

**RIVERDALE CITY  
BASIC FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORTS  
YEAR ENDED JUNE 30, 2022**

## TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
Management's Discussion and Analysis .....	3-10

### Basic Financial Statements:

#### Government Wide Financial Statements:

Statement of Net Position .....	11
Statement of Activities .....	12

#### Governmental Funds Statements:

Balance Sheet – Governmental Funds .....	13
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position .....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	16

#### Proprietary Fund Statements:

Statement of Net Position – Proprietary Funds .....	17
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	18
Statement of Cash Flows – Proprietary Funds .....	19

Notes to the Financial Statements .....	20-50
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### Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes to Fund Balances Budget and Actual – General Fund .....	51-52
Schedule of Revenues, Expenditures, and Changes to Fund Balances Budget and Actual – Redevelopment Agency Special Revenue Fund .....	53
Schedule of the Proportionate Share of the Net Pension Liability .....	54
Schedule of Contributions .....	55
Notes to the Required Supplementary Information .....	56

### Supplementary Information:

Combining Statement of Net Position – Internal Service Funds .....	57
Combining Statement of Revenues, Expenditures, and Changes in Net Positions – Internal Service Funds .....	58
Combining Statement of Cash Flows – Internal Service Funds .....	59

### Auditors' Reports and Schedule of Findings:

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> .....	60
Independent Auditors' Report in Accordance with the State Compliance Audit Guide .....	61-62



## Independent Auditor's Report

To the Mayor and City Council  
Riverdale City, Utah

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverdale City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Riverdale City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverdale City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Riverdale City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverdale City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Riverdale City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverdale City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3-10 and 51-56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements on pages 57-59 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements on pages 57-59 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2023 on our consideration of Riverdale City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Riverdale City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverdale City's internal control over financial reporting and compliance.

*Christensen, Palmer + Ambrose P.C.*

January 6, 2023  
Ogden, UT

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**



# RIVERDALE CITY MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDING JUNE 30, 2022

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## INTRODUCTION

The following is a discussion and analysis of Riverdale City's financial performance and activities for the fiscal year ending June 30, 2022. Beginning in fiscal year 2004, the City implemented financial reporting standards established by GASB (the Governmental Accounting Standards Board). These standards significantly changed the content and structure of the financial statements.

## HIGHLIGHTS

Auto Zone, Café Rio, Dutch Bros Coffee, Mo' Bettahs Hawaiian Style Food, Nexeo, G.O.A.T. Haircuts, Epic Windows and Doors, Raising Cane's Chicken Fingers, Spark Studios Hair Salons and Two Hoosiers Cyclery all joined the City during this fiscal year. New residential construction numbers were higher than the previous year. Permits for single family dwelling homes were twenty-three for the current year and twenty-five for the previous year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City's Basic Financial Statements. The Basic Financial Statements includes three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains other supplementary information.

The government-wide financial statements are comprised of: 1) the Statement of Net Assets, and 2) the Statement of Activities. These two statements provide a broad overview of the City's finances. The Statement of Net Assets shows the overall net assets of the City. Over time, increases and decreases in net assets are one indicator of the City's overall financial condition. The Statement of Activities helps to identify functions of the City that are principally supported by taxes and other general revenues (governmental activities) along with other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities).

Riverdale City's business type activities include water, sewer, garbage, and storm water operations.

The fund financial statements provide detailed information about individual major funds and not the City as a whole. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All the City's funds are divided into two types, each of which uses a different accounting approach. The two types are 1) Governmental Funds and 2) Proprietary Funds.

**Governmental Funds** – Most of the City's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements.

**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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***Proprietary Funds*** – Riverdale City uses two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Riverdale City has four enterprise funds – water, sewer, garbage, and storm water. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City maintains two internal service funds to account for its fleet and information technology systems activities. Because these services predominantly benefit government rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

Differences between Government-Wide and Fund Statements

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred revenue on the governmental fund statements.

Notes to the Financial Statements

The notes found within these financial statements provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

**Net Position**

The largest component of the City's net position, 53.9 percent, reflects investments in capital assets (land, buildings, equipment, roads, parks, trails and other infrastructure) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities.

Restricted net position comprises 10.2 percent of total net position and is subject to external restrictions on how they may be used. The remaining 35.8 percent of net position is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

**Riverdale City**  
Statement of Net Position  
Comparative

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$26,685,362	\$19,716,144	\$ 8,125,311	\$ 8,211,810	\$34,810,673	\$27,927,954
Capital Assets (Net)	19,667,118	20,295,671	12,702,506	12,496,645	32,369,624	32,792,316
<b>Total Assets</b>	<b>46,352,480</b>	<b>40,011,815</b>	<b>20,827,817</b>	<b>20,708,455</b>	<b>67,180,297</b>	<b>60,720,270</b>
<b>Deferred Outflows</b>	<b>942,399</b>	<b>780,873</b>	<b>79,392</b>	<b>64,520</b>	<b>1,021,791</b>	<b>845,393</b>
Current Liabilities	858,158	390,226	67,592	135,913	925,750	526,139
Noncurrent Liabilities	1,372,399	1,788,952	219,848	184,377	1,592,247	1,973,329
<b>Total Liabilities</b>	<b>2,230,557</b>	<b>2,179,178</b>	<b>287,440</b>	<b>320,290</b>	<b>2,517,997</b>	<b>2,499,468</b>
<b>Deferred Inflows</b>	<b>5,376,828</b>	<b>2,419,073</b>	<b>292,675</b>	<b>139,955</b>	<b>5,669,503</b>	<b>2,559,028</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	19,667,118	20,295,671	12,702,506	12,496,645	32,369,624	32,792,316
Restricted	6,142,691	5,977,092	-	-	6,142,691	5,977,092
Unrestricted	13,877,685	9,921,674	7,624,588	7,816,085	21,502,273	17,737,759
<b>Total Net Position</b>	<b>\$39,687,494</b>	<b>\$36,194,437</b>	<b>\$20,327,094</b>	<b>\$20,312,730</b>	<b>\$60,014,588</b>	<b>\$56,507,167</b>

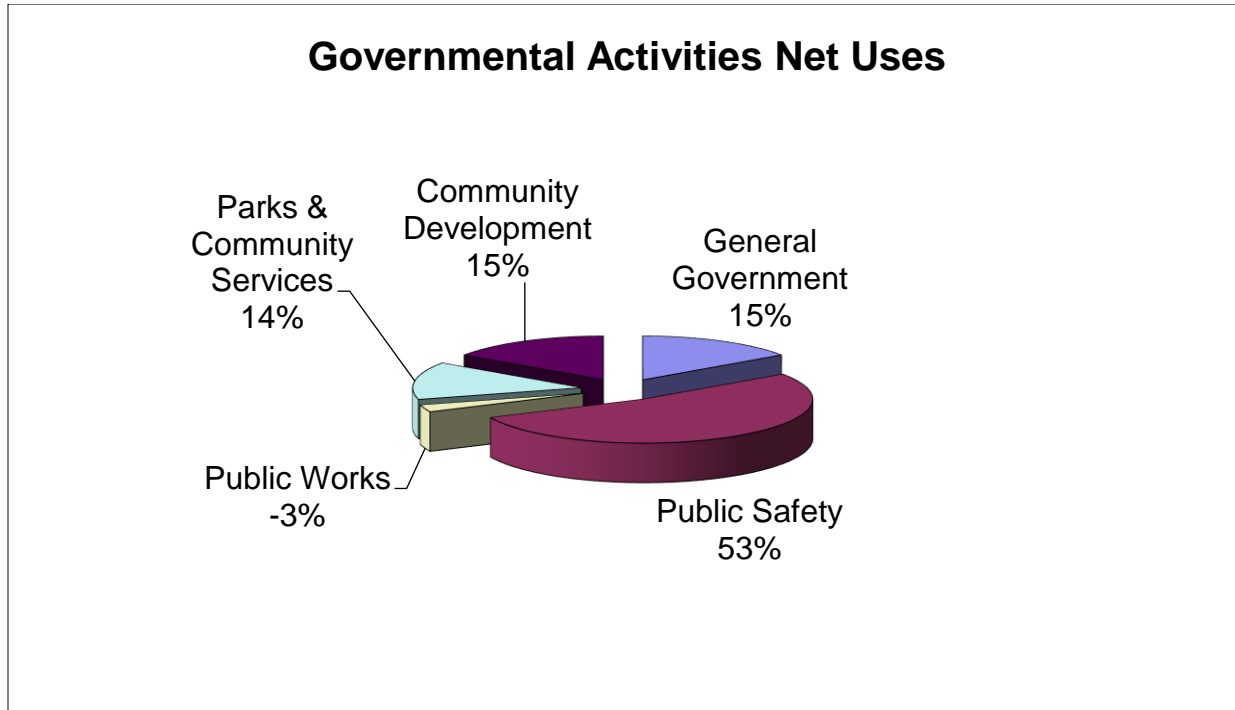


**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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**Governmental Activities**

The activities in the governmental funds resulted in an increase in net position of \$3,493,057 for the year. The following chart shows by percentage the relative net uses (expenses minus any revenue directly attributed to that particular function) for governmental activities for each of the functions shown on the Statement of Activities.



**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

**Riverdale City**  
Changes in Net Position  
Comparative

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Program Revenues:</b>						
Charges for Services	\$ 1,567,219	\$ 1,424,369	\$ 2,867,602	\$ 3,195,585	\$ 4,434,821	\$ 4,619,954
Operating Grants & Contributions	1,099,837	1,765,630	-	-	1,099,837	1,765,630
Capital Grants & Contributions	-	-	-	-	-	-
<b>General Revenues:</b>						
Property Taxes	1,151,666	1,289,768	-	-	1,151,666	1,289,768
Sales Tax	8,930,709	8,254,844	-	-	8,930,709	8,254,844
Unrestricted interest earned	86,336	68,919	37,279	35,773	123,615	104,692
Miscellaneous	347,318	212,842	-	-	347,318	212,842
Transfers - internal activities	-	-	-	-	-	-
<b>Total Revenues</b>	<b>13,183,085</b>	<b>13,016,372</b>	<b>2,904,881</b>	<b>3,231,358</b>	<b>16,087,966</b>	<b>16,247,730</b>
<b>Expenses:</b>						
General Government	1,987,958	2,403,168	-	-	1,987,958	2,403,168
Public Safety	4,387,751	4,532,879	-	-	4,387,751	4,532,879
Streets and Public Works	860,293	568,293	-	-	860,293	568,293
Parks & Community Services	1,152,978	925,758	-	-	1,152,978	925,758
Community Development	1,301,048	832,376	-	-	1,301,048	832,376
Interest on long-term debt	-	-	-	-	-	-
Water Fund	-	-	1,062,547	964,866	1,062,547	964,866
Sewer Fund	-	-	1,070,646	985,683	1,070,646	985,683
Storm Water Fund	-	-	270,819	242,357	270,819	242,357
Garbage Fund	-	-	486,505	413,683	486,505	413,683
<b>Total Expenses</b>	<b>9,690,028</b>	<b>9,262,474</b>	<b>2,890,517</b>	<b>2,606,589</b>	<b>12,580,545</b>	<b>11,869,063</b>
Increase in Net Position before Transfers	3,493,057	3,753,898	14,364	624,769	3,507,421	4,378,667
Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	3,493,057	3,753,898	14,364	624,769	3,507,421	4,378,667
Net Position Beginning - restated	36,194,437	32,440,539	20,312,730	19,687,961	56,507,167	52,128,500
Net Position Ending	<u>\$39,687,494</u>	<u>\$36,194,437</u>	<u>\$20,327,094</u>	<u>\$20,312,730</u>	<u>\$60,014,588</u>	<u>\$56,507,167</u>

**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

The table below shows to what extent the City's governmental activities relied on taxes and other general revenue to cover all of their costs. These programs generated revenues of \$2,667,056 or 27.5 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 72.5 percent of expenses.

Activities	Total Program Expenses	Less Program Revenues	Net Program Costs	Program Revenues as a Percentage of Total Expense
General Government	\$ 1,987,958	\$ 847,312	\$ (1,140,646)	42.6%
Public Safety	4,387,751	480,345	(3,907,406)	10.9%
Streets & Public Works	860,293	1,055,205	194,912	122.7%
Parks & Community Services	1,152,978	127,639	(1,025,339)	11.1%
Community Development	1,301,048	156,555	(1,144,493)	12.0%
Totals	<u>\$ 9,690,028</u>	<u>\$ 2,667,056</u>	<u>\$ (7,022,972)</u>	<u>27.5%</u>

**Business-Type Activities**

The business-type activities (water, sewer, storm-water, and garbage) are generating sufficient revenue to cover operating costs and provide varying amounts of reserves for future capital projects.

**CAPITAL ASSETS AND LONG-TERM DEBT**

**Capital Assets**

Riverdale City's governmental and business-type activities net capital assets decreased by \$422,692 during the fiscal year – added \$828,039 in infrastructure, \$0 in improvements, \$231,757 in buildings, and \$216,194 in machinery and equipment. The City had an decrease of \$101,500 in land. The City also subtracted \$87,279 in equipment and other assets. Accumulated depreciation on the assets increased by \$1,652,618.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

**Fund Balances**

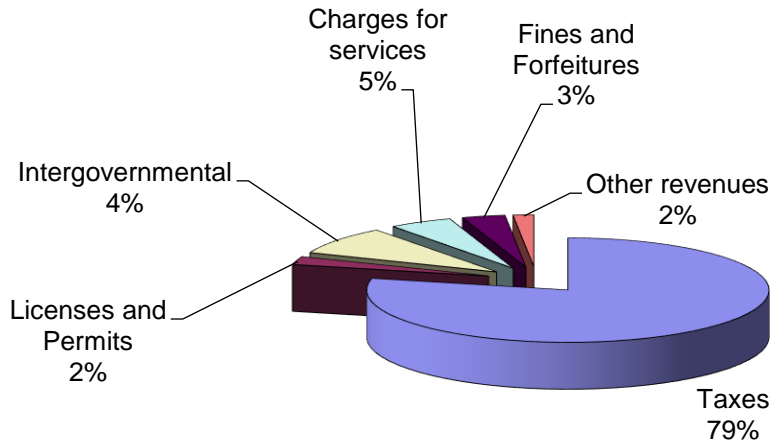
At June 30, 2022, Riverdale City's governmental funds reported combined fund balances of \$18,865,703. Of this amount, \$6,142,691 or 32.6% is restricted for specific purposes and projects. \$8,338,243 or 44.2% is assigned to Capital Projects and the remaining \$4,384,769 or 23.2% is unreserved.

**General Fund**

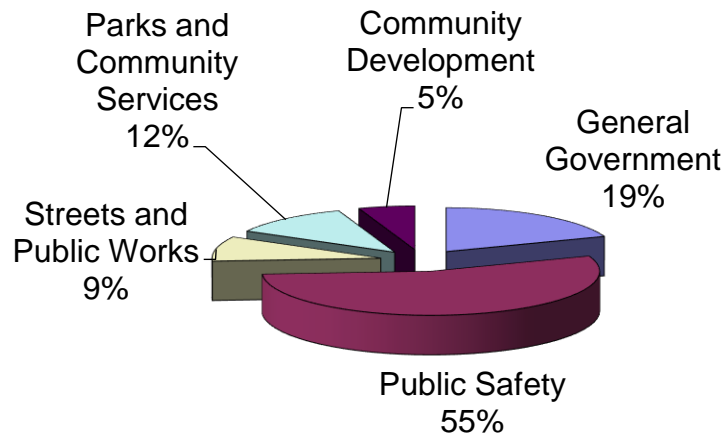
During 2022, the fund balance in the general fund increased by \$621,688. Taxes increased \$792,778, a 8.8% increase from the previous year. Total general fund revenues were up \$300,341, a 2.5% increase from the previous year. Total general fund expenditures (excluding transfers) were down \$129,905 or (1.4)%.

**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

**General Fund Revenue Sources**



**General Fund Expenditures**



**RIVERDALE CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDING JUNE 30, 2022**

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*General Fund Budgetary Highlights*

Riverdale City prepares its budget according to state statutes. The most significant budget is the General Fund. The City made amendments to the General Fund this year. The budget was increased by \$800,000.

Actual General Fund revenues were \$1,258,061 or 11.2% above the budget. Actual expenditures were \$3,553,805 or 28.0% below the amended budget or \$3,553,805 or 28.0% below the original budget. The City was not required to draw upon existing fund balance in the General Fund this year to cover its expenditures.

**RDA Fund**

During the fiscal year, the fund balance in the Redevelopment Agency Fund decreased \$352,271.

The City made no amendments to the RDA budget during this year.

**Capital Projects Fund**

During the fiscal year, the fund balance in the Capital Projects Fund increased \$2,696,599.

**Enterprise Funds**

The combined change in net position of the enterprise funds shows an increase of \$14,364. This is \$610,405 lower than the previous year.

**OTHER MATTERS**

**Current and Future Projects**

The City's water department has budgeted \$915,000 in various projects, and sewer replacement/repair projects in the amount of \$300,000 in the coming fiscal year. The City will also be working on possible storm water projects in the amount of \$315,000.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Riverdale City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the City's finances should be addressed to Riverdale City, 4600 S. Weber River Dr., Riverdale, UT 84405.

# **BASIC FINANCIAL STATEMENTS**

**RIVERDALE CITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,879,729	\$ 7,682,209	\$ 22,561,938
Restricted cash	5,779,195	-	5,779,195
Accounts receivable	70,211	224,697	294,908
Due from other governmental units	3,340,860	-	3,340,860
Housing loans receivable	372,948	-	372,948
Net pension asset	2,242,419	218,405	2,460,824
Capital assets (net of accumulated depreciation):			
Land	5,802,713	755	5,803,468
Construction in progress	142,307	-	142,307
Infrastructure	5,433,192	11,904,372	17,337,564
Buildings	5,111,995	361,234	5,473,229
Improvements	1,133,462	-	1,133,462
Machinery and equipment	2,043,449	245,480	2,288,929
Water rights	-	190,665	190,665
<b>TOTAL ASSETS</b>	<b>46,352,480</b>	<b>20,827,817</b>	<b>67,180,297</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources relating to pensions	942,399	79,392	1,021,791
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>47,294,879</b>	<b>20,907,209</b>	<b>68,202,088</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	399,414	67,592	467,006
Deposits	458,744	-	458,744
Non-current liabilities:			
Due within one year	-	-	-
Due in more than one year	1,372,399	219,848	1,592,247
<b>TOTAL LIABILITIES</b>	<b>2,230,557</b>	<b>287,440</b>	<b>2,517,997</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	1,542,416	-	1,542,416
Unavailable revenue - CARES Act	504,755	-	504,755
Deferred inflows of resources related to pensions	3,329,657	292,675	3,622,332
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,376,828</b>	<b>292,675</b>	<b>5,669,503</b>
<b>NET POSITION</b>			
Net investment in capital assets	19,667,118	12,702,506	32,369,624
Restricted for:			
Redevelopment Agency	4,373,973	-	4,373,973
Class "C" Roads	663,733	-	663,733
Local Option Highway and Transportation	1,104,985	-	1,104,985
Unrestricted	13,877,685	7,624,588	21,502,273
<b>TOTAL NET POSITION</b>	<b>\$ 39,687,494</b>	<b>\$ 20,327,094</b>	<b>\$ 60,014,588</b>

The accompanying notes are an integral part of these statements.



**RIVERDALE CITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
General government	\$ 1,987,958	\$ 812,544	\$ 34,768	\$ -	\$ (1,140,646)	\$ -	\$ (1,140,646)
Public safety	4,387,751	429,711	50,634	-	(3,907,406)	-	(3,907,406)
Streets and public works	860,293	40,770	1,014,435	-	194,912	-	194,912
Parks and community services	1,152,978	127,639	-	-	(1,025,339)	-	(1,025,339)
Community development	1,301,048	156,555	-	-	(1,144,493)	-	(1,144,493)
Total governmental activities	<u>9,690,028</u>	<u>1,567,219</u>	<u>1,099,837</u>	<u>-</u>	<u>(7,022,972)</u>	<u>-</u>	<u>(7,022,972)</u>
Business-type activities:							
Water	1,062,547	989,555	-	-	-	(72,992)	(72,992)
Sewer	1,070,646	1,218,367	-	-	-	147,721	147,721
Storm water	270,819	230,602	-	-	-	(40,217)	(40,217)
Garbage	486,505	429,078	-	-	-	(57,427)	(57,427)
Total business-type activities	<u>2,890,517</u>	<u>2,867,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,915)</u>	<u>(22,915)</u>
Total primary government	<u>\$ 12,580,545</u>	<u>\$ 4,434,821</u>	<u>\$ 1,099,837</u>	<u>\$ -</u>	<u>(7,022,972)</u>	<u>(22,915)</u>	<u>(7,045,887)</u>
General revenues:							
Property taxes					1,151,666	-	1,151,666
Sales taxes					8,930,709	-	8,930,709
Franchise taxes					64,735	-	64,735
Transient room tax					17,337	-	17,337
Fees-in-lieu of taxes					64,778	-	64,778
Miscellaneous					200,468	-	200,468
Interest earnings					86,336	37,279	123,615
Total general revenues and transfers					<u>10,516,029</u>	<u>37,279</u>	<u>10,553,308</u>
Change in net position					<u>3,493,057</u>	<u>14,364</u>	<u>3,507,421</u>
Net position - beginning					<u>36,194,437</u>	<u>20,312,730</u>	<u>56,507,167</u>
Net position - ending					<u>\$ 39,687,494</u>	<u>\$ 20,327,094</u>	<u>\$ 60,014,588</u>

The accompanying notes are an integral part of these statements.

**RIVERDALE CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<b>General Fund</b>	<b>Redevelopment Agency Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,838,214	\$ -	\$ 8,362,162	\$ 12,200,376
Restricted cash	1,768,718	4,010,477	-	5,779,195
Accounts receivable	70,211	-	-	70,211
Due from other governmental units	3,337,735	3,125	-	3,340,860
Housing loans receivable	-	372,948	-	372,948
Total assets	<u>\$ 9,014,878</u>	<u>\$ 4,386,550</u>	<u>\$ 8,362,162</u>	<u>\$ 21,763,590</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 301,914	\$ 3,474	\$ 23,919	\$ 329,307
Accrued liabilities	62,665	-	-	62,665
Deposits	449,641	9,103	-	458,744
Total liabilities	<u>814,220</u>	<u>12,577</u>	<u>23,919</u>	<u>850,716</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - Property Taxes	1,542,416	-	-	1,542,416
Unavailable revenue - ARPA Funds	504,755	-	-	504,755
Total deferred inflows of resources	<u>2,047,171</u>	<u>-</u>	<u>-</u>	<u>2,047,171</u>
<b>FUND BALANCES</b>				
Restricted for:				
Class "C" roads	663,733	-	-	663,733
Local option highway & transportation	1,104,985	-	-	1,104,985
Redevelopment agency	-	4,373,973	-	4,373,973
Assigned to:				
Capital projects	-	-	8,338,243	8,338,243
Unassigned	4,384,769	-	-	4,384,769
Total fund balances	<u>6,153,487</u>	<u>4,373,973</u>	<u>8,338,243</u>	<u>18,865,703</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,014,878</u>	<u>\$ 4,386,550</u>	<u>\$ 8,362,162</u>	<u>\$ 21,763,590</u>

The accompanying notes are an integral part of these statements.

**RIVERDALE CITY**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

Total fund balances - governmental funds:		\$ 18,865,703
Amounts reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$ 5,802,713	
Construction in progress	142,307	
Infrastructure	8,794,100	
Buildings	10,373,146	
Improvements	3,326,994	
Machinery and equipment	6,258,961	
Accumulated depreciation	<u>(15,031,103)</u>	
		19,667,118
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with activities in the statement of net position. (Net of capital assets included above.)		
		2,671,911
Net pension assets used in governmental activities are not financial resources and , therefore, are not reported in the funds.		
		2,242,419
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.		
		942,399
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.		
		(3,329,657)
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds, but they are reported in the Statement of Net Position.		
Net pension liability	(5,480)	
Compensated absences	<u>(1,366,919)</u>	
		<u>(1,372,399)</u>
Net position of governmental activities		<u>\$ 39,687,494</u>

The accompanying notes are an integral part of these statements.

**RIVERDALE CITY**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>REVENUES</b>	<b>General Fund</b>	<b>Redevelopment Agency Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
Taxes				
Property taxes	\$ 776,657	\$ 375,009	\$ -	\$ 1,151,666
Sales taxes	8,930,709	-	-	8,930,709
Franchise taxes	64,735	-	-	64,735
Transient room tax	17,337	-	-	17,337
Fees-in-lieu of taxes	64,778	-	-	64,778
Licenses and permits	312,606	-	-	312,606
Intergovernmental	1,099,837	-	-	1,099,837
Charges for services	637,470	-	-	637,470
Fines and forfeitures	433,025	-	-	433,025
Interest	24,639	22,509	27,059	74,207
Other revenues	184,118	169,968	101,091	455,177
Total revenues	<u>12,545,911</u>	<u>567,486</u>	<u>128,150</u>	<u>13,241,547</u>
<b>EXPENDITURES</b>				
Current				
General government	1,768,621	-	-	1,768,621
Public safety	4,936,003	-	3,995	4,939,998
Streets and public works	454,514	-	-	454,514
Parks and community services	1,058,930	-	37,135	1,096,065
Community development	492,210	870,872	-	1,363,082
Capital outlay				
General government	-	-	-	-
Public safety	48,785	-	182,871	231,656
Streets and public works	372,710	-	-	372,710
Parks and community services	-	-	-	-
Community development	-	48,885	-	48,885
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>9,131,773</u>	<u>919,757</u>	<u>224,001</u>	<u>10,275,531</u>
Excess (deficiency) of revenues over expenditures	<u>3,414,138</u>	<u>(352,271)</u>	<u>(95,851)</u>	<u>2,966,016</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	2,792,450	2,792,450
Transfers out	(2,792,450)	-	-	(2,792,450)
Total other financing sources and uses	<u>(2,792,450)</u>	<u>-</u>	<u>2,792,450</u>	<u>-</u>
Net change in fund balances	621,688	(352,271)	2,696,599	2,966,016
Fund balances - beginning of year	<u>5,531,799</u>	<u>4,726,244</u>	<u>5,641,644</u>	<u>15,899,687</u>
Fund balances - end of year	<u>\$ 6,153,487</u>	<u>\$ 4,373,973</u>	<u>\$ 8,338,243</u>	<u>\$ 18,865,703</u>

The accompanying notes are an integral part of these statements.

**RIVERDALE CITY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

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Amounts reported for governmental activities in the Statement of  
Activities are different because:

Net changes in fund balances - total governmental funds \$ 2,966,016

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense. This is the amount by  
which capital outlays exceeded the depreciation in the current period.

Capital outlays	\$ 653,251	
Depreciation expense	<u>(905,096)</u>	(251,845)

Donations of capital assets increase net position in the Statement of  
Activities, but do not appear in the governmental funds because  
they are not financial resources.

Infrastructure		-
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The Statement of Activities includes the net pension benefit (expense  
from the adoption of GASB 68, which is not included in the fund  
financial statements). 1,072,900

Internal Service Funds are used by management to charge the costs  
of fleet management to individual funds. The net income of  
certain activities of the Internal Service Fund is reported with  
governmental activities. 62,878

The disposition of capital assets results in the reporting of proceeds in the  
fund financial statements, but the net book value of the asset is reduced in  
the statement of activities. (101,091)

The issuance of long-term debt (e.g., bonds, leases) provides  
current financial resources to governmental funds, while the repayment of the  
principal of long-term debt consumes the current financial resources of  
governmental funds. Neither transaction however, has any effect on net  
position. This amount is the net effect of these differences in the treatment of  
long-term debt and related items is as follows:

Issuance of debt	-	
Repayment of bond principal	<u>-</u>	-

Some expenses reported in the Statement of Activities do not  
require use of current financial resources and therefore, are not  
reported as expenditures in governmental funds. (255,801)

Change in net position of governmental activities \$ 3,493,057

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The accompanying notes are an integral part of these statements.

**RIVERDALE CITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2022**

	<b>Business-Type Activities -</b>	
	<b>Water</b>	<b>Sewer</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,730,304	\$ 2,434,210
Accounts receivable	54,988	111,050
Total current assets	<u>3,785,292</u>	<u>2,545,260</u>
Noncurrent assets:		
Net pension asset	85,641	65,099
Land	755	-
Buildings	797,776	-
Water and canal stock	190,665	-
Infrastructure	9,356,470	7,386,690
Machinery and equipment	254,479	51,322
Less: accumulated depreciation	<u>(5,040,410)</u>	<u>(3,224,869)</u>
Total noncurrent assets	<u>5,645,376</u>	<u>4,278,242</u>
Total assets	<u>9,430,668</u>	<u>6,823,502</u>
Deferred outflows of resources - pension	<u>38,302</u>	<u>21,636</u>
Total assets and deferred outflows of resources	<u>9,468,970</u>	<u>6,845,138</u>
<b>LIABILITIES AND DEFERRED INFLOWS</b>		
Current liabilities:		
Accounts payable	8,290	619
Bonds payable - current	-	-
Total current liabilities	<u>8,290</u>	<u>619</u>
Noncurrent liabilities:		
Net pension liability	11,360	-
Compensated absences	46,794	79,680
Bonds payable - noncurrent	-	-
Total noncurrent liabilities	<u>58,154</u>	<u>79,680</u>
Deferred inflows of resources - pension	<u>129,450</u>	<u>83,217</u>
Total liabilities and deferred inflows of resources	<u>195,894</u>	<u>163,516</u>
<b>NET POSITION</b>		
Net investment in capital assets	5,559,735	4,213,143
Unrestricted	<u>3,713,341</u>	<u>2,468,479</u>
Total net position	<u>\$ 9,273,076</u>	<u>\$ 6,681,622</u>

The accompanying notes are an integral part of these statements.

<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Fund</b>
<b>Storm Water</b>	<b>Garbage</b>	<b>Total</b>	
\$ 1,205,789	\$ 311,906	\$ 7,682,209	\$ 2,679,353
22,239	36,420	224,697	-
<u>1,228,028</u>	<u>348,326</u>	<u>7,906,906</u>	<u>2,679,353</u>
49,322	18,343	218,405	-
-	-	755	-
65,206	-	862,982	-
-	-	190,665	-
3,651,949	-	20,395,109	-
91,954	-	397,755	4,301,582
(879,481)	-	(9,144,760)	(2,804,822)
<u>2,978,950</u>	<u>18,343</u>	<u>12,920,911</u>	<u>1,496,760</u>
<u>4,206,978</u>	<u>366,669</u>	<u>20,827,817</u>	<u>4,176,113</u>
<u>15,992</u>	<u>3,462</u>	<u>79,392</u>	<u>-</u>
<u>4,222,970</u>	<u>370,131</u>	<u>20,907,209</u>	<u>4,176,113</u>
168	58,515	67,592	7,442
-	-	-	-
<u>168</u>	<u>58,515</u>	<u>67,592</u>	<u>7,442</u>
-	-	11,360	-
59,316	22,698	208,488	-
-	-	-	-
<u>59,316</u>	<u>22,698</u>	<u>219,848</u>	<u>-</u>
<u>62,684</u>	<u>17,324</u>	<u>292,675</u>	<u>-</u>
<u>122,168</u>	<u>98,537</u>	<u>580,115</u>	<u>7,442</u>
2,929,628	-	12,702,506	1,496,760
<u>1,171,174</u>	<u>271,594</u>	<u>7,624,588</u>	<u>2,671,911</u>
<u>\$ 4,100,802</u>	<u>\$ 271,594</u>	<u>20,327,094</u>	<u>\$ 4,168,671</u>



**RIVERDALE CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Business-Type Activities -</u>	
	<u>Water</u>	<u>Sewer</u>
<b>OPERATING REVENUE</b>		
Charges for service	\$ 955,994	\$ 1,210,529
Other	33,561	7,838
Total operating revenue	<u>989,555</u>	<u>1,218,367</u>
<b>OPERATING EXPENSES</b>		
Personnel services	245,117	179,609
Contractual services	326,786	705,796
Materials and supplies	128,872	43,344
Depreciation	258,148	141,275
Utilities	103,624	622
Bad debts	-	-
Total operating expenses	<u>1,062,547</u>	<u>1,070,646</u>
Operating income (loss)	<u>(72,992)</u>	<u>147,721</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>		
Interest revenue	17,494	10,813
Interest expense	-	-
Gain on sale	-	-
Total nonoperating revenue	<u>17,494</u>	<u>10,813</u>
Income (loss) before contributions	<u>(55,498)</u>	<u>158,534</u>
Capital contributions	-	-
Change in net position	<u>(55,498)</u>	<u>158,534</u>
Net position - beginning	<u>9,328,574</u>	<u>6,523,088</u>
Net position - ending	<u><u>\$ 9,273,076</u></u>	<u><u>\$ 6,681,622</u></u>

The accompanying notes are an integral part of these statements.

<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Storm</b>			<b>Activities</b>
<b>Water</b>	<b>Garbage</b>	<b>Total</b>	<b>Internal</b>
			<b>Service Fund</b>
\$ 230,602	\$ 414,078	\$ 2,811,203	\$ 508,716
-	15,000	56,399	-
230,602	429,078	2,867,602	508,716
128,506	50,603	603,835	-
25,743	385,462	1,443,787	-
44,480	50,440	267,136	102,041
72,090	-	471,513	363,288
-	-	104,246	23,138
-	-	-	-
270,819	486,505	2,890,517	488,467
(40,217)	(57,427)	(22,915)	20,249
7,227	1,745	37,279	12,129
-	-	-	-
-	-	-	30,500
7,227	1,745	37,279	42,629
(32,990)	(55,682)	14,364	62,878
-	-	-	-
(32,990)	(55,682)	14,364	62,878
4,133,792	327,276	20,312,730	4,105,793
<u>\$ 4,100,802</u>	<u>\$ 271,594</u>	<u>\$ 20,327,094</u>	<u>\$ 4,168,671</u>

**RIVERDALE CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities -</b>	
	<b>Water</b>	<b>Sewer</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 1,084,810	\$ 1,214,640
Interfund services provided	-	-
Payments to employees	(257,002)	(186,935)
Payments to suppliers	(565,711)	(810,432)
Payments for interfund services used	(1,512)	(21,024)
Net cash from operating activities	<u>260,585</u>	<u>196,249</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Interfund loan	-	-
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Interest paid on debt	-	-
Principal paid on debt	-	-
Purchases of capital assets	(296,089)	(74,817)
Proceeds from sale of assets	-	-
Net cash from capital and related financing	<u>(296,089)</u>	<u>(74,817)</u>
<b>Cash Flows From Investing Activities</b>		
Interest and dividends received	17,494	10,813
Net cash from investing activities	<u>17,494</u>	<u>10,813</u>
Net increase (decrease in cash and cash equivalents)	(18,010)	132,245
Cash and cash equivalents, July 1	3,748,314	2,301,965
Cash and cash equivalents, June 30	<u><b>\$ 3,730,304</b></u>	<u><b>\$ 2,434,210</b></u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (72,992)	\$ 147,721
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expenses	258,148	141,275
(Increase) decrease in accounts receivable	95,255	(3,727)
Increase (decrease) in accounts payable	(7,941)	(81,694)
Increase (decrease) in compensated absences	29,386	21,444
Increase (decrease) in net pension liability	(41,271)	(28,770)
Total adjustments	<u>333,577</u>	<u>48,528</u>
Net cash provided (used) by operating activities	<u><b>\$ 260,585</b></u>	<u><b>\$ 196,249</b></u>
<b>Noncash Investing, Capital and Financing Activities:</b>		
Contributed capital assets from developers	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these statements.

<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
<b>Storm</b>			<b>Activities</b>
<b>Water</b>	<b>Garbage</b>	<b>Total</b>	<b>Internal</b>
			<b>Service Fund</b>
\$ 230,825	\$ 431,078	\$ 2,961,353	\$ -
-	-	-	508,716
(133,982)	(44,167)	(622,086)	-
(69,507)	(408,200)	(1,853,850)	(121,827)
(7,104)	-	(29,640)	-
<u>20,232</u>	<u>(21,289)</u>	<u>455,777</u>	<u>386,889</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(306,468)	-	(677,374)	(87,671)
-	-	-	30,500
<u>(306,468)</u>	<u>-</u>	<u>(677,374)</u>	<u>(57,171)</u>
7,227	1,745	37,279	12,129
<u>7,227</u>	<u>1,745</u>	<u>37,279</u>	<u>12,129</u>
(279,009)	(19,544)	(184,318)	341,847
1,484,798	331,450	7,866,527	2,337,506
<b><u>\$ 1,205,789</u></b>	<b><u>\$ 311,906</u></b>	<b><u>\$ 7,682,209</u></b>	<b><u>2,679,353</u></b>
\$ (40,217)	\$ (57,427)	\$ (22,915)	\$ 20,249
72,090	-	471,513	363,288
223	2,000	93,751	-
(6,388)	27,702	(68,321)	3,352
16,157	13,553	80,540	-
(21,633)	(7,117)	(98,791)	-
<u>60,449</u>	<u>36,138</u>	<u>478,692</u>	<u>366,640</u>
<u>\$ 20,232</u>	<u>\$ (21,289)</u>	<u>\$ 455,777</u>	<u>\$ 386,889</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Riverdale City, Utah conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The City has adopted the provisions of the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

The following is a summary of the more significant policies and is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

**A. Reporting Entity**

Riverdale City was incorporated on March 4, 1946 in the State of Utah. The City operates under a Council/Mayor form of government and provides the following services as authorized by its charter: public safety, public utilities, highways and streets, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The criteria set forth by generally accepted accounting principles (GAAP) was used to determine which entities to include in this report. GASB Concepts Statement-1 (Objectives of Financial Reporting) concludes that the basic foundation for governmental financial reporting is accountability. The Concepts Statement asserts that accountability requires governments to answer to the citizenry - to justify the raising of public resources and the purposes for which they are used. In turn, the concept of accountability becomes the basis for defining the financial reporting entity.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

**Blended component units:** Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The City has the following component units.

The Riverdale Redevelopment Agency (RDA) is governed by a board of directors comprised of the Mayor and City Council of Riverdale City. Although it is legally separate from the City, the RDA is reported as if it were part of the primary government because its principal purpose is removing blight by redeveloping areas within the City thereby raising additional property tax and sales tax.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide and Fund Financial Statements**

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB. The more significant accounting policies established in GAAP and used by the City are discussed below.

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

***Government-wide Financial Statements***

The government-wide statements present information on all non-fiduciary activities of the primary government. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

**Fund Financial Statements**

The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Statements are provided for *governmental funds* and for *proprietary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The City reports the following major governmental funds:

**General Fund** - This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.

**Special Revenue Funds** - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. The City's Redevelopment Agency is reported as a major special revenue fund.

**Capital Projects Fund** - The Capital Projects fund accounts for the accumulation of resources to be used in capital projects of the City, which usually extend beyond one year.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide and Fund Financial Statements (Continued)**

The City reports the following major proprietary funds:

**Water Fund** - The water fund is used to account for operations of the water system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Sewer Fund** - The sewer fund is used to account for operations of the sewer system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Storm Water Fund** - The storm water fund is used to account for operations of the storm water system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Garbage Fund** - The garbage fund is used to account for operations of the garbage and recycling system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the City reports the following fund type:

**Internal Service Funds** - The internal service funds are used to account for the operating costs of vehicles and equipment and information technology services charged to the other departments or funds. The internal service funds primarily benefit the governmental funds and are included as part of governmental-type activities in the government-wide financial statements. The net profit or loss on the internal service funds operations is allocated to the functions that benefited from the goods or services provided on the basis of their proportionate benefit. This technique is commonly known as the look-back approach to internal service fund consolidations on the government-wide financial statements.



**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses normally arise from providing goods and services in connection with the fund's normal ongoing operations. The principal sources of operating revenues for the proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative overhead expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

**D. Assets, Liabilities, and Fund Balances/Net Position**

The following are the City's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

***Pooled Cash and Temporary Investments***

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

*Inventories*

No significant inventories are maintained by the city; therefore none are reflected in these statements.

*Restricted Assets*

Certain resources set aside as reserves in accordance with council resolutions and State statutes are classified as restricted assets on the balance sheet because their use is limited.

*Capital Assets*

General capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures.

Capital assets are reported in the governmental column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capital assets are defined as assets with an initial, individual cost of more than \$7,500.

Infrastructure capital assets which are newly constructed are capitalized. The city currently has infrastructure assets recorded.

Depreciation of all exhaustible capital assets is charged as an expense in the related program. Accumulated depreciation is reported on the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Wells	50 years
Water distribution system	50 years
Sewer collection system	50 years
Equipment and machinery	5-15 years
Infrastructure and improvements	20-50 years
Other improvements	10-30 years

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

*Deferred Outflows/Inflows of Resources*

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Long-term Obligations*

In the government-wide statements, long-term debt obligations are reported as liabilities.

The face amount of debt issued is reported as other financing sources in the governmental fund financial statements.

*Equity*

Fund financial statements

In February 2009, GASB issued Statement No. 54 on Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2010. The statement applies only to governmental fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The governmental fund balances may be classified as follows:

- a. Non-spendable - Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance - Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provision or enabling legislation, or restrictions set by creditors, grantors, or contributors.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, and Fund Balances/Net Position (Continued)**

*Equity*

- c. Committed fund balance - Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance - Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance - Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

It is City's policy to first apply restricted resources when the expense is incurred for purposes for which both restricted and unrestricted net position are available.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Revenues and Expenditures**

The following are the City's significant policies related to recognition and reporting of certain revenues, expenditures, and interfund activity.

*Revenue Availability*

Under the modified accrual basis of accounting, revenues are considered to be "available" when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after the end of the current year. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available if they are collected within 60 days after year-end.

Statement of Governmental Accounting Standards (SGAS) No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a non-exchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes, and in accordance with the provisions of the new statement, has now recorded a receivable and a corresponding deferred inflows or resources for the assessed amount of those property taxes as of January 1 of the current year.

*Expenditure Recognition*

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental fund types. All annual appropriations lapse at the fiscal year end. Encumbrance accounting is not used by the city. Summary of City Budget Procedures and Calendar:

1. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance.
2. Budgets are required by the State of Utah for both the General and Special Revenue Funds.
3. Each year the City publishes a separate budget document prepared according to this legal level of control.
4. The City's budget is a Financial Plan of all estimated revenues and all appropriations for expenditures. Revenues and Expenditures must balance for the funds required by the State Code as indicated in item 2 above.
5. A tentative budget is presented by the Mayor to the City Council by the first regularly scheduled council meeting in May. The tentative budget is reviewed and tentatively adopted by the Council no later than June 22.
6. The tentative budget is a public record and is available for inspection at the city offices for at least ten days prior to adoption of the final budget.
7. Notice of public hearing on adoption of the final budget is published seven days prior to the public hearing.
8. The public hearing on the tentatively adopted budget is held no later than June 22. Final adjustments are made to the tentative budget by the Council after the public hearing.
9. Occasionally the City Council will exercise their option to open the budget to indicate additional financing sources that become available.
10. The final budget is adopted by ordinance before June 22 and a copy of the budget certified by the Budget Officer is filed with the State Auditor within thirty days of adoption.
11. In connection with budget adoption:
  - a. An annual tax ordinance establishing the property tax rate is adopted before June 22.
  - b. The City Treasurer is to certify the property tax rate to the County Auditor before June 22.
12. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**Summary of Action Required for Budget Changes:**

The Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. The budget appropriation for any department may be reduced by resolution.

Fund budgets may be increased by resolution after a public hearing.

**G. Contributions**

Certain proprietary fund types receive contributions for aid in construction from various sources. With the adoption of GASB No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue.

**H. Compensated Absences**

City policy provides for vested or accumulated vacation leave. All compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Use of Estimates**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**J. Restricted Resources**

The City's policy is to use restricted resources first to fund appropriations when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of City funds in a "qualified depository".

The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**Deposits**

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the City deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$124,476 of the City's bank balances of \$374,476 was uninsured and uncollateralized.



**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments**

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

*Fair Value of Investments*

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2022, the City had the following recurring fair value measurements.

	<b>Fair Value Measurements Using</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments by fair value level</b>				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 28,003,180	\$ -	\$ 28,003,180	\$ -
Total debt securities	\$ 28,003,180	\$ -	\$ 28,003,180	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the June 30, 2022 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

As of June 30, 2022, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	\$28,003,180	\$ 28,003,180	\$ -	\$ -	\$ -
	\$28,003,180	\$ 28,003,180	\$ -	\$ -	\$ -

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At June 30, 2022, the City's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	\$28,003,180	\$ -	\$ -	\$ -	\$ 28,003,180
	\$28,003,180	\$ -	\$ -	\$ -	\$ 28,003,180

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

*Deposit and Investment Risk Disclosure.* Deposits and investments for Riverdale City are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah

Cash on hand and on deposit:	
Cash on deposit	\$ 336,438
Petty cash	1,515
PTIF investment	<u>28,003,180</u>
Total cash and investments	<u>\$ 28,341,133</u>

Cash and investments are included in the accompanying combined statement of net position as follows:

Unrestricted Cash	\$ 22,198,442
Restricted Cash for:	
Local Option Highway and Transportation	1,104,985
Class "C" roads	663,733
RDA Fund	<u>4,373,973</u>
Total cash and investments	<u>\$ 28,341,133</u>

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 3 – DISAGGREGATED RECEIVABLES AND PAYABLES**

The table below disaggregates the balances due from other government units and amounts reported as accounts receivable on the statement of net position under governmental activities. The receivables in the business-type activities are all due from customers for utility services provided.

<b>Governmental Activities:</b>	<b>Due from government units</b>	<b>Accounts Receivable</b>	<b>Total</b>
Receivables:			
Housing Loans Receivable	\$ -	\$ 372,948	\$ 372,948
Ambulance Billing Service Provider	-	310,003	310,003
Customers	-	8,210	8,210
Utah State Tax Commission	1,675,715	-	1,675,715
Utah Department of Transportation	84,722	-	84,722
County - Current Property Taxes	38,007	-	38,007
Taxpayers - Unavailable Taxes	1,542,416	-	1,542,416
State Grants	-	-	-
Gross receivables	3,340,860	691,161	4,032,021
Less: Allowance for uncollectibles	-	(248,002)	(248,002)
Net total receivables	<u>\$ 3,340,860</u>	<u>\$ 443,159</u>	<u>\$ 3,784,019</u>

**Accounts Payable Due To:**

	<b>Other Governments</b>	<b>Vendors</b>	<b>Total</b>
General Fund	\$ -	\$ 301,914	\$ 301,914
Redevelopment Agency Fund	-	3,474	3,474
Capital Projects Fund	-	23,919	23,919
Water Fund	-	8,290	8,290
Sewer Fund	-	619	619
Storm Water Fund	-	168	168
Garbage Fund	-	58,515	58,515
Internal Service Fund	-	7,442	7,442
Total	<u>\$ -</u>	<u>\$ 404,341</u>	<u>\$ 404,341</u>

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 4 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022, was as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	Balance June 30, 2021	Additions	(Deletions)	Balance June 30, 2022
<b>Nondepreciated Assets</b>				
Land	\$ 5,904,213	\$ -	\$ (101,500)	\$ 5,802,713
Construction in progress	-	142,307	-	142,307
Total nondepreciated assets	<u>5,904,213</u>	<u>142,307</u>	<u>(101,500)</u>	<u>5,945,020</u>
<b>Depreciated Assets</b>				
Infrastructure	8,563,697	230,403	-	8,794,100
Improvements	3,326,994	-	-	3,326,994
Buildings	10,141,389	231,757	-	10,373,146
Machinery and equipment	6,209,784	136,456	(87,279)	6,258,961
Total depreciated assets	<u>28,241,864</u>	<u>598,616</u>	<u>(87,279)</u>	<u>28,753,201</u>
<b>Less accumulated depreciation</b>				
Infrastructure	(2,955,297)	(405,611)	-	(3,360,908)
Improvements	(2,047,562)	(145,970)	-	(2,193,532)
Buildings	(4,984,485)	(276,666)	-	(5,261,151)
Machinery and equipment	(3,862,654)	(440,137)	87,279	(4,215,512)
Total accumulated depreciation	<u>(13,849,998)</u>	<u>(1,268,384)</u>	<u>87,279</u>	<u>(15,031,103)</u>
Net assets depreciated	<u>14,391,866</u>	<u>(669,768)</u>	<u>-</u>	<u>13,722,098</u>
Governmental activities capital assets, net	<u>\$ 20,296,079</u>	<u>\$ (527,461)</u>	<u>\$ (101,500)</u>	<u>\$ 19,667,118</u>

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

<b>BUSINESS-TYPE ACTIVITIES</b>	Balance June 30, 2021	Additions	(Deletions)	Balance June 30, 2022
<b>Nondepreciated Assets</b>				
Land	\$ 755	-	\$ -	\$ 755
Construction in progress	-	-	-	-
Water rights	190,665	-	-	190,665
	<u>191,420</u>	<u>-</u>	<u>-</u>	<u>191,420</u>
<b>Depreciated Assets</b>				
Infrastructure	19,797,473	597,636	-	20,395,109
Buildings	862,982	-	-	862,982
Machinery and equipment	318,017	79,738	-	397,755
Total depreciated assets	<u>20,978,472</u>	<u>677,374</u>	<u>-</u>	<u>21,655,846</u>
<b>Less accumulated depreciation</b>				
Infrastructure	(8,048,979)	(441,758)	-	(8,490,737)
Buildings	(486,996)	(14,752)	-	(501,748)
Machinery and equipment	(137,272)	(15,003)	-	(152,275)
Total	<u>(8,673,247)</u>	<u>(471,513)</u>	<u>-</u>	<u>(9,144,760)</u>
Net assets depreciated	<u>12,305,225</u>	<u>205,861</u>	<u>-</u>	<u>12,511,086</u>
Business-type activities capital assets, net	<u>\$ 12,496,645</u>	<u>\$ 205,861</u>	<u>\$ -</u>	<u>\$ 12,702,506</u>

<b>DEPRECIATION EXPENSE</b>	Governmental Types	Business Types	Totals
General government	\$ 203,797	\$ -	\$ 203,797
Public Safety	94,087	-	94,087
Streets and public works	429,894	-	429,894
Parks and community services	176,057	-	176,057
Community development	1,261	-	1,261
Internal service*	363,288	-	363,288
Water system	-	258,148	258,148
Sewer system	-	141,275	141,275
Storm water system	-	72,090	72,090
TOTAL	<u>\$ 1,268,384</u>	<u>\$ 471,513</u>	<u>\$ 1,739,897</u>

\* Depreciation expense on capital assets held by the internal service fund is charged to the various functions based on their usage of the assets.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 - LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2022, were as follows:

Description	Long-term debt payable 6/30/2021	Additions	Deletions	Long-term debt payable 6/30/2022	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Compensated Absences	\$ 1,111,118	\$ 255,801	\$ -	\$ 1,366,919	N/A
Net Pension Liability	677,834	-	672,354	5,480	N/A
Governmental Activities Total Long-term Liabilities	<u>\$ 1,788,952</u>	<u>\$ 255,801</u>	<u>\$ 672,354</u>	<u>\$ 1,372,399</u>	<u>\$ -</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated Absences	\$ 127,948	\$ 80,540	\$ -	\$ 208,488	N/A
Net Pension Liability	56,429	-	45,069	11,360	N/A
Business-type Activities Total Long-term Liabilities	<u>\$ 184,377</u>	<u>\$ 80,540</u>	<u>\$ 45,069</u>	<u>\$ 219,848</u>	<u>\$ -</u>

The General Fund and all Enterprise Funds typically liquidate the liability for compensated absences.

For the year ended June 30, 2022, \$0 of interest was charged as a direct expense on the *Statement of Activities* for Governmental Activities and \$0 of interest was charged to expense in the Business-type Activities. No interest was capitalized for the year ended June 30, 2022 in Governmental or Business-type Activities.



**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS**

General Information about the Pension Plan

**Plan Description:**

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

**Defined Benefits Plans**

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Public Employees Contributory Retirement System (Contributory System);
- Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, retirement systems.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employee retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Benefits Provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighters System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%

\* with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

**Contribution Rate Summary:**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

	Employee Paid	Employer Contribution Rates	Employer rate for 401(k) Plan
<b>Contributory System</b>			
11 - Local Governmental Division Tier 1	6.00%	14.46%	N/A
111 - Local Government Division Tier 2	N/A	16.07%	0.62%
<b>Noncontributory System</b>			
15 - Local Government Division Tier 1	N/A	18.47%	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 - Other Division A Contributory Tier 2	2.27%	26.99%	N/A
<b>Noncontributory</b>			
75 - Other Div A with 4% COLA	N/A	35.71%	N/A
<b>Firefighters Retirement System</b>			
31 - Other Division A	15.05%	4.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
<b>Tier 2 DC Only</b>			
211 - Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	12.99%	14.00%
232 Firefighters	N/A	0.08%	14.00%

\*\*\*Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 282,596	N/A
Public Safety System	372,908	-
Firefighters System	21,393	-
Tier 2 Public Employees System	103,918	-
Tier 2 Public Safety and Firefighter	135,930	-
Tier 2 DC Only System	4,101	N/A
Tier 2 DC Public Safety and Firefighter	8,295	N/A
<b>Total Contributions</b>	<b>\$ 929,142</b>	<b>\$ -</b>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows Inflows of Resources Related to Pensions

At June 30, 2022, we reported a net pension asset of \$2,443,986 and a net pension liability of \$0.

(Measurement Date): December 31, 2021

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Increase (Decrease)
Noncontributory System	\$ 1,019,853	\$ -	0.1780748%	0.1731488%	0.0049260%
Public Safety System	601,053	-	0.7400831%	0.7448037%	-0.0047206%
Firefighters System	797,183	-	1.3668741%	1.3291396%	0.0377345%
Tier 2 Public Employees System	13,550	-	0.0320159%	0.0322443%	-0.0002284%
Tier 2 Public Safety and Firefighter	12,347	-	0.2442885%	0.2502317%	-0.0059432%
	<u>\$ 2,443,986</u>	<u>\$ -</u>			

The net pension asset and liability was measure as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, we recognized pension expense of (\$2242,638).

At June 30, 2022 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 231,141	\$ 10,905
Changes in assumptions	305,952	15,157
Net difference between projected and actual earnings on pension plan investments	-	3,561,079
Changes in proportion and differences between contributions and proportionate share of contributions	26,901	35,193
Contributions subsequent to the measurement date	457,797	-
Total	<u>\$ 1,021,791</u>	<u>\$ 3,622,334</u>

\$457,797 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (606,239)
2023	(1,064,987)
2024	(846,856)
2025	(572,093)
2026	6,299
Thereafter	\$ 25,535

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, we recognized pension expense of (\$173,197).

At June 30, 2022 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 106,819	\$ -
Changes in assumptions	95,717	6,583
Net difference between projected and actual earnings on pension plan investments	-	1,373,096
Changes in proportion and differences between contributions and proportionate share of contributions	12,046	14,713
Contributions subsequent to the measurement date	135,355	-
Total	<u>\$ 349,938</u>	<u>\$ 1,394,392</u>

\$135,355 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (232,325)
2023	(387,541)
2024	(331,798)
2025	(228,145)
2026	-
Thereafter	\$ -

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, we recognized pension expense of (\$18,581).

At June 30, 2022 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,156	\$ -
Changes in assumptions	105,377	6,252
Net difference between projected and actual earnings on		
pension plan investments	-	1,624,623
Changes in proportion and differences between contributions		
and proportionate share of contributions	-	7,745
Contributions subsequent to the measurement date	182,629	-
Total	\$ 339,162	\$ 1,638,620

\$182,629 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (284,549)
2023	(527,228)
2024	(400,960)
2025	(269,349)
2026	-
Thereafter	\$ -

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, we recognized pension expense of (\$162,869).

At June 30, 2022 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,003	\$ 7,131
Changes in assumptions	78,368	-
Net difference between projected and actual earnings on pension plan investments	-	492,140
Changes in proportion and differences between contributions and proportionate share of contributions	4,952	10,621
Contributions subsequent to the measurement date	10,507	-
Total	<u>\$ 149,831</u>	<u>\$ 509,892</u>

\$10,507 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (74,633)
2023	(132,017)
2024	(100,336)
2025	(65,782)
2026	2,200
Thereafter	\$ -

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, we recognized pension expense of \$47,126.

At June 30, 2022 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,583	\$ 1,746
Changes in assumptions	12,635	128
Net difference between projected and actual earnings on pension plan investments	-	33,481
Changes in proportion and differences between contributions and proportionate share of contributions	8,439	-
Contributions subsequent to the measurement date	54,600	-
Total	<u>\$ 82,257</u>	<u>\$ 35,355</u>

\$54,600 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (6,217)
2023	(7,991)
2024	(5,777)
2025	(3,295)
2026	2,721
Thereafter	\$ 12,861



**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Tier 2 Public Safety and Firefighter System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, we recognized pension expense of \$64,883.

At June 30, 2022 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,580	\$ 2,028
Changes in assumptions	13,855	2,194
Net difference between projected and actual earnings on pension plan investments	-	37,739
Changes in proportion and differences between contributions and proportionate share of contributions	1,463	2,115
Contributions subsequent to the measurement date	74,706	-
Total	<u>\$ 100,604</u>	<u>\$ 44,076</u>

\$74,706 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (8,514)
2023	(10,209)
2024	(7,985)
2025	(5,522)
2026	1,377
Thereafter	\$ 12,674

**Actuarial assumptions:**

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

Mortality rates were developed from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	37.00%	6.58%	2.43%
Debt Securities	20.00%	(0.28)%	(0.06)%
Real Assets	15.00%	5.77%	0.87%
Private Equity	12.00%	9.85%	1.18%
Absolute Return	16.00%	2.91%	0.47%
Cash and Cash Equivalents	0.00%	(1.01)%	0.00%
Totals	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

**Discount Rate:**

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 6 - PENSION PLANS AND RETIREMENT BENEFITS (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:**

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85percent) or 1-percentage-point higher (7.85 percent) than the current rate:

<u>System</u>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 548,406	\$(1,019,853)	\$(2,328,260)
Public Safety System	1,482,394	(601,053)	(2,292,956)
Firefighters System	(195,212)	(797,183)	(1,285,101)
Tier 2 Public Employees System	80,736	(13,550)	(85,942)
Tier 2 Public Safety and Firefighter	99,053	(12,347)	(100,783)
Total	\$ 2,015,377	\$(2,443,986)	\$(6,093,042)

\*\*\*Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**Defined Contribution Savings Plans:**

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Riverdale City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

<u>401(k) Plan</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer Contributions	\$ 36,600	\$ 31,512	\$ 18,550
Employee Contributions	29,305	26,950	21,188
<u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	35,054	31,712	24,890
<u>Roth IRA Plan</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 12,610	\$ 11,190	\$ 10,970

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 7 – DEFERRED COMPENSATION PLAN**

The City also provides through ICMA a 457 Deferred Compensation Plan to City employees and elected officials. The plan was created in accordance with Internal Revenue Code Section 457 and allows City employees and elected officials to defer a portion of their salary until future years.

**NOTE 8 - RISK MANAGEMENT**

Riverdale City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City maintains comprehensive insurance coverage in aggregate amounts sufficient to protect against all reasonably foreseeable liability risks. Specific liability policies purchased include automobile, general liability, property, bond (employee dishonesty), treasurer, public officials and officers, excess liability, and workman’s compensation. As of June 30, 2022, there is no anticipation of unpaid claims. Therefore, a liability is not accrued. Settlement amounts have not exceeded coverage for the current year or the three prior years.

**NOTE 9 - INTER-FUND TRANSFERS AND BALANCES**

Occasionally money is reallocated from one fund to another fund in order for the money to be used as it was originally intended. The transfers below took place for that very purpose and will not be repaid. Such amounts for the fiscal year ended June 30, 2022 were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>	
	<b>Capital Projects</b>	<b>Total</b>
<b>General Fund</b>	\$ 2,792,450	\$ 2,792,450
<b>Totals</b>	\$ 2,792,450	\$ 2,792,450

**NOTE 10 - REDEVELOPMENT AGENCY**

The Redevelopment Agency (RDA) collected tax increments of \$375,009 for the 550 West area. There were no tax increments paid to any other taxing agency. The RDA has entered into certain agreements with certain developers that require continuing payments to those developer from the RDA through fiscal year 2023.

The RDA expended funds in the following area:

Development payments	\$ 702,411
Administrative costs	168,461
Capital outlay	\$ 48,885

**NOTE 11 - CONTINGENT LIABILITIES**

Amount received or receivables from grantor agencies are subject to audit and adjustment by those grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

**RIVERDALE CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 12 - PROPERTY TAX CALENDAR**

Lien date	Jan. 1
Taxing entity notifies the county of date, time, and place of public hearing	Mar. 1
Budget officer of the entity prepares and files with the City Council a tentative budget for the next fiscal year	1 <sup>st</sup> scheduled council meeting in May
County auditor sends valuation certified tax rate and levy worksheets to each taxing entity	Jun. 8
Taxing entity must adopt a proposed tax rate, certify the rate and levy, and submit to the county auditor	Before Jun. 22
Taxing entity adopts a final tax rate if there is no increase in certified tax rate	Jun.22
Taxing entity adopts final budget if there is no increase in certified tax rate	Jun. 22
Copy of the budget is submitted to state auditor within 30 days of adoption Payment and delinquency date	Nov. 30

**NOTE 13 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The City is required to keep actual expenditures below budget appropriations by fund. For the year ended June 30, 2022 all funds maintained expenditures below their appropriations.

The City is also required to maintain positive fund balances in each fund and has complied with this requirement.

**NOTE 14 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 6, 2023, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**RIVERDALE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

REVENUES	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Taxes:				
Property taxes	\$ 753,999	\$ 753,999	\$ 776,657	\$ 22,658
Fee in lieu	45,000	45,000	64,778	19,778
Sales taxes	6,931,851	6,931,851	8,930,709	1,998,858
Franchise taxes	-	-	64,735	64,735
Transient room tax	12,000	12,000	17,337	5,337
Total taxes	<u>7,742,850</u>	<u>7,742,850</u>	<u>9,854,216</u>	<u>2,111,366</u>
Licenses and permits:				
Business licenses	135,000	135,000	150,401	15,401
Building permits	75,000	75,000	96,608	21,608
Building plan/development fees	40,000	40,000	59,947	19,947
Animal licenses	8,000	8,000	5,650	(2,350)
Total licenses and permits	<u>258,000</u>	<u>258,000</u>	<u>312,606</u>	<u>54,606</u>
Intergovernmental revenue:				
Grants	20,750	20,750	16,531	(4,219)
Federal revenues	1,486,000	1,486,000	18,237	(1,467,763)
Other local governments	37,450	37,450	33,550	(3,900)
Class "C" roads	322,300	322,300	382,797	60,497
Local option highways/transportation	433,000	433,000	631,638	198,638
State liquor allotment	17,500	17,500	17,084	(416)
Total intergovernmental revenue	<u>2,317,000</u>	<u>2,317,000</u>	<u>1,099,837</u>	<u>(1,217,163)</u>
Charges for services				
Ambulance fees	290,000	290,000	424,061	134,061
Recreation and user fees	71,800	71,800	90,257	18,457
Senior programs	52,500	52,500	37,382	(15,118)
Interfund services	45,000	45,000	45,000	-
Other charges for services	4,000	4,000	40,770	36,770
Total charges for services	<u>463,300</u>	<u>463,300</u>	<u>637,470</u>	<u>174,170</u>
Fines and forfeitures	<u>425,200</u>	<u>425,200</u>	<u>433,025</u>	<u>7,825</u>
Other revenues:				
Lease revenue	25,000	25,000	35,482	10,482
Interest revenue	18,000	18,000	24,639	6,639
Sale of assets	2,000	2,000	150	(1,850)
Miscellaneous	36,500	36,500	148,486	111,986
Total other revenues	<u>81,500</u>	<u>81,500</u>	<u>208,757</u>	<u>127,257</u>
<b>TOTAL REVENUES</b>	<u>11,287,850</u>	<u>11,287,850</u>	<u>12,545,911</u>	<u>1,258,061</u>

**RIVERDALE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCES -**  
**BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>EXPENDITURES</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
General government:				
Legislative	168,687	168,687	128,895	39,792
Judicial	683,240	683,240	609,785	73,455
City administration	291,664	291,664	230,114	61,550
Business administration	718,192	718,192	701,586	16,606
Non-departmental	1,075,607	1,075,607	98,241	977,366
Total general government	2,937,390	2,937,390	1,768,621	1,168,769
Public safety:				
Police department	3,281,186	3,281,186	3,197,905	83,281
Fire department	1,905,217	1,905,217	1,786,883	118,334
Total public safety	5,186,403	5,186,403	4,984,788	201,615
Streets and public works	2,953,169	2,953,169	827,224	2,125,945
Parks and community services:				
Parks department	\$ 472,527	\$ 472,527	\$ 441,116	\$ 31,411
Community services	643,203	643,203	617,814	25,389
Total parks and community services	1,115,730	1,115,730	1,058,930	56,800
Community development	492,886	492,886	492,210	676
<b>TOTAL EXPENDITURES</b>	<b>12,685,578</b>	<b>12,685,578</b>	<b>9,131,773</b>	<b>3,553,805</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(1,397,728)</b>	<b>(1,397,728)</b>	<b>3,414,138</b>	<b>4,811,866</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriations from fund balance	2,597,728	3,397,728	-	(3,397,728)
Operating transfers in	-	-	-	-
Operating transfers out	(1,200,000)	(2,000,000)	(2,792,450)	(792,450)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,397,728</b>	<b>1,397,728</b>	<b>(2,792,450)</b>	<b>(4,190,178)</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>621,688</b>	<b>621,688</b>
Fund balance - July 1	5,531,799	5,531,799	5,531,799	-
Fund balance - June 30	<u>\$ 5,531,799</u>	<u>\$ 5,531,799</u>	<u>\$ 6,153,487</u>	<u>\$ 621,688</u>



**RIVERDALE CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**REDEVELOPMENT AGENCY SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 300,000	\$ 300,000	\$ 375,009	\$ 75,009
Rents	157,500	157,500	169,523	12,023
Sundry	-	-	445	445
Interest	45,400	45,400	22,509	(22,891)
<b>TOTAL REVENUES</b>	<u>502,900</u>	<u>502,900</u>	<u>567,486</u>	<u>64,586</u>
<b>EXPENDITURES</b>				
Community development	859,650	1,309,650	919,757	389,893
Debt service:				
Principal	-	-	-	-
Interest and fees	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>859,650</u>	<u>1,309,650</u>	<u>919,757</u>	<u>389,893</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(356,750)</u>	<u>(806,750)</u>	<u>(352,271)</u>	<u>454,479</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriations from fund balance	356,750	806,750	-	(806,750)
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>356,750</u>	<u>806,750</u>	<u>-</u>	<u>(806,750)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>-</u>	<u>(352,271)</u>	<u>(352,271)</u>
Fund balance - July 1	<u>4,726,244</u>	<u>4,726,244</u>	<u>4,726,244</u>	<u>-</u>
Fund balance - June 30	<u>\$ 4,726,244</u>	<u>\$ 4,726,244</u>	<u>\$ 4,373,973</u>	<u>\$ (352,271)</u>

**RIVERDALE CITY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**JUNE 30, 2022**

		Noncontributory System	Contributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2022	0.1780748%	0.0000000%	0.7400831%	1.3668741%	0.03201590%	0.2442885%
	2021	0.1731488%	0.0000000%	0.7448037%	1.3291396%	0.03224430%	0.2502317%
	2020	0.1785198%	0.0000000%	0.7516830%	1.2576079%	0.02973080%	0.2718030%
	2019	0.1839114%	0.0000000%	0.7325404%	1.5966201%	0.02563770%	0.2341277%
	2018	0.1909065%	0.0000000%	0.7315468%	1.7824474%	0.02516890%	0.2211644%
	2017	0.1873130%	0.0974195%	0.7054406%	1.9791597%	0.02073740%	0.1467836%
	2016	0.1888669%	0.1099487%	0.7300668%	2.0532168%	0.00470960%	0.0668458%
	2015	0.1862885%	0.1108293%	0.7481631%	2.1517438%	0.00812480%	0.0915134%
Proportion share of the net pension liability (asset)	2022	\$ (1,019,583)	\$ -	\$ (601,053)	\$ (797,183)	\$ (13,550)	\$ (12,347)
	2021	88,815	-	618,367	(371,654)	4,638	22,444
	2020	672,818	-	1,206,916	(155,968)	6,687	25,567
	2019	1,354,273	-	1,884,522	207,317	10,980	5,866
	2018	836,419	-	1,147,547	(111,323)	2,219	(2,559)
	2017	1,202,779	31,964	1,431,534	(15,603)	2,313	(1,274)
	2016	1,068,701	77,278	1,307,753	(37,188)	(1,010)	(977)
	2015	808,908	31,968	940,877	(122,787)	(246)	(1,354)
Covered employee payroll	2022	\$ 1,605,288	\$ -	\$ 1,049,185	\$ 455,705	\$ 593,997	\$ 584,189
	2021	1,542,441	-	1,072,535	433,619	515,400	496,543
	2020	1,591,456	-	1,060,296	402,657	413,025	447,984
	2019	1,621,828	-	1,018,266	496,267	300,516	312,428
	2018	1,661,467	-	1,023,780	521,492	245,884	233,417
	2017	1,636,759	23,375	1,059,333	555,688	170,063	121,277
	2016	1,654,141	46,848	1,161,250	552,574	30,431	39,775
	2015	1,647,872	59,870	1,159,107	563,736	39,676	37,806
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2022	-63.53%	0.00%	-57.29%	-174.93%	-2.28%	-2.11%
	2021	5.76%	0.00%	57.65%	-85.71%	0.90%	4.52%
	2020	42.28%	0.00%	113.83%	-38.73%	1.62%	5.71%
	2019	83.50%	0.00%	185.07%	41.78%	3.65%	1.88%
	2018	50.34%	0.00%	112.09%	-21.35%	0.90%	-1.10%
	2017	73.50%	136.70%	135.10%	-2.80%	1.36%	-1.00%
	2016	165.00%	164.90%	112.60%	-6.73%	-0.03%	-2.50%
	2015	49.1%	53.4%	81.2%	-21.8%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	2022	108.7%	0.0%	104.2%	120.1%	103.8%	102.8%
	2021	99.2%	0.0%	95.5%	110.5%	98.3%	93.1%
	2020	93.7%	0.0%	90.9%	105.0%	96.5%	89.6%
	2019	87.0%	91.2%	84.7%	94.3%	90.8%	95.6%
	2018	91.9%	98.2%	90.2%	103.0%	97.4%	103.0%
	2017	87.3%	92.9%	86.5%	100.4%	95.1%	103.6%
	2016	87.8%	85.7%	87.1%	101.0%	100.2%	110.7%
	2015	90.2%	94.0%	90.5%	103.5%	103.5%	103.5%

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.

See accompanying notes to required supplementary information

**RIVERDALE CITY  
SCHEDULE OF CONTRIBUTIONS  
UTAH RETIREMENT SYSTEMS  
JUNE 30, 2022**

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	300,490	300,490	-	1,628,476	18.45%
	2017	307,659	307,659	-	1,665,725	18.47%
	2018	302,415	302,415	-	1,643,262	18.40%
	2019	295,921	295,921	-	1,610,038	18.38%
	2020	283,640	283,640	-	1,555,771	18.23%
	2021	288,863	288,863	-	1,585,083	18.22%
	2022	282,596	282,596	-	1,551,060	18.22%
Contributory System	2016	6,860	6,860	-	47,438	14.46%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
Public Safety System	2016	381,657	381,657	-	1,185,471	32.19%
	2017	349,317	347,317	-	978,205	35.71%
	2018	370,781	370,781	-	1,038,313	35.71%
	2019	364,875	364,875	-	1,021,773	35.71%
	2020	388,942	388,942	-	1,078,179	36.07%
	2021	378,871	378,871	-	1,060,966	35.71%
	2022	372,908	372,908	-	1,044,267	35.71%
Firefighters System	2016	22,099	22,099	-	553,855	3.99%
	2017	20,663	20,663	-	531,169	3.89%
	2018	20,292	20,292	-	516,343	3.93%
	2019	20,057	20,057	-	435,075	4.61%
	2020	19,420	19,420	-	419,812	4.63%
	2021	20,499	20,499	-	444,654	4.61%
	2022	21,393	21,393	-	464,044	4.61%
Tier 2 Public Employees System**	2016	13,225	13,225	-	88,697	14.91%
	2017	29,098	29,098	-	195,159	14.91%
	2018	47,999	47,999	-	316,038	15.19%
	2019	49,500	49,500	-	318,937	15.52%
	2020	73,662	73,662	-	470,513	15.66%
	2021	86,155	86,155	-	545,485	15.79%
	2022	103,918	103,918	-	646,659	16.07%
Tier 2 Public Safety and Firefighter System*	2016	5,481	5,481	-	45,532	12.04%
	2017	38,088	38,088	-	200,729	18.97%
	2018	46,085	46,085	-	259,112	17.79%
	2019	69,245	69,245	-	391,639	17.68%
	2020	81,636	81,636	-	473,595	17.24%
	2021	108,059	108,059	-	532,049	20.31%
	2022	135,930	135,930	-	645,330	21.06%
Tier 2 Public Employees DC Only System**	2016	6,011	6,011	-	89,847	6.69%
	2017	6,162	6,162	-	92,112	6.69%
	2018	3,477	3,477	-	51,759	6.72%
	2019	4,252	4,252	-	63,558	6.69%
	2020	2,413	2,413	-	36,061	6.69%
	2021	2,913	2,913	-	43,545	6.69%
	2022	4,101	4,101	-	61,307	6.69%
Tier 2 Public Safety and Firefighters DC On System**	2016	239	239	-	1,838.00	12.99%
	2017	5,738	5,738	-	44,171	12.99%
	2018	6,150	6,150	-	47,125	13.05%
	2019	6,684	6,684	-	51,459	12.99%
	2020	7,312	7,312	-	56,286	12.99%
	2021	7,548	7,548	-	58,104	12.99%
	2022	8,295	8,295	-	63,855	12.99%

\*\*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.  
Tier 2 systems were created effective July 1, 2011.

**RIVERDALE CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**UTAH RETIREMENT SYSTEMS**  
**JUNE 30, 2022**

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Changes in Assumptions:

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability of as December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

# **SUPPLEMENTARY INFORMATION**

**RIVERDALE CITY**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2022**

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	<u>Information Technology Fund</u>	<u>Motor Pool Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 223,018	\$ 2,456,335	\$ 2,679,353
Machinery and equipment	626,087	3,675,495	4,301,582
Accumulated depreciation	(546,924)	(2,257,898)	(2,804,822)
Total assets	<u>\$ 302,181</u>	<u>\$ 3,873,932</u>	<u>\$ 4,176,113</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,806	\$ 2,636	\$ 7,442
Total liabilities	<u>4,806</u>	<u>2,636</u>	<u>7,442</u>
<b>NET POSITION</b>			
Net investment in capital assets	79,163	1,417,597	1,496,760
Unrestricted	218,212	2,453,699	2,671,911
Total net position	<u>\$ 297,375</u>	<u>\$ 3,871,296</u>	<u>\$ 4,168,671</u>

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**RIVERDALE CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Information Technology Fund	Motor Pool Fund	Total
<b>OPERATING REVENUE</b>			
Charges for service	\$ 125,028	\$ 383,688	\$ 508,716
Other	-	-	-
Total operating revenue	<u>125,028</u>	<u>383,688</u>	<u>508,716</u>
<b>OPERATING EXPENSES</b>			
Materials and supplies	89,989	12,052	102,041
Depreciation	67,506	295,782	363,288
Utilities	15,373	7,765	23,138
Total operating expenses	<u>172,868</u>	<u>315,599</u>	<u>488,467</u>
Operating income (loss)	<u>(47,840)</u>	<u>68,089</u>	<u>20,249</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Interest revenue	984	11,145	12,129
Interest expense	-	-	-
Gain on sale	-	30,500	30,500
Total nonoperating revenue	<u>984</u>	<u>41,645</u>	<u>42,629</u>
Change in net position	<u>(46,856)</u>	<u>109,734</u>	<u>62,878</u>
Net position - beginning	<u>344,231</u>	<u>3,761,562</u>	<u>4,105,793</u>
Net position - ending	<u>\$ 297,375</u>	<u>\$ 3,871,296</u>	<u>\$ 4,168,671</u>

**RIVERDALE CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Information Technology Fund	Motor Pool Fund	Total
<b>Cash Flows From Operating Activities</b>			
Interfund services provided	\$ 125,028	\$ 383,688	\$ 508,716
Cash received from other activities	-	-	-
Payments to suppliers	(104,277)	(17,550)	(121,827)
Net cash provided by operating activities	<u>20,751</u>	<u>366,138</u>	<u>386,889</u>
<b>Cash Flows From Investing Activities</b>			
Interest earned on cash deposits	984	11,145	12,129
Net cash provided by investing activities	<u>984</u>	<u>11,145</u>	<u>12,129</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Operating transfers in	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Purchases of capital assets	-	(87,671)	(87,671)
Proceeds from sale of assets	-	30,500	30,500
Net cash provided (used) in capital and related financial activities	<u>-</u>	<u>(57,171)</u>	<u>(57,171)</u>
Net increase (decrease) in cash and cash equivalents	21,735	320,112	341,847
Cash and cash equivalents - beginning of year	<u>201,283</u>	<u>2,136,223</u>	<u>2,337,506</u>
Cash and cash equivalents - end of year	<u>\$ 223,018</u>	<u>\$ 2,456,335</u>	<u>\$ 2,679,353</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (47,840)	\$ 68,089	\$ 20,249
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expenses	67,506	295,782	363,288
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	<u>1,085</u>	<u>2,267</u>	<u>3,352</u>
Net cash provided by operating activities	<u>\$ 20,751</u>	<u>\$ 366,138</u>	<u>\$ 386,889</u>



# **AUDITOR'S REPORTS**



Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards*

To the Mayor and City Council  
Riverdale City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverdale City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Riverdale City's basic financial statements, and have issued our report thereon dated January 6, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Riverdale City's internal control over financial reporting to determine the 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 Riverdale City's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverdale City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Riverdale City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christensen, Palmer & Ambrose P.C*

January 6, 2023  
Ogden, UT



Independent Auditor's Report on Compliance and on  
Internal Controls Over Compliance in Accordance With the  
State of Utah Legal Compliance Audit Guide

To the Mayor and City Council  
Riverdale City, Utah

**REPORT ON COMPLIANCE**

We have audited Riverdale City's compliance with the general program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2022.

The general compliance requirements applicable to Riverdale City are identified as follows:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Impact Fees
- Utah Retirement Systems
- Public Treasurer's Bond

Riverdale City did not receive any major assistance programs from the State of Utah during the year ended June 30, 2022.

***Management's Responsibility***

Compliance with the requirements referred to above is the responsibility of the City's management.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the City and its major programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

***Opinion***

In our opinion, Riverdale City complied, in all material respects, with the general compliance requirements identified above for the year ended June 30, 2022.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* 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, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

### *Purpose of Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christensen, Palmer & Ambrose P.C.*