



Reporting and insights from 2025 audit:

Town of Paradise Valley

June 30, 2025

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Executive summary



We have completed our audit of the financial statements of the **Town of Paradise Valley** for the year ended June 30, 2025 and have issued our report thereon dated **December 4, 2025**.

- Financial Statement Audit Report
 - **Unqualified opinion**
- *Government Auditing Standards* Compliance Report
 - **No instances of noncompliance or other matters**
 - **Identified material weakness**

This presentation supplements our letter to governance dated **December 4, 2025** as required by our professional standards.



Our responsibilities



As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but not an absolute level of assurance.
- Assessing the risks of material misstatement of the basic financial statements whether due to fraud or error. Included in that assessment is a consideration of the Town's internal control over financial reporting
- Performing appropriate procedures based upon our risk assessment
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management
- Forming and expressing an opinion based on our audit about whether the basic financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly in all material respects and in accordance with accounting principles generally accepted in the United States of America
 - Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by Government Auditing Standards
- Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities.





Our responsibilities

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance including:

- Internal control matters – **Reportable Finding – Donated Capital Contributions.**
- Qualitative aspects of the Town's accounting practice including policies, accounting estimates and financial statement disclosures – **This can be found on Note 1 of the financial statements**
- Significant unusual transactions – **All significant and unusual transactions have been audited with no reportable issues.**
- Significant difficulties encountered – **No difficulties to report**
- Disagreements with management – **No disagreements to report**
- Circumstances that affect the form and content of the auditors' report and key audit matters – **None noted**
- Audit consultations outside the engagement team – **None noted**
- Corrected and uncorrected misstatements – **No misstatements identified**
- Other audit findings or issues – **None noted**





Internal control matters

We considered the **Town's** internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the **Town's** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.





Internal control matters

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. **We identified the following deficiencies as material weaknesses:**

- Controls over Donated Capital Contributions
 - Donated Capital Contributions presented to the governing body for review and approval should be provided to management within the finance department for proper recognition within the financial reporting system.
 - Year-end reconciliations (capital assets) should be reviewed and approved by someone other than the preparer to ensure completeness of records.





Required communications

Management's consultations with other accountants

- In some cases, management may decide to consult with other accountants about auditing and accounting matters.
 - None noted

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any instances of known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Town's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the basic financial statements including the effects on the basic financial statements and the adequacy of the related disclosures and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Town's related parties.



Nonattest services



The following nonattest services were provided by Baker Tilly:

- Financial statement preparation and related notes
- Proposing entries affecting the financial statements
- Providing management with templates for compiling the management's discussion and analysis (MD&A)

In addition, we prepared GASB No. 34 conversion entries which are summarized in the, "Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position" and the, "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities" in the financial statements.

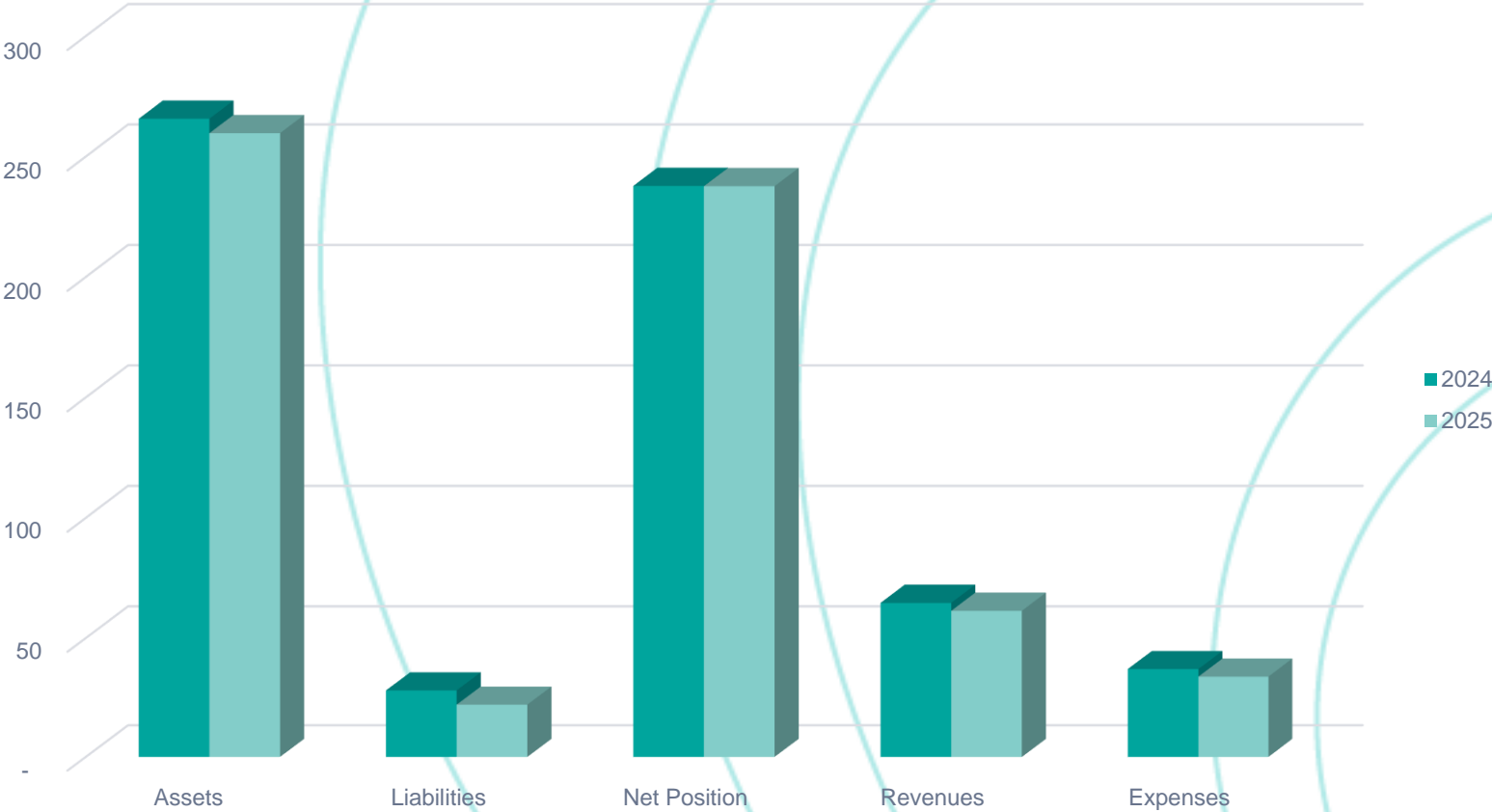
None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.



Financial Highlights



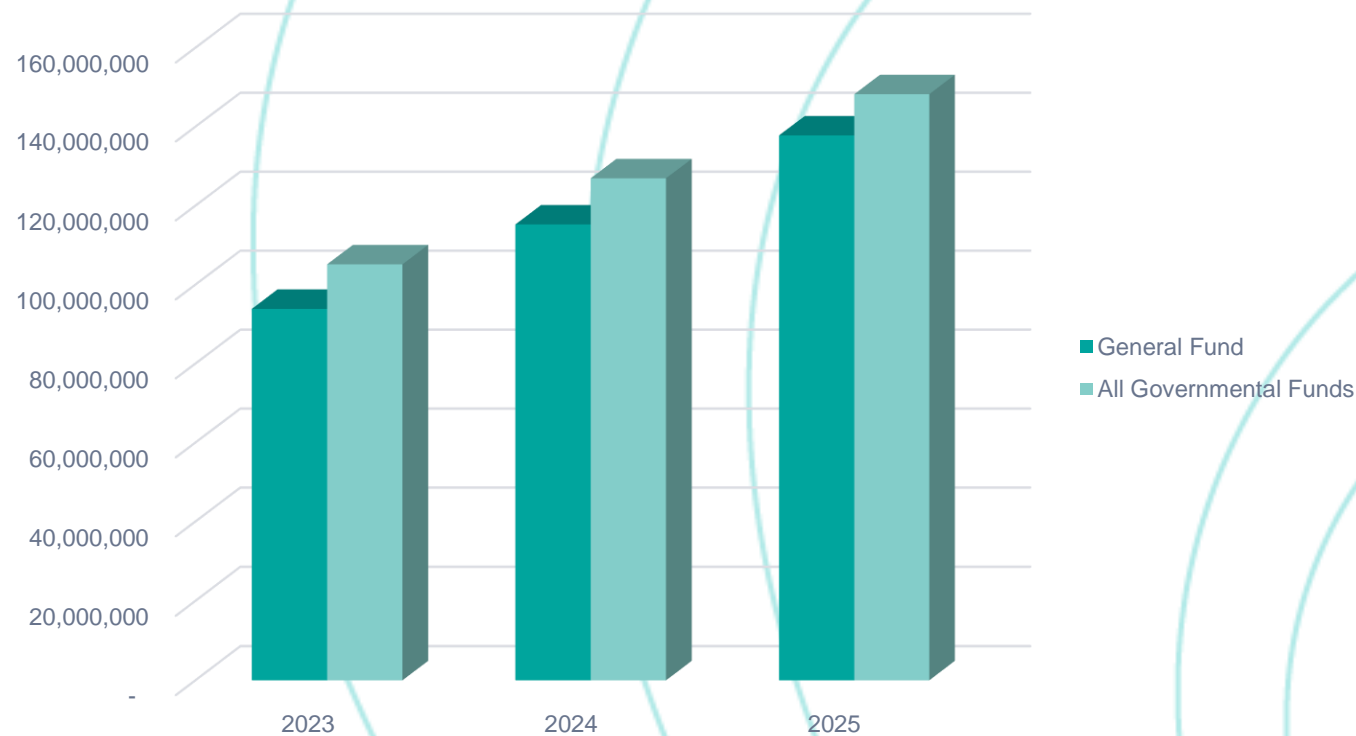
Total Government-Wide (In Millions)



Financial Highlights



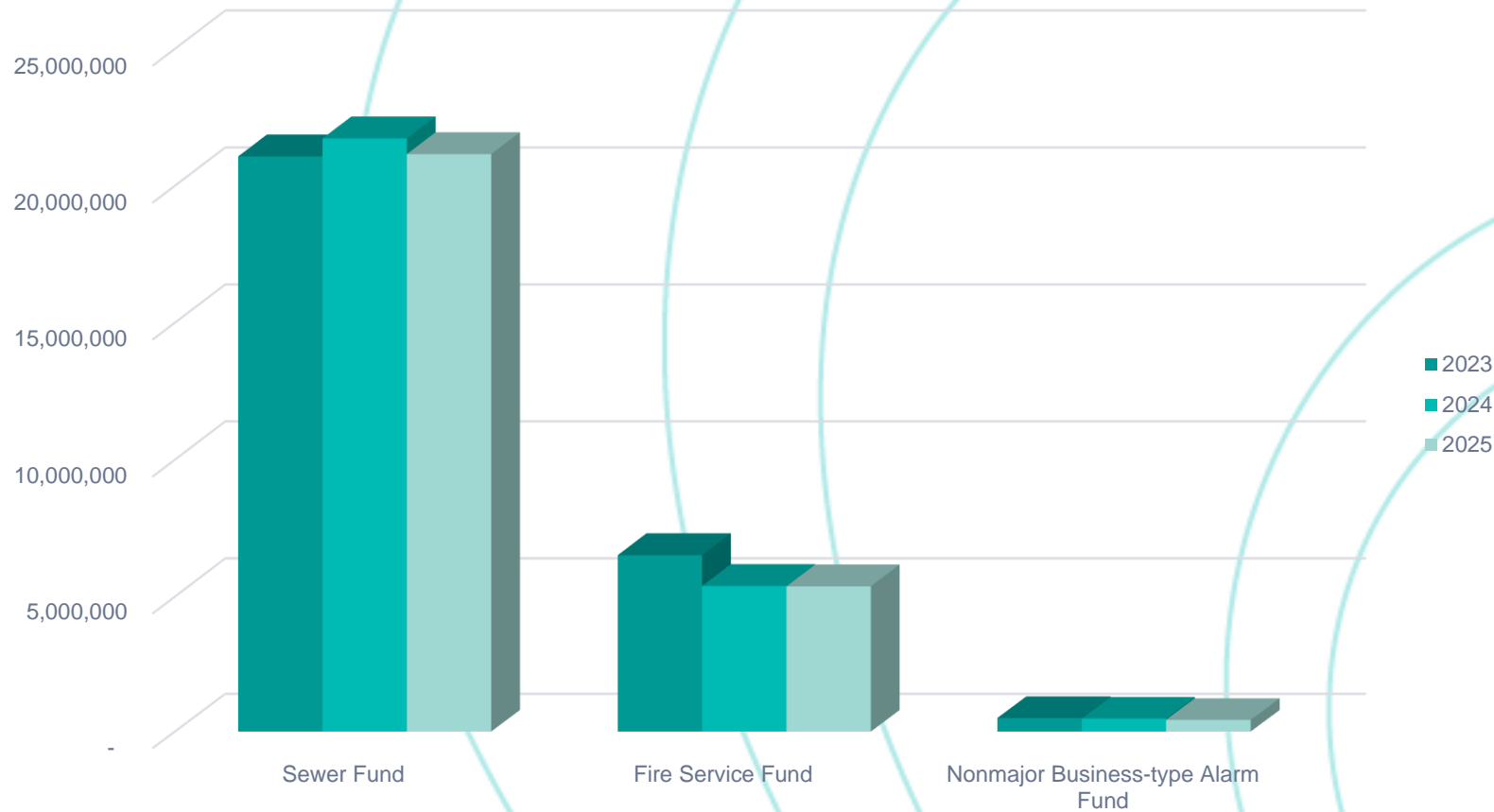
Fund Balance - Governmental



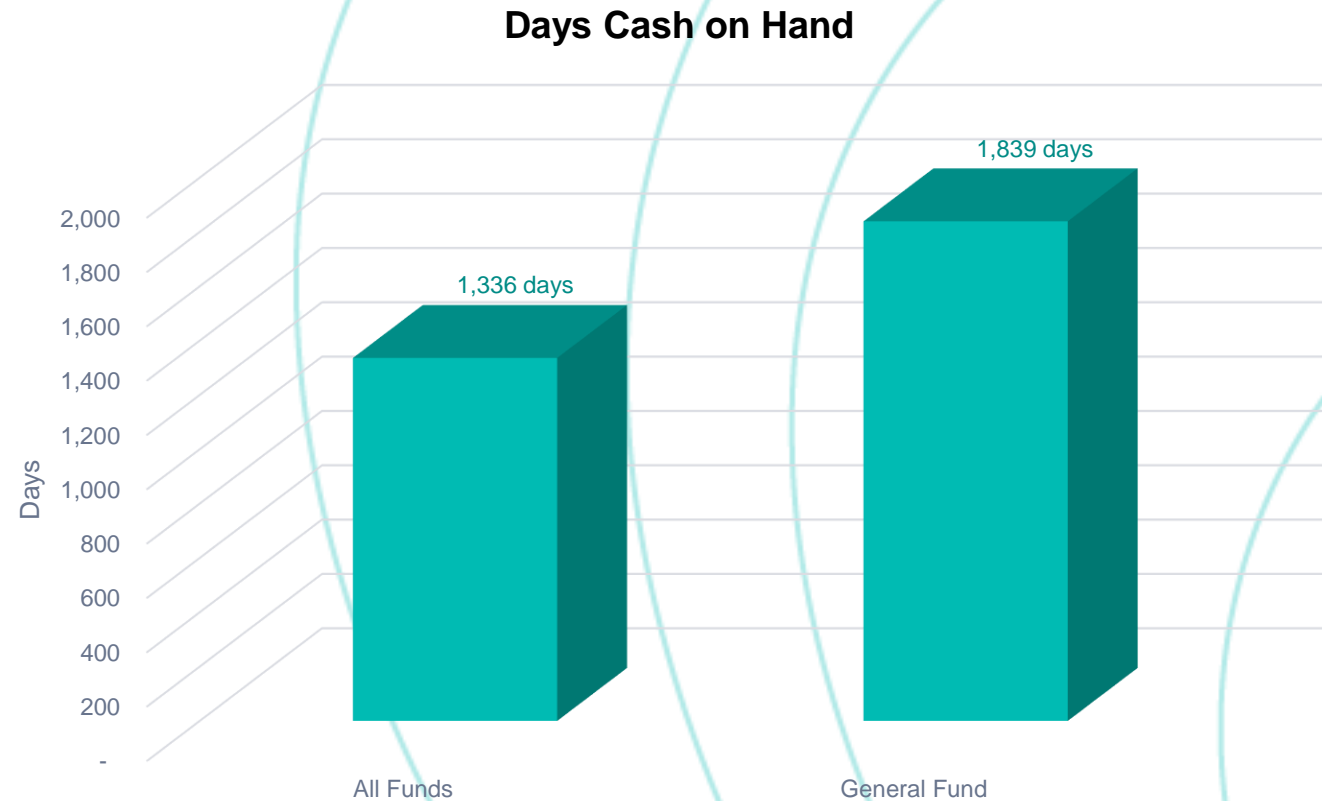
Financial Highlights



Fund Balance - Enterprise Funds



Financial Highlights



Questions?



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