



To the Governing Board
Fountain Hills Unified School District No. 98

We have audited the financial statements of Fountain Hills Unified School District No. 98 for the year ended June 30, 2016, and have issued our report thereon dated March 27, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated August 3, 2016 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of Fountain Hills Unified School District No. 98. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. However, the standards do not require us to design procedures specifically to identify such matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fountain Hills Unified School District No. 98 are described in Note 1 to the financial statements. No new accounting policies were adopted and application of existing policies was not changed during the year ended June 30, 2016. We noted no transactions entered into by the Fountain Hills Unified School District No. 98 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.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the nature of the District and its operations, there are no estimates that are particularly sensitive.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Attached is a summary of adjustments made to the financial statements that have been recorded by management. Other than those that are trivial, we did not identify any uncorrected misstatements to the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' 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 included in the attached copy of the management representation letter dated March 27, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’ discussion and analysis and the Budgetary Comparison Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of federal expenditures and Combining Funds Financial Statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on Introductory Section of the Comprehensive Annual Financial Report and the Statistical Section of the Comprehensive Annual Financial Report, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This communication is intended solely for the information and use of Governing Board and management of Fountain Hills Unified School District No. 98 and is not intended to be, and should not be, used by anyone other than these specified parties.

Henry + Horne LLP

Casa Grande, Arizona
March 27, 2017

Henry & Horne, LLP
1115 E. Cottonwood Lane, Suite 100
Casa Grande, Arizona 85122

This representation letter is provided in connection with your audit of the financial statements of Fountain Hills Unified School District No, 98, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the years 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 the date of this letter, the following representations made to you during your audit.

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 3, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP 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.
- 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, including 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 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 [or in the schedule of findings and questioned costs].
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.

- 11) 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 entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Fountain Hills Unified School District No, 98 or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 13) 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.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves—
 - o Management,
 - o Employees who have significant roles in internal control, or
 - o Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) 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.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) 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.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 25) 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.
- 26) 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.
- 27) 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.

- 28) 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.
- 29) 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.
- 30) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 31) The entity 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.
- 32) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 33) 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.
- 34) The financial statements properly classify all funds and activities in accordance with [GASB Statement No. 34](#) .
- 35) 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.
- 36) 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.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) 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.
- 40) 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.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 44) We have appropriately disclosed the entity'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.
- 45) 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.
- 46) 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.

- 47) With respect to the Schedule of Expenditures of Federal Awards and the Combining Funds Financial Statements:
- a) We acknowledge our responsibility for presenting the information noted above in accordance with accounting principles generally accepted in the United States of America, and we believe the information noted above, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the information noted above have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the information noted above is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 48) With respect to federal award programs—
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - a) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - b) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
 - c) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
 - d) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
 - e) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
 - f) We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - g) We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards.
 - h) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including

communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- i) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - j) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - k) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - l) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - m) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
 - n) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - o) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - p) We have charged costs to federal awards in accordance with applicable cost principles.
 - q) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - r) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
 - s) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- 49) We have reviewed and approved all adjustments summarized in the accompanying schedule that were made to the financial statement records for the period covered by this letter.
- 50) In regards to the nonattest services (including nonattest services to affiliates), we have:
- a. Assumed all management responsibilities.
 - b. Overseen the services by designating an individual who possesses suitable skill, knowledge, or experience.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.

The nonattest services provided by you are:

- a. Preparation of financial statements and related notes
- b. Posting any standard, adjusting, or correcting journal entries that you have proposed and have been approved by us

Furthermore, we have reviewed and approved the financial statements and related notes.

Signature: 
E3D6832AEE0D4F0...
 Title : Assistant Super. of Business Services

Date : March 27, 2017



Client: **0410181 - Fountain Hills Unified School District No. 98**
 Engagement: **0410181 - Fountain Hills Unified School District No, 98**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - Trial Balance**
 Workpaper: **05.03 - Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 101				
Adjustment to accrue July 1, 2016 bond principal and interest.				
700-000-5000-5841-000-0000000	Bond interest expense		244,500.00	
700-000-5000-6831-000-0000000	Bond redemption of principal		1,235,000.00	
700-000-0000-0232-000-0000000	Bond Interest Payable			244,500.00
700-000-0000-0271-000-0000000	Bond Principal Payable			1,235,000.00
Total			1,479,500.00	1,479,500.00

Adjusting Journal Entries JE # 102				
To correct the principal and interest amount that was accrued in the prior year.				
700-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		1,473,975.00	
700-000-2510-6850-000-0000000	Interest on Short Term Debt			87,500.00
700-000-5000-6830-000-0000000	REDEMPTION OF PRINCIPLE			1,386,475.00
Total			1,473,975.00	1,473,975.00

Adjusting Journal Entries JE # 103				
Client Entry - To record misc entries subsequent to year end,				
001-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		20,340.00	
001-000-0000-1510-000-0000000	INTEREST ON INVESTMENTS		609.00	
220-000-0000-6910-000-0000000	Indirect Costs		1,098.00	
220-200-2300-6210-500-0000000	Group Dental		5,191.00	
220-200-2300-6221-500-0000000	FICA - Social Security		2,035.00	
220-200-2300-6221-500-0000000	FICA - Social Security		476.00	
220-200-2300-6231-500-0000000	Retirement ASRS		4,203.00	
220-200-2300-6232-500-0000000	Retirement ASRS LTD		44.00	
220-200-2300-6260-500-0000000	Workers Comp		192.00	
220-200-2320-6152-500-0000000	Classified Salaries		37,031.00	
221-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		21.00	
570-000-0000-0103-000-0000000	Undesignated		1,098.00	
596-100-1000-6112-205-0000000	CERTIFIED TEACHERS		15,764.00	
596-100-1000-6210-205-0000000	GROUP INSURANCE		2,110.00	
596-100-1000-6221-205-0000000	SOCIAL SECURITY-FICA		960.00	
596-100-1000-6222-205-0000000	SOCIAL SEC-FICA MEDICARE		224.00	
596-100-1000-6231-205-0000000	STATE RETIREMENT		1,789.00	
596-100-1000-6232-205-0000000	LONG TERM DISABILITY		19.00	
596-100-1000-6260-205-0000000	WORKERS' COMPENSATION		82.00	
001-100-1000-6112-205-0000000	CERTIFIED TEACHERS			15,764.00
001-100-1000-6210-205-0000000	GROUP INSURANCE			2,110.00
001-100-1000-6221-205-0000000	SOCIAL SECURITY-FICA			960.00
001-100-1000-6222-205-0000000	SOCIAL SEC-FICA MEDICARE			224.00
001-100-1000-6231-205-0000000	STATE RETIREMENT			1,789.00
001-100-1000-6232-205-0000000	LONG TERM DISABILITY			19.00
001-100-1000-6260-205-0000000	WORKERS' COMPENSATION			83.00
220-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR			510.00
220-000-0000-1510-000-0000000	INTEREST ON INVESTMENTS			588.00
220-200-2200-6210-500-0000000	GROUP INSURANCE			5,191.00
220-200-2200-6221-500-0000000	SOCIAL SECURITY-FICA			2,035.00
220-200-2200-6222-500-0000000	SOCIAL SEC-FICA MEDICARE			476.00
220-200-2200-6231-500-0000000	STATE RETIREMENT			4,203.00
220-200-2200-6232-500-0000000	LONG TERM DISABILITY			44.00
220-200-2200-6260-500-0000000	WORKERS' COMPENSATION			192.00
220-200-2210-6152-500-0000000	CLASSIFIED SALARIES			37,031.00
221-000-0000-1510-000-0000000	INTEREST ON INVESTMENTS			21.00
570-000-0000-5200-000-0000000	Transfer In			1,098.00
596-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR			20,948.00
Total			93,286.00	93,286.00

Adjusting Journal Entries JE # 104				
To correct BFB for PY entries.				
001-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		10,947.00	
001-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		3,844.00	



001-000-0000-1112-000-0000000	REAL PROP TAXES - CURRENT	111,079.00	
001-000-0000-6930-000-0000000	INTERFUND TRANSFERS OUT	14,791.00	
001-100-2580-6810-500-0000000	DUES & FEES	120,200.00	
010-000-0000-3200-000-0000000	RESTRICTED GRANTS IN AID	52,186.00	
020-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	2,503.00	
020-000-0000-3220-000-0000000	UNDESIGNATED	30,162.00	
100-000-0000-4500-000-0000000	RESTR.GRANTS AID FLOWTHRU	239,767.00	
140-000-0000-4500-000-0000000	RESTR.GRANTS AID FLOWTHRU	35,772.00	
203-000-0000-4300-000-0000000	Restricted Aid- Federal	17,533.00	
220-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	39,865.00	
260-000-0000-4500-000-0000000	RESTR.GRANTS AID FLOWTHRU	43,176.00	
290-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	59,677.00	
374-100-1000-6800-101-0000000	Other	16,190.00	
378-100-2500-6210-500-0000000	GROUP INSURANCE	221,998.00	
396-000-0000-6930-000-0000000	Transfer Out	10,947.00	
400-000-0000-4500-000-0000000	RESTR.GRANTS AID FLOWTHRU	85.00	
410-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	3,597.00	
439-000-0000-0330-000-0003926	UNRESERVED FUND BALANCE	3,041.00	
450-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	922.00	
460-000-0000-0330-000-0000000	UNRESERVED FUND BALANCE	131.00	
467-000-0000-3200-000-0000000	Undesignated	94.00	
510-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	25,152.00	
515-100-1079-6610-205-0000000	BIOLOGY	5,022.00	
520-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	52,282.00	
525-1000-6000	Instruction	2,605.00	
526-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	254,832.00	
530-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	38,456.00	
540-100-2570-6300-000-0000000	Fingerprint	22.00	
555-100-1000-6800-101-0000000	Other	313.00	
570-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	14,791.00	
575-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	20,375.00	
596-000-0000-1990-000-0000000	MISCELLANEOUS	737.00	
610-000-0000-1112-000-0000000	REAL PROP TAXES - CURRENT	16,767.00	
685-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE	530.00	
700-000-0000-1112-000-0000000	REAL PROP TAXES - CURRENT	9,562.00	
700-000-5000-5841-000-0000000	Bond interest expense	309.00	
001-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		120,200.00
001-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		111,079.00
001-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		14,791.00
001-000-0000-1510-000-0000000	INTEREST ON INVESTMENTS		3,844.00
001-000-0000-5200-000-0000000	INTERFUND TRANSFERS IN		10,947.00
010-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		52,186.00
020-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		30,162.00
020-100-1000-6800-101-0000000	Other		2,503.00
100-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		239,767.00
140-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		35,772.00
203-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		17,533.00
220-000-0000-3200-000-0000000	RESTRICTED GRANTS IN AID		39,865.00
260-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		43,176.00
290-100-1000-6800-101-0000000	Other		59,677.00
374-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		16,190.00
378-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		221,998.00
396-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		10,947.00
400-000-0000-0330-000-0000000	UNRESERVED FUND BALANCE		85.00
410-0000-0250	Unearned Revenues		3,597.00
439-0000-0250	Unearned Revenues		3,041.00
450-0000-0250	Unearned Revenues		922.00
460-0000-0250	Unearned Revenues		131.00
467-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		94.00
510-000-0000-1611-000-0000000	DAILY SALES-SCHL LUNCH PR		25,152.00
515-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		5,022.00
520-100-1000-6112-102-0000000	CERTIFIED TEACHERS		52,282.00
525-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		2,605.00
526-1000-6000	Instruction		254,832.00
530-100-1000-6112-205-0000000	CERTIFIED TEACHERS		38,456.00
540-000-0000-0330-000-0000000	UNRESERVED FUND BALANCE		22.00
555-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		313.00
570-000-0000-5200-000-0000000	Transfer In		14,791.00
575-000-0000-1510-000-0000000	INTEREST ON INVESTMENTS		20,375.00
596-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		737.00

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610-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		16,767.00
685-000-0000-1510-000-0000000	INTEREST ON INVESTMENTS		530.00
700-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		9,562.00
700-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		309.00
Total		1,480,262.00	1,480,262.00

Adjusting Journal Entries JE # 105 **U103/U102**
To properly record A/R at year end

001-0000-0123	Property Taxes Receivable	50,446.00	
010-0000-0144	DUE FROM STATE	55,232.00	
020-0000-0144	DUE FROM STATE	18,373.00	
610-0000-0123	Property Taxes Receivable	836.00	
001-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		50,446.00
010-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		55,232.00
020-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		18,373.00
610-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		836.00
Total		124,887.00	124,887.00

Adjusting Journal Entries JE # 106 **D102**
To properly record additional state aid in the proper funds.

001-000-0000-3120-000-0000000	ADDITIONAL STATE AID	33,325.00	
610-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	33,325.00	
001-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		33,325.00
610-000-0000-3120-000-0000000	ADDITIONAL STATE AID		33,325.00
Total		66,650.00	66,650.00

Adjusting Journal Entries JE # 107 **D102**
To properly record property tax receivable at year end.

001-0000-0123	Property Taxes Receivable	827,786.00	
610-0000-0123	Property Taxes Receivable	19,700.00	
700-0000-0123	Property Taxes Receivable	13,135.00	
001-0000-0251	Deferred Property Taxes		827,786.00
610-0000-0251	Deferred Property Taxes		19,700.00
700-0000-0251	Deferred Property Taxes		13,135.00
Total		860,621.00	860,621.00

Adjusting Journal Entries JE # 108
To record A/P

001-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	70,410.00	
100-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	245.00	
260-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	350.00	
291-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	67.00	
378-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	1,177.00	
400-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	3,459.00	
510-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	408.00	
515-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	1,253.00	
526-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	1,298.00	
530-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	330.00	
531-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	328.00	
570-000-0000-0103-000-0000000	Undesignated	4,588.00	
575-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	2,446.00	
595-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	2,498.00	
610-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	33,104.00	
001-0000-0201	ACCOUNTS PAYABLE		70,410.00
100-0000-0201	Accounts Payable		245.00
260-0000-0201	ACCOUNTS PAYABLE		350.00
291-0000-0201	ACCOUNTS PAYABLE		67.00
378-0000-0201	ACCOUNTS PAYABLE		1,177.00
400-0000-0201	ACCOUNTS PAYABLE		3,459.00
510-0000-0201	ACCOUNTS PAYABLE		408.00
515-0000-0201	ACCOUNTS PAYABLE		1,253.00
526-0000-0201	ACCOUNTS PAYABLE		1,298.00
530-0000-0201	ACCOUNTS PAYABLE		330.00
531-0000-0201	ACCOUNTS PAYABLE		328.00
570-0000-0201	ACCOUNTS PAYABLE		4,588.00
575-0000-0201	ACCOUNTS PAYABLE		2,446.00
595-0000-0201	ACCOUNTS PAYABLE		2,498.00
610-0000-0201	ACCOUNTS PAYABLE		33,104.00
Total		121,961.00	121,961.00

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Adjusting Journal Entries JE # 109

D102

To record property taxes collected within 60 days

001-0000-0251	Deferred Property Taxes	70,247.00	
610-0000-0251	Deferred Property Taxes	3,100.00	
700-0000-0251	Deferred Property Taxes	4,249.00	
001-000-0000-1112-000-0000000	REAL PROP TAXES - CURRENT		70,247.00
610-000-0000-1112-000-0000000	REAL PROP TAXES - CURRENT		3,100.00
700-000-0000-1112-000-0000000	REAL PROP TAXES - CURRENT		4,249.00
Total		77,596.00	77,596.00

Adjusting Journal Entries JE # 110

U100

To record FY16 Grant Revenue Receivable and Deferred Rev or Rev

100-0000-0145	Due from Federal Government	127,971.00	
140-0000-0145	Due from Federal Government	32,793.00	
220-0000-0144	Due From State	273,059.00	
221-0000-0144	Due From State	7,798.00	
260-0000-0145	Due from Federal Government	4,709.00	
400-0000-0144	Due From State	5,734.00	
100-0000-0250	Unearned Revenue		127,971.00
140-0000-0250	Unearned Revenue		32,793.00
220-0000-0250	Unearned Revenue		273,059.00
221-0000-0250	Unearned Revenue		7,798.00
260-000-0000-4500-000-0000000	RESTR.GRANTS AID FLOWTHRU		4,709.00
400-0000-0250	Unearned Revenue		5,734.00
Total		452,064.00	452,064.00

Adjusting Journal Entries JE # 111

To record deferred rev and receivables for funds for transportation revenue from MC Superintendent for reimbursement for transporting children to/from the reservation

050-0000-0144	Due From State	27,796.00	
050-0000-0250	Unearned Revenue		27,796.00
Total		27,796.00	27,796.00

Adjusting Journal Entries JE # 112

To properly record cash

220-200-1000-6112-101-0000000	CERTIFIED TEACHERS	40,227.00	
220-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		40,227.00
Total		40,227.00	40,227.00

Adjusting Journal Entries JE # 113

To record Auxiliary and Student Activity funds

525-000-0000-0102-000	Cash in Bank	154,861.00	
525-1000-6000	Instruction	211,725.00	
526-000-0000-0102-000	Cash in Bank	471,619.00	
526-1000-6000	Instruction	417,817.00	
525-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		151,090.00
525-0000-1700	Local revenues		215,496.00
526-000-0000-0300-000-0000000	UNRESERVED FUND BALANCE		463,838.00
526-0000-1700	Local revenues		425,598.00
Total		1,256,022.00	1,256,022.00

Adjusting Journal Entries JE # 114

To eliminate negative cash

001-0000-0149	Due from other funds	358,098.00	
140-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	32,910.00	
220-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	321,378.00	
260-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR	4,109.00	
467-000-0000-0103-000-0000000	Undesignated	13,706.00	
515-0000-0141	Due From Other Funds	14,005.00	
001-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		358,098.00
140-0000-0211	DUE TO OTHER FUNDS		32,910.00
220-0000-0211	DUE TO OTHER FUNDS		321,378.00
260-0000-0211	DUE TO OTHER FUNDS		4,109.00
467-0000-0211	DUE TO OTHER FU NDS		13,706.00
515-000-0000-0103-000-0000000	CASH ON DEP/COUNTY TREASR		14,005.00
Total		744,206.00	744,206.00

Adjusting Journal Entries JE # 115

To properly record Title I revenue for the FY

100-000-0000-4500-000-0000000	RESTR.GRANTS AID FLOWTHRU	398,394.00	
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100-0000-0145	Due from Federal Government	45,070.00	
100-000-0000-4500-000-00000000	RESTR.GRANTS AID FLOWTHRU		45,070.00
100-000-0214	Due to State		398,394.00
Total		<u><u>443,464.00</u></u>	<u><u>443,464.00</u></u>
	Total Adjusting Journal Entries	<u><u>8,742,517.00</u></u>	<u><u>8,742,517.00</u></u>
	Total All Journal Entries	<u><u>8,742,517.00</u></u>	<u><u>8,742,517.00</u></u>

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Client: **0410181 - Fountain Hills Unified School District No. 98**
 Engagement: **0410181 - Fountain Hills Unified School District No. 98**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - Trial Balance**
 Workpaper: **05.04 - GASB 34 Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
GASB 34 Journal Entries JE # 1		M151		
To record the beginning Net Pension Liability				
000-000-0000-0185-001	Deferred outflows of employer contributions		790,941.00	
000-000-0000-0185-002	Deferred outflows of resources related to pensions		636,673.00	
000-000-0000-0350-000	Net Position		13,777,834.00	
000-000-0000-0275-000	Net Pension Liability			12,527,277.00
000-000-0000-0293-000	Deferred inflows of resources related to pensions			2,678,171.00
Total			15,205,448.00	15,205,448.00
GASB 34 Journal Entries JE # 2		M151		
To record the change in Net Pension Liability in the current year.				
000-000-0000-0275-000	Net Pension Liability		233,433.00	
000-000-0000-0293-000	Deferred inflows of resources related to pensions		707,441.00	
000-000-1000-6231-000	Pension Expense (Instruction)		96,099.00	
000-000-2100-6231-000	Pension Expense (Support Services - Students and Staff)		17,270.00	
000-000-2300-6231-000	Pension Expense (Support Services - Administrative)		20,326.00	
000-000-2600-6231-000	Pension Expense (O&M Plant)		6,277.00	
000-000-2700-6231-000	Pension Expense (Transportation)		10,238.00	
000-000-3000-6231-000	Pension Expense (Operation of Non-Instructional Services)		1,058.00	
000-000-0000-0185-001	Deferred outflows of employer contributions			790,941.00
000-000-0000-0185-002	Deferred outflows of resources related to pensions			301,201.00
Total			1,092,142.00	1,092,142.00
GASB 34 Journal Entries JE # 3		M151		
Reclassify employer pension contributions in the current year.				
000-000-0000-0185-001	Deferred outflows of employer contributions		690,200.00	
000-000-1000-6231-000	Pension Expense (Instruction)			407,783.00
000-000-2100-6231-000	Pension Expense (Support Services - Students and Staff)			82,852.00
000-000-2300-6231-000	Pension Expense (Support Services - Administrative)			115,101.00
000-000-2600-6231-000	Pension Expense (O&M Plant)			32,412.00
000-000-2700-6231-000	Pension Expense (Transportation)			50,649.00
000-000-3000-6231-000	Pension Expense (Operation of Non-Instructional Services)			1,403.00
Total			690,200.00	690,200.00
GASB 34 Journal Entries JE # 4		Q101		
To record beginning outstanding debt, premiums and discounts on bonds.				
000-000-0000-0350-000	Net Position		14,539,025.00	
000-000-0000-0182-001	Premiums on Issuance of Bonds			329,025.00
000-000-0000-0272-000	Long-term Bonds Payable			14,210,000.00
Total			14,539,025.00	14,539,025.00
GASB 34 Journal Entries JE # 5		Q101		
To record the change in debt, premiums and discounts on bonds.				
000-000-0000-0182-001	Premiums on Issuance of Bonds		25,533.00	
000-000-0000-0272-000	Long-term Bonds Payable		1,235,000.00	
000-000-0000-0182-001	Premiums on Issuance of Bonds			
000-000-0000-0272-000	Long-term Bonds Payable			
630-000-0000-5100-000-0000000	OTHER FINANCING SOURCES - ISSUANCE of BONDS			1,235,000.00
630-000-0000-5120-000-0000000	OTHER FINANCING SOURCES- PREMIUM ISSUANCE of BONDS			25,533.00
700-000-5000-6831-000-0000000	Bond redemption of principal			
700-000-5000-6840-000-0000000	INTEREST EXPENSE			
Total			1,260,533.00	1,260,533.00
GASB 34 Journal Entries JE # 6		Q102		
To record beginning compensated absences.				
000-000-0000-0350-000	Net Position		537,961.00	
000-000-0000-0295-000	Compensated absences payable			537,961.00
Total			537,961.00	537,961.00
GASB 34 Journal Entries JE # 7		Q102		
To record change to compensated absences.				
000-000-1000-6010-000	Compensated absences		166,392.00	
000-000-2100-6010-000	Compensated absences		30,763.00	
000-000-2300-6010-000	Compensated absences		31,183.00	
000-000-0000-0295-000	Compensated absences payable			218,853.00
000-000-2600-6010-000	Compensated absences			7,333.00
000-000-2700-6010-000	Compensated absences			2,152.00
Total			228,338.00	228,338.00

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Client: **0410181 - Fountain Hills Unified School District No. 98**
 Engagement: **0410181 - Fountain Hills Unified School District No. 98**
 Period Ending: **6/30/2016**
 Trial Balance: **05.01 - Trial Balance**
 Workpaper: **05.04 - GASB 34 Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
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GASB 34 Journal Entries JE # 8

01.02.01

To record the beginning capital assets.

000-000-0000-0191-000	Capital Assets - Non-depreciable Land		2,860,836.00	
000-000-0000-0192-000	Capital Assets - Site Improvements		4,479,655.00	
000-000-0000-0194-000	Capital Assets - Buildings and Building Improvements		62,193,074.00	
000-000-0000-0196-000	Capital Assets - FFE		5,129,533.00	
000-000-0000-0198-000	Capital Assets - Non-depreciable CIP		874,162.00	
000-000-0000-0193-000	Capital Assets - Site Improvements A/D			1,249,179.00
000-000-0000-0195-000	Capital Assets - Buildings A/D			24,350,818.00
000-000-0000-0197-000	Capital Assets - FFE A/D			4,195,655.00
000-000-0000-0350-000	Net Position			45,741,608.00
Total			75,537,260.00	75,537,260.00

GASB 34 Journal Entries JE # 9

01.02.01

To record additions to capital assets

000-000-0000-0192-000	Capital Assets - Site Improvements		21,285.00	
000-000-0000-0194-000	Capital Assets - Buildings and Building Improvements		1,945,269.00	
000-000-0000-0196-000	Capital Assets - FFE		120,217.00	
000-000-0000-0191-000	Capital Assets - Non-depreciable Land			
000-000-0000-0198-000	Capital Assets - Non-depreciable CIP			874,162.00
000-000-1000-6700-000	Capital Additions (Instruction)			75,434.00
000-000-2100-6700-000	Capital Additions (Support Services - Students and Staff)			
000-000-2300-6700-000	Capital Additions (Support Services - Administrative)			
000-000-2600-6700-000	Capital Additions (O&M Plant)			
000-000-2700-6700-000	Capital Additions (Transportation)			1,137,175.00
000-000-3000-6700-000	Capital Additions (Operation of Non-Instructional Services)			
000-000-6000-5400-000	Capital Contributions			
Total			2,086,771.00	2,086,771.00

GASB 34 Journal Entries JE # 10

01.02.01

To record disposals of capital assets

000-000-0000-0191-000	Capital Assets - Non-depreciable Land			
000-000-0000-0192-000	Capital Assets - Site Improvements			
000-000-0000-0193-000	Capital Assets - Site Improvements A/D			
000-000-0000-0194-000	Capital Assets - Buildings and Building Improvements			
000-000-0000-0195-000	Capital Assets - Buildings A/D			
000-000-0000-0196-000	Capital Assets - FFE			
000-000-0000-0197-000	Capital Assets - FFE A/D			
000-000-0000-0198-000	Capital Assets - Non-depreciable CIP			
000-000-6000-5300-000	Gain (Loss) on Sale or Disposal of Capital Assets			
Total			0.00	0.00

GASB 34 Journal Entries JE # 11

01.02.01

To record depreciation by function

000-000-1000-6740-000	Depreciation Expense (Instruction)		1,565,480.00	
000-000-2100-6740-000	Depreciation Expense (Support Services - Students and Staff)		7,067.00	
000-000-2300-6740-000	Depreciation Expense (Support Services - Administrative)		21,175.00	
000-000-2600-6740-000	Depreciation Expense (O&M Plant)		122,162.00	
000-000-2700-6740-000	Depreciation Expense (Transportation)		131,203.00	
000-000-3000-6740-000	Depreciation Expense (Operation of Non-Instructional Services)		3,145.00	
000-000-0000-0193-000	Capital Assets - Site Improvements A/D			138,570.00
000-000-0000-0195-000	Capital Assets - Buildings A/D			1,459,211.00
000-000-0000-0197-000	Capital Assets - FFE A/D			252,451.00
Total			1,850,232.00	1,850,232.00

GASB 34 Journal Entries JE # 12

To record beginning deferred revenue and CY deferred.

000-000-0000-0251-000	Unavailable Revenues		482,842.00	
000-000-0000-0251-000	Unavailable Revenues		783,026.00	
000-0000-1115	Property Taxes - General		717,342.00	
000-0000-1116	Property Taxes - Debt Service		153,320.00	
000-0000-1117	Property Taxes - Capital Outlay		71,883.00	
000-1000-4100	Instructional Operating Grant Revenue		7,691.00	
000-000-0000-0350-000	Net Position			950,236.00
000-0000-1115	Property Taxes - General			595,937.00
000-0000-1116	Property Taxes - Debt Service			127,372.00
000-0000-1117	Property Taxes - Capital Outlay			59,717.00
000-1000-4100	Instructional Operating Grant Revenue			482,842.00
Total			2,216,104.00	2,216,104.00