

The Honorable Mayor and City Council
Town of Paradise Valley
Paradise Valley, Arizona

We have audited the financial statements of Town of Paradise Valley for the year ended June 30, 2021, and have issued our report thereon dated December 28, 2021. 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 May 10, 2021, 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 Town of Paradise Valley. 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 Town of Paradise Valley 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, 2021. We noted no transactions entered into by the Town of Paradise Valley 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.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

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. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

Management's estimate of the net pension liability is based on an actuarial report performed by an independent party for the pension administrator. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

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. Also attached is a schedule summarizing uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as whole.

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 December 28, 2021.

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 Town’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 Town’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’s discussion and analysis and pension 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 Other Supplementary Information, 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 and statistical sections, 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.

Internal Controls Over Financial Reporting

We were engaged to plan and perform our audit in accordance with *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. We have issued a separate GAS report dated December 28, 2021 in accordance with these standards. Our report did not identify any instances of deficiencies in internal control that we considered to be a material weakness or significant deficiency as defined in that report.

Other Observations and Recommendations

We noted other matters involving internal control and its operation, and other observations, which came to our attention during the course of our audit of the financial statements and offer these comments and suggestions with respect to these matters.

Allowance for court receivables

While auditing court receipts, we noted court receivables greater than one year outstanding have been allowed for, but never written off. A significant number of receivables dating back years continue to accumulate.

Effect: The past due receivables continue to grow in the accounting system, with little probability of collection.

Recommendation: It is best practice to write off accounts that are no longer being pursued or are deemed uncollectible. We recommend the Town adopt a policy detailing a reasonable period for how long the Town will pursue outstanding receivables before writing them off. Any write-off subsequently collected can later be recorded as "Bad Debt Recoveries" in the instance it might occur. This recommendation is a repeat recommendation made by our firm during the prior year audit, and has not been corrected in the fiscal year 2021.

Restriction on Use

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

Henry + Horne, LLP

Tempe, Arizona
December 28, 2021

Henry & Horne, LLP
2055 East Warner Road, Suite 101
Tempe, Arizona 85284

In connection with your engagement to examine the Annual Expenditure Limitation Report (AELR) of the Town of Paradise Valley, Arizona for the year ended June 30, 2021, we confirm, to the best of our knowledge and belief, the following representations made to you during your engagement.

- 1) We are responsible for the AELR presentation and compliance with the *Uniform Expenditure Reporting System* (UERS), as prescribed by Arizona Revised Statutes §41-1279.07.
- 2) We have excluded certain expenditures, expenses, or deductions of certain revenues from the total expenditure, expenses, or deductions reported in the City's fund financial statements in accordance with the Arizona Constitution, Article IX, §20.
- 3) We are responsible for selecting the criteria and for determining that such criteria are appropriate for our purposes.
- 4) We have disclosed to you all known matters contradicting the presentation and compliance prescribed by the UERS, if applicable.
- 5) There have been no communications from regulatory agencies, internal auditors, and other independent practitioners or consultants relating to the presentation or compliance of the AELR for the Town of Paradise Valley, Arizona, including communications received between June 30, 2021 and the date of this letter is signed by us.
- 6) We have made available to you all information that we believe is relevant to the presentation and compliance of the AELR for the Town of Paradise Valley, Arizona.
- 7) We have responded fully to all inquiries made to us by you during the engagement.
- 8) No events have occurred subsequent to June 30, 2021 that would require adjustment to or modification of the presentation or compliance with the AELR for the Town of Paradise Valley, Arizona.
- 9) Your report is intended solely for the information and use of the Town of Paradise Valley, Arizona, and the Office of the Arizona State Auditor General and is not intended to be and should not be used by anyone other than those specified parties.

Signature:  _____

CFO

Title: _____

Henry & Horne, LLP
2055 E. Warner Rd., Suite 101
Tempe, AZ 85284

This representation letter is provided in connection with your audit of the financial statements of the Town of Paradise Valley, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then then ended, and the disclosures (collectively, 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 this letter is signed by us, 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 May 10, 2021, 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, if any, 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.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.

- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements. We have not consulted a lawyer concerning litigation, claims, or assessments for any other claims except as made known to you regarding the Five Star Development.
- 10) Guarantees, whether written or oral, under which the Town 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.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Town 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.
- 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 Town and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - 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 Town'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 Town's related parties and all the related party relationships and transactions of which we are aware, if any.
- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations, if any.
- 21) 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.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report, if any.
- 23) The Town has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

- 24) 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.
- 25) 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.
- 26) We have identified and disclosed to you all instances that 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.
- 27) 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.
- 28) 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.
- 29) 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.
 - e. Retained a copy of the work products prepared by you for our records.

The nonattest services provided by you are:

- a. Preparation of financial statements and related notes
- b. Aiding management in preparing the management discussion and analysis (MD&A) using firm templates
- c. Posting any standard, adjusting, or correcting journal entries that you have proposed and have been approved by us
- d. Preparing Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, conversion entries Preparation of income tax provision calculation
- e. Preparation of Data Collection Form on the Federal Clearinghouse website, if applicable this year

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

- 30) The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 31) The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
- 33) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended, and GASBS No. 84 .
- 34) 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.
- 35) 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.
- 36) Investments, derivative instruments, and land and other real estate held by endowments, if any, are properly valued.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) 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.
- 39) 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.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 43) We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) 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.
- 45) To the extent our normal procedures and controls related to our financial close or other reporting processes at any of our locations were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
- 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 annual expenditure limitation report, Combining Fund Financial Statements and Budgetary Annual Financial Report, Other Supplementary Information of the Comprehensive Annual Financial Report, and the statement that fulfills the HURF requirement:

- a) We acknowledge our responsibility for presenting, as listed above, in accordance with accounting principles generally accepted in the United States of America, and we believe the listed 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 listed 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 listed 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 preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures 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.
- c) 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.
- d) 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.
- e) 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.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, 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.
- g) 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.

- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) 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.
- k) 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.
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) [and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, if applicable].
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) 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.
- 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 such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) 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.
- r) 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.
- s) 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.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) 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.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- x) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signature:  _____

Title: CFO _____

Client: **0410559 - Town of Paradise Valley**
Engagement: **0410559 - Town of Paradise Valley**
Period Ending: **6/30/2021**
Trial Balance: **05.01 - TB**
Workpaper: **05.06 - Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entry				
Adjusting Journal Entry JE # 100				
F/S Purpose Only - Entry to reclass capital contributions from revenue to offset capital outlay for fund statement purposes				
30-38-783	THIRD PARTY CONTRIBUTIONS		2,809,088.00	
30-38-300HH	H&H Capital Contributions Offset to Capital Outlay			2,809,088.00
Total			2,809,088.00	2,809,088.00
Adjusting Journal Entry JE # 101				
Client Entry to record ARPA funds to be recognized in FY21				
10-13120	INTERGOVERNMENTAL A/R		2,444,234.00	
10-33-351	American Rescue Plan Act (ARPA)			2,444,234.00
Total			2,444,234.00	2,444,234.00
Total Adjusting Journal Entry				
			5,253,322.00	5,253,322.00

Proposed Journal Entries

Proposed Journal Entries JE # 200

PAJE to show the effects of the CY statements for the PY PAJE's. Accrued payroll and accounts payable entry

10-21500	WAGES PAYABLE		79,041.00	
10-22210	FICA PAYABLE		5,933.00	
20-21500	WAGES PAYABLE		5,841.00	
20-22210	FICA PAYABLE		456.00	
30-21310	ACCOUNTS PAYABLE		38,361.00	
10-29800	UNASSIGNED FUND BALANCE			84,974.00
20-29800	ASSIGNED FUND BALANCE			6,297.00
30-29800	ASSIGNED FUND BALANCE			38,361.00
Total			129,632.00	129,632.00

Proposed Journal Entries JE # 201

M100/101

PAJE for the difference between actual and estimated payroll accrual

10-41-100	SALARIES AND WAGES	13,149.00
10-41-115	EMPLOYEE BENEFITS-FICA	983.00
10-44-100	SALARIES AND WAGES	13,149.00
10-44-115	EMPLOYEE BENEFITS-FICA	983.00
10-45-100	SALARIES AND WAGES	13,149.00
10-45-115	EMPLOYEE BENEFITS-FICA	983.00
10-46-100	SALARIES AND WAGES	13,149.00
10-46-115	EMPLOYEE BENEFITS-FICA	983.00
10-47-100	SALARIES AND WAGES	13,149.00
10-47-115	EMPLOYEE BENEFITS-FICA	983.00
10-48-100	SALARIES AND WAGES	13,149.00
10-48-115	EMPLOYEE BENEFITS-FICA	983.00
10-49-115	EMPLOYEE BENEFITS-FICA	983.00
10-50-100	SALARIES AND WAGES	13,149.00
10-50-115	EMPLOYEE BENEFITS-FICA	983.00
10-51-100	SALARIES AND WAGES	13,148.00
10-51-115	EMPLOYEE BENEFITS-FICA	983.00
10-52-100	SALARIES AND WAGES	13,148.00



10-52-115	EMPLOYEE BENEFITS-FICA	983.00	
10-58-100	SALARIES AND WAGES	13,148.00	
20-40-100	SALARIES AND WAGES	9,984.00	
20-40-115	EMPLOYEE BENEFITS-FICA	786.00	
21-40-100	SALARIES AND WAGES	614.00	
21-40-115	EMPLOYEE BENEFITS-FICA	46.00	
10-21500	WAGES PAYABLE		131,486.00
10-22210	FICA PAYABLE		9,831.00
20-21500	WAGES PAYABLE		9,984.00
20-22210	FICA PAYABLE		786.00
21-21500	WAGES PAYABLE		614.00
21-22210	FICA PAYABLE		46.00
Total		152,747.00	152,747.00
Total Proposed Journal Entries		282,379.00	282,379.00
Total All Journal Entries		5,535,701.00	5,535,701.00

Client: **0410559 - Town of Paradise Valley**
Engagement: **0410559 - Town of Paradise Valley**
Period Ending: **6/30/2021**
Trial Balance: **05.01 - TB**
Workpaper: **05.07 - GASB 34 Journal Entry Report**

Account	Description	W/P Ref	Debit	Credit
GASB Journal Entry				
GASB Journal Entry JE # 1				
GASB Entry - To post beginning GASB68 Balances - ASRS				
000-000-13100	Deferred outflows of resources related to pensions		430,898.00	
000-000-13110	Deferred outflows of employer pension contributions		614,182.00	
000-000-31000	Net Position		6,174,119.00	
000-000-21820	Deferred inflow of resources related to pensions			479,100.00
000-000-21890	Net Pension Liability			6,740,099.00
Total			7,219,199.00	7,219,199.00
GASB Journal Entry JE # 2				
GASB Entry - To record changes for GASB 68				
000-000-13100	Deferred outflows of resources related to pensions		1,133,485.00	
000-000-21820	Deferred inflow of resources related to pensions		453,941.00	
000-40-61100	Highways and Streets Expense		162,526.00	
000-45-61100	General Government Expense		1,051,237.00	
000-62-61100	Public Safety Expense		158,921.00	
000-000-13110	Deferred outflows of employer pension contributions			614,182.00
000-000-21890	Net Pension Liability			2,345,928.00
Total			2,960,110.00	2,960,110.00
GASB Journal Entry JE # 3				
GASB Entry - To reclassify employer pension contributions for CY - GASB68				
000-000-13110	Deferred outflows of employer pension contributions		639,483.00	
000-40-61100	Highways and Streets Expense			77,807.00
000-45-61100	General Government Expense			492,626.00
000-62-61100	Public Safety Expense			69,050.00
Total			639,483.00	639,483.00
GASB Journal Entry JE # 4				
GASB Entry - To post beginning effects of GASB72 - ASRS				
000-000-12100	Net OPEB Asset -HBS		13,116.00	
000-000-13120	Deferred outflows of resources related to OPEB		35,899.00	
000-000-13130	Deferred outflows of employer OPEB contributions		35,403.00	
000-000-21830	Deferred inflow of resources related to OPEB			33,421.00
000-000-21895	Net OPEB Liability - LTD			30,637.00
000-000-31000	Net Position			20,360.00
Total			84,418.00	84,418.00
GASB Journal Entry JE # 5				
GASB Entry - To post the changes related to GASB72				
000-000-12100	Net OPEB Asset -HBS		23,098.00	
000-000-13120	Deferred outflows of resources related to OPEB		36,737.00	
000-40-61100	Highways and Streets Expense		2,788.00	
000-45-61100	General Government Expense		18,030.00	
000-62-61100	Public Safety Expense		2,727.00	
000-000-13130	Deferred outflows of employer OPEB contributions			35,403.00
000-000-21830	Deferred inflow of resources related to OPEB			39,394.00
000-000-21895	Net OPEB Liability - LTD			8,583.00

000-000-13120	Deferred outflows of resources related to OPEB		
Total		83,380.00	83,380.00
GASB Journal Entry JE # 6		M403	
GASB Entry - To reclassify OPEB expenditures for the CY for GASB72			
000-000-13130	Deferred outflows of employer OPEB contributions	31,288.00	
000-40-61100	Highways and Streets Expense		3,807.00
000-45-61100	General Government Expense		24,103.00
000-62-61100	Public Safety Expense		3,378.00
Total		31,288.00	31,288.00
GASB Journal Entry JE # 7		M410	
GASB Entry - To post beginning GASB68 - PSPRS			
000-000-13100	Deferred outflows of resources related to pensions	2,131,842.00	
000-000-13110	Deferred outflows of employer pension contributions	4,658,245.00	
000-000-31000	Net Position	3,141,220.00	
000-000-21820	Deferred inflow of resources related to pensions		541,992.00
000-000-21890	Net Pension Liability		9,389,315.00
Total		9,931,307.00	9,931,307.00
GASB Journal Entry JE # 8		M410	
GASB Entry - To post change related to GASB68 - PSPRS			
000-000-13100	Deferred outflows of resources related to pensions	893,806.00	
000-000-21820	Deferred inflow of resources related to pensions	135,498.00	
000-62-61100	Public Safety Expense	4,352,417.00	
000-000-13110	Deferred outflows of employer pension contributions		4,658,245.00
000-000-21890	Net Pension Liability		723,476.00
Total		5,381,721.00	5,381,721.00
GASB Journal Entry JE # 9		M410	
GASB Entry - To reclassify contributions for GASB68 - PSPRS			
000-000-13110	Deferred outflows of employer pension contributions	3,087,289.00	
000-62-61100	Public Safety Expense		3,087,289.00
Total		3,087,289.00	3,087,289.00
GASB Journal Entry JE # 10		M411	
GASB Entry - To record beginning balances for GASB75 - PSPRS			
000-000-13120	Deferred outflows of resources related to OPEB	23,713.00	
000-000-13130	Deferred outflows of employer OPEB contributions	21,735.00	
000-000-31000	Net Position	139,464.00	
000-000-21830	Deferred inflow of resources related to OPEB		112,083.00
000-000-21895	Net OPEB Liability - LTD		72,829.00
Total		184,912.00	184,912.00
GASB Journal Entry JE # 11		M411	
GASB Entry - To record change for GASB75 - PSPRS			
000-000-13120	Deferred outflows of resources related to OPEB	9,395.00	
000-000-21830	Deferred inflow of resources related to OPEB	22,179.00	
000-62-61100	Public Safety Expense	4,045.00	
000-000-13130	Deferred outflows of employer OPEB contributions		21,735.00
000-000-21895	Net OPEB Liability - LTD		13,884.00
Total		35,619.00	35,619.00
GASB Journal Entry JE # 12		M411	
GASB Entry -To reclassify OPEB contributions in CY- PSPRS			
000-000-13130	Deferred outflows of employer OPEB contributions	18,638.00	
000-62-61100	Public Safety Expense		18,638.00
Total		18,638.00	18,638.00

GASB Journal Entry JE # 13

GASB Entry - To Record Beginning Balance of Compensated Absences

000-000-31000	Net Position
000-000-22100	Compensated Absences - Long Term

Total
M102

1,272,609.00	
	1,272,609.00
1,272,609.00	1,272,609.00

GASB Journal Entry JE # 14

GASB Entry - To record Change in Compensated Absences

000-40-61100	Highways and Streets Expense
000-62-61100	Public Safety Expense
000-000-22100	Compensated Absences - Long Term
000-45-61100	General Government Expense

Total
M102

22,845.00	
46,681.00	
	46,859.00
	22,667.00
69,526.00	69,526.00

GASB Journal Entry JE # 15

GASB Entry - To reclassify short term portion of Compensated Absences

000-000-22100	Compensated Absences - Long Term
000-000-22150	Compensated Absences - Short Term

Total
M102

634,049.00	
	634,049.00
634,049.00	634,049.00

GASB Journal Entry JE # 16

GASB Entry - To record beginning debt

000-000-31000	Net Position
000-000-23000	Revenue Bonds - Long Term

Total
Q100

13,840,000.00	
	13,840,000.00
13,840,000.00	13,840,000.00

GASB Journal Entry JE # 17

GASB Entry - To record change in debt

000-000-23000	Revenue Bonds - Long Term
40-40-960	DEBT 2016 PRINCIPLE EXPENDITUR
42-40-960	DEBT 2020 PRINCIPLE EXPENDITUR
000-000-23000	Revenue Bonds - Long Term
33-39-993	PROCEEDS FROM ISSUANCE LTD

Total
Q100

2,040,000.00	
	1,390,000.00
	650,000.00
2,040,000.00	2,040,000.00

GASB Journal Entry JE # 18

GASB Entry - To reclass short term debt

000-000-23000	Revenue Bonds - Long Term
000-000-23500	Revenue Bonds - Short Term

Total

2,730,000.00	
	2,730,000.00
2,730,000.00	2,730,000.00

GASB Journal Entry JE # 19

GASB Entry - To record beginning deferred revenue

10-22603	DEFERRED REVENUE COURT FINES
10-22607	DEF REV-SALES TAX NOTES REC
10-22608	DEFERRED REVENUE-FIVE STAR
10-22608	DEFERRED REVENUE-FIVE STAR
000-000-31000	Net Position
10-22600	DEFERRED REVENUE

Total
P100


240,750.00	
50,168.00	
207,653.00	
20,765.00	
	519,336.00
519,336.00	519,336.00

GASB Journal Entry JE # 20

GASB Entry - To record change in deferred revenue

10-22603	DEFERRED REVENUE COURT FINES
10-31-111	TOWN SALES TAX AUDIT
10-32-310	TOWN MANAGEMENT FEE

103,641.00
1,800.00
20,765.00



30-38-300HH	H&H Capital Contributions Offset to Capital Outlay	207,653.00	
10-22607	DEF REV-SALES TAX NOTES REC		1,800.00
10-22608	DEFERRED REVENUE-FIVE STAR		20,765.00
10-35-400	COURT FINES - COUNTER		103,641.00
30-22608	DEFERRED REVENUE-FIVE STAR		207,653.00
10-22600	DEFERRED REVENUE		
10-38-730	MISCELLANEOUS INCOME		
Total		333,859.00	333,859.00

GASB Journal Entry JE # 21

GASB Entry- To record beginning capital assets

000-000-11000	Non-Depreciable Assets	47,542,615.00	
000-000-11100	Depreciable Assets	66,340,781.00	
000-000-11200	Accumulated Depreciation		28,186,588.00
000-000-31000	Net Position		85,696,808.00
Total		113,883,396.00	113,883,396.00

GASB Journal Entry JE # 22

GASB Entry - To record capital asset additions

000-000-11000	Non-Depreciable Assets	10,183,677.00	
000-000-11100	Depreciable Assets	2,940,368.00	
000-40-61100	Highways and Streets Expense		2,682,973.00
000-45-61100	General Government Expense		7,255,301.00
000-62-61100	Public Safety Expense		376,683.00
30-38-783	THIRD PARTY CONTRIBUTIONS		2,809,088.00
000-95-999	Capital Contributions - PVMT		
Total		13,124,045.00	13,124,045.00

GASB Journal Entry JE # 23
I101

GASB Entry - To record capital asset disposals

000-000-11100	Depreciable Assets	471,724.00	
000-000-11200	Accumulated Depreciation	34,514.00	
000-000-11000	Non-Depreciable Assets		471,724.00
000-000-11100	Depreciable Assets		34,514.00
Total		506,238.00	506,238.00

GASB Journal Entry JE # 24
I101

GASB Entry - To record depreciation by function

000-40-61100	Highways and Streets Expense	835,609.00	
000-45-61100	General Government Expense	652,722.00	
000-62-61100	Public Safety Expense	971,386.00	
000-000-11200	Accumulated Depreciation		2,459,717.00
Total		2,459,717.00	2,459,717.00

GASB Journal Entry JE # 25
Q100

GASB Entry - To record beginning accrued interest

000-000-31000	Net Position	22,551.00	
000-000-23600	Accrued Interest		22,551.00
Total		22,551.00	22,551.00

GASB Journal Entry JE # 26
Q100

GASB Entry - To record accrued interest for the 2020 Bond

42-40-961	DEBT 2020 INTEREST EXPENDITURE	11,466.00	
000-000-23600	Accrued Interest		11,466.00
Total		11,466.00	11,466.00

Total GASB Journal Entry

181,104,156.00	181,104,156.00
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Total All Journal Entries

<u>181,104,156.00</u>	<u>181,104,156.00</u>
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