

AUDIT WRAP-UP

Year Ended June 30, 2013



The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., the Assembly) and, if appropriate, management of the Municipality and is not intended and should not be used by anyone other than these specified parties.

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February 10, 2014

Honorable Mayor and Members of the Assembly
City and Borough of Sitka

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. Our audit engagement letter dated July 18, 2013 outlined our plan for the audit of the financial statements of the City and Borough of Sitka (the Municipality) as of and for the year ended June 30, 2013. That document included a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Municipality's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Municipality. Feel free to contact us to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA, LLP

Discussion Outline

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Status of Our Audit

We have completed our audit of the financial statements as of and for the year ended June 30, 2013. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- The scope of the work performed was substantially the same as that described to you in our Audit Engagement Letter.
- We have issued an unmodified opinion on the financial statements and released our report on February 10, 2014.
- All records and information requested by BDO were freely available for our inspection.
- Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of Municipality personnel throughout the course of our work.

Independence Communication

Our engagement letter to you dated July 18, 2013 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the with respect to independence as agreed to by the Municipality. Please refer to that letter for further information.

Results of Our Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES, AND SIGNIFICANT UNUSUAL TRANSACTIONS

The following summarizes the more significant required communications related to our audit concerning the Municipality's accounting practices, policies, estimates, and significant unusual transactions:

The Municipality's significant accounting practices and policies are those included in Note 1 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 1 to the financial statements.

- The Municipality adopted the following new GASB pronouncements in 2013:
 - GASB Statement 63, *Financial Reporting of Deferred outflows of Resources, Deferred Inflows of Resources, and Net Position* - This statement required a reformatting of the Statement of Net Assets to the Statement of Net Position, established new reporting categories: deferred outflows and deferred inflows, and provides for the reporting of net position, rather than net assets.
 - GASB Statement 65, *Items Previously Reported as Assets and Liabilities* - This statement is a companion to GASB Statement 63 and clarified which items should be reported as deferred outflows and deferred inflows.
- There were no other changes in significant accounting policies and practices during 2013.

Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Overall, the Municipality has very few significant accounting estimates. The most significant estimates are disclosed below:

Significant accounting estimates include:

Collectability of outstanding A/R - Many of the Municipality's accounts receivable are from granting agencies; these are considered by management to be 100% collectible. Customer accounts receivables (water, sewer, harbor, electric) are reviewed by management periodically to determine a reasonable amount of allowance, based on known factors, past history, and age of the outstanding amount.

Estimated Useful Life of Capital Assets (Depreciation) - The Municipality maintains numerous capital assets including machinery, equipment, buildings and infrastructure. Assets are categorized by type and assigned estimate useful lives that vary from 3 years to 50 years, depending on asset type.

Landfill Closure Liability - Accounting rules prescribe that the Municipality accrue the ultimate cost of closure and monitoring as the landfill is being filled. The Municipality has estimated that closure and post-closure costs will approximate \$461,757. This amount has been reported on the statement of net position.

- Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2013.
- We did not identify any significant or unusual transactions, or any transactions for which there was a lack of authoritative guidance.

Results of Our Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

There were numerous audit adjusting entries. Significant audit adjusting entries were made to the following accounts:

- Construction in Progress
- Grants receivable
- Fund balance
- Interfund transfers and billings
- Investment in central treasury
- Long term debt
- Interest expense
- Interfund advances

There were also several reclassification journal entries. Reclassification entries have no effect on fund balance.

There were no uncorrected misstatements related to accounts and/or disclosures that we presented to management.

All journal entries recorded and proposed were provided to management in the representation letter.

OTHER COMMUNICATIONS

The following items represent required audit communications:

1. Qualitative aspects of significant accounting policies and practices
 - We concur with the Municipality's interpretation and application of generally accepted accounting principles and practices derived from the standards set by the Governmental Accounting Standards Board (GASB).
2. Our conclusions regarding significant accounting estimates
 - The nature of the Municipality's operations reduces the need for numerous significant estimates within the accounting records. See comment about estimates above. We believe the Municipality's estimates are reasonable in the circumstances. The Municipality may wish to consider obtaining an independent estimate with respect to the landfill closure.
3. Financial statement disclosures
 - To our knowledge all necessary disclosures have been included in the footnotes to the financial statements.
4. New accounting pronouncements
 - As noted on the previous page, in 2013 the Municipality adopted GASB Statement 63 and GASB Statement 65. We concur with the Municipality's decision to adopt this statement.
5. Alternative accounting treatments
 - We did not identify any accounting treatments that did not comply with generally accepted accounting principles and standards set by GASB.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Municipality's internal controls over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.
Significant Deficiency	A deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted one significant deficiency and two material weaknesses. These items are reported in the Single Audit Reports (a separately bound document) and are not repeated herein.

Other Required Communications

Following is a summary of those required items, along with specific discussion points as they pertain to the Municipality:

Requirement	Discussion Points
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Municipality's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Municipality's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit. Management gave us their complete cooperation. However, the audit was not completed in a timely period. The delay was caused, in part, to the books and records not being fully closed with the report drafted in accordance with GAAP at the time of audit fieldwork. In addition, some delay in audit procedures occurred as a result of unclear information (ADEC loans) as well as some delay on our end due to resource limitations outside of the original timeline.
Representations requested from management	Please refer to the attached management representation letter.

BDO Board Reflections and Ac'sense Programs

The **BDO Board Reflections** resource center is developed with Board members in mind. Understanding the roles, responsibilities, and risks associated with each committee, BDO routinely provides guidance to Directors as they navigate through ever changing challenges in today's corporate climate. BDO's proprietary studies, publications, practice aids, and educational programs help fuel conversations among those charged with corporate governance - who are making the tough decisions. BDO's thought-provoking resources are tailored to help keep Board members ahead of the trends while meeting compliance obligations. For a comprehensive listing of such resources, visit <http://www.bdo.com/board>.

In line with the board resource center is **Ac'senseSM**, BDO's program designed to assist both those charged with governance (including Audit Committees and Boards of Directors) as well as financial executives. Though not specifically designed for governments, this program is applicable to both private companies and public sector organizations in keeping up to date on the latest corporate governance and financial reporting developments.

The program is multi-faceted and consists of complimentary CPE-worthy webinars and self-study courses covering both broad and specific topics of interest, publications, and links to various BDO and external resources. Visit <http://www.bdo.com/acsense/>.

AC'SENSESM WEBINARS

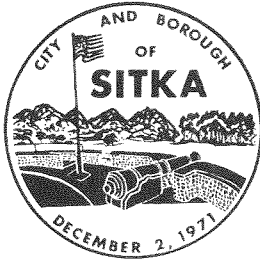
Our webinar programs are presented by our firm technical experts and comprise both short-form and longer-form webinars on a variety of "hot" topics of interest, such as "Compensation Risk," "Fair Value Matters," "Business Combinations," "Applying New Revenue Recognition Rules," "Ethics and the Corporate Board," and many others. In addition, we host several series including our "Quarterly Technical Updates" and "International Financial Reporting Standards" on financial accounting and reporting matters as well as "Focus on Fraud."

Our webinars are complimentary and are generally applicable for Audit Committees, Board members, management, finance and compliance professionals of both public and private companies. Though not specifically targeted to government operations, this program offers valuable information that transcends industries. In addition, most webinars and archives are worthy of Continuing Professional Education (CPE) credit. Please visit our website <http://www.bdo.com/acsense/> for further information on upcoming and archived webinars.

EFFECTIVE AUDIT COMMITTEES IN THE EVER CHANGING MARKETPLACE

The focus of BDO's governance initiatives is to provide those charged with governance with essential, relevant information through clear and concise executive summary-type communications. In this spirit, we have created the [*Effective Audit Committees in the Ever Changing Marketplace*](#) publication as a practical guide to forming and running an effective Audit Committee. Within this publication, we provide answers to certain frequently asked questions (FAQs) centering on the WHYs, WHOs, WHATs, WHENs, and HOWs of Audit Committees. More specifically, these FAQs summarize the common functions and responsibilities of Audit Committees and seek to provide insights and perspective as to how to optimize Audit Committee effectiveness. Our vision has been shaped by our own experiences with our clients and interpretations of the specific recommendations, guidelines and rules of the SEC; the stock exchanges; the Public Company Accounting Oversight Board (PCAOB); the American Institute of Certified Public Accountants (AICPA); and the Blue Ribbon Committee on Improving the Effectiveness of Corporate Audit Committees, sponsored by the New York Stock Exchange and the National Association of Securities Dealers.

Throughout this publication, we focus on some of the more challenging aspects facing Audit Committees. To that end, in addition to our commentary, we have included links and references to other relevant BDO practice aids and tools as well as certain valuable external resources. The guide and practices aids are available at <http://www.bdo.com/acsense/effective.aspx>.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

February 10, 2014

BDO USA, LLP
3601 C Street, Suite 600
Anchorage, AK 99503

Ladies and gentlemen:

We are providing this letter in connection with your audits of the financial statements of City and Borough of Sitka, Alaska, 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, 2013 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, changes in financial position, and, where applicable, cash flows of City and Borough of Sitka in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the preparation and fair presentation in the financial statements of financial position, changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America.

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 the 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.

We confirm, to the best of our knowledge and belief, as of the date of this representation 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 July 18, 2013, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We have included 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.
- (2) We have fulfilled our responsibility, as set out in the terms of the aforementioned audit engagement letter, 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.
- (3) The financial statements include all assets and liabilities under the entity's control.

- (4) We have made available to you all:
 - (a) Financial records, and related data and all audit or relevant monitoring reports, if any, received from funding sources, as agreed upon in the terms of the aforementioned audit engagement letter.
 - (b) Minutes of the meetings of Borough Assembly and committees that were held from July 1, 2013 to the date of this letter, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- (5) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
- (6) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements, schedule of expenditures of federal awards, or schedule of state financial assistance. All financial statement misstatements, including those adjustments proposed by the City after we received the final trial balance, relating to accounts and disclosures identified and discussed with us in the course of the audit as listed in Attachment A - "Schedule of Audit Adjustments" have been corrected. We have evaluated the propriety of the corrected misstatements based on a review of both the applicable authoritative literature and the underlying supporting evidence from our files and confirm our responsibility for the decision to correct them.
- (7) In regards to the assistance with drafting the government-wide (full accrual) statements, services performed by you, we have: (1) assumed all management responsibilities, (2) designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services, (3) evaluated the adequacy and results of the services performed, and (4) accepted responsibility for the results of the services.
- (8) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud. 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. We have no knowledge of any:
 - (a) Fraud or suspected fraud involving management or involving employees who have significant roles in internal control, whether or not perceived to have a material effect on the financial statements.
 - (b) Fraud or suspected fraud involving others where the fraud could have a material effect on the financial statements.
 - (c) Allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, regulatory agencies, law firms, predecessor accounting firms, or other professionals.
- (9) 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.
- (10) We have a process to track the status of audit findings and recommendations.

- (11) 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.
- (12) We have provided views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- (13) We have provided views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- (14) We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position balances.
- (15) The following, where applicable and material, have been properly recorded or disclosed in the financial statements:
 - (a) The identity of related parties and all related party relationships and transactions of which we are aware, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - (b) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - (c) All derivative instruments and any embedded derivative instruments that require bifurcation.
 - (d) Guarantees, whether written or oral, under which the City and Borough of Sitka is contingently liable.
 - (e) Significant estimates and material concentrations known to management that are required to be disclosed. In that regard, all accounting estimates that could be material to the financial statements, including key factors and significant assumptions underlying those estimates, have been identified, and we believe the estimates are reasonable in the circumstances.
 - (f) The effects of all known actual or possible litigation, claims, assessments, and other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
 - (g) Commitments, such as:
 - Major fixed asset purchase agreements;
 - More-than-one-year employment arrangements or contracts with suppliers or customers, or one-year-or-longer term leases;
 - Deferred compensation, bonuses, pensions plans, or severance pay; or

- Pending sale or merger of all or a portion of the business or of an interest therein or acquisition of all or a portion of the business, assets or securities of another entity;
- (h) For environmental clean-up obligations.
- (i) For closure and post-closure care costs associated with operation of the City and Borough of Sitka's solid waste landfill.
- (j) Participation in a public entity risk pool.
- (16) There are no:
- (a) Violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), and provisions of contracts and grant agreements (including the failure to file reports required by regulatory bodies (e.g., EPA, OCC, FDIC, DOL, Medicare, U.S. Customs Service, HIPAA, IRS, Dept. of Commerce, state and municipal authorities) when the effects of failing to file could be material to the financial statements) whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - (b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
 - (c) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- (17) Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
- (18) The City and Borough of Sitka 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.
- (19) We have complied with all aspects of contractual agreements, including debt covenants, that would have a material effect on the financial statements in the event of noncompliance.
- (20) No discussions have taken place with your firm's personnel regarding employment with the City and Borough of Sitka.
- (21) We are responsible for compliance with laws, regulations and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.

- (22) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- (23) The financial statements include all component units, and properly disclose all other related organizations.
- (24) The financial statements properly classify all funds and activities.
- (25) 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.
- (26) 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.
- (27) Revenues are appropriately classified in the statement of activities within program revenues or general revenues.
- (28) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- (29) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- (30) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- (31) We have appropriately disclosed the City and Borough of Sitka's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- (32) With respect to federal and state award programs:
 - (a) We are responsible for understanding and complying with, and have complied with, the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits including requirements relating to the preparation of the schedule of expenditures of federal awards (SEFA) and the Schedule of State Financial Assistance (SSFA).
 - (b) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and included in the SEFA and SSFA expenditures made during the audit period for all awards provided by federal and state agencies in the form of grants, federal or state 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 acknowledge our responsibility for presenting the schedule of expenditures of federal awards and the schedule of state financial assistance in accordance with the requirements of OMB Circular A-133 §310.b and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, and we believe the SEFA and SSFA, including their form and content, are fairly presented in accordance with the Circular and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The methods of measurement and presentation of the SEFA and SSFA have not changed from those used in the prior period.
- (d) If the SEFA and SSFA are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA and SSFA no later than the date we issue the SEFA and SSFA and the auditor's reports thereon.
- (e) We are responsible for understanding and complying with, and have complied with in all material respects, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal and state programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements considered to have a direct and material effect on each federal and state program.
- (f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal and state programs that provides a reasonable assurance that we are managing our federal and state awards in compliance with laws, regulations and the provisions of contracts and grant agreements that could have a material effect on our federal and state programs. We believe the internal control system is adequate and is functioning as intended. Also, subsequent to the date as of which compliance was audited, no changes have occurred in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies (including material weaknesses) in internal control over compliance as reported in the schedule of findings and questioned costs.
- (g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal and state agencies or pass-through entities relating to each major federal and state program.
- (h) We have received no requests from a federal or state agency to audit one or more specific programs as a major program.
- (i) We have complied, in all material respects, with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Circular A-133 "Compliance Supplement" and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits relating to federal and state awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal and state awards, including the results of other audits or program reviews.

- (j) We have disclosed to you any communications from grantors 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.
- (k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal and 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.
- (l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- (m) We have disclosed to you our interpretations of compliance requirements that have varying interpretations, if any.
- (n) We have made available to you all documentation related to compliance with the direct and material requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.
- (o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- (p) There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- (q) Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards and the schedule of state financial assistance.
- (r) The copies of federal and state program financial reports provided you are true copies of the reports submitted or electronically transmitted, to the respective federal or state agency or pass-through entity, as applicable.
- (s) We have charged costs to federal and state awards in accordance with applicable cost principles.
- (t) We are responsible for, and will accurately prepare and certify the auditee section of the Data Collection Form as required by OMB Circular A-133.
- (u) We are also responsible for preparing and implementing a corrective action plan for each audit finding.

- (v) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by OMB Circular A-133, 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.
- (w) We are also responsible for preparing and implementing a corrective action plan for each audit finding.
- (x) We are responsible for, and have accurately prepared, the summary schedule of prior audit findings required to be included by OMB Circular A-133, 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.
- (33) We have adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and we have elected to adopt the provisions of GASB Statement number 65, Items Previously Reported as Assets and Liabilities. These provisions have been retrospectively applied to all periods presented in the financial statements.
- (34) We acknowledge our responsibility for the presentation of the required supplementary information, and the required supplementary information is measured and presented in accordance with prescribed guidelines. The methods of measurement or presentation have changed from those used in the prior period due to the implementation of GASB No. 63 and GASB No. 65.
- (35) We acknowledge our responsibility for the presentation of the Schedule of Expenditures of Federal Awards, Schedule of State Financial Assistance, and the combining and individual fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe this supplementary information, including its form and content, is fairly presented in accordance with the accounting principles generally accepted in the United States of America. The methods of measurement and presentation for the combining and individual fund financial statements and schedules have changed from those used in the prior period due to the implementation of GASB No. 63 and GASB No. 65.
- (36) In connection with any electronic presentation of the financial statements and your audit report thereon on our web site, we acknowledge that:
- We are responsible for the preparation, presentation, and content of the financial statements in the electronic format.
 - If your audit report is presented on our web site, the full financial statements upon which you reported and to which you appended your signed report will be presented.
 - We will clearly indicate in the electronic presentation on our web site the financial information that is subject to your audit report. We will clearly differentiate any information that may also be presented by us on or in connection with our web site

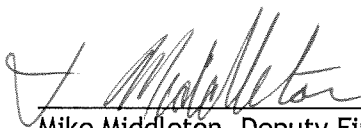
that was contained in the published version of the financial statements and other supplementary information, but which is not part of the audited financial statements or other financial information covered by your audit report.

- We have assessed the security over financial statement information and the audit report presented on our web site, and are satisfied that procedures in place are adequate to ensure the integrity of the information provided. We understand the risk of potential misrepresentation inherent in publishing financial information on our web site through internal failure or external manipulation.
- Our web site, which contains the electronic financial statements, will advise the reader that such financial statements are presented for convenience and information purposes only, and while reasonable efforts have been made to ensure the integrity of such information, they should not be relied on. A copy of the printed financial statements will be provided on request.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this representation letter, as entered on the first page, that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Very truly yours,


Jay Sweeney III, Finance Director


Mike Middleton, Deputy Finance Director

Number	Name	Account No	Debit	Credit
1	Construction in Progress	700.000.000.1590.000 700		-3,767,011
1	Construction in Progress	700.000.000.1590.000 700		-1,591,839
1	Undesignated/Re. Earnings	700.000.000.2920.000 700	3,767,011	
1	Capitalize Contract/Servi	700.600.670.7150.000 700	1,591,839	
1	Construction in Progress	703.000.000.1590.000 703		-19,451
1	Construction in Progress	703.000.000.1590.000 703	19,451	
1	Undesignated/Re. Earnings	703.000.000.2920.000 703	19,451	
1	Capitalize Contract/Servi	703.600.670.7150.000 703		-19,451
1	Construction in Progress	704.000.000.1590.000 704		-174,122
1	Construction in Progress	704.000.000.1590.000 704	174,122	
1	Undesignated/Re. Earnings	704.000.000.2920.000 704	174,122	
1	Capitalize Contract/Servi	704.600.670.7150.000 704		-174,122
1	Construction in Progress	705.000.000.1590.000 705		-3,493,392
1	Construction in Progress	705.000.000.1590.000 705	3,493,392	
1	Undesignated/Re. Earnings	705.000.000.2920.000 705	3,493,392	
1	Capitalize Contract/Servi	705.600.670.7150.000 705		-3,493,392
1	Construction in Progress	706.000.000.1590.000 706		-8,239,933
1	Construction in Progress	706.000.000.1590.000 706		-1,164,572
1	Undesignated/Re. Earnings	706.000.000.2920.000 706	8,239,933	
1	Capitalize Contract/Servi	706.600.670.7150.000 706	1,164,572	
1	Construction in Progress	707.000.000.1590.000 707		-199,615
1	Construction in Progress	707.000.000.1590.000 707		-1,705,755
1	Undesignated/Re. Earnings	707.000.000.2920.000 707	199,615	
1	Capitalization Cost	707.600.670.7150.000 707	1,705,755	

Proposed entry to remove CWIP from
Governmental funds

2	Amount Provided Sp Assess	610.000.000.1830.100 610		-361,015
2	Capital Lease E911 System	610.000.000.2500.210 610	361,015	

To remove advance from fund 610.
The advance belongs in the general fund.

3	Undesignated/Re. Earnings	200.000.000.2920.000 200		
3	Bond Payable Proceeds	200.300.390.3905.000 200		
3	Bond Premium Proceeds	200.300.390.3911.000 200		

To remove bond proceeds from
Electric Fund - this entry was deleted and replaced by PBC15

7	Accounts Receivable - State	707.000.000.1050.060 707	109,757	
7	Grant Revenue	707.300.310.3101.005 707		-109,757

Record Grant AR for pacific high
school grant

8	PERS Relief	100.300.310.3101.017 100		-78,972
8	PERS	100.500.001.5120.004 100	4,968	
8	PERS	100.500.002.5120.004 100	1,961	
8	PERS	100.500.003.5120.004 100	1,961	
8	PERS	100.500.004.5120.004 100	10,983	
8	PERS	100.500.005.5120.004 100	1,569	
8	PERS	100.500.006.5120.004 100	1,700	
8	PERS	100.520.021.5120.004 100	24,973	

Number	Name	Account No	Debit	Credit
8	PERS	100.520.022.5120.004 100	7,845	
8	PERS	100.520.023.5120.004 100	915	
8	PERS	100.530.031.5120.004 100	3,399	
8	PERS	100.530.032.5120.004 100	4,707	
8	PERS	100.530.033.5120.004 100	3,792	
8	PERS	100.530.034.5120.004 100	1,961	
8	PERS	100.530.035.5120.004 100	1,569	
8	PERS	100.540.041.5120.004 100	4,184	
8	PERS	100.540.043.5120.004 100	2,484	
8	PERS Relief	200.300.310.3101.017 200		-28,765
8	PERS	200.600.601.5120.004 200	3,269	
8	PERS	200.600.602.5120.004 200	915	
8	PERS	200.600.603.5120.004 200	13,859	
8	PERS	200.600.605.5120.004 200	7,453	
8	PERS	200.600.606.5120.004 200	2,484	
8	PERS	200.600.635.5120.004 200	784	
8	PERS Relief	210.300.310.3101.017 210		-2,484
8	PERS	210.600.605.5120.004 210	1,830	
8	PERS	210.600.610.5120.004 210	654	
8	PERS Relief	220.300.310.3101.017 220		-7,453
8	PERS	220.600.601.5120.004 220	915	
8	PERS	220.600.607.5120.004 220	2,092	
8	PERS	220.600.610.5120.004 220	4,445	
8	PERS Relief	230.300.310.3101.017 230		-1,177
8	PERS	230.600.622.5120.004 230	1,177	
8	PERS Relief	240.300.310.3101.017 240		-5,491
8	PERS	240.600.601.5120.004 240	915	
8	PERS	240.600.630.5120.004 240	4,576	
8	PERS Relief	300.300.310.3101.017 300		-2,615
8	PERS	300.600.630.5120.004 300	2,615	
8	PERS Relief	310.300.310.3101.017 310		-1,438
8	PERS	310.600.630.5120.004 310	1,438	
8	PERS Relief	320.300.310.3101.017 320		-2,353
8	PERS	320.600.601.5120.004 320	2,353	

To update PERS on behalf payments
with FY13 amounts which were paid in FY14.

10	Cost of Issuance 2013 Series I	240.000.000.1810.021 240		-33,597
10	Amortization of Issuance Costs	240.600.640.6101.000 240	33,597	

To expense issuance costs in
Harbor Fund

11	2010 Bond Issuance Costs	200.000.000.1810.014 200		-339,771
11	Defeased bond issue cost	200.000.000.1810.015 200		-750,533
11	Amortize def bnd iss cost	200.000.000.1810.092 200	88,298	
11	Undesignated/Re. Earnings	200.000.000.2920.000 200	1,002,006	

To restate beginning net position
for write off of 2012 bond issue costs.

Number	Name	Account No	Debit	Credit
12	Cost of Debt Issuance	200.000.000.1810.021 200		-254,111
12	Premium/Discount Bonds	200.600.690.7750.000 200	254,111	
	To adjust cost of issuance.			
13	Undesignated/Re. Earnings	171.000.000.2920.000 171		-79,123
13	Other Expenses	171.500.601.5290.000 171	79,123	
13	Undesignated/Re. Earnings	270.000.000.2920.000 270		-149,396
13	Other Expenses	270.600.630.5290.000 270	149,396	
	To make equity roll in the funds			
15	D4 Air Quality Permit	200.000.000.1810.060 200		-76,025
15	Amortization - FERC lic	200.600.640.6101.100 200	76,025	
	amortize air quality permit			
16	Bond Premium 2013 Series I	200.000.000.2500.019 200		-42,491
16	Premium on 2010 Bonds	200.000.000.2500.090 200	77,663	
16	Deferred Loss on Bonds	200.000.000.2500.095 200		-135,973
16	Amortization	200.600.640.6101.000 200	178,464	
16	Interest Expense	200.600.650.5295.000 200	100,801	
16	Interest Expense	200.600.650.5295.000 200		-178,464
	Correct bond premium and ammortization in Electric fund and move bond amortization AJE (PBC 18) to interest			
17	Accrued Salaries/Wages	100.000.000.2050.001 100		-120,384
17	Regular Salaries/Wages	100.500.001.5110.001 100	10,000	
17	Regular Salaries/Wages	100.500.004.5110.001 100	20,000	
17	Regular Salaries/Wages	100.520.021.5110.001 100	30,000	
17	Regular Salaries/Wages	100.530.032.5110.001 100	10,000	
17	Regular Salaries/Wages	100.540.041.5110.001 100	10,274	
17	Fixed Assets-Police	100.550.670.7106.021 100		-361,015
17	Interfund Transfers	100.550.680.7200.000 100	401,125	
17	Other Expenses	171.500.601.5290.000 171		-79,123
17	Interfund Transfers	171.500.601.7200.000 171	480,248	
17	Interfund Transfers	171.500.601.7200.000 171		-401,125
17	Advances Payable	270.000.000.2300.000 270	480,248	
17	Deferred Revenue	270.000.000.2700.000 270	149,396	
17	Other Expenses	270.600.630.5290.000 270		-149,396
17	Interfund Transfers	270.600.680.7200.000 270		-480,248
	Correct PBC#20 and other entries, opening balance equity due to improper recording of advances, transfers (This entry is a correcting er several prior adjustment and is recorded in the net).			
18	Investment-Central Trea.	210.000.000.1030.100 210		-183,401
18	Construction in Progress	210.000.000.1590.000 210		-183,401
18	Investment-Central Trea.	220.000.000.1030.100 220	697,747	
18	Construction in Progress	220.000.000.1590.000 220		-697,747
18	Investment-Central Trea.	720.000.000.1030.100 720	183,401	
18	Loan Proceeds	720.300.310.3101.020 720	54,460	
18	Loan proceeds	720.300.315.3151.020 720	128,941	
18	Investment-Central Trea.	730.000.000.1030.100 730		-697,747

Number	Name	Account No	Debit	Credit
18	Loan Proceeds	730.300.310.3101.020 730	139,585	
18	Loan proceeds	730.300.315.3151.020 730	558,162	

To correct CWIP balance for amounts posted to force equity to balance. This entry reverses several prior AJEs (pr post audit). This entry is based on the approximately amount of ADEC loans payable landed in revenue; however they are this is the UNSUBSIDZED portion. Therefore sho be in revenue.

19	BMS Pool Equipment	600.000.000.1540.021 600		-361,604
19	BMS Pool Equipment	600.000.000.1640.021 600	360,850	
19	F.A. from Other Funds	600.000.000.2810.005 600	754	

PBC 1	Accts Rec.-Sales Tax	100.000.000.1050.080 100	539,100	
PBC 1	2nd Qtr Calendar Yr Sales	100.300.302.3021.002 100		-539,100

PBC Entry to correct Sales Tax Receivable

PBC 4	Interfund Billing CPET	100.300.370.3701.194 100	100,685	
PBC 4	General Interfnd Billing	100.300.370.3701.700 100	34,835	
PBC 4	General Interfnd Billing	100.300.370.3701.705 100	2,535	
PBC 4	Transfer In Comm Pass Tax	100.300.390.3950.194 100		-100,685
PBC 4	Transfer In Cap Proj Fund	100.300.390.3950.700 100		-34,835
PBC 4	Transfer In	100.300.390.3950.705 100		-2,535
PBC 4	WaterCapInterfnd Billing	210.300.370.3701.720 210	35,000	
PBC 4	Transfer In	210.300.390.3950.720 210		-35,000
PBC 4	Interfund Billing CPET	240.300.370.3701.194 240	27,163	
PBC 4	Transfer In Comm Pass Tax	240.300.390.3950.194 240		-27,163
PBC 4	SE Econ Dev Fund Interfun	300.300.370.3701.171 300	238,000	
PBC 4	Transfer In	300.300.390.3950.171 300		-238,000
PBC 4	General Fnd Interfnd Bill	310.300.370.3701.100 310	106	
PBC 4	WWater Interfund Bill	310.300.370.3701.220 310	953	
PBC 4	Transfer In	310.300.390.3950.100 310		-106
PBC 4	Transfer In	310.300.390.3950.220 310		-953
PBC 4	Interfund Billing CPET	320.300.370.3701.194 320	2,472	
PBC 4	Transfer In	320.300.390.3950.194 320		-2,472
PBC 4	General Fnd Interfnd Bill	700.300.370.3701.100 700	763,672	
PBC 4	Interfund Billing CPET	700.300.370.3701.194 700	1,000,000	
PBC 4	Maint Fund Interfund Bill	700.300.370.3701.320 700	78,000	
PBC 4	Transfer In General Fund	700.300.390.3950.100 700		-763,672
PBC 4	Transfer In	700.300.390.3950.194 700		-1,000,000
PBC 4	Transfer In	700.300.390.3950.320 700		-78,000
PBC 4	General Fnd Interfnd Bill	707.300.370.3701.100 707	935,045	
PBC 4	Transfer In	707.300.390.3950.100 707		-935,045
PBC 4	General Fnd Interfnd Bill	708.300.370.3701.100 708	822,776	
PBC 4	Transfer In	708.300.390.3950.100 708		-822,776

To move transfers out of interfund billings

Number	Name	Account No	Debit	Credit
PBC 5	Other Expenses	173.500.601.5290.000 173		-18,034
PBC 5	Transfers Out	173.500.601.7200.000 173	18,034	
To fix transfers				
PBC 6	ElectricInterfnd Billing	200.300.370.3701.710 200	66,570	
PBC 6	Interfund Transfers	200.600.680.7200.000 200		-1,869,749
PBC 6	WaterCapInterfnd Billing	210.300.370.3701.720 210	492,036	
PBC 6	Interfund Transfers	210.600.680.7200.000 210		-581,165
PBC 6	WWaterCapInterfnd Billing	220.300.370.3701.730 220	87,842	
PBC 6	Interfund Transfers	220.600.680.7200.000 220		-150,000
PBC 6	HarborCapInterfnd Billing	240.300.370.3701.750 240	32,569	
PBC 6	Interfund Transfers	240.600.680.7200.000 240		-180,000
PBC 6	Interfund Transfers	250.600.680.7200.000 250		-1,148
PBC 6	Interfund Transfers	270.600.680.7200.000 270		-226,532
PBC 6	Interfund Transfers	703.600.680.7200.000 703		-420,575
PBC 6	Interfund Transfer	704.300.370.3701.703 704	420,575	
PBC 6	Electric Interfund Bill	710.300.370.3701.200 710	1,869,749	
PBC 6	Transfer In Revenue Bond	710.300.390.3950.711 710	18,807,332	
PBC 6	Transfer In Revenue Bondd	710.300.390.3950.712 710	2,233,524	
PBC 6	Interfund Transfers	710.600.680.7200.000 710		-66,570
PBC 6	Interfund Transfers	711.600.680.7200.000 711		-18,807,332
PBC 6	Interfund Transfers	712.600.680.7200.000 712		-2,233,524
PBC 6	Water Interfund Bill	720.300.370.3701.210 720	581,165	
PBC 6	Interfund Transfers Out	720.600.680.7200.000 720		-492,036
PBC 6	Water Interfund Bill	730.300.370.3701.210 730	150,000	
PBC 6	Interfund Transfers	730.600.680.7200.000 730		-87,842
PBC 6	Harbor Interfund Bill	750.300.370.3701.240 750	180,000	
PBC 6	Transfer In Revenue Bondd	750.300.390.3950.751 750	480,198	
PBC 6	Interfund Transfers	750.600.680.7200.000 750		-32,569
PBC 6	Interfund Transfers	751.600.680.7200.000 751		-480,198
PBC 6	Air Term Interfund Bill	760.300.370.3701.250 760	1,148	
PBC 6	SMC Interfund Bill	780.300.370.3701.270 780	225,000	
PBC 6	SE Econ Dev Fund Interfun	781.300.370.3701.171 781	1,532	
To eliminate transfers in/out between combined funds.				
PBC 8	Compensated Absences Pay.	200.000.000.2060.000 200		-631
PBC 8	Annual Leave	200.600.601.5120.001 200	631	
PBC 8	Compensated Absences Pay.	210.000.000.2060.000 210	213	
PBC 8	Annual Leave	210.600.601.5120.001 210		-213
PBC 8	Compensated Absences Pay.	220.000.000.2060.000 220	1,730	
PBC 8	Annual Leave	220.600.601.5120.001 220		-1,730
PBC 8	Compensated Absences Pay.	230.000.000.2060.000 230	1,484	
PBC 8	Annual Leave	230.600.601.5120.001 230		-1,484
PBC 8	Compensated Absences Pay.	240.000.000.2060.000 240	4,434	
PBC 8	Annual Leave	240.600.601.5120.001 240		-4,434
PBC 8	Compensated Absences Pay.	270.000.000.2060.000 270	18	
PBC 8	Annual Leave	270.600.630.5120.001 270		-18
PBC 8	Compensated Absences Pay.	300.000.000.2060.000 300	3,060	
PBC 8	Annual Leave	300.600.630.5120.001 300		-3,060
PBC 8	Compensated Absences Pay.	310.000.000.2060.000 310	58	

Number	Name	Account No	Debit	Credit
PBC 8	Annual Leave	310.600.601.5120.001 310		-58
PBC 8	Compensated Absences Pay.	320.000.000.2060.000 320	430	
PBC 8	Annual Leave	320.600.601.5120.001 320		-430
PBC 8	Amount Needed Comp Absenc	610.000.000.1830.020 610		-95,494
PBC 8	Compensated Absences Pay.	610.000.000.2060.000 610	95,494	
To adjust compensated absences to schedule.				
PBC 9	Cash - Deposit in transit	100.000.000.1020.005 100	90,657	
PBC 9	Clearing Acct Harbors	100.000.000.2010.008 100		-90,657
To record deposit in transit				
PBC10	Advances to other funds	100.000.000.1060.040 100		-361,015
PBC10	Fixed Assets-Police	100.550.670.7106.021 100	361,015	
PBC10	Amount Provided Sp Assess	610.000.000.1830.100 610		-361,015
PBC10	Capital Lease E911 System	610.000.000.2500.210 610	361,015	
To show new advance in general fund				
PBC11	Contracted/Purchased Serv	100.530.034.5212.000 100		-3,900
PBC11	Interfund Transfers	100.550.680.7200.000 100	3,900	
PBC11	Contracted/Purchased Serv	194.600.630.5212.000 194		-116,576
PBC11	Interfund Transfers Out	194.600.680.7200.000 194	116,576	
PBC11	Miscellaneous	700.300.380.3807.000 700	3,900	
PBC11	Miscellaneous	700.300.380.3807.000 700	116,576	
PBC11	Transfer In General Fund	700.300.390.3950.100 700		-3,900
PBC11	Transfer In	700.300.390.3950.194 700		-116,576
PBC12	Acc. Amort. FERC License	200.000.000.1810.095 200		-19,827
PBC12	Amortization - FERC lic	200.600.640.6101.100 200	19,827	
PBC13	Acc. Amortization - 1992	270.000.000.1810.090 270	45,876	
PBC13	Amortization	270.600.640.6101.000 270		-45,876
PBC14	Construction in Progress	200.000.000.1590.000 200	1,227,364	
PBC14	Contra Interest expense - Amount capitalized	200.600.650.5295.100 200		-1,227,364
To capitalize interest				
PBC15	2013 Debt Serv Reserve Fd	200.000.000.1800.060 200		-3,092,729
PBC15	Cost of Debt Issuance	200.000.000.1810.021 200		-126,439
PBC15	Bonds Payable 2013 Series I	200.000.000.2500.017 200	35,530,000	
PBC15	Bond Premium 2013 Series I	200.000.000.2500.019 200	4,759,040	
PBC15	Undesignated/Re. Earnings	200.000.000.2920.000 200		-77,358,913
PBC15	Bond Payable Proceeds	200.300.390.3905.000 200	35,530,000	
PBC15	Bond Premium Proceeds	200.300.390.3911.000 200	4,759,040	

Number	Name	Account No	Debit	Credit
PBC16	2013 Debt Serv Reserve Fd	240.000.000.1800.060 240		-312,150
PBC16	Cost of Issuance 2013 Series I	240.000.000.1810.021 240		-11,526
PBC16	Bonds Payable 2013 Series I	240.000.000.2500.017 240	3,955,000	
PBC16	Bond Premium 2013 Series I	240.000.000.2500.019 240	638,427	
PBC16	Undesignated/Re. Earnings	240.000.000.2920.000 240		-8,863,179
PBC16	Debt Issuance	240.300.390.3905.000 240	3,955,000	
PBC16	Bond Premium Proceeds	240.300.390.3911.000 240	638,427	

To correct entry for Harbor fund
bond issuance

PBC17	Money Market - FNBA Trust	100.000.000.1020.011 100		-4,269,752
PBC17	Money Market - FNBA Trust	100.000.000.1020.011 100		-37,069,873
PBC17	Investment-Central Trea.	100.000.000.1030.100 100	4,269,752	
PBC17	Investment-Central Trea.	100.000.000.1030.100 100	37,069,873	
PBC17	Investment-Central Trea.	712.000.000.1030.100 712		-37,069,873
PBC17	Transfer In Electric	712.300.390.3950.200 712	37,069,873	
PBC17	Investment-Central Trea.	751.000.000.1030.100 751		-4,269,752
PBC17	Transfer In Harbor	751.300.390.3950.240 751	4,269,752	

PBC18	Investment-Central Trea.	200.000.000.1030.100 200	37,069,873	
PBC18	Fiscal A.C. Capital Res.	200.000.000.1800.040 200	3,092,429	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200	66,736	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200	65,599	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200	126,739	
PBC18	Cost of Debt Issuance	200.000.000.1810.021 200		-4,963
PBC18	Bonds Payable 2013 Series I	200.000.000.2500.017 200		-35,530,000
PBC18	Bond Premium 2013 Series I	200.000.000.2500.019 200		-4,759,040
PBC18	Bond Premium 2013 Series I	200.000.000.2500.019 200	178,464	
PBC18	Amortization	200.600.640.6101.000 200	4,963	
PBC18	Amortization	200.600.640.6101.000 200		-178,464
PBC18	Bond related travel	200.600.690.7740.000 200		-66,736
PBC18	Bond related travel	200.600.690.7740.000 200		-65,599

To correct bond entry

PBC19	Investment-Central Trea.	240.000.000.1030.100 240	4,269,752	
PBC19	2013 Debt Serv Reserve Fd	240.000.000.1800.060 240	312,150	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	7,429	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	16,401	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	11,526	
PBC19	Cost of Issuance 2013 Series I	240.000.000.1810.021 240		-1,758
PBC19	Bonds Payable 2013 Series I	240.000.000.2500.017 240		-3,955,000
PBC19	Bond Premium 2013 Series I	240.000.000.2500.019 240		-638,427
PBC19	Bond Premium 2013 Series I	240.000.000.2500.019 240	23,941	
PBC19	Amortization of Issuance Costs	240.600.640.6101.000 240	1,758	
PBC19	Amortization of Issuance Costs	240.600.640.6101.000 240		-23,941
PBC19	Cost of Issuance	240.600.690.7740.000 240		-7,429
PBC19	Cost of Issuance	240.600.690.7740.000 240		-16,401

To correct bond entry

Number	Name	Account No	Debit	Credit
PBC20	Accrued Salaries/Wages	100.000.000.2050.001 100	120,384	
PBC20	Undesignated/Re. Earnings	100.000.000.2920.000 100		-120,384
PBC20	Construction in Progress	210.000.000.1590.000 210	183,401	
PBC20	Undesignated/Re. Earnings	210.000.000.2920.000 210		-183,401
PBC20	Construction in Progress	220.000.000.1590.000 220	697,747	
PBC20	Undesignated/Re. Earnings	220.000.000.2920.000 220		-697,747
PBC20	Advances Payable	270.000.000.2300.000 270		-480,248
PBC20	Deferred Revenue	270.000.000.2700.000 270		-149,396
PBC20	Undesignated/Re. Earnings	270.000.000.2920.000 270		-45,876
PBC20	Undesignated/Re. Earnings	270.000.000.2920.000 270	480,248	
PBC20	Undesignated/Re. Earnings	270.000.000.2920.000 270	149,396	
PBC20	Amortization	270.600.640.6101.000 270	45,876	

To record py entries not posted.

PBC21	Accrued Postclosure Costs	230.000.000.2600.000 230	99,999	
PBC21	Accrued Postclosure Costs	230.000.000.2600.000 230		-61,760
PBC21	Contracted/Purchased Serv	230.600.621.5212.000 230		-99,999
PBC21	Contracted/Purchased Serv	230.600.621.5212.000 230	61,760	

Postclosure catchup

PBC22	Compensated Absences Pay.	270.000.000.2060.000 270	18	
PBC22	Other Expenses	270.600.630.5290.000 270		-18

NOt recorded - client should delete or reverse this entry

PBC24	Accts Rec. - State	240.000.000.1050.060 240		-72,044
PBC24	Raw Fish Tax	240.300.310.3101.004 240	72,044	

To adjust raw Fish Tax revenue to actual

PBC25	Revenue Sharing	100.300.310.3101.003 100	261,521	
PBC25	Other Expenses	100.550.660.5290.000 100		-261,521

To reclassify funds received from School District

RJE 1	Checking Account- General	100.000.000.1020.001 100		
RJE 1	Clearing Acct Harbors	100.000.000.2010.008 100		

Reclass clearing account deposit in transit into cash

RJE 4	Revenue Sharing	100.300.310.3101.003 100	261,521	
RJE 4	Other Expenses	100.550.660.5290.000 100		-261,521

Entry proposed by BDO to move payment by SD out of revenue sharing

PBC 2 & 3	2013 Debt Serv Reserve Fd	200.000.000.1800.060 200	3,092,729	
PBC 2 & 3	Cost of Debt Issuance	200.000.000.1810.021 200	126,439	
PBC 2 & 3	Bonds Payable 2013 Series I	200.000.000.2500.017 200		-35,530,000
PBC 2 & 3	Bond Premium 2013 Series I	200.000.000.2500.019 200		-4,759,040
PBC 2 & 3	Undesignated/Re. Earnings	200.000.000.2920.000 200	37,069,873	

Number	Name	Account No	Debit	Credit
PBC 2 & 3	Undesignated/Re. Earnings	200.000.000.2920.000 200	40,289,040	
PBC 2 & 3	Bond Payable Proceeds	200.300.390.3905.000 200		-35,530,000
PBC 2 & 3	Bond Premium Proceeds	200.300.390.3911.000 200		-4,759,040
PBC 2 & 3	2013 Debt Serv Reserve Fd	240.000.000.1800.060 240	312,150	
PBC 2 & 3	Cost of Issuance 2013 Series I	240.000.000.1810.021 240	11,526	
PBC 2 & 3	Bonds Payable 2013 Series I	240.000.000.2500.017 240		-3,955,000
PBC 2 & 3	Bond Premium 2013 Series I	240.000.000.2500.019 240		-638,427
PBC 2 & 3	Undesignated/Re. Earnings	240.000.000.2920.000 240	4,269,752	
PBC 2 & 3	Undesignated/Re. Earnings	240.000.000.2920.000 240	4,593,427	
PBC 2 & 3	Debt Issuance	240.300.390.3905.000 240		-3,955,000
PBC 2 & 3	Bond Premium Proceeds	240.300.390.3911.000 240		-638,427

PBC entry to correct Electric and Harbor bonds