



# City of Wasilla, Alaska

Single Audit Reports  
Year Ended June 30, 2022

# **City of Wasilla, Alaska**

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Single Audit Reports  
Year Ended June 30, 2022

# City of Wasilla, 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 City Council  
City of Wasilla, Alaska  
Wasilla, 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wasilla, Alaska (the City) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the city's basic financial statements, and have issued our report thereon dated December 11, 2023.

### **Report on Internal Control Over Financial Reporting**

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



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BDO USA, P.C.*

Anchorage, Alaska  
December 11, 2023



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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 City Council  
City of Wasilla, Alaska  
Wasilla, Alaska

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

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

We have audited City of Wasilla, Alaska (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City'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 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, 2022.

#### ***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 to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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's compliance with the types of 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 the City's federal programs.



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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City'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 types of 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's compliance with the requirements of the 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's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City'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'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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **Report on Internal Control Over Compliance**

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, and 2022-002 to be significant deficiencies.

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, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 11, 2023, 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 as a whole. 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  
December 11, 2023

**City of Wasilla Alaska**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>Department of Justice</b>				
Edward Byrne Memorial Justice Assistance Grant Program: FY22 Justice Assistance Grant	16.738		\$ -	\$ 2,586
<b>Department of Transportation</b>				
Airport Improvement Program:				
COVID-19 CARES Act Grant	20.106		-	32,000
Runway Pavement Maintenance	20.106		-	294,268
Total Airport Improvement Program			-	326,268
Passed through State of Alaska Department of Transportation and Public Facilities Highway Planning and Construction Cluster Wasilla Wireless Communications Network	20.205	HFHWY00087	-	22,722
Highway Safety Cluster:				
State and Community Highway Safety	20.600	402 PT-21-06-FA(A)10	-	5,684
National Priority Safety Programs	20.616	405D M5HVE-21-01-FA(A)-13	-	2,044
Total Highway Planning Cluster			-	7,728
<b>Total Department of Transportation</b>			-	356,718
<b>Department of the Treasury</b>				
Passed through State of Alaska Department of Commerce, Community, and Economic Development COVID-19 Coronavirus Relief Fund	21.019	20-CRF-222	1,029,008	5,634,159
Passed through State of Alaska Department of Commerce, Community, and Economic Development Coronavirus State and Local Fiscal Recovery Fund	21.027	AK0143	-	414
<b>Total Department of Treasury</b>			1,029,008	5,634,573
<b>Institute of Museum and Library Services</b>				
Passed through State of Alaska Department of Education and Early Development:				
Grants to States - Public Library Assistance	45.310	EASY22-003	-	2,560
Grants to States - Public Library Assistance	45.310	ARPA20	-	6,000
Passed through Museums Alaska, Inc.				
Grants to States - Public Library Assistance	45.310	ARPA53-1	-	1,950
<b>Total Institute of Museum and Library Services</b>			-	10,510
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,029,008</b>	<b>\$ 6,004,387</b>

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

# City of Wasilla, Alaska

## Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

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### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of City of Wasilla, Alaska (the City) under programs of the federal government for the year ended June 30, 2022. 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, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

### 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 represented adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### 3. Indirect Cost Rate

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

# City of Wasilla, Alaska

## Schedule of Findings and Questioned Costs Year Ended June 30, 2022

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

***Financial Statements***

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

Internal control over financial reporting:

Material weakness(es) identified?    yes   Xno

Significant deficiency(ies) identified?    yes   X(none reported)

Noncompliance material to financial statements noted?    yes   Xno

***Federal Awards***

Internal control over major federal programs:

Material weakness(es) identified?    yes   Xno

Significant deficiency(ies) identified?   Xyes    (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)?   Xyes    no

Identification of major federal programs:

<i>CFDA Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Agency</i>
20.106	Airport Improvement Program	U.S. Department of Transportation
21.019	Coronavirus Relief Fund	Department of the Treasury

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

Auditee qualified as low-risk auditee?   Xyes    no

**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*.

## City of Wasilla, Alaska

### Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

<b>Section III - Federal Award Findings and Questioned Costs</b>
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<b><u>Finding 2022-001</u></b>	<b>Noncompliance and Significant Deficiency in Internal Control - Subrecipient Monitoring</b>
<i>Agency</i>	Department of the Treasury
<i>Pass-through Entity</i>	State of Alaska Department of Commerce, Community and Economic Development
<i>Assistance Listing</i>	21.019
<i>Program</i>	Coronavirus Relief Fund - COVID-19
<i>Award Year</i>	FY 2022
<i>Criteria or specific requirement</i>	Management is responsible to ensure that subrecipients comply with the terms and conditions of 2 CFR Part 200, Subpart F. This includes ensuring that every subaward is clearly identified to the subrecipient as a subaward and include the necessary information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. This also includes verifying that every subrecipient is audited as required by <a href="#">Subpart F of this part</a> when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold.
<i>Condition</i>	While the subaward included the required federal award information and applicability of 2 CFR Part 200, the City did not implement monitoring procedures to ensure audits in accordance with Uniform Guidance were performed within the required timeframe or review those results.
<i>Cause</i>	Internal controls were not in place throughout the entire fiscal year to ensure that all required subrecipient monitoring responsibilities took place.
<i>Effect or potential effect</i>	Subrecipients may be unaware and not in compliance with the requirements of 2 CFR Part 200.
<i>Questioned costs</i>	None
<i>Context</i>	Subrecipient monitoring testing identified 2 out of 3 subawards that did not have the support to verify notification and monitoring of subrecipient compliance in accordance with 2 CFR Part 200, Subpart F.
<i>Identification as a repeat finding</i>	No
<i>Recommendation</i>	Management should establish policies to address the monitoring of subrecipient compliance with 2 CFR Part 200, Subpart F.
<i>Views of responsible officials</i>	Management will establish policies and procedures to address the monitoring of subrecipient compliance in accordance with 2 CFR Part 200, Subpart F.

## City of Wasilla, Alaska

### Schedule of Findings and Questioned Costs, continued Year Ended June 30, 2022

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<b><u>Finding 2022-002</u></b>	<b>Deadline for Federal Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency</b>
<i>Agency</i>	Department of the Treasury
<i>Pass-through Entity</i>	State of Alaska Department of Commerce, Community and Economic Development
<i>Assistance Listing</i>	21.019
<i>Program</i>	Coronavirus Relief Fund - COVID-19
<i>Award Year</i>	FY 2022
<i>Criteria or specific requirement</i>	The City is required to submit the single audit report and Form SF-SAC within nine months of the fiscal year end.
<i>Condition</i>	The Form SF-SAC for the fiscal year ended June 30, 2022 was not filed on time.
<i>Cause</i>	The audit was not completed in time to file the form, due to a delay in closing the books and records.
<i>Effect or potential effect</i>	The Schedule of Expenditures of Federal Awards and related reports for Uniform guidance were not available in a timely manner in order to allow for timely submission of Form SF-SAC.
<i>Questioned costs</i>	None
<i>Context</i>	The Form SF-SAC is due nine months after the fiscal year end. The form for the fiscal year ended June 30, 2022 was filed late.
<i>Identification as a repeat finding</i>	No
<i>Recommendation</i>	We recommend the Form SF-SAC is filed timely in the future.
<i>Views of responsible officials</i>	Management is working with the external auditors to ensure that the books and records will be closed in a timely manner to meet the deadline for filing Form SF-SAC in the future.



# CITY OF WASILLA

290 East Herning Avenue

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## Corrective Action Plan Year Ended June 30, 2022

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Name of Contact Person: Jacqueline Pritt  
Controller  
jpritt@cityofwasilla.gov  
907-373-9084

### Financial Statement Findings

**Finding 2022-001 - Noncompliance and Significant Deficiency in Internal Control - Subrecipient Monitoring**

#### *Corrective Action Plan*

Management will establish policies and procedures to address the monitoring of subrecipient compliance in accordance with 2 CFR Part 200, Subpart F.

*Expected Completion Date:*

Fiscal Year 2024

### Federal Award Findings

**Finding 2022-002 - Deadline for Federal Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency**

#### *Corrective Action Plan*

Due to the implementation of Governmental Accounting Standards Board (GASB) Number 87, there was a delay in closing the books and records in FY22. Management is working with the external auditors to ensure that the books and records will be closed in a timely manner to meet the deadline for filing Form SF-SAC in the future.

*Expected Completion Date:*

Fiscal Year 2024