

**VILLAGE OF RIDGEWAY, WISCONSIN**  
**REQUIRED AUDIT COMMUNICATIONS**  
**TO THE MEMBERS OF THE VILLAGE BOARD**

**Year Ended December 31, 2021**

**DRAFT**

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VILLAGE OF RIDGEWAY, WISCONSIN

Year Ended December 31, 2021

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Village Board  
Village of Ridgeway, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Ridgeway for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter. Professional standards require that we provide you with the following information related to the audit.

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 the Village are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Village's financial statements was:

The estimate of depreciable lives of fixed assets was based on the estimated useful life of the related fixed asset. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the consolidated 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 clearly trivial, and communicate them to the appropriate level of management.

The attached Appendix 1 – Adjusting Journal Entries, summarizes misstatements detected as a result of audit procedures that were corrected by management.

The attached Appendix 2 – Passed Journal Entries, summarizes 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 a whole.

The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

### *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 auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 3, 2022.

### *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 Village's financial statement or a determination of the type of auditor's 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 Village'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 the budgetary comparison information, which is 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 combining and individual nonmajor fund financial statements and the statement of revenues, expenses and changes in net position, 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.

Restriction on Use

This information is intended solely for the use of the Village Board and management of the Village of Ridgeway and is not intended to be, and should not be, used by anyone other than these specific parties.

Very truly yours,

Johnson Block & Company, Inc.  
May 3, 2022

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## COMMUNICATION OF MATERIAL WEAKNESSES

To the Village Board  
Village of Ridgeway, Wisconsin

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Ridgeway as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Ridgeway's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Ridgeway'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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. 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 consider the following deficiencies in internal control to be material weaknesses:

### Segregation of Duties

The size of the office staff precludes a proper segregation of functions to assure adequate internal control. This is not unusual in organizations of your size, but management should continue to be aware of this condition and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. Under these conditions, the most effective controls lie in management's knowledge and monitoring of matters relating to the Village's operations.

Management of the Village takes an active part in monitoring matters relating to Village operations.

### Material Adjustments

Material adjusting journal entries not prepared by the Village prior to the audit or not otherwise provided by the Village are considered an internal control weakness. We proposed numerous adjusting journal entries and deem these adjustments to be material in relation to the financial statements. Since the Village did not make these adjustments prior to the audit, a material weakness exists in the Village's internal controls.

This communication is intended solely for the information and use of management, the Village Board, and others within the administration, and is not intended to be and should not be used by anyone other than these specified parties.

Johnson Block & Company, Inc.  
May 3, 2022

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MANAGEMENT LETTER

To the Village Board  
Village of Ridgeway, Wisconsin

In planning and performing our audit of the financial statements of the Village of Ridgeway, Wisconsin for the year ended December 31, 2021, we considered the Village's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following pages that accompany this letter summarize our comments and suggestions regarding those matters. This letter does not affect our report dated May 3, 2022, on the financial statements of the Village.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the Village's personnel during the course of our work.

We shall be pleased to discuss any of the matters referred to in this letter. Should you desire assistance in implementing any of the following suggestions, we would welcome the opportunity of assisting you in these matters.

Johnson Block & Company, Inc.  
May 3, 2022

## VILLAGE OF RIDGEWAY, WISCONSIN

Year Ended December 31, 2021

### ADJUSTING JOURNAL ENTRIES

We are frequently requested by our clients to discuss the overall condition of their accounting records and what our role is as your audit firm. We believe that these matters should be discussed at each audit. The following section describes your accounting process in general terms and the ways in which we work with your staff.

The Village of Ridgeway processes accounting transactions based on the type of transaction involved. Money coming in is processed using a cash receipt system. The payment of bills is done through an accounts payable system. Employees' salaries are paid using a payroll system. Customer billing and accounts receivable are processed through a billing system. These four systems are responsible for recording and summarizing the vast majority of your financial statements.

Beyond the four systems described in the preceding paragraph, another system is used to make corrections and to record non-cash transactions. This system involves preparing general journal entries. Journal entries provide the ability to make changes to the financial data entered in the other systems. As your auditor, our role is to substantiate year-end financial balances and information presented by your accounting personnel, and compare it to supporting information and outside confirmations. When information in your records does not agree with audit evidence, an adjusting entry is necessary to correct your records. Sometimes these entries are identified by your staff as they get ready for the audit. Other adjustments are prepared by us as we discover that your general ledger balances need to be changed to reflect the correct balances.

For the 2021 audit, we proposed adjustments and reclassifications to your records. The effect of these journal entries was considered to be material to the financial statements of the Village of Ridgeway, Wisconsin. The proposed entries were accepted by the Village of Ridgeway's management. All of these changes are reflected properly in your audited financial statements.

Because we are providing assistance to your staff by proposing changes to correct your financial information, you should be aware of these processes. Many of our clients rely on us to make year-end adjustments as we have described. In many cases, we have the experience or expertise to compute, and identify, corrections to your records. We work with many clients on similar issues, so it may be more efficient for you to have us do some of the one-time adjustments, rather than your staff spending hours researching the proper adjustment.

Due to the technical nature of financial reporting and complying with financial reporting standards, most clients have their CPA firm prepare the year end financial statements and note disclosures. We have provided these services to the Village of Ridgeway.

We are communicating this information to you to give you a better understanding of what we do and how the year end process works. Our job as auditors is to bring in an outside perspective and provide a level of comfort that your financial reporting system is materially correct and accurately reflects the financial activity for the year. However, in many cases, our services go beyond auditing. Our experience and training can provide a very cost-effective means of providing the year end accounting assistance that you need.

We hope that by providing this information on what we do, you will have a better understanding of our role, and the various ways that we work with your staff.

#### PASSED JOURNAL ENTRIES

Passed journal entries may occur due to transaction timing, industry practices or lack of overall significance. See Appendix 2 for passed journal entries.

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## OTHER COMMENTS ON OPERATIONS AND INTERNAL CONTROL

### Tax Incremental District Considerations

As explained in Note 8 of the audit report, the last date to incur TID #1 project costs is August 7, 2022, and the TID must close by August 7, 2030. Leading up to the mandatory termination date, the Village should consider the following:

1. Cumulative TID audit

The focus of our audit procedures was on TID #1's annual activity. A cumulative TID audit from creation (August 7, 2007) through the end of the expenditure period (August 7, 2022) is required within one year of the end of the expenditure period.

2. TID law provides an affordable housing extension that may be available to TID #1. After a TID has paid all its infrastructure and development costs, but before it is formally terminated, the Affordable Housing Extension allows the District to be repurposed for one additional year to benefit affordable housing and improve housing stock anywhere within the community. The State of Wisconsin has reported an increasing trend in TIDs using the Affordable Housing Extension since 2018.

The Village would need to use at least 75% of those tax increments to "benefit affordable housing" anywhere within the Village in which the TID exists. Affordable housing is defined as housing costing no more than 30% of the household's gross monthly income. A household consists of an individual and his or her spouse and all minor dependents. Any remaining portion of the increments must be used by the municipality to improve its housing stock.

3. TID annual reports are due to Wisconsin DOR each year by July 1. A Joint Review Board (JRB) meeting is required to be held to review annual reports. State legislation indicates the meeting should be held on July 1 or when the annual report becomes available.

The Village should notify each JRB member when the report is available and schedule a meeting. Notice should be published five days before the meeting to review annual reports.

### Sewer Utility Advances from Other Funds

The Sewer Utility owed the General Fund \$141,559 as of December 31, 2021. \$80,682 of this amount is from 1989 when the General Fund advanced \$224,000 to assist the utility in payments of improvements to the sewer plant. \$12,200 of this advance is being repaid each year. There is no repayment schedule for the other \$60,877 of the advance owed at December 31, 2021.

The Utility had unrestricted cash of \$212,151 as of year-end. This could be used to pay down the advance.

### Cash and Investments

\$1,867,359 of bank deposits at December 31, 2021 exceeded the coverage provided by federal depository insurance. The balance of the State Deposit Guarantee Fund (state depository insurance) is limited. As such, a material amount of losses by individual municipalities may exhaust the fund so that recovery by individual municipalities would not be significant. The Village should consider the following to reduce the risk:

1. Determine whether its present depositories can obtain additional insurance coverage. Several banks have obtained a bank deposit guaranty bond to insure public entity deposits.
2. Develop a system to analyze the financial stability of potential depositories. This would include receiving rating reports from credit rating bureaus such as Standard and Poor's, Moody's, etc. Village policy could then be to not use any depository with a rating below a certain level.
3. Depending on interest rates, consider investing funds in the Local Government Investment Pool.
4. Investigate the use of repurchase agreements to invest excess daily funds. This could result in increased interest earnings for the Village.

### Safe Drinking Water Loan Net Revenue Requirement

The 2020 Safe Drinking Water Loan revenue bond resolution requires that the Utility's net revenues be at least 1.10 times of the principal and interest coming due on all outstanding bonds payable each year. Net revenues for 2021 were \$34,758 and the requirement was \$39,763. The Utility did not meet the net revenue requirement for 2021.

The Utility has submitted a conventional rate case application to raise water rates and expects new rates to be effective in the summer of 2022. The Utility should continue to utilize the simplified rate case permitted by the Public Service Commission to keep up with cost increases.

### Budget

A required supplementary schedule comparing General Fund budget to actual results is included on Page 41 of the audit report. Several functions are reflecting an overspent budget. We recommend budget amendments be approved throughout the year to prevent expenditures exceeding budget appropriations.

Amendments can be made at the functional level consistent with how the budget was published and adopted. For example, the Village could approve a budget amendment between the public works and general government functions with a net effect to the total expenditure budget of \$0.

## Leases

The Governmental Accounting Standards Board issued Statement No. 87 (GASB 87), Leases. GASB 87 will significantly change the criteria and conditions for classifying leases. It includes guidance for both lessees and lessors and must be implemented for the year ended December 31, 2022.

GASB 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time. Examples of nonfinancial assets most commonly include buildings, land, vehicles, and equipment. New lease accounting will include any contracts that meet the GASB 87 definition of a lease, even if the contracts do not identify the agreements as leases. Applicable leases may include water tower/cell phone tower leases, electric pole rental, etc.

GASB 87 requires similar reporting of all leases entered into by the governmental unit. A lessee is required to recognize an asset and lease liability on the statement of net position. With each year of the lease, amortization and interest expense will be allocated to the statement of activities until the lease term is complete.

Leases that meet a "short-term" criteria will continue to be reported as expenses/expenditures by lessees based on the required payments in the lease contract. Short-term leases are defined as contracts with a maximum possible term of 12 months or less.

A listing of all contracts for consideration of meeting the definition of a lease needs to be started and continuously updated. The listing should include key terms of the contracts, including:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any (portion of contract for services, not control of the assets, are expensed)
- Dollar amount of lease

We are here to help with implementation of GASB 87. We understand the lease gathering, ongoing tracking, and annual journal entries may be a large undertaking for our clients. To assist with GASB 87 compliance, many different accounting software packages are available for purchase. Instead of our clients potentially purchasing new software, we will be offering a new nonaudit service. This service will include tracking of the lease inventory in a software purchased by Johnson Block and Company, Inc. Our software will make the necessary calculations needed to record the annual GASB 87 journal entries.

## CONCLUDING REMARKS

We would like to thank you for allowing us to serve you. We are committed to assisting you in the long-term financial success of the Village of Ridgeway and our comments are intended to draw to your attention issues which need to be addressed by the Village to meet its goals and responsibilities.

The comments and suggestions in this communication are not intended to reflect in any way on the integrity or ability of the personnel of the Village of Ridgeway. They are made solely in the interest of establishing sound internal control practices required by changing professional standards. The Village of Ridgeway's staff is deeply committed to maintaining the financial reporting system so that informed decisions can be made. They were receptive to our comments and suggestions.

We will review the status of these comments during each audit engagement.

If you have any questions or comments regarding this communication or the financial statements, do not hesitate to contact us.

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**Appendix 1 – Adjusting Journal Entries**

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Client: **RIDGEVILL - Village of Ridgeway**  
 Engagement: **Village of Ridgeway 12/31/21 Audit**  
 Period Ending: **12/31/2021**  
 Trial Balance: **TB**  
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1001</b>		GL		
Reflect activity posted to equity on 9/14/2021.				
100-00-53311-715-000	STREETS MAINTENANCE		505.00	
100-00-53311-735-000	STREETS - MATERIALS		352.50	
100-00-33000-000-000	FUND BALANCE - UNRESTRICTED			857.50
<b>Total</b>			<u><u>857.50</u></u>	<u><u>857.50</u></u>
<b>Adjusting Journal Entries JE # 1002</b>		GL		
Reflect 9/14/2021 and 10/19/2021 transfers from the general fund to the Community Center for 2020 receipts to be used for RCC. A/c 150-00-48500-000-				
100-00-59200-000-000	TRANSFERS TO OTHER FUNDS - GENERAL		10,000.00	
150-00-48500-000-001	COMMUNITY CENTER DONATIONS		10,000.00	
100-00-33000-000-000	FUND BALANCE - UNRESTRICTED			10,000.00
150-00-49200-000-000	TRANSFERS FROM OTHER FUNDS			10,000.00
<b>Total</b>			<u><u>20,000.00</u></u>	<u><u>20,000.00</u></u>
<b>Adjusting Journal Entries JE # 1004</b>		GL		
Reflect activity posted to equity 11/15/2021.				
100-00-48900-000-000	OTHER MISC REVENUES		5.00	
100-00-33000-000-000	FUND BALANCE - UNRESTRICTED			5.00
<b>Total</b>			<u><u>5.00</u></u>	<u><u>5.00</u></u>
<b>Adjusting Journal Entries JE # 1005</b>		C-09		
Adjust delinquent personal property taxes receivable. 6160 and 6224.				
100-00-12310-000-000	DEL PP TAXES RECEIVABLE		1,793.98	
100-00-48900-000-000	OTHER MISC REVENUES			1,793.98
<b>Total</b>			<u><u>1,793.98</u></u>	<u><u>1,793.98</u></u>
<b>Adjusting Journal Entries JE # 1006</b>		GL		
Reflect opening equity for the capital projects fund and transfer to Community Center fund 150. A/c 140-00-49300-000-000 is an income statement revenue that				
140-00-49300-000-000	FUND BALANCE APPLIED		170,000.00	
140-00-59200-000-000	TRANSFERS TO OTHER FUNDS - CAPITAL		450,000.00	
150-00-49300-000-000	FUND BALANCE APPLIED		450,000.00	
140-00-33000-000-000	FUND BALANCE - CAPITAL FUND			620,000.00
150-00-49200-000-000	TRANSFERS FROM OTHER FUNDS			450,000.00
<b>Total</b>			<u><u>1,070,000.00</u></u>	<u><u>1,070,000.00</u></u>

Client: **RIDGEVILL - Village of Ridgeway**  
 Engagement: **Village of Ridgeway 12/31/21 Audit**  
 Period Ending: **12/31/2021**  
 Trial Balance: **TB**  
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1007</b>		<b>C-03.1</b>		
Record statement of taxes.				
100-00-12100-000-000	PROPERTY TAXES RECEIVABLE		941,312.11	
100-00-26100-000-000	DEFERRED REVENUE - TAX ROLL		0.06	
100-00-46420-000-000	SANITATION INCOME (GARBAGE)		24.69	
140-00-12100-000-000	PROPERTY TAXES RECEIVABLE		32,500.00	
210-00-12100-000-000	PROPERTY TAXES RECEIVABLE		120,903.29	
340-00-12100-000-000	TAXES RECEIVABLE		123,142.00	
100-00-24310-000-000	TAXES DUE COUNTY / STATE			258,416.54
100-00-24500-000-000	DUE TO SWTC			45,746.63
100-00-24600-000-000	DUE TO DODGEVILLE SCHOOLS			382,361.00
100-00-26100-000-000	DEFERRED REVENUE - TAX ROLL			24.69
100-00-26100-000-000	DEFERRED REVENUE - TAX ROLL			254,788.00
140-00-26100-000-000	DEFERRED REVENUE - TAX ROLL			32,500.00
210-00-26100-000-000	DEFERRED REVENUE - TAX ROLL			120,903.29
340-00-26100-000-000	DEFERRED REVENUE - TAX ROLL			123,142.00
<b>Total</b>			<b><u>1,217,882.15</u></b>	<b><u>1,217,882.15</u></b>
<b>Adjusting Journal Entries JE # 1008</b>		<b>C-03.1</b>		
Reclass advance tax collections.				
100-00-12100-000-000	PROPERTY TAXES RECEIVABLE		128,419.65	
140-00-11100-000-000	POOLED CAPITAL FUND		15,093.10	
210-00-11100-000-000	POOLED TIF FUND		56,139.04	
340-00-11100-000-000	POOLED DEBT SERVICE FUND		57,187.51	
100-00-11100-000-000	POOLED GENERAL FUND			128,419.65
140-00-12100-000-000	PROPERTY TAXES RECEIVABLE			15,093.10
210-00-12100-000-000	PROPERTY TAXES RECEIVABLE			56,139.04
340-00-12100-000-000	TAXES RECEIVABLE			57,187.51
<b>Total</b>			<b><u>256,839.30</u></b>	<b><u>256,839.30</u></b>
<b>Adjusting Journal Entries JE # 1009</b>		<b>F-00</b>		
Make payment on advance for annual amount agreed-upon by the Village Board when the advance was originally made.				
100-00-11100-000-000	POOLED GENERAL FUND		12,200.00	
300-00-29600-000-223	ADVANCE FROM VILLAGE		12,200.00	
100-00-15700-000-000	ADVANCE TO SEWER UTILITY			12,200.00
300-00-11100-000-000	POOLED SEWER FUND			12,200.00
<b>Total</b>			<b><u>24,400.00</u></b>	<b><u>24,400.00</u></b>
<b>Adjusting Journal Entries JE # 1010</b>		<b>F-00</b>		
Recognize the 2020 payable 2021 tax equivalent as revenue.				
100-00-26300-000-000	DEFERRED REV - PROP TAX EQUIV		45,992.00	
100-00-41310-000-000	PROP TAX EQUIVALENT - WATER			45,992.00
<b>Total</b>			<b><u>45,992.00</u></b>	<b><u>45,992.00</u></b>
<b>Adjusting Journal Entries JE # 1011</b>		<b>C-06.1</b>		
Record Tallman Court special assessments receivable.				
100-00-13200-000-000	SPEC ASSESS RECEIVABLE		5,438.40	
100-00-26200-000-000	DEFERRED SPECIAL ASSESSMENTS			5,438.40
<b>Total</b>			<b><u>5,438.40</u></b>	<b><u>5,438.40</u></b>

Client: **RIDGEVILL - Village of Ridgeway**  
 Engagement: **Village of Ridgeway 12/31/21 Audit**  
 Period Ending: **12/31/2021**  
 Trial Balance: **TB**  
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1012</b>		<b>C-01, FS-02</b>		
Reclass capital projects fund levy.				
100-00-41110-000-000	REAL ESTATE TAXES		128,878.56	
140-00-11100-000-000	POOLED CAPITAL FUND		128,878.56	
100-00-11100-000-000	POOLED GENERAL FUND			128,878.56
140-00-41110-000-000	REAL ESTATE TAXES			128,878.56
<b>Total</b>			<b><u>257,757.12</u></b>	<b><u>257,757.12</u></b>
<b>Adjusting Journal Entries JE # 1013</b>		<b>D-01, CC-01</b>		
Move unexpended Local Fiscal Recovery Funds to unearned revenue. A/C 220-00-21900 is a new balance sheet account.				
220-00-43211-000-000	ARPA STATE AID		32,970.59	
220-00-21900-000-000	Unearned revenue			32,970.59
<b>Total</b>			<b><u>32,970.59</u></b>	<b><u>32,970.59</u></b>
<b>Adjusting Journal Entries JE # 1014</b>		<b>D-01</b>		
Move law enforcement training receipt to revenue for the annual report.				
100-00-14201-000-000	GRANTS RECEIVABLE-POLICE		160.00	
100-00-43521-000-000	LAW ENFORCEMENT IMPROVEMENT			160.00
<b>Total</b>			<b><u>160.00</u></b>	<b><u>160.00</u></b>
<b>Adjusting Journal Entries JE # 1015</b>		<b>D-06</b>		
Reclass gas line refunds to miscellaneous revenue for report purposes.				
210-00-49130-000-000	PROCEEDS FROM PROPERTY SALES		4,700.00	
210-00-48900-000-000	MISCELLANEOUS INCOME			4,700.00
<b>Total</b>			<b><u>4,700.00</u></b>	<b><u>4,700.00</u></b>
<b>Adjusting Journal Entries JE # 1016</b>		<b>K-03, K-03.2</b>		
Capitalize meters and SCADA and record meter removal per PSC benchmark for 1990s.				
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		700.00	
400-00-18430-000-346	TRANSMISSION - METERS		1,620.00	
400-00-18440-000-397	GENERAL - SCADA EQUIPMENT		86,735.00	
400-00-18200-000-320	CONST IN PROGRESS-2021 TOWER			86,735.00
400-00-18430-000-346	TRANSMISSION - METERS			700.00
400-00-53700-000-650	REPAIRS & MAINTENANCE			1,620.00
<b>Total</b>			<b><u>89,055.00</u></b>	<b><u>89,055.00</u></b>
<b>Adjusting Journal Entries JE # 1017</b>		<b>K-03</b>		
Move valve replacements and tower project to account 650.				
400-00-53700-000-650	REPAIRS & MAINTENANCE		358,479.20	
400-00-18200-000-320	CONST IN PROGRESS-2021 TOWER			10,520.60
400-00-18200-000-320	CONST IN PROGRESS-2021 TOWER			338,656.60
400-00-57190-000-000	GENERAL GOVERNMENT OUTLAY			9,302.00
<b>Total</b>			<b><u>358,479.20</u></b>	<b><u>358,479.20</u></b>
<b>Adjusting Journal Entries JE # 1018</b>		<b>K-05</b>		
Record deferred and unamortized tower costs as of 12/31/2021.				
400-00-17000-000-186	MISCELLANEOUS DEFERRED DEBITS		294,873.00	
400-00-53700-000-650	REPAIRS & MAINTENANCE			294,873.00
<b>Total</b>			<b><u>294,873.00</u></b>	<b><u>294,873.00</u></b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1019</b>		<b>L-07.1</b>		
Record construction retainage and grant receivable for 80% of retainage at 12/31/2021. Reverse in 2022.				
250-00-14100-000-000	DUE FROM OTHER GOVERNMENT		33,091.11	
250-00-53315-000-000	HIGHWAY & STREET CONSTRUCTION		41,363.89	
250-00-21100-000-000	ACCOUNTS PAYABLE			41,363.89
250-00-43550-000-000	STATE AID-CDBG GRANT			33,091.11
<b>Total</b>			<b>74,455.00</b>	<b>74,455.00</b>
<b>Adjusting Journal Entries JE # 1020</b>		<b>L-07.2</b>		
Allocate 2021 infrastructure project construction costs to water and sewer and record a portion of the line of credit in the water utility.				
250-00-43550-000-000	STATE AID-CDBG GRANT		433,123.63	
250-00-49100-000-000	PROCEEDS FROM DEBT ISSUANCE		74,497.98	
300-00-18300-000-312	SERVICE CONNECTIONS		62,100.00	
300-00-18300-000-313	COLLECTING MAINS		171,144.50	
400-00-11100-000-131	POOLED WATER FUND		12,529.11	
400-00-18200-000-315	CONST IN PROGRESS-2020 CDBG		261,848.00	
250-00-11100-000-000	POOLED CDBG ACCOUNT			12,529.11
250-00-53315-000-000	HIGHWAY & STREET CONSTRUCTION			495,092.50
300-00-43550-000-000	STATE AID-CDBG GRANT			233,244.50
400-00-29610-000-000	NOTE PAYABLE - FARMERS CDBG 20			74,497.98
400-00-43550-000-000	STATE AID-CDBG GRANT			199,879.13
<b>Total</b>			<b>1,015,243.22</b>	<b>1,015,243.22</b>
<b>Adjusting Journal Entries JE # 1021</b>		<b>K-03, L-07.2</b>		
Capitalize engineering for 2021 infrastructure project.				
250-00-49100-000-000	PROCEEDS FROM DEBT ISSUANCE		49,870.25	
400-00-18200-000-315	CONST IN PROGRESS-2020 CDBG		62,560.75	
250-00-53315-000-000	HIGHWAY & STREET CONSTRUCTION			49,870.25
400-00-29610-000-000	NOTE PAYABLE - FARMERS CDBG 20			49,870.25
400-00-57190-000-000	GENERAL GOVERNMENT OUTLAY			8,639.25
400-00-57190-100-000	CDBG OUTLAY			4,051.25
<b>Total</b>			<b>112,431.00</b>	<b>112,431.00</b>
<b>Adjusting Journal Entries JE # 1022</b>		<b>L-07.2</b>		
Allocate CWIP to completed for plant in-service at 12/31/2021.				
400-00-18430-000-343	TRANSMISSION - MAINS		80,253.52	
400-00-18430-000-345	TRANSMISSION - SERVICES		34,475.22	
400-00-18430-000-348	TRANSMISSION - HYDRANTS		21,021.13	
400-00-18430-100-343	TRANS MAINS - CONTRIBUTED		119,927.48	
400-00-18430-100-345	TRANS SERVICES - CONTRIBUTED		49,969.78	
400-00-18430-100-348	TRANS HYDRANTS - CONTRIBUTED		29,981.87	
400-00-53700-000-640	SUPPLIES		74.27	
400-00-18200-000-315	CONST IN PROGRESS-2020 CDBG			335,703.27
<b>Total</b>			<b>335,703.27</b>	<b>335,703.27</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1023</b>		<b>K-01</b>		
Record water and sewer plant removals related to the 2021 infrastructure project.				
300-00-18600-000-140	ACCUMULATED DEPRECIATION		139,382.00	
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		70,945.00	
400-00-18390-100-110	ACCUMULATED DEPR - CONTRIBUTED		25,070.00	
300-00-18300-000-312	SERVICE CONNECTIONS			37,110.00
300-00-18300-000-313	COLLECTING MAINS			102,272.00
400-00-18430-000-343	TRANSMISSION - MAINS			56,945.00
400-00-18430-000-345	TRANSMISSION - SERVICES			9,500.00
400-00-18430-000-348	TRANSMISSION - HYDRANTS			4,500.00
400-00-18430-100-343	TRANS MAINS - CONTRIBUTED			21,070.00
400-00-18430-100-345	TRANS SERVICES - CONTRIBUTED			2,500.00
400-00-18430-100-348	TRANS HYDRANTS - CONTRIBUTED			1,500.00
<b>Total</b>			<b>235,397.00</b>	<b>235,397.00</b>
<b>Adjusting Journal Entries JE # 1024</b>		<b>FF-00</b>		
Record construction loan proceeds.				
250-00-29600-000-000	NOTE PAYABLE - FARMERS CDBG		275,679.50	
250-00-49100-000-000	PROCEEDS FROM DEBT ISSUANCE			275,679.50
<b>Total</b>			<b>275,679.50</b>	<b>275,679.50</b>
<b>Adjusting Journal Entries JE # 1025</b>		<b>K-02</b>		
Move immaterial costs from plant accounts to expense.				
300-00-53610-000-821	OPERATION EXPENSES-WWTP		80.59	
300-00-18600-000-372	OFFICE EQUIPMENT			59.99
300-00-18600-000-379	MISCELLANEOUS EQUIPMENT			20.60
<b>Total</b>			<b>80.59</b>	<b>80.59</b>
<b>Adjusting Journal Entries JE # 1026</b>		<b>K-01</b>		
Record depreciation for water and sewer plant.				
300-00-53615-000-403	DEPR EXPENSE - SEWER		3,787.62	
400-00-53730-000-403	DEPRECIATION EXP-FINANCED		2,311.41	
400-00-53730-000-404	DEPRECIATION EXP-CONTRIBUTED		1,327.79	
300-00-18600-000-140	ACCUMULATED DEPRECIATION			3,787.62
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED			2,311.41
400-00-18390-100-110	ACCUMULATED DEPR - CONTRIBUTED			1,327.79
<b>Total</b>			<b>7,426.82</b>	<b>7,426.82</b>
<b>Adjusting Journal Entries JE # 1027</b>		<b>L-03/4</b>		
Move water tower costs for preconstruction activities and inspections to the utility.				
100-00-11100-000-000	POOLED GENERAL FUND		16,600.00	
400-00-53700-000-650	REPAIRS & MAINTENANCE		16,600.00	
100-00-57000-000-000	CAPITAL OUTLAY			16,600.00
400-00-11100-000-131	POOLED WATER FUND			16,600.00
<b>Total</b>			<b>33,200.00</b>	<b>33,200.00</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1028</b>		<b>L-03/5, L-06</b>		
Move TID costs to fund 210.				
100-00-11100-000-000	POOLED GENERAL FUND		4,860.41	
210-00-51300-000-000	LEGAL EXPENSE		750.00	
210-00-51300-000-000	LEGAL EXPENSE		762.06	
210-00-57735-000-000	TIF CAPITAL OUTLAY		4,110.41	
100-00-57725-000-000	TIF OUTLAY			4,860.41
210-00-11100-000-000	POOLED TIF FUND			4,860.41
210-00-57735-000-000	TIF CAPITAL OUTLAY			762.06
<b>Total</b>			<b><u>10,482.88</u></b>	<b><u>10,482.88</u></b>
<b>Adjusting Journal Entries JE # 1029</b>		<b>PY JE 1014</b>		
Reverse 2020 journal entry 1014 that recorded construction retainage at 12/31/2020.				
210-00-21000-000-000	ACCOUNTS PAYABLE		25,725.44	
210-00-57735-000-000	TIF CAPITAL OUTLAY			25,725.44
<b>Total</b>			<b><u>25,725.44</u></b>	<b><u>25,725.44</u></b>
<b>Adjusting Journal Entries JE # 1030</b>		<b>AA-00</b>		
Remove Fire District investments.				
100-00-21110-000-001	FIRE DEPT INVESTMENT PAYABLE		378,404.36	
100-00-11110-000-001	FIRE DEPT INVESTMENT FUND			378,404.36
<b>Total</b>			<b><u>378,404.36</u></b>	<b><u>378,404.36</u></b>
<b>Adjusting Journal Entries JE # 1031</b>		<b>PSC-05</b>		
Reflect 2020 capital paid in by TID for water plant extension in Cardinal Way Subdivision.				
400-00-33900-000-216	UNAPPROPRIATED EARNED SURPLUS		80,353.00	
400-00-31100-000-200	CAPITAL PAID BY MUNICIPALITY			80,353.00
<b>Total</b>			<b><u>80,353.00</u></b>	<b><u>80,353.00</u></b>
<b>Adjusting Journal Entries JE # 1032</b>		<b>H-01</b>		
Reclassify 2022 Workhorse expense to a prepaid expense. REVERSE 1/1/2022 (New accounts for prepaid expenses)				
100-00-19000-000-000	Prepaid Expenses		1,250.00	
300-00-19000-000-000	Prepaid Expenses		1,250.00	
400-00-19000-000-000	Prepaid Expenses		1,250.00	
100-00-51500-240-000	SOFTWARE SUBSCRIPTIONS & FEES			1,250.00
300-00-53612-000-840	BILLING & ACCOUNTING			1,250.00
400-00-53612-000-840	BILLING & ACCOUNTING			1,250.00
<b>Total</b>			<b><u>3,750.00</u></b>	<b><u>3,750.00</u></b>
<b>Adjusting Journal Entries JE # 1033</b>		<b>D-02</b>		
Record sale proceeds for 2012 F350 plow.				
140-00-13100-000-000	ACCOUNTS REC. - CAPITAL PROJECTS		18,604.00	
140-00-48309-000-000	SALE OF FIXED ASSETS			18,604.00
<b>Total</b>			<b><u>18,604.00</u></b>	<b><u>18,604.00</u></b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1034</b>		<b>H-01</b>		
Reverse payable for 2022 Baer Insurance recorded in 2021. REVERSE 1/1/2022.				
100-00-21000-000-000	ACCOUNTS PAYABLE		1,537.33	
300-00-21100-000-000	ACCOUNTS PAYABLE		1,537.33	
400-00-21100-000-000	ACCOUNTS PAYABLE		1,537.34	
100-00-51938-000-000	GENERAL GOV'T INSURANCE			1,537.33
300-00-53612-000-853	INSURANCE			1,537.33
400-00-53710-000-684	INSURANCE			1,537.34
<b>Total</b>			<b>4,612.00</b>	<b>4,612.00</b>
<b>Adjusting Journal Entries JE # 1035</b>		<b>G/L</b>		
To reverse PY Audit entry #1023.				
100-00-21000-000-000	ACCOUNTS PAYABLE		1,367.76	
300-00-21100-000-000	ACCOUNTS PAYABLE		1,759.73	
400-00-21100-000-000	ACCOUNTS PAYABLE		817.86	
100-00-53311-760-000	STREETS - UTILITIES			21.10
100-00-53311-760-000	STREETS - UTILITIES			241.00
100-00-53420-000-000	STREET (HWY) LIGHTING			1,010.14
100-00-55200-765-000	PARK - LIGHTS			95.52
300-00-53610-000-821	OPERATION EXPENSES-WWTP			19.57
300-00-53610-000-821	OPERATION EXPENSES-WWTP			1,649.49
300-00-53610-000-823	UTILITIES-LIFT STATIONS&SHOP			36.40
300-00-53610-000-823	UTILITIES-LIFT STATIONS&SHOP			54.27
400-00-53610-000-823	UTILITIES-TOWER&SHOP			144.52
400-00-53610-000-823	UTILITIES-TOWER&SHOP			144.63
400-00-53700-000-620	ELECTRIC FOR WELL PUMPING			528.71
<b>Total</b>			<b>3,945.35</b>	<b>3,945.35</b>
<b>Adjusting Journal Entries JE # 1036</b>		<b>G/L</b>		
To adjust AP to actual at 12.31.21				
100-00-51420-310-000	CLERK OFFICE SUPPLIES		436.64	
100-00-53311-745-000	STREETS - SUPPLIES, OFC & GEN		499.96	
300-00-53610-000-827	OTHER SUPPLIES & EXPENSES		55.00	
400-00-53710-000-681	OFFICE SUPPLIES		72.60	
100-00-21000-000-000	ACCOUNTS PAYABLE			936.60
300-00-21100-000-000	ACCOUNTS PAYABLE			55.00
400-00-21100-000-000	ACCOUNTS PAYABLE			72.60
<b>Total</b>			<b>1,064.20</b>	<b>1,064.20</b>
<b>Adjusting Journal Entries JE # 1037</b>		<b>FF-01</b>		
Reclassify USDA loan payments against the payable for the sewer utility.				
300-00-29610-000-000	NOTE PAYABLE - RD REV BOND		33,000.00	
300-00-58100-000-428	PRINCIPAL ON RD LOAN			33,000.00
<b>Total</b>			<b>33,000.00</b>	<b>33,000.00</b>
<b>Adjusting Journal Entries JE # 1038</b>		<b>FF-01</b>		
Reclassify water tower loan principal payment against liability.				
400-00-29600-000-224	NOTE PAYABLE - FARMERS CDBG 18		47,080.34	
400-00-58100-000-000	PRINCIPAL ON LT DEBT			47,080.34
<b>Total</b>			<b>47,080.34</b>	<b>47,080.34</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1039</b>		<b>FF-01</b>		
Reclassify safe drinking water loan principal payment against correct liability account.				
400-00-29600-000-000	NOTE PAYABLE - FARMERS CDBG		7,462.41	
400-00-29600-000-224	NOTE PAYABLE - FARMERS CDBG 18			7,462.41
<b>Total</b>			<b>7,462.41</b>	<b>7,462.41</b>
<b>Adjusting Journal Entries JE # 1040</b>		<b>FF-01</b>		
Reclassify Note 14294 Cardinal Way phase 1 - TID loan payoff to principal account.				
210-00-58100-000-000	PRINCIPAL ON TIF LOAN		80,264.70	
210-00-58290-000-000	TIF INTEREST & FISCAL CHARGES			80,264.70
<b>Total</b>			<b>80,264.70</b>	<b>80,264.70</b>
<b>Adjusting Journal Entries JE # 1041</b>		<b>FF-01</b>		
Adjust interest and principal payments to actual for capital projects fund.				
140-00-58100-000-000	PRINCIPAL ON LT DEBT GF		231.88	
140-00-58290-000-000	INTEREST & FISCAL CHARGES			231.88
<b>Total</b>			<b>231.88</b>	<b>231.88</b>
<b>Adjusting Journal Entries JE # 1042</b>		<b>FF-01</b>		
Adjust allocation of SDWF interest payments to correct fund.				
100-00-11100-000-000	POOLED GENERAL FUND		46.41	
300-00-11100-000-000	POOLED SEWER FUND		92.80	
400-00-58200-000-427	INTEREST EXPENSE - WATER		139.21	
100-00-58290-000-000	INTEREST & FISCAL CHARGES			46.41
300-00-58200-000-427	INTEREST EXPENSE - SEWER			92.80
400-00-11100-000-131	POOLED WATER FUND			139.21
<b>Total</b>			<b>278.42</b>	<b>278.42</b>
<b>Adjusting Journal Entries JE # 1043</b>		<b>FF-01</b>		
Adjust accrued interest on utility debt.				
300-00-21600-000-237	ACCRUED INTEREST		125.00	
400-00-21600-000-237	ACCRUED INTEREST		150.00	
300-00-58200-000-427	INTEREST EXPENSE - SEWER			24.00
300-00-58200-000-428	INTEREST EXPENSE USDA RD LOAN			101.00
400-00-58200-000-427	INTEREST EXPENSE - WATER			150.00
<b>Total</b>			<b>275.00</b>	<b>275.00</b>
<b>Adjusting Journal Entries JE # 1044</b>		<b>AA-02</b>		
Entry to record additional AP for Fund 150 related to the Trane minisplit systems paid for/received in December 2021. (REVERSE IN 2022)				
150-00-57630-000-000	COMMUNITY CENTER OUTLAY		22,350.54	
150-00-21100-000-000	ACCOUNTS PAYABLE			22,350.54
<b>Total</b>			<b>22,350.54</b>	<b>22,350.54</b>
<b>Adjusting Journal Entries JE # 1045</b>		<b>AA-02</b>		
To record additional payables at 12.31.21 for the general fund & TIF fund. (REVERSE IN 2022).				
100-00-53311-740-000	STREETS - SALT		4,117.95	
210-00-57735-000-000	TIF CAPITAL OUTLAY		10,000.00	
100-00-21000-000-000	ACCOUNTS PAYABLE			4,117.95
210-00-21000-000-000	ACCOUNTS PAYABLE			10,000.00
<b>Total</b>			<b>14,117.95</b>	<b>14,117.95</b>

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Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1046</b>		<b>FF-01</b>		
Adjust loan proceeds to actual per bank confirm.				
250-00-53315-000-000	HIGHWAY & STREET CONSTRUCTION		19.50	
400-00-29610-000-000	NOTE PAYABLE - FARMERS CDBG 20		0.74	
250-00-49100-000-000	PROCEEDS FROM DEBT ISSUANCE			19.50
400-00-53710-000-682	CONTRACTED SERVICES			0.74
<b>Total</b>			<b>20.24</b>	<b>20.24</b>
<b>Adjusting Journal Entries JE # 1047</b>		<b>FF-01</b>		
Record sale of lot 11 and principal payment on loan.				
210-00-58100-000-000	PRINCIPAL ON TIF LOAN		30,025.00	
210-00-49130-000-000	PROCEEDS FROM PROPERTY SALES			30,025.00
<b>Total</b>			<b>30,025.00</b>	<b>30,025.00</b>
<b>Adjusting Journal Entries JE # 1048</b>		<b>FF-01</b>		
Reclassify principal payments to principal expense account.				
210-00-58100-000-000	PRINCIPAL ON TIF LOAN		73,082.00	
210-00-58290-000-000	TIF INTEREST & FISCAL CHARGES			31,292.00
210-00-58290-000-000	TIF INTEREST & FISCAL CHARGES			41,790.00
<b>Total</b>			<b>73,082.00</b>	<b>73,082.00</b>
<b>Adjusting Journal Entries JE # 1049</b>		<b>FF-01</b>		
Reclassify Cardinal Way phase 2 loan proceeds to correct account.				
210-00-29600-000-000	NOTE PAYABLE - CARDINAL WAY		56,004.44	
210-00-49100-000-000	PROCEEDS FROM DEBT ISSUANCE			56,004.44
<b>Total</b>			<b>56,004.44</b>	<b>56,004.44</b>
<b>Adjusting Journal Entries JE # 1050</b>		<b>AA-02</b>		
Record additional payable for December utilities. Reverse in 2022.				
100-00-51420-326-000	CLERK UTILITIES		32.89	
100-00-51980-760-000	FACILITIES UTILITIES		454.99	
100-00-52100-760-000	POLICE - UTILITIES		60.30	
100-00-53311-760-000	STREETS - UTILITIES		245.54	
100-00-53420-000-000	STREET (HWY) LIGHTING		1,035.89	
100-00-55200-765-000	PARK - LIGHTS		57.58	
300-00-53610-000-821	OPERATION EXPENSES-WWTP		1,660.23	
300-00-53610-000-823	UTILITIES-LIFT STATIONS&SHOP		85.70	
400-00-53610-000-823	UTILITIES-TOWER&SHOP		181.10	
400-00-53700-000-620	ELECTRIC FOR WELL PUMPING		914.17	
100-00-21000-000-000	ACCOUNTS PAYABLE			1,887.19
300-00-21100-000-000	ACCOUNTS PAYABLE			1,745.93
400-00-21100-000-000	ACCOUNTS PAYABLE			1,095.27
<b>Total</b>			<b>4,728.39</b>	<b>4,728.39</b>
<b>Adjusting Journal Entries JE # 1051</b>		<b>AAP-01</b>		
Adjust 2021 tax equivalent.				
100-00-11100-000-000	POOLED GENERAL FUND		155.00	
400-00-53730-004-408	TAXES-PT EQUIVALENT		155.00	
100-00-26300-000-000	DEFERRED REV - PROP TAX EQUIV			155.00
400-00-11100-000-131	POOLED WATER FUND			155.00
<b>Total</b>			<b>310.00</b>	<b>310.00</b>

Client: **RIDGEVILL - Village of Ridgeway**  
 Engagement: **Village of Ridgeway 12/31/21 Audit**  
 Period Ending: **12/31/2021**  
 Trial Balance: **TB**  
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1052</b>		<b>K-01</b>		
Record joint meter allocation.				
300-00-53612-000-857	JOINT METER ALLOCATION		3,579.00	
400-00-11100-000-131	POOLED WATER FUND		3,579.00	
300-00-11100-000-000	POOLED SEWER FUND			3,579.00
400-00-46452-000-474	OTHER WATER REVENUES			1,455.00
400-00-53730-000-403	DEPRECIATION EXP-FINANCED			1,458.00
400-00-53730-004-408	TAXES-PT EQUIVALENT			666.00
<b>Total</b>			<b>7,158.00</b>	<b>7,158.00</b>
<b>Adjusting Journal Entries JE # 1053</b>		<b>E-05</b>		
Adjust hydrant rent to actual.				
100-00-52200-265-000	HYDRANT RENTAL		1,299.00	
400-00-11100-000-131	POOLED WATER FUND		1,299.00	
100-00-11100-000-000	POOLED GENERAL FUND			1,299.00
400-00-46450-000-463	HYDRANT RENTAL			1,299.00
<b>Total</b>			<b>2,598.00</b>	<b>2,598.00</b>
<b>Adjusting Journal Entries JE # 1054</b>		<b>A-00</b>		
Move SDWFL debt service cash to the water utility for report purposes and DNR requirements.				
100-00-11100-000-000	POOLED GENERAL FUND		19,388.40	
400-00-11120-000-135	SDWFL DEBT SERVICE CASH		19,388.40	
100-00-11105-000-000	SDWL DEBT SERVICE			19,388.40
400-00-11100-000-131	POOLED WATER FUND			19,388.40
<b>Total</b>			<b>38,776.80</b>	<b>38,776.80</b>
<b>Adjusting Journal Entries JE # 1055</b>		<b>BB-03</b>		
Adjust accrued payroll to actual at 12/31/21.				
100-00-51420-110-000	CLERK WAGES		290.00	
100-00-52100-110-000	POLICE - WAGES		761.00	
100-00-53311-110-000	STREETS - WAGES		761.00	
300-00-53610-000-820	WAGES - DIRECT LABOR		567.00	
400-00-53700-000-600	WAGES - DIRECT LABOR		253.00	
100-00-21700-000-000	ACCRUED PAYROLL			1,812.00
300-00-21600-000-238	ACCRUED PAYROLL			567.00
400-00-21600-000-245	ACCRUED PAYROLL			253.00
<b>Total</b>			<b>2,632.00</b>	<b>2,632.00</b>
<b>Adjusting Journal Entries JE # 1056</b>		<b>J-01</b>		
Adjust inventory to actual as of 12/31/2021.				
400-00-53700-000-640	SUPPLIES		437.61	
400-00-16110-000-154	MATERIALS & SUPPLIES INVENTORY			437.61
<b>Total</b>			<b>437.61</b>	<b>437.61</b>
<b>Adjusting Journal Entries JE # 1057</b>		<b>AAG-01</b>		
Reclassify TID wages and fringes for 2016 through 2021 for the Clerk/Treasurer and Public Works.				
100-00-11100-000-000	POOLED GENERAL FUND		10,412.12	
210-00-56700-110-000	TID DEVELOPMENT - WAGES		10,412.12	
100-00-51420-110-000	CLERK WAGES			6,349.88
100-00-53311-110-000	STREETS - WAGES			4,062.24
210-00-11100-000-000	POOLED TIF FUND			10,412.12
<b>Total</b>			<b>20,824.24</b>	<b>20,824.24</b>

Client: **RIDGEVILL - Village of Ridgeway**  
 Engagement: **Village of Ridgeway 12/31/21 Audit**  
 Period Ending: **12/31/2021**  
 Trial Balance: **TB**  
 Workpaper: **Adjusting Journal Entries Report - 2**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1058</b>		<b>FF-01/bond req</b>		
Record transfer to SDWFL debt service cash for bond requirements. Hailey, you will need to write a check and deposit it in the SDWFL debt service bank account.				
400-00-11120-000-135	SDWFL DEBT SERVICE CASH		219.12	
400-00-11100-000-131	POOLED WATER FUND			219.12
<b>Total</b>			<b>219.12</b>	<b>219.12</b>
<b>Adjusting Journal Entries JE # 1059</b>		<b>K-06</b>		
Record 2019 plant additions financed by the CDBG award to contributed plant.				
400-00-18430-100-343	TRANS MAINS - CONTRIBUTED		74,135.00	
400-00-18430-100-345	TRANS SERVICES - CONTRIBUTED		13,496.00	
400-00-18430-100-348	TRANS HYDRANTS - CONTRIBUTED		9,243.00	
400-00-18430-000-343	TRANSMISSION - MAINS			74,135.00
400-00-18430-000-345	TRANSMISSION - SERVICES			13,496.00
400-00-18430-000-348	TRANSMISSION - HYDRANTS			9,243.00
<b>Total</b>			<b>96,874.00</b>	<b>96,874.00</b>
<b>Adjusting Journal Entries JE # 1060</b>		<b>K-06</b>		
Correct recording of services and hydrants incorrectly recorded in 2019.				
400-00-18430-000-345	TRANSMISSION - SERVICES		47,631.00	
400-00-18430-000-348	TRANSMISSION - HYDRANTS		32,620.00	
400-00-18430-000-343	TRANSMISSION - MAINS			80,251.00
<b>Total</b>			<b>80,251.00</b>	<b>80,251.00</b>
<b>Adjusting Journal Entries JE # 1061</b>		<b>K-06</b>		
Record retirements related to 2019 project.				
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		18,230.00	
400-00-18430-000-345	TRANSMISSION - SERVICES			9,480.00
400-00-18430-000-348	TRANSMISSION - HYDRANTS			8,750.00
<b>Total</b>			<b>18,230.00</b>	<b>18,230.00</b>
<b>Adjusting Journal Entries JE # 1062</b>		<b>K-06.1</b>		
Record removal of 8 water meter in 2019 per PSC data request.				
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		1,120.00	
400-00-18430-000-346	TRANSMISSION - METERS			1,120.00
<b>Total</b>			<b>1,120.00</b>	<b>1,120.00</b>
<b>Adjusting Journal Entries JE # 1063</b>		<b>K-06</b>		
Adjust depreciation expense related to 2016 and 2019 corrections.				
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		1,317.12	
400-00-53730-000-404	DEPRECIATION EXP-CONTRIBUTED		1,370.11	
400-00-18390-100-110	ACCUMULATED DEPR - CONTRIBUTED			1,370.11
400-00-53730-000-403	DEPRECIATION EXP-FINANCED			1,317.12
<b>Total</b>			<b>2,687.23</b>	<b>2,687.23</b>
<b>Adjusting Journal Entries JE # 1064</b>		<b>K-01</b>		
Record capital addition and removal related to the water tower project.				
400-00-18390-000-110	ACCUMULATED DEPR - FINANCED		11,700.00	
400-00-18410-000-325	PUMPING - ELECTRIC EQUIPMENT		20,700.00	
400-00-18410-000-325	PUMPING - ELECTRIC EQUIPMENT			11,700.00
400-00-53700-000-650	REPAIRS & MAINTENANCE			20,700.00
<b>Total</b>			<b>32,400.00</b>	<b>32,400.00</b>

**Appendix 2 – Passed Journal Entries**

DRAFT

Client: **RIDGEVILL - Village of Ridgeway**  
 Engagement: **Village of Ridgeway 12/31/21 Audit**  
 Period Ending: **12/31/2021**  
 Trial Balance: **TB**  
 Workpaper: **Proposed Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Proposed Journal Entries</b>				
<b>Proposed Journal Entries JE # 6001</b>		<b>BB-04</b>		
Record compensated absences liability at 12.31.2021				
100-00-51421-110-000	DEPUTY CLERK - WAGES		1,482.00	
100-00-52100-110-000	POLICE - WAGES		4,883.00	
100-00-53311-110-000	STREETS - WAGES		5,571.00	
300-00-53610-000-820	WAGES - DIRECT LABOR		3,945.00	
400-00-53700-000-600	WAGES - DIRECT LABOR		3,945.00	
100-00-21000-000-000	ACCOUNTS PAYABLE			11,936.00
300-00-21100-000-000	ACCOUNTS PAYABLE			3,945.00
400-00-21100-000-000	ACCOUNTS PAYABLE			3,945.00
<b>Total</b>			<b>19,826.00</b>	<b>19,826.00</b>
<b>Proposed Journal Entries JE # 6002</b>				
<b>Proposed Journal Entries JE # 6002</b>		<b>H-01</b>		
Record prepaid 2021 expenditures for health,dental, life, and web license.				
100-00-13200-000-000	SPEC ASSESS RECEIVABLE		4,532.00	
100-00-51420-125-000	CLERK EMPLOYEE BENEFITS			3,004.00
100-00-52100-450-000	POLICE - COMPUTER/SOFTWARE			1,528.00
<b>Total</b>			<b>4,532.00</b>	<b>4,532.00</b>
<b>Proposed Journal Entries JE # 6003</b>				
<b>Proposed Journal Entries JE # 6003</b>		<b>AA-02</b>		
Record additional payable for engineering invoice received in January 2022 for 2021 work completed.				
140-00-57331-000-000	HIGHWAY & STREET OUTLAY		380.00	
250-00-53315-000-000	HIGHWAY & STREET CONSTRUCTION		2,000.00	
250-00-53315-000-000	HIGHWAY & STREET CONSTRUCTION		685.00	
300-00-53610-000-821	OPERATION EXPENSES-WWTP		630.00	
400-00-18200-000-315	CONST IN PROGRESS-2020 CDBG		685.00	
140-00-26100-000-000	DEFERRED REVENUE - TAX ROLL			380.00
250-00-21100-000-000	ACCOUNTS PAYABLE			2,000.00
250-00-21100-000-000	ACCOUNTS PAYABLE			685.00
300-00-21100-000-000	ACCOUNTS PAYABLE			630.00
400-00-21100-000-000	ACCOUNTS PAYABLE			685.00
<b>Total</b>			<b>4,380.00</b>	<b>4,380.00</b>
<b>Proposed Journal Entries JE # 6004</b>				
<b>Proposed Journal Entries JE # 6004</b>		<b>AA-02</b>		
Record additional payable for comprehensive outdoor rec plan. 4th Qtr 2021 invoice paid in February 2022.				
100-00-51100-150-000	BOARD MISC EXPENSES		3,000.00	
100-00-21000-000-000	ACCOUNTS PAYABLE			3,000.00
<b>Total</b>			<b>3,000.00</b>	<b>3,000.00</b>
<b>Proposed Journal Entries JE # 6005</b>				
<b>Proposed Journal Entries JE # 6005</b>		<b>E-03</b>		
Record unbilled revenue estimate at 12/31/2021.				
300-00-13100-000-000	ACCOUNTS RECEIVABLE		4,138.00	
400-00-13100-000-142	ACCOUNTS RECEIVABLE		1,440.00	
300-00-46411-001-622	MEASURED SEWER RESIDENTIAL			4,138.00
400-00-46451-001-461	METERED SALES RESIDENTIAL			1,440.00
<b>Total</b>			<b>5,578.00</b>	<b>5,578.00</b>
<b>Total Proposed Journal Entries</b>			<b>37,316.00</b>	<b>37,316.00</b>
<b>Total All Journal Entries</b>			<b>37,316.00</b>	<b>37,316.00</b>