



1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

January 4, 2016

Honorable Members of
the Duncan Town Council

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Duncan, Arizona, as of and for the year ended June 30, 2015. Professional standards require that we provide information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 30, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Duncan, Arizona are described in Note 1 to the financial statements. GASB's 68 and 71 were implemented by the Town for the fiscal year ending June 30, 2015. Further information regarding their impact on the Town's financial statements can be found in Note 1 to the financial statements.

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are shown in attached management representation letter.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, there were no such consultations with other accountants.

Audit Adjustments

Attached is a list of material, corrected misstatements that were brought to the attention of management as a result of audit procedures.

Uncorrected Misstatements

There were no uncorrected misstatements, other than those that we believe were trivial to the financial statements as a whole.

Other Audit Findings or Issues

Included in our audit report issued in accordance with *Government Auditing Standards* is the Schedule of Findings and Responses. Please consult the report issued as well as the schedule for further details.

This information is intended solely for the use of Town Council and management and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to provide our services to the Town of Duncan, Arizona and please contact us if you have any questions or comments regarding this letter.

Colby & Powell, PLC

Attachments



Town of Duncan

January 4, 2016

TOWN HALL

PO Box 916
506 SE Old West Highway
Duncan, AZ 85534
(928) 359-2791

ARIZONA RELAY SERVICE

TTY/ASCI
1 (800) 367-8939

ADMINISTRATION

506 SE Old West Highway
(928) 359-2791
FAX (928) 359-9146

WATER DEPARTMENT

216 East Avenue
Duncan, AZ 85534

STREET DEPARTMENT

505 4th Street
(928) 359-1471

SWIMMING POOL

106 Skyline Drive
(928) 359-9018

Colby and Powell, PLC
1535 W. Harvard Ave., Ste. 101
Gilbert, AZ 85233

This representation letter is provided in connection with your audit of the financial statements of the Town of Duncan, Arizona, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 4, 2016, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 30, 2015, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

"A NICE PLACE TO COME HOME TO"

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, included those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Town of Duncan is contingently liable, if any, have been properly recorded or disclosed, if any.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Town Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Town and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.

- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the Town's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have a process to track the status of audit findings and recommendations.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 22) The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 28) As part of your audit, you assisted with preparation of the financial statements and related notes as well as our depreciation schedules. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and depreciation schedule.
- 29) The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 41) We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 44) We are in agreement with the adjusting journal entries you have recommended, and they have been posted.
- 45) Management has decided to not submit Management's Discussion and Analysis (MD&A) as required by U.S. generally accepted accounting principles.

Signature: John Basteen Jr
Title: Town Manager

Client: **TOD - Town of Duncan, Arizona**
 Engagement: **FS15 - Town of Duncan, Arizona**
 Period Ending: **6/30/2015**
 Trial Balance: **TB**
 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Close py transfers to equity				
01598010	Operating Transfers In		35,621.75	
19597000	Balance - Beginning Of Year		35,621.75	
35597000	Balance Beginning of Year		39,989.70	
01597000	Balance - Beginning Of Year			35,621.75
19598000	Operating Transfer Out			35,621.75
35597001	Prior Period Adjustment			39,989.70
Total			111,233.20	111,233.20
Adjusting Journal Entries JE # 2				
Reverse py intergovernmental receivables				
01602000	State Sales Tax		5,143.78	
01604000	Auto Lieu Taxes		1,972.70	
01606000	City Sales Tax		3,256.57	
03605000	Highway Users Fees		7,286.49	
01113000	A/R Governmental Receivable			10,373.05
03113000	A/R Governmental Receivable			7,286.49
Total			17,659.54	17,659.54
Adjusting Journal Entries JE # 3				
Accrue cy governmental receivables				
01113000	A/R Governmental Receivable		12,254.12	
03113000	A/R Governmental Receivable		6,741.34	
01602000	State Sales Tax			5,540.35
01604000	Auto Lieu Taxes			2,885.75
01606000	City Sales Tax			3,828.02
03605000	Highway Users Fees			6,741.34
Total			18,995.46	18,995.46
Adjusting Journal Entries JE # 4				
Reverse py franchise and propety tax accrual				
01601000	Property Taxes		575.70	
01611000	Franchise Fees		1,779.51	
01655000	Sale/Rental of Property		158.63	
01120000	Other Receivables			2,513.84
Total			2,513.84	2,513.84
Adjusting Journal Entries JE # 5				
Reverse py accounts payable accrual				
01301000	Accounts Payable		18,209.38	
03301000	Accounts Payable		8,465.20	
06301000	Accounts Payable		72.07	
07301000	Accounts Payable		4,319.77	
27301000	Accounts Payable		3,231.14	
01872380	Copying Costs			17.47
01872480	Utilities			189.14
01874220	Other Supplies			8.92
01874230	Bank Charges			2.50
01874330	Printing & Advertising			357.73

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 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
01874350	Other Services			14.50
01874410	Telephone			71.58
01874430	Travel/Meetings/Training			562.39
01874480	Utilities			295.18
01880220	Other Supplies			1,296.66
01880240	Gas & Oil			652.11
01880250	Vehicle Maintenance			317.26
01880480	Utilities			160.87
01881340	Repairs & Maintenance			216.97
01881480	Utilities- Park			1,314.02
01883350	Outside Garbage Pickup Service			9,262.00
01884210	Pool Concessions			65.60
01884220	Pool Supplies			1,792.53
01884340	Pool/Bldg Maintenance			239.96
01884350	Other Services			400.00
01884480	Utilities			402.17
01886480	Utilities			303.84
01887480	Utilities			199.36
01888480	Utilities			66.62
03800130	Inmate Labor			285.00
03800240	Gas & Oil			5,630.97
03800250	Vehicle Maintenance			1,191.81
03800610	Capital Outlay			1,357.42
06800580	Trophies			72.07
07800220	Other Supplies			1,868.94
07800250	Vehicle Maintenance			1,036.31
07800380	Chemicals			1,203.16
07800480	Utilities			211.36
27800220	Other Supplies			146.97
27800260	Water Line Repairs			294.54
27800340	Repairs & Maintenance			10.65
27800360	Testing			49.53
27800420	Postage			244.64
27800480	Utilities			1,310.12
27800550	Taxes			1,174.69
Total			34,297.56	34,297.56

Adjusting Journal Entries JE # 6

Reclassify valley electric revenue to rent revenue

01611000	Franchise Fees		653.92	
01655000	Sale/Rental of Property			653.92
Total			653.92	653.92

Adjusting Journal Entries JE # 7

Accrue cy franchise fees

001.5.03

01120000	Other Receivables		1,866.09	
01611000	Franchise Fees			1,866.09
Total			1,866.09	1,866.09

Adjusting Journal Entries JE # 8

Reclass interest and CD withdrawel

35100000	Cash - Combined Fund		20,000.00	
35101000	Cash in Bank		47.21	

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Account	Description	W/P Ref	Debit	Credit
51101000	Cash In Bank		52.20	
51699000	Water Bond CD Transfer		20,000.00	
35101000	Cash in Bank			20,000.00
35698000	INTEREST INCOME			47.21
51100000	Cash - Combined Fund			20,000.00
51698000	Interest Income			52.20
Total			40,099.41	40,099.41
Adjusting Journal Entries JE # 9				
Accrue cy property taxes				
		001.5.10		
01120000	Other Receivables		721.69	
01601000	Property Taxes			721.69
Total			721.69	721.69
Adjusting Journal Entries JE # 10				
Add cy interest				
		035.1.02		
35104000	Cash LGIP		4.44	
35698000	INTEREST INCOME			4.44
Total			4.44	4.44
Adjusting Journal Entries JE # 11				
Reclassify verizon rent payments posted to incorrect accounts				
01100000	Cash - Combined Fund		936.36	
01665000	Refunds - Fire Dept.		936.36	
17112000	Accounts Receivable		936.36	
01655000	Sale/Rental of Property			1,872.72
17100000	Cash - Combined Fund			936.36
Total			2,809.08	2,809.08
Adjusting Journal Entries JE # 12				
Move debt service payments				
01877970	Interest Expense		405.57	
01877980	USDA - Police Cars		23,020.87	
32100000	Cash - Combined Fund		23,426.44	
01100000	Cash - Combined Fund			23,426.44
32800610	Capital Outlay - Police Cars			23,426.44
Total			46,852.88	46,852.88
Adjusting Journal Entries JE # 13				
Reclass debt service for caterpillar				
03100000	Cash - Combined Fund		8,144.52	
03800970	Debt service: interest		1,944.54	
03800980	Debt service: principal		12,987.08	
07100000	Cash - Combined Fund		8,144.52	
07598000	Transfer		8,144.52	
03100000	Cash - Combined Fund			8,144.52
03598000	Operating Transfer In			8,144.52
03800610	Capital Outlay			6,787.10
07100000	Cash - Combined Fund			8,144.52
07800610	Capital Outlay			8,144.52

Client: **TOD - Town of Duncan, Arizona**
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 Period Ending: **6/30/2015**
 Trial Balance: **TB**
 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Total			39,365.18	39,365.18
Adjusting Journal Entries JE # 14				
	Reclass Xerox debt service	098.3.50		
01872970	Interest		220.53	
01872980	Principal		5,651.55	
01872380	Copying Costs			5,872.08
Total			5,872.08	5,872.08
Adjusting Journal Entries JE # 15				
	Adj GLTD	098.3.09		
98325001	Capital Lease Obligations		43,016.92	
98198000	Amount To Be Provided LTD			43,016.92
Total			43,016.92	43,016.92
Adjusting Journal Entries JE # 16				
	Reclass insurance reim for totaled police car			
01732000	USDA - NRCS Grant Money		12,058.00	
01656000	Insurance Proceedes			12,058.00
Total			12,058.00	12,058.00
Adjusting Journal Entries JE # 17				
	Adj for Sheriff contract	001.2.11		
01301001	Greenlee Contract Payable		12,000.00	
01301001	Greenlee Contract Payable		18,000.00	
01301001	Greenlee Contract Payable		375,125.00	
01223000	Prepaid Expense			18,000.00
01655000	Sale/Rental of Property			12,000.00
01699999	Other Financing Sources (Uses)			375,125.00
Total			405,125.00	405,125.00
Adjusting Journal Entries JE # 18				
	Record prepaid Sheriff coverage			
01223000	Prepaid Expense		5,000.00	
01877350	Greenlee Co - Police Contract			5,000.00
Total			5,000.00	5,000.00
Adjusting Journal Entries JE # 19				
	Accrue cy accounts payable	001.2.03		
01872380	Copying Costs		15.29	
01872420	Postage		32.62	
01872480	Utilities		217.47	
01874210	Office Supplies		219.58	
01874220	Other Supplies		88.53	
01874230	Bank Charges		0.38	
01874240	Computer Acct & Software		5,685.17	
01874410	Telephone		461.08	
01874430	Travel/Meetings/Training		978.43	
01874480	Utilities		209.62	

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 Trial Balance: **TB**
 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
01876410	Telephone		5.46	
01880220	Other Supplies		259.23	
01880250	Vehicle Maintenance		423.38	
01880480	Utilities		179.18	
01881340	Repairs & Maintenance		20.27	
01881480	Utilities- Park		1,505.29	
01883350	Outside Garbage Pickup Service		5,235.75	
01884210	Pool Concessions		377.58	
01884220	Pool Supplies		458.92	
01884340	Pool/Bldg Maintenance		6.03	
01884350	Other Services		102.50	
01884480	Utilities		210.37	
01886480	Utilities		301.42	
01887340	Building Maintenance		151.29	
01887480	Utilities		237.97	
01888340	Building Maintenance		776.00	
01888480	Utilities		90.19	
03800130	Inmate Labor		708.75	
03800130	Inmate Labor		3,480.05	
03800980	Debt service: principal		1,357.42	
07100000	Cash - Combined Fund		1,357.42	
07800230	Gas & Oil		353.52	
07800480	Utilities		230.73	
27154000	Water System		603.52	
27800220	Other Supplies		749.12	
27800420	Postage		521.70	
27800480	Utilities		1,116.97	
27800550	Taxes		1,040.74	
31800350	Other Services		1,000.00	
31800360	Testing		388.00	
01301000	Accounts Payable			18,249.00
03100000	Cash - Combined Fund			1,357.42
03301000	Accounts Payable			4,188.80
07301000	Accounts Payable			584.25
07800610	Capital Outlay			1,357.42
27301000	Accounts Payable			4,032.05
31301000	Accounts Payalbe			1,388.00
Total			31,156.94	31,156.94

Adjusting Journal Entries JE # 20

Move FMI and CDBG grants to water fund

18660000	Grant Funds Received		122,000.00	
27100000	Cash - Combined Fund		1,214.30	
27100000	Cash - Combined Fund		9,190.76	
27154000	Water System		82,211.34	
27154000	Water System		120,785.70	
37660000	Grant Funds Received		91,402.10	
18100000	Cash - Combined Fund			1,214.30
18800220	Supplies			120,785.70
27683000	CDBG 108-11			91,402.10
27684000	FMI Grant			122,000.00
37100000	Cash - Combined Fund			9,190.76
37800320	Consultants/Contractors			82,211.34
Total			426,804.20	426,804.20

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 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 21				
Record transfer for CDBG				
01100000	Cash - Combined Fund		9,190.76	
27598000	Transfers		9,190.76	
01598000	Operating Transfer Out			9,190.76
27100000	Cash - Combined Fund			9,190.76
Total			18,381.52	18,381.52
Adjusting Journal Entries JE # 22				
Move reimbursements to General Fund expenditure account				
01100000	Cash - Combined Fund		3,130.53	
17112000	Accounts Receivable		3,130.53	
01886480	Utilities			3,130.53
17100000	Cash - Combined Fund			3,130.53
Total			6,261.06	6,261.06
Adjusting Journal Entries JE # 23				
Reclass donation				
01871920	Donations		1,900.00	
37100000	Cash - Combined Fund		1,900.00	
01100000	Cash - Combined Fund			1,900.00
37800350	Other Services			1,900.00
Total			3,800.00	3,800.00
Adjusting Journal Entries JE # 24				
		098.3.01		
Adjust accrued vacation				
27800110	Salaries & Wages		1,063.44	
98330000	Deferred Comp/Benefits		1,457.18	
27303000	Compensated Absences			1,063.44
98198000	Amount To Be Provided LTD			1,457.18
Total			2,520.62	2,520.62
Adjusting Journal Entries JE # 25				
		027.2.20		
Adj sales tax payable				
27301100	Water Sales Tax Payable		13,543.41	
27800550	Taxes		1,040.74	
27301100	Water Sales Tax Payable			1,040.74
27800550	Taxes			13,543.41
Total			14,584.15	14,584.15
Adjusting Journal Entries JE # 26				
Adj utility balances				
01100000	Cash - Combined Fund		1,055.94	
07100000	Cash - Combined Fund		929.27	
27112000	Accounts Receivable		1,619.10	
27170000	Deposits Refundable		637.44	
90107500	Utility Cash Clearing		1,232.11	
01112000	Accounts Receivable			1,055.94
07112000	Accounts Receivable			929.27

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 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
27100000	Cash - Combined Fund			753.10
27680000	Miscellaneous			1,503.44
90100000	Cash Allocated To Other Funds			1,232.11
Total			5,473.86	5,473.86

Adjusting Journal Entries JE # 27

Reclassify general fund fixed assets to capital outlay accounts

01874610	CAPITAL OUTLAY		5,685.17	
01874610	CAPITAL OUTLAY		12,618.94	
01884610	Capital Outlay		3,120.60	
01884610	Capital Outlay		5,907.94	
01874240	Computer Acct & Software			5,685.17
01874240	Computer Acct & Software			12,618.94
01884340	Pool/Bldg Maintenance			3,120.60
01884340	Pool/Bldg Maintenance			5,907.94
Total			27,332.65	27,332.65

Adjusting Journal Entries JE # 28

Reclassify sewer expense to fixed asset account

07153000	Equipment		3,000.00	
07800340	Repairs & Maintenance			3,000.00
Total			3,000.00	3,000.00

Adjusting Journal Entries JE # 29

Reclassify py CIP project to finished water system capital asset account

27154000	Water System		170,188.38	
27155000	CIP			170,188.38
Total			170,188.38	170,188.38

Adjusting Journal Entries JE # 30

Adjust governmental fixed assets

09152000	Buildings		3,120.60	
09154000	Equipment		4,000.00	
09154000	Equipment		5,685.17	
09154000	Equipment		5,907.94	
09154000	Equipment		12,618.94	
09160000	Current Year Depreciation		87,199.09	
09161000	Accumulated Depreciation		27,117.94	
09597000	Beginning of Year		13,558.97	
09597000	Beginning of Year		90,370.20	
09154000	Equipment			40,676.91
09160000	Current Year Depreciation			90,370.20
09161000	Accumulated Depreciation			87,199.09
09597000	Beginning of Year			3,120.60
09597000	Beginning of Year			28,212.05
Total			249,578.85	249,578.85

Adjusting Journal Entries JE # 31

Record depreciation expense for water, sewer and water improvements

07800980	Depreciation		43,173.12	
27800980	Depreciation Expense		17,645.14	

Client: **TOD - Town of Duncan, Arizona**
 Engagement: **FS15 - Town of Duncan, Arizona**
 Period Ending: **6/30/2015**
 Trial Balance: **TB**
 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
35800980	DEPRECIATION EXPENSE		100,415.39	
07161000	Acc. Depr - Plant & Equip			43,173.12
27161000	Acc. Depr - Plant & Equip			17,645.14
35161000	Accumulated Depreciation			100,415.39
Total			161,233.65	161,233.65

Adjusting Journal Entries JE # 32

Adj payroll liabilities

01100000	Cash - Combined Fund		10,245.54	
01872150	Worker's Compensation		3.13	
01874150	Worker's Compensation		3.57	
01880150	Worker's Compensation		82.21	
01881150	Worker's Compensation		16.89	
03100000	Cash - Combined Fund		161.13	
03800150	Worker's Compensation		35.32	
07100000	Cash - Combined Fund		1,098.73	
07800150	Worker's Compensation		20.59	
27100000	Cash - Combined Fund		2,766.69	
27800150	Worker's Compensation		39.75	
31100000	Cash - Combined Fund		103.92	
31800150	Worker's Compensation		5.11	
90310000	FICA Payable		1,959.94	
90311000	Federal Withholding Payable		138.26	
90312000	State Withholding Payable		23.90	
90314000	Employee Retirement Payable		1,656.72	
90315000	Medical Payable		9,793.91	
90317000	State Unemployment Payable		992.72	
90318000	Other Deductions		538.59	
01800110	Salaries & Wages			2.25
01871110	Salaries & Wages			3.43
01871120	FICA (Employers Share)			22.05
01872110	Salaries & Wages			43.11
01872120	FICA (Employers Share)			297.32
01872140	Retirement			526.76
01872160	Health Insurance			3,221.24
01872180	Unemployment Insurance			5.22
01874110	Salaries & Wages			48.77
01874120	FICA (Employers Share)			332.63
01874140	Retirement			598.74
01874160	Health Insurance			3,935.06
01874180	Unemployment Insurance			85.31
01880110	Salaries & Wages			45.78
01880120	FICA (Employers Share)			323.14
01880160	Health Insurance			274.51
01880180	Unemployment Insurance			346.98
01881110	Salaries & Wages			19.50
01881120	FICA (Employers Share)			120.88
01881180	Unemployment Insurance			86.40
01884110	Salaries & Wages			12.26
03800110	Salaries & Wages			17.26
03800120	FICA (Employers Share)			139.16
03800180	Unemployment Insurance			40.03
07800110	Salaries & Wages			25.96
07800120	FICA (Employers Share)			181.61
07800140	Retirement			142.74

Client: **TOD - Town of Duncan, Arizona**
 Engagement: **FS15 - Town of Duncan, Arizona**
 Period Ending: **6/30/2015**
 Trial Balance: **TB**
 Workpaper: **370.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
07800160	Health Insurance			620.88
07800180	Unemployment Insurance			148.13
27800110	Salaries & Wages			59.33
27800120	FICA (Employers Share)			397.40
27800140	Retirement			388.48
27800160	Health Insurance			1,742.22
27800180	Unemployment Insurance			219.01
31800110	Salaries & Wages			6.14
31800120	FICA (Employers Share)			41.25
31800180	Unemployment Insurance			61.64
90100000	Cash Allocated To Other Funds			14,376.01
90301000	Accounts Payable			104.50
90313000	Garnishments Payable			416.96
90316000	Worker's Compensation Payable			206.57
Total			29,686.62	29,686.62

Adjusting Journal Entries JE # 33

Record PPA for GASB 68

07200000	Deferred Outflows		1,242.00	
07597999	Prior Period Adjustment		22,681.00	
27200000	Deferred Outflows		3,378.00	
27597999	Prior Period Adjustment		61,732.00	
07399999	Net Pension Liability			23,923.00
27399999	Net Pension Liability			65,110.00
Total			89,033.00	89,033.00

Adjusting Journal Entries JE # 34

Adj for GASB 68

07200000	Deferred Outflows		2,068.37	
07399999	Net Pension Liability		23,923.00	
27200000	Deferred Outflows		5,628.63	
27399999	Net Pension Liability		65,110.00	
07200000	Deferred Outflows			1,242.00
07399999	Net Pension Liability			19,045.85
07400000	Deferred Inflows			5,090.68
07800140	Retirement			612.84
27200000	Deferred Outflows			3,378.00
27399999	Net Pension Liability			51,837.15
27400000	Deferred Inflows			13,856.32
27800140	Retirement			1,667.16
Total			96,730.00	96,730.00