdez has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**(3) Subrecipients**

The City of Valdez did not pass any federal funds through to subrecipients during the year ended December 31, 2024.

**(4) Reporting Entity**

The City of Valdez, for purposes of the supplementary Schedule of Expenditures of Federal Awards, includes all the funds of the primary government. It does not include the component units of the City of Valdez as follows:

***Valdez City Schools***

The City of Valdez's basic financial statements include \$1,034,306 of Federal funds expended for Valdez City Schools, a component unit of the City of Valdez. These monies are excluded from this schedule. These monies are subject to separate reports issued for Valdez City Schools dated September 18, 2024.

CITY OF VALDEZ, ALASKA

Federal Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditors' report issued:

Unmodified

Is a going concern emphasis-at-matter  
paragraph included in the audit report?

\_\_\_\_ yes X no

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 Awards**

Internal control over major programs (2 CFR 200.516 (a)(1)):

Material weakness(es) identified?

\_\_\_\_ yes X no

Significant deficiency (ies) identified?

\_\_\_\_ yes X none reported

Any material noncompliance with the provisions of  
laws, regulations, contracts, or grant agreements  
related to a major program (2 CFR 200.516 (a)(2))?

\_\_\_\_ yes X no

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

Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with the  
Uniform Guidance, 2 CFR 200.516(a)(3) or (4)?

\_\_\_\_ yes X no

Identification of major programs:

**Assistance Listing Number(s)**

21.027

11.307

**Name of Federal Program or Cluster**

Coronavirus State and Local Fiscal Recovery Funds

Competitive ARPA State Tourism Grant

Dollar threshold used to distinguish  
between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X yes \_\_\_\_ no

**Section II - Financial Statement Findings**

The City of Valdez did not have any findings that relate to the Financial Statements.

**Section III - Federal Award Findings**

The City of Valdez did not have any findings that relate to Federal awards.

**FINAL DRAFT**  
FOR DISCUSSION PURPOSES ONLY

**Report on Compliance For Each Major State Program; Report on Internal Control over Compliance; and Report on the State Schedule of State Financial Assistance Required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

**Independent Auditor's Report**

Honorable Mayor and City Council  
City of Valdez, Alaska

**Report on Compliance For Each Major State Program**

***Opinion on Each Major State Program***

We have audited City of Valdez's compliance with the types of compliance requirements identified as subject to audit 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 City of Valdez's major state programs for the year ended December 31, 2024. City of Valdez's major state programs are identified in the accompanying Schedule of State Financial Assistance.

City of Valdez's basic financial statements include the operations of Valdez City Schools which received \$5,645,515 in state awards which is not included in City of Valdez's schedule of state financial assistance during the year ended December 31, 2024. Our audit, described below, did not include the operations of Valdez City Schools because it was subjected to a separate audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. City of Valdez's basic financial statements also include the operations of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center. Our audit, described below, did not include the operations of Valdez Museum and Historical Archive Association, Inc., Providence Valdez Medical Center, and Providence Valdez Counseling Center because they were subjected to separate audits; however, none met the threshold for an audit in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*.

In our opinion, City of Valdez complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements in the *State of Alaska Audit Guide*. Our responsibilities under those standards and the *State of Alaska Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Valdez's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Valdez's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State of Alaska Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Valdez's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *State of Alaska Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Valdez's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Valdez's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of City of Valdez's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Valdez, Alaska, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Valdez's basic financial statements. We issued our report thereon dated Month XX, 2025, which contained unmodified opinions on those financial statements. Our audit was performed 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 accompanying notes are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 accompanying notes are fairly stated in all material respects in relation to the basic financial statements as a whole.

Anchorage, Alaska  
Month XX, 2025



CITY OF VALDEZ, ALASKA

Schedule of State Financial Assistance

Year Ended December 31, 2024

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Eligible Expenditures</u>
Department of Health:			
Comprehensive Behavioral Health Treatment and Recovery FY24	162-266-24014	\$ 248,254	110,811
Comprehensive Behavioral Health Treatment and Recovery FY25	162-266-25014	248,254	151,018
Adult Rural Peer Support FY24	162-200-24002	51,100	23,406
Total Department of Health		<u>547,608</u>	<u>285,235</u>
Department of Education and Early Development:			
Debt Retirement Program	None	1,440,769	1,440,769
Public Library Assistance	PLA24-Valdez	7,000	7,000
Total Department of Education and Early Development		<u>1,447,769</u>	<u>1,447,769</u>
Department of Transportation:			
* DOT Harbor Reconstruction Grant	22-HG-002	5,000,000	3,015,014
Debt Retirement Program	None	208,625	208,625
Total Department of Transportation		<u>5,208,625</u>	<u>3,223,639</u>
 Total State Financial Assistance		 \$ <u>7,204,002</u>	 <u>4,956,643</u>
Reconciliation of Intergovernmental - State sources revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances:			
Total State financial assistance		\$	4,956,643
Community Assistance Program			121,496
PERS on-behalf payments			501,381
Fisheries Business Tax			273,264
Shared Fisheries Business Tax			15,287
Telephone and Electric Tax			183,859
Shared Liquor Tax			3,650
Jail Contract			650,232
Cruise Ship Tax			107,570
Department of Health Grants reported in the Proprietary Funds			<u>(285,235)</u>
Total Intergovernmental - State sources revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$	<u>6,528,147</u>

See accompanying notes to the Schedule of State Financial Assistance.

# CITY OF VALDEZ, ALASKA

## Notes to the Schedule State Financial Assistance

Year Ended December 31, 2024

### (1) Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") includes the state award activity of City of Valdez, Alaska, under programs of the State of Alaska for the year ended December 31, 2024. 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 City of Valdez, it is not intended to and does not present the basic financial statements of City of Valdez.

### (2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

### (3) Subrecipients

The City of Valdez did not pass any state funds through to subrecipients during the year ended December 31, 2024.

### (4) Reporting Entity

The City of Valdez, for purposes of the supplementary Schedule of State Financial Assistance, includes all the funds of the primary government. It does not include the component units of the City of Valdez as follows:

#### ***Valdez City Schools***

The City of Valdez's basic financial statements include \$5,645,515 of State of Alaska funds expended for Valdez City Schools, a component unit of the City of Valdez. These monies are excluded from this schedule. These monies are subject to separate reports issued for Valdez City Schools dated September 18, 2024.

### (5) Major Programs

\* denotes a major program for compliance audit purposes

CITY OF VALDEZ, ALASKA

State Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditors' report issued:

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

**State Awards**

Internal control over major 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 program:

Unmodified

Dollar threshold used to distinguish

between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   yes \_\_\_\_\_ no

**Section II - Financial Statement Findings**

The City of Valdez did not have any findings that relate to the Financial Statements.

**Section III - State Award Findings**

The City of Valdez did not have any findings that relate to State awards.