

City and Borough of Sitka, Alaska

Single Audit Reports
Year Ended June 30, 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



City and Borough of Sitka, Alaska

Single Audit Reports
Year Ended June 30, 2023

City and Borough of Sitka, 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 Borough Assembly
City and Borough of Sitka, Alaska
Sitka, 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 and Borough of Sitka, Alaska, (the City and Borough) as of and for the year ended June 30, 2023, 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 January 16, 2024. Our report includes a reference to other auditors who audited the financial statements of Sitka School District, as described in our report on the City and Borough's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on 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 or significant deficiencies may exist that were not identified.

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Report on 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 result of that testing, and not to provide an opinion on the effectiveness of the City and Borough'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 City and Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Anchorage, Alaska
January 16, 2024



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3601 C Street, Suite 600
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Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Honorable Mayor and Borough Assembly
City and Borough of Sitka, Alaska
Sitka, Alaska

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City and Borough of Sitka, Alaska's (the City and Borough) 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 the City and Borough's major federal programs for the year ended June 30, 2023. 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.

In our opinion, the City and Borough complied, in all material respects, with the 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, 2023.

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 (GAAS); 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 the City and Borough 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 the City and Borough's compliance with the compliance requirements referred to above.



Other Matter - Federal Expenditures Not Included in the Compliance Audit

The City and Borough's basic financial statements include the operations of its component unit, Sitka School District (the School District) which expended \$2,633,754 in federal awards which is not included in the City and Borough's Schedule of Expenditures of Federal Awards during the year ended June 30, 2023. Our compliance audit, described in the "Opinion of Each Major Federal Program", does not include the operations of the School District because the School District was subjected to a separate audit in accordance with Uniform Guidance, for the year ended June 30, 2023.

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 the City and Borough'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 the City and Borough'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 GAAS, *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 the City and Borough's compliance with the requirements of each major federal program as a whole.



In performing an audit in accordance with GAAS, *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 the City and Borough'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 the City and Borough'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 the City and Borough'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 the City and Borough as of and for the year ended June 30, 2023, 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 January 16, 2024, 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, P.C.

Anchorage, Alaska
January 16, 2024



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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 Borough Assembly
City and Borough of Sitka, Alaska
Sitka, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited City and Borough of Sitka, Alaska’s (the City and Borough) compliance with the types of compliance requirements identified as subject to audit in the *State of Alaska Audit Guide and Compliance Supplements (State of Alaska Audit Guide)* 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, 2023. The City and Borough’s major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, the City and Borough complied, in all material respects, with the 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, 2023.

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 (GAAS); 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 the City and Borough 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 the City and Borough's compliance with the compliance requirements referred to above.

Other Matter - State Expenditures Not Included in the Compliance Audit

The City and Borough's basic financial statements include the operations of its component unit, Sitka School District (the School District) which expended \$12,762,272 of state awards which is not included in the City and Borough's Schedule of State Financial Assistance during the year ended June 30, 2023. Our compliance audit, described in the "Opinion on Each Major State Program", does not include the operations of the School District because the School District was subjected to a separate audit in accordance with the *State of Alaska Audit Guide*, for the year ended June 30, 2023.

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 the City and Borough'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 the City and Borough'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 GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide* requirements 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 the City and Borough's compliance with the requirements of each major state program as a whole.



In performing an audit in accordance with GAAS, *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 the City and Borough'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 the City and Borough'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 the City and Borough'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 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*

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, 2023, 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 January 16, 2024, 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 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistances is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, P.C.

Anchorage, Alaska
January 16, 2024

City and Borough of Sitka, Alaska
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subre- cipients	Total Federal Expenditures
Department of Agriculture				
Forest Service Schools and Roads Cluster - Schools and Roads - Grants to States	10.665		\$ -	\$ 622,758
Institute of Museum and Library Services				
Passed through Alaska State Library: Grants to States	45.310	EASY22-021	-	2,500
Grants to States - Action Plan for Alaska Boarding School History	45.310	ILC23-020	-	3,150
Total Institute of Museum and Library Services			-	5,650
Department of the Homeland Security				
Passed through the State of Alaska Department of Military and Veterans Affairs:				
Homeland Security Grant Program	97.067	20SHSP-GY20	-	50,000
Homeland Security Grant Program	97.067	20SHSP-GY21	-	41,105
Total Assistance Listing 97.067			-	91,105
Disaster Grants - Public Assistance	97.036	PW 080	-	11,232
Electronic Baggage Screening Program	97.117		-	2,282
Total Department of Homeland Security			-	104,619
Department of the Interior				
Passed through the State of Alaska Department of Natural Resources:				
Historic Preservation Fund Grants-In-Aid	15.904	21006	-	24,000
Historic Preservation Fund Grants-In-Aid	15.904	21007	-	7,625
Historic Preservation Fund Grants-In-Aid	15.904	22004	-	2,847
Total Assistance Listing 15.904			-	34,472

City and Borough of Sitka, Alaska
Schedule of Expenditures of Federal Awards, continued
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Justice				
Passed through Alaska Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	22-20JAG-03	\$ - \$	6,636
Edward Byrne Memorial Justice Assistance Grant Program	16.738	23-21JAG-03	-	7,024
Total Assistance Listing 16.738			-	13,660
Bullet Proof Vest Partnership Program	16.607		-	1,279
Total Department of Justice			-	14,939
Environmental Protection Agency				
Passed through State of Alaska Department of Environmental Conservation-				
Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds				
	66.468	783531	-	(2,963,764)
Department of Transportation				
Highway Planning and Construction	20.205		-	201,866
Passed through the Federal Aviation Administration				
Airport Improvement Program	20.106	3-02-0488-002-2021	-	1,028,405
Total Department of Transportation			-	1,230,271
Department of the Treasury				
Passed through the State of Alaska Department of Commerce and Economic Development - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (ARPA)				
	21.027	AK0127	-	1,027,830
Local Assistance and Tribal Consistency Fund	21.032		-	1,436,922
Total Department of Treasury			-	2,464,752
Total Expenditures of Federal Awards			\$ - \$	1,513,697

See accompanying notes to the Schedule of Expenditures of Federal Awards.

City and Borough of Sitka, Alaska

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City and Borough of Sitka, Alaska (the City and Borough) under programs of the federal government for the year ended June 30, 2023. 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 the City and Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the City and 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, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost Rate

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

4. Assistance Listing Number 21.032

The City and Borough reported the Local Assistance and Tribal Consistency Fund expenditures of \$1,436,922 on the Schedule for the year ended June 30, 2023, which were approved during the current year fiscal year, but were incurred in the prior fiscal year.

5. Assistance Listing Number 21.027

The City and Borough reported the Coronavirus State and Local Fiscal Recovery Fund expenditures of \$1,027,830 on the Schedule for the year ended June 30, 2023, which were approved during the current year fiscal year, but were incurred in the prior fiscal year.

6. Assistance Listing Number 66.468

The City and Borough reported the Drinking Water State Revolving Fund expenditures as a negative value of \$2,963,764 on the Schedule for the year ended June 30, 2023. Per new information received regarding the classification, these funds were determined to not be federally funded. The expenditures were incurred during the prior fiscal year and should not have been presented as federal expenditures.

City and Borough of Sitka, Alaska
Schedule of State Financial Assistance
Year Ended June 30, 2023

State Grant Title / Program Title	Award Number	Total Grant Award	Passed Through to Subre- cipients	State Expenditures
Department of Education and Early Development				
* Debt Retirement Program	N/A	\$ 1,532,250	\$ -	\$ 1,532,250
Alaska State Library Association				
2023 Library Assistance Grant	PLA23-Sitka	7,000	-	7,000
Department of Revenue				
Commercial Passenger Vessel Tax	2023	1,725,380	-	1,725,380
Total State Financial Assistance			\$ -	\$ 3,264,630

See accompanying notes to the Schedule of State Financial Assistance.

City and Borough of Sitka, Alaska

Notes to the Schedule of State Financial Assistance Year Ended June 30, 2023

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 the City and Borough of Sitka, Alaska (the City and Borough) under programs of the State of Alaska for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement*. Because the Schedule presents only a selected portion of the operations of the City and Borough, it is not intended to and does not present the financial position, changes in net position or cash flows of the City and Borough.

3. Summary of Significant Accounting Policies

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

4. Commercial Passenger Vessel Tax - State Assistance

Cash receipts for commercial passenger vessel tax have been recorded as revenue in the Commercial Passenger Excise Tax Special Revenue Fund on an accrual basis. Any unspent portion of these funds is reported as restricted fund balance in the fund financial statements. At June 30, 2023, the cumulative unspent vessel tax receipts were \$2,091,231. Total vessel tax funds expended in 2023 were \$1,005,065 and expenditures reported on the Schedule of State Financial Assistance were \$1,725,380.

City and Borough of Sitka, Alaska

Schedule of Findings and Questioned Costs Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major federal programs:

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

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

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:

Assistance

<i>Listing Number</i>	<i>Name of Federal Program or Cluster</i>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
21.032	Local Assistance and Tribal Consistency Fund
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes ___ no

State Financial Assistance

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

Internal control over major state programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes ___ no

City and Borough of Sitka, Alaska

Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2023

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

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

Section III - Federal Award Findings and Questioned Costs

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

Section IV - State Award Findings and Questioned Costs

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