



# *EXXON VALDEZ* OIL SPILL TRUSTEE COUNCIL

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES  
AND TRUST FUND FINANCIAL STATEMENTS

Trustee Council Year Ended January 31, 2023

Exxon Valdez Oil Spill Trustee Council

Table of Contents

	<u>Page</u>
INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES	1
STATE OF ALASKA – EXXON VALDEZ OIL SPILL INVESTMENT FUND STATEMENTS	
Independent Accountant’s Compilation Report .....	5
Statements of Fiduciary Assets and Liabilities – State of Alaska – Exxon Valdez Oil Spill Investment Fund .....	6
Statements of Changes in Fiduciary Assets and Liabilities – State of Alaska – Exxon Valdez Oil Spill Investment Fund .....	7
UNITED STATES DEPARTMENT OF THE INTERIOR, NATURAL RESOURCES DAMAGE ASSESSMENT AND RESTORATION FUND STATEMENTS	
Independent Accountant’s Compilation Report .....	8
Statements of Assets, Liabilities and Trust Fund Balance Arising from Cash Transactions – Cash Basis – United States Department of the Interior, Natural Resources Damage Assessment and Restoration Fund .....	9
Statements of Receipts, Disbursements and Changes in Trust Fund Balance – Cash Basis – United States Department of the Interior, Natural Resources Damage Assessment and Restoration Fund .....	10
STATE OF ALASKA – EXXON VALDEZ OIL SPILL SETTLEMENT TRUST STATEMENTS	
Independent Accountant’s Compilation Report .....	11
Balance Sheets – State of Alaska – Exxon Valdez Oil Spill Settlement Trust .....	12
Statements of Revenues, Expenditures and Changes in Trust Fund Balance – State of Alaska – Exxon Valdez Oil Spill Settlement Trust.....	13

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

*Exxon Valdez* Oil Spill Trustee Council  
Anchorage, Alaska

I have performed the procedures enumerated below, which were agreed to by the management of *Exxon Valdez* Oil Spill Trustee Council (EVOSTC or Trustee Council), solely to assist you in evaluating the sufficiency of policies and procedures established by the Trustee Council over the flow of funds into and out of the Trustee Council's State of Alaska *Exxon Valdez* Oil Spill Investment Fund (Investment Fund), the *Exxon Valdez* Civil Settlement Account with Natural Resources Damage Assessment and Restoration (NRDA&R) account, and the State of Alaska – *Exxon Valdez* Oil Spill Settlement Trust (Settlement Trust), as well as the process and controls of each of the federal agencies over unspent project funds for proper and timely return to the Trustee Council's NRDA&R account for the Trustee Council year ended January 31, 2023. The management of EVOSTC and the Federal and State of Alaska agencies are responsible for the proper use of funds in accordance with EVOSTC's mission. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings with respect to the Investment Fund, NRDA&R, Settlement Trust and EVOSTC Restoration Office are as follows:

**State of Alaska Exxon Valdez Oil Spill Investment Fund**

Procedures

1. I compared expenditures from the Research or Habitat Accounts in the Investment Fund to transfers to the Settlement Account (State agency transfers) or NRDA&R (federal agency transfers). I performed the following steps for this procedure:
  - a. Obtained each Joint Notice of Expenditure from the Investment Fund (Joint Notice) provided to the United States District Court – District of Alaska through the end of the Trustee Council year ended January 31, 2023 and summarized expenditures by each of the federal and State recipient agencies and for the Habitat and Research Accounts.
  - b. Obtained the meeting notes from the Trustee Council meetings and the approved Annual Funding Overview (AFO) and Annual Budget (AB) for the Trustee Council Fiscal Year and agreed the expenditures reflected in the AFO and AB for Trustee Council activities from the Investment Fund as reflected in the Joint Notices to the Trustee Council approval.
  - c. Obtained and summarized the monthly Schedules of Investment Income (Loss) and Changes in Invested Assets from the Alaska Department of Revenue-Treasury Division for each month during the State Fiscal Year Ended June 30, 2022 and three months ended September 30, 2022 for each of the Habitat and Research Accounts of the Investment Fund.
  - d. Agreed the summarized Joint Notice approved transfers to the amounts transferred from the Habitat and Research Accounts of the Investment Fund.

### Findings

No exceptions were found as a result of applying the procedures.

## **Natural Resources Damage Assessment and Restoration Fund (NRDA&R)**

### Procedures

1. I compared disbursements of federal project funding from EVOSTC's NRDA&R account to related Joint Notices and agreed receipts by NRDA&R of any unspent federal agency funds to federal agency reports. I performed the following steps for this procedure:
  - a. Obtained the annual Cash Flow Plan for the Trustee Council's NRDA&R account for federal fiscal year (FFY) 2022 from the Department of the Interior (DOI) and compared these to disbursements to federal agencies as reflected in the Joint Notices for FFY 2022.
  - b. Obtained the transaction detail for FFY 2022 for NRDA&R from the U.S. Department of Interior and agreed the activity reflected in the Cash Flow Plan to the transaction detail for NRDA&R.
  - c. Compared remaining cash balances in the NRDA&R to the reduction in expenditures from the Investment Fund for federal trustee agency projects as reflected in Court Notices.
  - d. Reconciled amounts disbursed from NRDA&R to amounts reported by agencies taking into account the timing and the different reporting mechanisms employed by each of the agencies.
  - e. Obtained summary project tracking schedules and accounting reports from each of the federal trustee agencies and agreed the schedules to the accounting reports.
  - f. Recalculated the amounts reflected in the project tracking schedules for return to the Trustee Council's NRDA&R account.
  - g. Obtained documentation from each federal trustee agency supporting the initiation of the return of unspent project funds to the Trustee Council's NRDA&R account.

### Findings

No exceptions were found as a result of applying the procedures. The status of each federal agencies' projects are as follows:

#### United States Geological Survey (USGS)

At the beginning of FFY 2022, USGS had no prior year unspent funds to return. In FFY 2022, USGS participated in three projects and received AB support. After the end of the fiscal year, USGS reported that it fully used its AB support funding from FFY 2022. Its three projects are multi-year, and USGS reported that it was carrying over unused funding for three projects to FFY23.

#### National Oceanic and Atmospheric Administration (NOAA)

In FFY 2022, NOAA participated in several projects and received AB support. NOAA had no lapsed funds to be returned at the end of FFY21 or FFY22. For its multi-year projects with unused amounts, NOAA reported that it was carrying over unused funding to FFY23.

#### United States Forest Service (USFS)

As of the beginning of fiscal year 2022, USFS had \$17,362 unexpended on one project and AB support that was to be returned to NRDA&R. USFS returned these funds during fiscal year 2022. Starting in FFY22, USFS no longer receives AB support funding. USFS has one remaining project with the Copper River Watershed Project for culvert repair and monitoring that will continue for a few more years. It also has remaining monitoring carryover funding in the amount of approximately \$262,000 as of the end of FFY22. USFS did not provide financial monitoring reports for FFY23. EVOSTC management will obtain monitoring reports from USFS in future years.

#### United States Fish and Wildlife Service (USFWS)

During FFY 2022, USFWS returned \$473,102 to NRDAR in unused project funds that it had identified in prior year. This represented all project funds identified for return to date except for \$135,172 in funding withheld at the direction of the Executive Director pending possible future additional release. In FFY 2022, USFWS had several long-term monitoring projects, and received AB funding. Three of the Agency's projects were closed during FFY 2022, and it reported after the end of the fiscal year that it would return \$425,887 in unused project funding.

#### National Park Service (NPS)

As of the beginning of FFY 2022, all agency funding had been either returned or fully expended. During FFY 2022 the agency received project funds under a single multi-year project managed by USGS. Subsequent to the end of the fiscal year, USGS reported that NPS was carrying over unused funding to FFY23.

### **State of Alaska Settlement Trust**

#### Procedures

1. I agreed remaining fund balances in the State Settlement Trust to reductions in expenditures from the Investment Fund for State trustee agency projects. I performed the following steps for this procedure:
  - a. Obtained the State of Alaska, Department of Fish and Game's fund balance schedule for the State Settlement Trust and the supporting accounting reports from the State of Alaska accounting system.
  - b. Agreed the amounts reflected as available cash balances in the State Settlement Trust to the related accounting records.
  - c. Recalculated the obligations for active projects and recalculated the estimated amounts available to reduce expenditures from the Investment Fund for State trustee agency projects.
  - d. Agreed the amount available to reduce expenditures from the Investment Fund to respective Court Notices.

#### Findings

No exceptions were found as a result of applying the procedures.

### **EVOSTC Restoration Office**

#### Procedures

1. I compared amounts approved by the Trustee Council for the AB to actual expenditures for the year. I performed the following steps for this procedure:
  - a. Obtained the EVOSTC Executive Offices Expenditure Matrix for the year ended January 31, 2023, which tracks the approved AB against actual expenditures, and compared the budgeted amounts reflected in the Expenditure Matrix to the budget approved by the Trustee Council, and compared actual expenditures for the current year to expenditures of the prior year.
  - b. Compared actual amounts to State of Alaska accounting records.
  - c. Inquired of the EVOSTC Administrative Manager regarding variances of actual amounts for the current year to actual amounts of the prior year and of the budget.

2. I inquired of the EVOCTC Administrative Manager about procedures used to monitor the timely return of unspent federal agency project amounts to the Exxon Valdez Civil Settlement Account with NRDA&R.

#### Findings

No exceptions were found as a result of applying the procedures.

I was engaged by the State of Alaska, Department of Fish and Game on behalf of the EVOSTC's management to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the AICPA. I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on established policies and procedures over the use of EVOSTC funding. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the EVOSTC and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management of the Trustee Council and the Federal and State of Alaska liaison agencies and is not intended to be and should not be used by anyone other than these specified parties.



September 15, 2023

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

*Exxon Valdez* Oil Spill Trustee Council  
Anchorage, Alaska

Management is responsible for the accompanying financial statements of the State of Alaska *Exxon Valdez* Oil Spill Investment Fund (Investment Fund) as of and for the years ended June 30, 2022 and 2021, as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the *Exxon Valdez* Oil Spill Trustee Council's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements of the Investment Fund present only the Investment Fund and do not purport to, and do not, present fairly the financial position of the State of Alaska or any of its component units as of June 30, 2022 and 2021, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



September 15, 2023

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

STATE OF ALASKA - EXXON VALDEZ OIL SPILL INVESTMENT FUND

(An Agency Fund of the State of Alaska)

STATEMENTS OF FIDUCIARY ASSETS AND LIABILITIES

As of June 30, 2022 and 2021

	2022			2021		
	Research	Habitat	Total	Research	Habitat	Total
<b>ASSETS</b>						
Cash and Investments	\$ 59,651,642	\$ 78,878,295	\$ 138,529,937	\$ 107,562,423	\$ 93,320,171	\$ 200,882,594
<b>Total Assets</b>	<b>\$ 59,651,642</b>	<b>\$ 78,878,295</b>	<b>\$ 138,529,937</b>	<b>\$ 107,562,423</b>	<b>\$ 93,320,171</b>	<b>\$ 200,882,594</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 26,473	\$ 22,881	\$ 49,354	\$ 20,163	\$ 11,289	\$ 31,452
Assets Held in Custody by the State of Alaska	59,625,169	78,855,414	138,480,583	107,542,260	93,308,882	200,851,142
<b>Total Liabilities</b>	<b>\$ 59,651,642</b>	<b>\$ 78,878,295</b>	<b>\$ 138,529,937</b>	<b>\$ 107,562,423</b>	<b>\$ 93,320,171</b>	<b>\$ 200,882,594</b>



EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

STATE OF ALASKA - EXXON VALDEZ OIL SPILL INVESTMENT FUND  
(An Agency Fund of the State of Alaska)

STATEMENTS OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Research	Habitat	Total	Research	Habitat	Total
<b>ASSETS</b>						
Investments, Beginning of Year	\$ 107,562,423	\$ 93,320,171	\$ 200,882,594	\$ 103,168,515	\$ 82,907,288	\$ 186,075,803
Additions and investment activity:						
Interest and Investment Income (Loss)	(9,332,952)	(9,939,932)	(19,272,884)	20,045,558	15,051,849	35,097,407
Total Additions	(9,332,952)	(9,939,932)	(19,272,884)	20,045,558	15,051,849	35,097,407
Deductions:						
State of Alaska,						
Exxon Valdez Oil Spill Settlement Trust	29,537,659	444,806	29,982,465	9,518,199	2,503,896	12,022,095
Investment Management Fees	26,473	22,881	49,354	20,163	11,289	31,452
United States Department of the Interior,						
Natural Resources Damage						
Assessment and Restoration Fund	9,013,697	4,034,257	13,047,954	6,113,288	2,123,781	8,237,069
Total Deductions	38,577,829	4,501,944	43,079,773	15,651,650	4,638,966	20,290,616
Investments, End of Year	\$ 59,651,642	\$ 78,878,295	\$ 138,529,937	\$ 107,562,423	\$ 93,320,171	\$ 200,882,594
<b>LIABILITIES</b>						
Accounts Payable, Beginning of Year	\$ 20,163	\$ 11,289	\$ 31,452	\$ 25,378	\$ 22,126	\$ 47,504
Additions	26,473	22,881	49,354	20,163	11,289	31,452
Deductions	20,163	11,289	31,452	25,378	22,126	47,504
Accounts Payable, End of Year	26,473	22,881	49,354	20,163	11,289	31,452
Assets Held in Custody						
by the State of Alaska, Beginning of Year	107,542,260	93,308,882	200,851,142	103,143,137	82,885,162	200,835,090
Additions and investment activity	(9,359,425)	(9,962,813)	(19,322,238)	20,025,395	15,040,560	35,065,955
Deductions	38,557,666	4,490,655	43,048,321	15,626,272	4,616,840	20,243,112
Assets Held in Custody						
by the State of Alaska, End of Year	59,625,169	78,855,414	138,480,583	107,542,260	93,308,882	200,851,142
Liabilities, End of Year	\$ 59,651,642	\$ 78,878,295	\$ 138,529,937	\$ 107,562,423	\$ 93,320,171	\$ 200,882,594

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

*Exxon Valdez Oil Spill Trustee Council*  
Anchorage, Alaska

Management is responsible for the accompanying financial statements of the United States Department of the Interior, Natural Resources Damage Assessment and Restoration Fund (NRDA&R) – cash basis – as of and for the years ended September 30, 2022 and 2021, as listed in the table of contents. Management is also responsible for determining that the cash-basis of accounting is an acceptable financial reporting framework. I have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Exxon Valdez Oil Spill Trustee Council's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements of NRDA&R present only the amounts related to the Exxon Valdez Oil Spill Trustee Council and do not purport to, and do not, present fairly the financial position of NRDA&R or the U.S. Department of the Interior as of September 30, 2022 and 2021, and the results of their operations for the years then ended in conformity with accounting principles generally accepted in the United States of America. The NRDA&R financial statements are prepared in accordance with the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



September 15, 2023

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

UNITED STATES DEPARTMENT OF THE INTERIOR, NATURAL RESOURCES DAMAGE  
ASSESSMENT AND RESTORATION FUND

STATEMENTS OF ASSETS, LIABILITIES AND TRUST FUND BALANCE ARISING FROM  
CASH TRANSACTIONS - CASH BASIS

As of September 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Cash and Investments	\$ 539,119	\$ 92,571
Total Assets	\$ 539,119	\$ 92,571
<b>LIABILITIES AND TRUST FUND BALANCE</b>		
Trust Fund Balance	\$ 539,119	\$ 92,571
Total Liabilities and Trust Fund Balance	\$ 539,119	\$ 92,571

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

UNITED STATES DEPARTMENT OF THE INTERIOR, NATURAL RESOURCES DAMAGE  
ASSESSMENT AND RESTORATION FUND

STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN TRUST FUND  
BALANCE - CASH BASIS

For the Years Ended September 30, 2022 and 2021

	2022	2021
<b>RECEIPTS</b>		
Contributions:		
Exxon Valdez Oil Spill Investment Fund	\$ 13,047,954	\$ 8,237,069
Unobligated Balances Returned to NRDA&R:		
U.S. Department of Commerce, National Oceanic and Atmospheric Administration	-	62,300
U.S. Department of the Interior, U.S. Fish and Wildlife Service	473,102	163,503
U.S. Geological Survey	-	10,177
Investment Income	2,207	802
<b>Total Receipts</b>	<b>13,540,601</b>	<b>8,473,851</b>
<b>Disbursements</b>		
U.S. Department of the Interior, Bureau of Land Management	-	10,900
U.S. Fish and Wildlife Service	5,806,774	4,119,589
U.S. Geological Survey	1,154,624	1,225,670
National Park Service	89,380	21,800
Office of the Secretary	46,870	35,970
U.S. Department of Agriculture, U.S. Forest Service	45,830	289,161
U.S. Department of Commerce, National Oceanic and Atmospheric Administration	5,950,575	2,960,620
<b>Total Disbursements</b>	<b>13,094,053</b>	<b>8,663,710</b>
Deficiency of Receipts Over Disbursements	446,548	(189,859)
Trust Fund Balance, Beginning of Year	92,571	282,430
<b>Trust Fund Balance, End of Year</b>	<b>\$ 539,119</b>	<b>\$ 92,571</b>

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

*Exxon Valdez* Oil Spill Trustee Council  
Anchorage, Alaska

Management is responsible for the accompanying financial statements of the State of Alaska Exxon Valdez Oil Spill Settlement Trust (Settlement Trust) as of and for the years ended June 30, 2022 and 2021, as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Exxon Valdez Oil Spill Trustee Council's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements of the Settlement Trust present only the Settlement Trust and do not purport to, and do not, present fairly the financial position of the State of Alaska or any of its component units as of June 30, 2022 and 2021, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



September 15, 2023

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

STATE OF ALASKA - EXXON VALDEZ OIL SPILL SETTLEMENT TRUST  
(A Special Revenue Fund of the State of Alaska)

BALANCE SHEETS

As of June 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Cash and Investments	\$ 2,024,749	\$ 9,661,118
Due from other funds	23,284,585	-
<b>Total Assets</b>	<b>\$ 25,309,334</b>	<b>\$ 9,661,118</b>
<b>LIABILITIES</b>		
Liabilities:		
Accounts Payable	\$ 329,563	\$ 1,117,022
Due to State of Alaska General Fund	-	3,374
<b>Total Liabilities</b>	<b>329,563</b>	<b>1,120,396</b>
Fund Balance:		
Restricted for Development	24,979,771	8,540,722
<b>Total Liabilities and Fund Balance</b>	<b>\$ 25,309,334</b>	<b>\$ 9,661,118</b>

EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL

STATE OF ALASKA - EXXON VALDEZ OIL SPILL SETTLEMENT TRUST  
(A Special Revenue Fund of the State of Alaska)

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN TRUST FUND BALANCE

For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>REVENUES</b>		
Contributions - State of Alaska, <i>Exxon Valdez</i> Oil Spill Investment Fund	\$ 29,982,465	\$ 12,022,095
Interest and Investment Income (Loss)	(66,626)	(18,263)
<b>Total Revenues</b>	<b>29,915,839</b>	<b>12,003,832</b>
<b>EXPENDITURES</b>		
Current Operating and Capital: Natural Resources Damage Assessment and Restoration Projects - State of Alaska, Department of Commerce, Community, and Economic Development	11,720,959	5,492,451
Department of Fish and Game	1,172,274	3,204,632
Department of Natural Resources	583,557	3,254,823
<b>Total Current Operating Expenditures</b>	<b>13,476,790</b>	<b>11,951,906</b>
Excess (Deficiency) of Revenues Over Expenditures	16,439,049	51,926
Trust Fund Balance, Beginning of Year	8,540,722	8,488,796
<b>Trust Fund Balance, End of Year</b>	<b>\$ 24,979,771</b>	<b>\$ 8,540,722</b>