

**RIVERDALE CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2023**

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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, 2023, 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, 2023, 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 February 26, 2024 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.

February 26, 2024
Ogden, UT

MANAGEMENT'S DISCUSSION AND ANALYSIS

RIVERDALE CITY MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDING JUNE 30, 2023

INTRODUCTION

The following is a discussion and analysis of Riverdale City's financial performance and activities for the fiscal year ending June 30, 2023. 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

Maverik, Super Chix, Five Star Bath Solutions, Bath and Body Works, Take 5 Oil Change, Home Goods, J Dawgs, The Generator Super Store, Sierra Trading Post, Twisted Sugar, Buckle, HCA Healthcare Center for Clinical Advancement and Buckway's Flooring and Design all joined the City during this fiscal 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, 2023**

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, 2023**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The largest component of the City's net position, 47.2 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 9.9 percent of total net position and is subject to external restrictions on how they may be used. The remaining 42.9 percent of net position is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

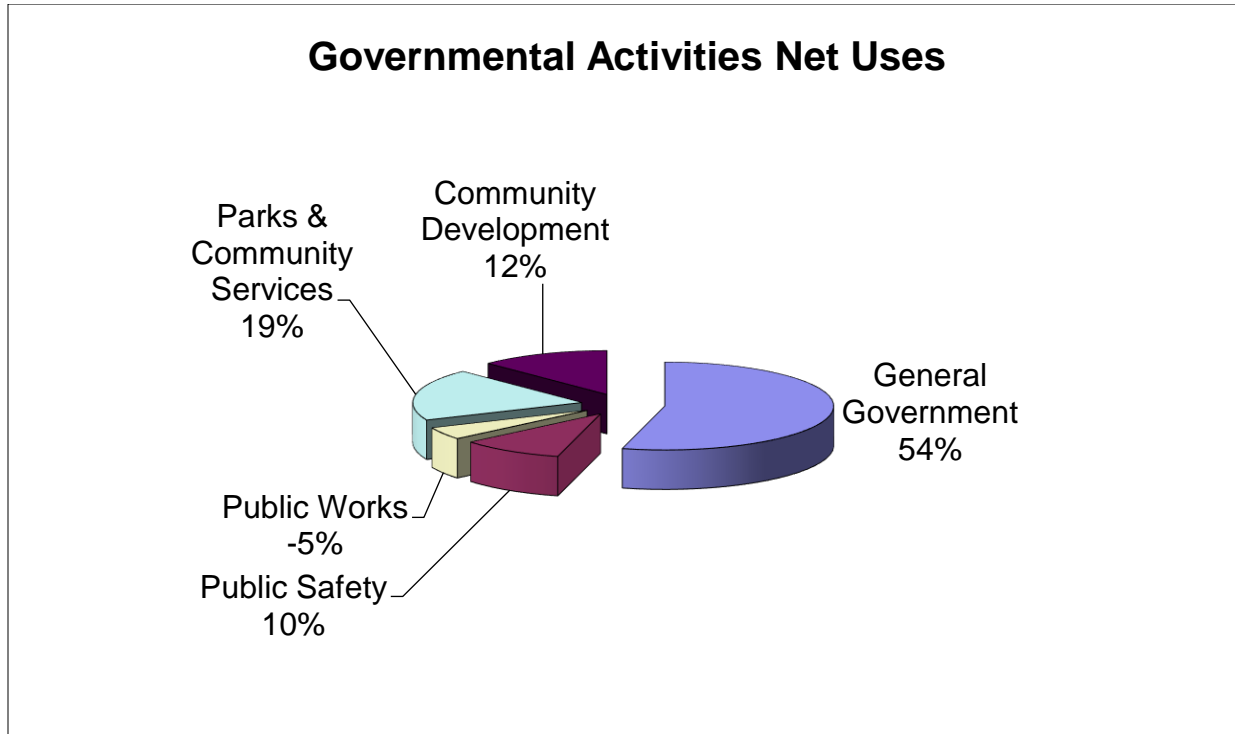
Riverdale City
Statement of Net Position
Comparative

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$28,778,587	\$26,685,362	\$ 9,409,426	\$ 8,125,311	\$38,188,013	\$34,810,673
Capital Assets (Net)	<u>17,634,492</u>	<u>19,667,118</u>	<u>12,227,697</u>	<u>12,702,506</u>	<u>29,862,189</u>	<u>32,369,624</u>
Total Assets	<u>46,413,079</u>	<u>46,352,480</u>	<u>21,637,123</u>	<u>20,827,817</u>	<u>68,050,202</u>	<u>67,180,297</u>
Deferred Outflows	<u>1,292,290</u>	<u>942,399</u>	<u>111,980</u>	<u>79,392</u>	<u>1,404,270</u>	<u>1,021,791</u>
Current Liabilities	867,852	858,158	112,551	67,592	980,403	925,750
Noncurrent Liabilities	<u>2,565,004</u>	<u>1,372,399</u>	<u>382,571</u>	<u>219,848</u>	<u>2,947,575</u>	<u>1,592,247</u>
Total Liabilities	<u>3,432,856</u>	<u>2,230,557</u>	<u>495,122</u>	<u>287,440</u>	<u>3,927,978</u>	<u>2,517,997</u>
Deferred Inflows	<u>2,263,242</u>	<u>5,376,828</u>	<u>(12,091)</u>	<u>292,675</u>	<u>2,251,151</u>	<u>5,669,503</u>
Net Position:						
Net Investment in Capital Assets	17,634,492	19,667,118	12,227,697	12,702,506	29,862,189	32,369,624
Restricted	6,292,761	6,142,691	-	-	6,292,761	6,142,691
Unrestricted	<u>18,082,018</u>	<u>13,877,685</u>	<u>9,038,375</u>	<u>7,624,588</u>	<u>27,120,393</u>	<u>21,502,273</u>
Total Net Position	<u>\$42,009,271</u>	<u>\$39,687,494</u>	<u>\$21,266,072</u>	<u>\$20,327,094</u>	<u>\$63,275,343</u>	<u>\$60,014,588</u>

**RIVERDALE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

Governmental Activities

The activities in the governmental funds resulted in an increase in net position of \$2,321,777 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, 2023**

Riverdale City
Changes in Net Position
Comparative

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program Revenues:						
Charges for Services	\$ 1,768,132	\$ 1,567,219	\$ 3,697,488	\$ 2,867,602	\$ 5,465,620	\$ 4,434,821
Operating Grants & Contributions	1,675,021	1,099,837	-	-	1,675,021	1,099,837
Capital Grants & Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	1,908,015	1,151,666	-	-	1,908,015	1,151,666
Sales Tax	8,632,885	8,930,709	-	-	8,632,885	8,930,709
Unrestricted interest earned	802,106	86,336	300,313	37,279	1,102,419	123,615
Miscellaneous	1,194,083	347,318	-	-	1,194,083	347,318
Transfers - internal activities	-	-	-	-	-	-
Total Revenues	15,980,242	13,183,085	3,997,801	2,904,881	19,978,043	16,087,966
Expenses:						
General Government	4,747,306	1,987,958	-	-	4,747,306	1,987,958
Public Safety	5,777,576	4,387,751	-	-	5,777,576	4,387,751
Streets and Public Works	858,397	860,293	-	-	858,397	860,293
Parks & Community Services	1,287,890	1,152,978	-	-	1,287,890	1,152,978
Community Development	987,296	1,301,048	-	-	987,296	1,301,048
Interest on long-term debt	-	-	-	-	-	-
Water Fund	-	-	1,094,848	1,062,547	1,094,848	1,062,547
Sewer Fund	-	-	1,144,659	1,070,646	1,144,659	1,070,646
Storm Water Fund	-	-	330,401	270,819	330,401	270,819
Garbage Fund	-	-	488,915	486,505	488,915	486,505
Total Expenses	13,658,465	9,690,028	3,058,823	2,890,517	16,717,288	12,580,545
Increase in Net Position before Transfers	2,321,777	3,493,057	938,978	14,364	3,260,755	3,507,421
Transfers	-	-	-	-	-	-
Increase (Decrease) in Net Position	2,321,777	3,493,057	938,978	14,364	3,260,755	3,507,421
Net Position Beginning - restated	39,687,494	36,194,437	20,327,094	20,312,730	60,014,588	56,507,167
Net Position Ending	\$42,009,271	\$39,687,494	\$21,266,072	\$20,327,094	\$63,275,343	\$60,014,588

**RIVERDALE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

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 \$3,443,153 or 25.2 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 74.8 percent of expenses.

Activities	Total Program Expenses	Less Program Revenues	Net Program Costs	Program Revenues as a Percentage of Total Expense
General Government	\$ 4,747,306	\$ 1,466,208	\$ (3,281,098)	30.9%
Public Safety	5,777,576	479,616	(5,297,960)	8.3%
Streets & Public Works	858,397	1,135,592	277,195	132.3%
Parks & Community Services	1,287,890	129,479	(1,158,411)	10.1%
Community Development	987,296	232,258	(755,038)	23.5%
Totals	<u>\$ 13,658,465</u>	<u>\$ 3,443,153</u>	<u>\$ (10,215,312)</u>	<u>25.2%</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 \$2,507,435 during the fiscal year – added \$1,193,733 in infrastructure, \$0 in improvements, \$36,895 in buildings, and \$523,645 in machinery and equipment. The City had an decrease of \$2,286,240 in land. The City also subtracted \$221,465 in equipment and other assets. Accumulated depreciation on the assets increased by \$1,611,696.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund Balances

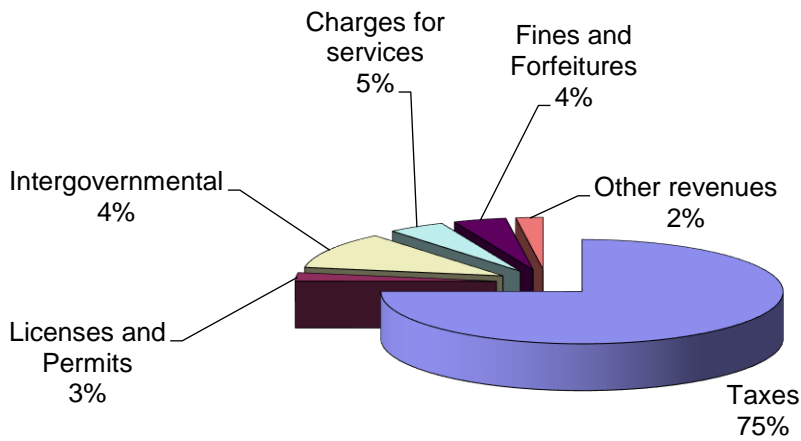
At June 30, 2023, Riverdale City's governmental funds reported combined fund balances of \$22,487,840. Of this amount, \$6,292,761 or 28.0% is restricted for specific purposes and projects. 11,049,696 or 49.1% is assigned to Capital Projects and the remaining \$5,145,383 or 22.9% is unreserved.

General Fund

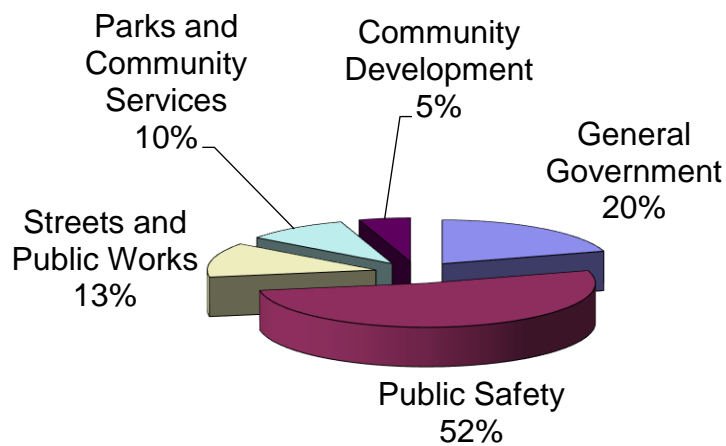
During 2023, the fund balance in the general fund increased by \$743,435. Taxes increased \$1,183,600, a 12.0% increase from the previous year. Total general fund revenues were up \$2,163,755, a 17.2% increase from the previous year. Total general fund expenditures (excluding transfers) were up \$2,369,468 or (25.9)%.

**RIVERDALE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

General Fund Revenue Sources



General Fund Expenditures



**RIVERDALE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

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 \$1,000,000.

Actual General Fund revenues were \$1,903,050 or 14.9% above the budget. Actual expenditures were \$3,043,103 or 20.9% below the amended budget or \$3,043,103 or 20.9% 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 increased \$167,249.

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 \$2,711,453.

Enterprise Funds

The combined change in net position of the enterprise funds shows an increase of \$938,978. This is \$924,614 higher than the previous year.

OTHER MATTERS

Current and Future Projects

The City's water department has budgeted \$1,455,000 in various projects, and sewer replacement/repair projects in the amount of \$500,000 in the coming fiscal year. The City will also be working on possible storm water projects in the amount of \$320,000.

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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 18,634,961	\$ 9,046,965	\$ 27,681,926
Restricted cash	5,994,188	-	5,994,188
Accounts receivable	81,383	340,845	422,228
Due from other governmental units	3,403,082	-	3,403,082
Housing loans receivable	354,524	-	354,524
Net pension asset	310,449	21,616	332,065
Capital assets (net of accumulated depreciation):			
Land	3,516,473	755	3,517,228
Construction in progress	-	-	-
Infrastructure	6,193,494	11,471,524	17,665,018
Buildings	4,858,655	346,482	5,205,137
Improvements	999,946	-	999,946
Machinery and equipment	2,065,924	218,271	2,284,195
Water rights	-	190,665	190,665
TOTAL ASSETS	46,413,079	21,637,123	68,050,202
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	1,292,290	111,980	1,404,270
TOTAL ASSETS AND DEFERRED OUTFLOWS	47,705,369	21,749,103	69,454,472
LIABILITIES			
Accounts payable and accrued expenses	405,397	112,551	517,948
Deposits	462,455	-	462,455
Non-current liabilities:			
Due within one year	-	-	-
Due in more than one year	2,565,004	382,571	2,947,575
TOTAL LIABILITIES	3,432,856	495,122	3,927,978
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	1,676,039	-	1,676,039
Unavailable revenue - CARES Act	529,604	-	529,604
Deferred inflows of resources related to pensions	57,599	(12,091)	45,508
TOTAL DEFERRED INFLOWS OF RESOURCES	2,263,242	(12,091)	2,251,151
NET POSITION			
Net investment in capital assets	17,634,492	12,227,697	29,862,189
Restricted for:			
Redevelopment Agency	4,541,222	-	4,541,222
Class "C" Roads	787,798	-	787,798
Local Option Highway and Transportation	963,741	-	963,741
Unrestricted	18,082,018	9,038,375	27,120,393
TOTAL NET POSITION	\$ 42,009,271	\$ 21,266,072	\$ 63,275,343

The accompanying notes are an integral part of these statements.

**RIVERDALE CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

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
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 4,747,306	\$ 918,381	\$ 547,827	\$ -	\$ (3,281,098)	\$ -	\$ (3,281,098)
Public safety	5,777,576	423,256	56,360	-	(5,297,960)	-	(5,297,960)
Streets and public works	858,397	64,758	1,070,834	-	277,195	-	277,195
Parks and community services	1,287,890	129,479	-	-	(1,158,411)	-	(1,158,411)
Community development	987,296	232,258	-	-	(755,038)	-	(755,038)
Total governmental activities	<u>13,658,465</u>	<u>1,768,132</u>	<u>1,675,021</u>	<u>-</u>	<u>(10,215,312)</u>	<u>-</u>	<u>(10,215,312)</u>
Business-type activities:							
Water	1,094,848	1,642,836	-	-	-	547,988	547,988
Sewer	1,144,659	1,366,036	-	-	-	221,377	221,377
Storm water	330,401	232,145	-	-	-	(98,256)	(98,256)
Garbage	488,915	456,471	-	-	-	(32,444)	(32,444)
Total business-type activities	<u>3,058,823</u>	<u>3,697,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,665</u>	<u>638,665</u>
Total primary government	<u>\$ 16,717,288</u>	<u>\$ 5,465,620</u>	<u>\$ 1,675,021</u>	<u>\$ -</u>	<u>(10,215,312)</u>	<u>638,665</u>	<u>(9,576,647)</u>
General revenues:							
Property taxes					1,908,015	-	1,908,015
Sales taxes					8,632,885	-	8,632,885
Franchise taxes					741,654	-	741,654
Transient room tax					22,379	-	22,379
Fees-in-lieu of taxes					79,854	-	79,854
Miscellaneous					350,196	-	350,196
Interest earnings					802,106	300,313	1,102,419
Total general revenues and transfers					<u>12,537,089</u>	<u>300,313</u>	<u>12,837,402</u>
Change in net position					<u>2,321,777</u>	<u>938,978</u>	<u>3,260,755</u>
Net position - beginning					<u>39,687,494</u>	<u>20,327,094</u>	<u>60,014,588</u>
Net position - ending					<u>\$ 42,009,271</u>	<u>\$ 21,266,072</u>	<u>\$ 63,275,343</u>

The accompanying notes are an integral part of these statements.

**RIVERDALE CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,657,230	\$ -	\$ 11,049,696	\$ 15,706,926
Restricted cash	1,751,539	4,242,649	-	5,994,188
Accounts receivable	81,383	-	-	81,383
Due from other governmental units	3,403,082	-	-	3,403,082
Housing loans receivable	-	354,524	-	354,524
Total assets	<u>\$ 9,893,234</u>	<u>\$ 4,597,173</u>	<u>\$ 11,049,696</u>	<u>\$ 25,540,103</u>
LIABILITIES				
Accounts payable	\$ 309,164	\$ 42,336	\$ -	\$ 351,500
Accrued liabilities	32,665	-	-	32,665
Deposits	448,840	13,615	-	462,455
Total liabilities	<u>790,669</u>	<u>55,951</u>	<u>-</u>	<u>846,620</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property Taxes	1,676,039	-	-	1,676,039
Unavailable revenue - ARPA Funds	529,604	-	-	529,604
Total deferred inflows of resources	<u>2,205,643</u>	<u>-</u>	<u>-</u>	<u>2,205,643</u>
FUND BALANCES				
Restricted for:				
Class "C" roads	787,798	-	-	787,798
Local option highway & transportation	963,741	-	-	963,741
Redevelopment agency	-	4,541,222	-	4,541,222
Assigned to:				
Capital projects	-	-	11,049,696	11,049,696
Unassigned	5,145,383	-	-	5,145,383
Total fund balances	<u>6,896,922</u>	<u>4,541,222</u>	<u>11,049,696</u>	<u>22,487,840</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,893,234</u>	<u>\$ 4,597,173</u>	<u>\$ 11,049,696</u>	<u>\$ 25,540,103</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, 2023

Total fund balances - governmental funds:		\$ 22,487,840
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	\$ 3,516,473	
Construction in progress	-	
Infrastructure	9,971,533	
Buildings	10,410,041	
Improvements	3,326,994	
Machinery and equipment	6,549,991	
Accumulated depreciation	<u>(16,140,540)</u>	
		17,634,492
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.)		
		2,906,803
Net pension assets used in governmental activities are not financial resources and , therefore, are not reported in the funds.		
		310,449
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.		
		1,292,290
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.		
		(57,599)
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	(1,170,758)	
Compensated absences	<u>(1,394,246)</u>	
		<u>(2,565,004)</u>
Net position of governmental activities		<u>\$ 42,009,271</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, 2023

REVENUES	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Taxes				
Property taxes	\$ 1,561,044	\$ 346,971	\$ -	\$ 1,908,015
Sales taxes	8,632,885	-	-	8,632,885
Franchise taxes	741,654	-	-	741,654
Transient room tax	22,379	-	-	22,379
Fees-in-lieu of taxes	79,854	-	-	79,854
Licenses and permits	381,175	-	-	381,175
Intergovernmental	1,675,021	-	-	1,675,021
Charges for services	672,733	-	-	672,733
Fines and forfeitures	623,194	-	-	623,194
Interest	228,697	157,407	313,159	699,263
Other revenues	91,030	151,195	-	242,225
Total revenues	<u>14,709,666</u>	<u>655,573</u>	<u>313,159</u>	<u>15,678,398</u>
EXPENDITURES				
Current				
General government	2,341,802	-	2,860	2,344,662
Public safety	5,942,655	-	17,732	5,960,387
Streets and public works	428,843	-	-	428,843
Parks and community services	1,142,999	-	37,950	1,180,949
Community development	566,816	451,429	-	1,018,245
Capital outlay				
General government	-	-	-	-
Public safety	43,000	-	8,154	51,154
Streets and public works	1,035,126	-	-	1,035,126
Parks and community services	-	-	-	-
Community development	-	36,895	-	36,895
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>11,501,241</u>	<u>488,324</u>	<u>66,696</u>	<u>12,056,261</u>
Excess (deficiency) of revenues over expenditures	<u>3,208,425</u>	<u>167,249</u>	<u>246,463</u>	<u>3,622,137</u>
Other financing sources (uses)				
Transfers in	-	-	2,464,990	2,464,990
Transfers out	(2,464,990)	-	-	(2,464,990)
Total other financing sources and uses	<u>(2,464,990)</u>	<u>-</u>	<u>2,464,990</u>	<u>-</u>
Net change in fund balances	743,435	167,249	2,711,453	3,622,137
Fund balances - beginning of year	<u>6,153,487</u>	<u>4,373,973</u>	<u>8,338,243</u>	<u>18,865,703</u>
Fund balances - end of year	<u>\$ 6,896,922</u>	<u>\$ 4,541,222</u>	<u>\$ 11,049,696</u>	<u>\$ 22,487,840</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, 2023**

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

Net changes in fund balances - total governmental funds	\$	3,622,137
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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	\$	1,123,175	
Depreciation expense		(950,208)	172,967

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).			524,701
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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.			315,538
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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.			(2,286,239)
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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		-	-

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.			(27,327)
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Change in net position of governmental activities	\$	2,321,777	
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The accompanying notes are an integral part of these statements.

RIVERDALE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities -	
	Water	Sewer
ASSETS AND DEFERRED OUTFLOWS		
Current assets:		
Cash and cash equivalents	\$ 4,627,546	\$ 2,888,002
Accounts receivable	146,298	126,910
Total current assets	<u>4,773,844</u>	<u>3,014,912</u>
Noncurrent assets:		
Net pension asset	9,896	6,813
Land	755	-
Buildings	797,776	-
Water and canal stock	190,665	-
Infrastructure	9,356,470	7,386,690
Machinery and equipment	265,629	51,322
Less: accumulated depreciation	<u>(5,314,502)</u>	<u>(3,367,640)</u>
Total noncurrent assets	<u>5,306,689</u>	<u>4,077,185</u>
Total assets	<u>10,080,533</u>	<u>7,092,097</u>
Deferred outflows of resources - pension	<u>52,019</u>	<u>30,958</u>
Total assets and deferred outflows of resources	<u>10,132,552</u>	<u>7,123,055</u>
LIABILITIES AND DEFERRED INFLOWS		
Current liabilities:		
Accounts payable	56,062	558
Bonds payable - current	-	-
Total current liabilities	<u>56,062</u>	<u>558</u>
Noncurrent liabilities:		
Net pension liability	57,045	24,233
Compensated absences	59,370	95,093
Bonds payable - noncurrent	-	-
Total noncurrent liabilities	<u>116,415</u>	<u>119,326</u>
Deferred inflows of resources - pension	<u>1,166</u>	<u>(3,959)</u>
Total liabilities and deferred inflows of resources	<u>173,643</u>	<u>115,925</u>
NET POSITION		
Net investment in capital assets	5,296,793	4,070,372
Unrestricted	<u>4,662,116</u>	<u>2,936,758</u>
Total net position	<u>\$ 9,958,909</u>	<u>\$ 7,007,130</u>

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
Storm Water	Garbage	Total	
\$ 1,262,468	\$ 268,949	\$ 9,046,965	\$ 2,928,035
23,468	44,169	340,845	-
1,285,936	313,118	9,387,810	2,928,035
4,490	417	21,616	-
-	-	755	-
65,206	-	862,982	-
-	-	190,665	-
3,668,249	-	20,411,409	-
91,954	-	408,905	4,541,457
(964,877)	-	(9,647,019)	(2,964,051)
2,865,022	417	12,249,313	1,577,406
4,150,958	313,535	21,637,123	4,505,441
23,110	5,893	111,980	-
4,174,068	319,428	21,749,103	4,505,441
19,784	36,147	112,551	21,232
-	-	-	-
19,784	36,147	112,551	21,232
18,183	3,593	103,054	-
90,754	34,300	279,517	-
-	-	-	-
108,937	37,893	382,571	-
(3,888)	(5,410)	(12,091)	-
124,833	68,630	483,031	21,232
2,860,532	-	12,227,697	1,577,406
1,188,703	250,798	9,038,375	2,906,803
\$ 4,049,235	\$ 250,798	21,266,072	\$ 4,484,209

RIVERDALE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities -</u>	
	<u>Water</u>	<u>Sewer</u>
OPERATING REVENUE		
Charges for service	\$ 1,577,012	\$ 1,360,981
Other	65,824	5,055
Total operating revenue	<u>1,642,836</u>	<u>1,366,036</u>
OPERATING EXPENSES		
Personnel services	288,986	209,448
Contractual services	368,485	780,635
Materials and supplies	84,618	11,183
Depreciation	274,092	142,771
Utilities	78,667	622
Bad debts	-	-
Total operating expenses	<u>1,094,848</u>	<u>1,144,659</u>
Operating income (loss)	<u>547,988</u>	<u>221,377</u>
NONOPERATING REVENUE (EXPENSES)		
Interest revenue	137,845	104,131
Interest expense	-	-
Gain on sale	-	-
Total nonoperating revenue	<u>137,845</u>	<u>104,131</u>
Income (loss) before contributions	685,833	325,508
Capital contributions	-	-
Change in net position	685,833	325,508
Net position - beginning	<u>9,273,076</u>	<u>6,681,622</u>
Net position - ending	<u><u>\$ 9,958,909</u></u>	<u><u>\$ 7,007,130</u></u>

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds			Governmental Activities Internal Service Fund
Storm Water	Garbage	Total	
\$ 232,145	\$ 456,471	\$ 3,626,609	\$ 704,550
-	-	70,879	-
232,145	456,471	3,697,488	704,550
170,846	59,175	728,455	-
40,643	428,395	1,618,158	-
33,362	1,345	130,508	286,240
85,396	-	502,259	303,250
154	-	79,443	23,922
-	-	-	-
330,401	488,915	3,058,823	613,412
(98,256)	(32,444)	638,665	91,138
46,689	11,648	300,313	102,843
-	-	-	-
-	-	-	121,557
46,689	11,648	300,313	224,400
(51,567)	(20,796)	938,978	315,538
-	-	-	-
(51,567)	(20,796)	938,978	315,538
4,100,802	271,594	20,327,094	4,168,671
<u>\$ 4,049,235</u>	<u>\$ 250,798</u>	<u>\$ 21,266,072</u>	<u>\$ 4,484,209</u>

RIVERDALE CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities -	
	Water	Sewer
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,551,526	\$ 1,350,176
Interfund services provided	-	-
Payments to employees	(294,568)	(208,014)
Payments to suppliers	(480,015)	(766,329)
Payments for interfund services used	(6,396)	(26,172)
Net cash from operating activities	<u>770,547</u>	<u>349,661</u>
Cash Flows From Noncapital Financing Activities		
Interfund loan	-	-
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities		
Interest paid on debt	-	-
Principal paid on debt	-	-
Purchases of capital assets	(11,150)	-
Proceeds from sale of assets	-	-
Net cash from capital and related financing	<u>(11,150)</u>	<u>-</u>
Cash Flows From Investing Activities		
Interest and dividends received	137,845	104,131
Net cash from investing activities	<u>137,845</u>	<u>104,131</u>
Net increase (decrease in cash and cash equivalents)	897,242	453,792
Cash and cash equivalents, July 1	3,730,304	2,434,210
Cash and cash equivalents, June 30	<u>\$ 4,627,546</u>	<u>\$ 2,888,002</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 547,988	\$ 221,377
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expenses	274,092	142,771
(Increase) decrease in accounts receivable	(91,310)	(15,860)
Increase (decrease) in accounts payable	45,359	(61)
Increase (decrease) in compensated absences	12,576	15,413
Increase (decrease) in net pension liability	(18,158)	(13,979)
Total adjustments	<u>222,559</u>	<u>128,284</u>
Net cash provided (used) by operating activities	<u>\$ 770,547</u>	<u>\$ 349,661</u>
Noncash Investing, Capital and Financing Activities:		
Contributed capital assets from developers	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds			Governmental
Storm			Activities
Water	Garbage	Total	Internal
			Service Fund
\$ 230,916	\$ 448,722	\$ 3,581,340	\$ -
-	-	-	704,550
(150,083)	(51,219)	(703,884)	-
(43,719)	(452,108)	(1,742,171)	(296,371)
(10,824)	-	(43,392)	-
<u>26,290</u>	<u>(54,605)</u>	<u>1,091,893</u>	<u>408,179</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(16,300)	-	(27,450)	(461,340)
-	-	-	199,000
<u>(16,300)</u>	<u>-</u>	<u>(27,450)</u>	<u>(262,340)</u>
46,689	11,648	300,313	102,843
<u>46,689</u>	<u>11,648</u>	<u>300,313</u>	<u>102,843</u>
56,679	(42,957)	1,364,756	248,682
1,205,789	311,906	7,682,209	2,679,353
<u>\$ 1,262,468</u>	<u>\$ 268,949</u>	<u>\$ 9,046,965</u>	<u>2,928,035</u>
\$ (98,256)	\$ (32,444)	\$ 638,665	\$ 91,138
85,396	-	502,259	303,250
(1,229)	(7,749)	(116,148)	-
19,616	(22,368)	42,546	13,791
31,438	11,602	71,029	-
(10,675)	(3,646)	(46,458)	-
<u>124,546</u>	<u>(22,161)</u>	<u>453,228</u>	<u>317,041</u>
<u>\$ 26,290</u>	<u>\$ (54,605)</u>	<u>\$ 1,091,893</u>	<u>\$ 408,179</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, \$382,119 of the City's bank balances of \$632,119 was uninsured and uncollateralized.

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023, the City had the following recurring fair value measurements.

Investments by fair value level	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 32,996,280	\$ -	\$ 32,996,280	\$ -
Total debt securities	\$ 32,996,280	\$ -	\$ 32,996,280	\$ -

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, 2023 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, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2023, 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	\$32,996,280	\$ 32,996,280	\$ -	\$ -	\$ -
	\$32,996,280	\$ 32,996,280	\$ -	\$ -	\$ -

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, 2023, the City’s investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	\$32,996,280	\$ -	\$ -	\$ -	\$ 32,996,280
	\$32,996,280	\$ -	\$ -	\$ -	\$ 32,996,280

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, 2023

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	\$ 678,319
Petty cash	1,515
PTIF investment	<u>32,996,280</u>
Total cash and investments	<u>\$ 33,676,114</u>

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

Unrestricted Cash	\$ 27,681,926
Restricted Cash for:	
Local Option Highway and Transportation	963,741
Class "C" roads	787,798
RDA Fund	<u>4,242,649</u>
Total cash and investments	<u>\$ 33,676,114</u>

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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.

Governmental Activities:	Due from government units	Accounts Receivable	Total
Receivables:			
Housing Loans Receivable	\$ -	\$ 354,524	\$ 354,524
Ambulance Billing Service Provider	-	349,944	349,944
Customers	-	11,394	11,394
Utah State Tax Commission	1,590,931	-	1,590,931
Utah Department of Transportation	95,915	-	95,915
County - Current Property Taxes	40,197	-	40,197
Taxpayers - Unavailable Taxes	1,676,039	-	1,676,039
State Grants	-	-	-
	<hr/>	<hr/>	<hr/>
Gross receivables	3,403,082	715,862	4,118,944
	<hr/>	<hr/>	<hr/>
Less: Allowance for uncollectibles	-	(279,955)	(279,955)
Net total receivables	<u>\$ 3,403,082</u>	<u>\$ 435,907</u>	<u>\$ 3,838,989</u>

Accounts Payable Due To:			
	Other Governments	Vendors	Total
General Fund	\$ -	\$ 309,164	\$ 309,164
Redevelopment Agency Fund	-	42,336	42,336
Capital Projects Fund	-	-	-
Water Fund	-	56,062	56,062
Sewer Fund	-	558	558
Storm Water Fund	-	19,784	19,784
Garbage Fund	-	36,147	36,147
Internal Service Fund	-	21,232	21,232
	<hr/>	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ 485,283</u>	<u>\$ 485,283</u>

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

GOVERNMENTAL ACTIVITIES	Balance June 30, 2022	Additions	(Deletions)	Balance June 30, 2023
Nondepreciated Assets				
Land	\$ 5,802,713	\$ -	\$ (2,286,240)	\$ 3,516,473
Construction in progress	142,307	-	(142,307)	-
Total nondepreciated assets	<u>5,945,020</u>	<u>-</u>	<u>(2,428,547)</u>	<u>3,516,473</u>
Depreciated Assets				
Infrastructure	8,794,100	1,177,433	-	9,971,533
Improvements	3,326,994	-	-	3,326,994
Buildings	10,373,146	36,895	-	10,410,041
Machinery and equipment	6,258,961	512,495	(221,465)	6,549,991
Total depreciated assets	<u>28,753,201</u>	<u>1,726,823</u>	<u>(221,465)</u>	<u>30,258,559</u>
Less accumulated depreciation				
Infrastructure	(3,360,908)	(417,131)	-	(3,778,039)
Improvements	(2,193,532)	(133,516)	-	(2,327,048)
Buildings	(5,261,151)	(290,235)	-	(5,551,386)
Machinery and equipment	(4,215,512)	(412,576)	144,021	(4,484,067)
Total accumulated depreciation	<u>(15,031,103)</u>	<u>(1,253,458)</u>	<u>144,021</u>	<u>(16,140,540)</u>
Net assets depreciated	<u>13,722,098</u>	<u>473,365</u>	<u>(77,444)</u>	<u>14,118,019</u>
Governmental activities capital assets, net	<u>\$ 19,667,118</u>	<u>\$ 473,365</u>	<u>\$ (2,505,991)</u>	<u>\$ 17,634,492</u>

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES	Balance June 30, 2022	Additions	(Deletions)	Balance June 30, 2023
Nondepreciated Assets				
Land	\$ 755	-	\$ -	\$ 755
Construction in progress	-	-	-	-
Water rights	190,665	-	-	190,665
	<u>191,420</u>	<u>-</u>	<u>-</u>	<u>191,420</u>
Depreciated Assets				
Infrastructure	20,395,109	16,300	-	20,411,409
Buildings	862,982	-	-	862,982
Machinery and equipment	397,755	11,150	-	408,905
Total depreciated assets	<u>21,655,846</u>	<u>27,450</u>	<u>-</u>	<u>21,683,296</u>
Less accumulated depreciation				
Infrastructure	(8,490,737)	(449,148)	-	(8,939,885)
Buildings	(501,748)	(14,752)	-	(516,500)
Machinery and equipment	(152,275)	(38,359)	-	(190,634)
Total	<u>(9,144,760)</u>	<u>(502,259)</u>	<u>-</u>	<u>(9,647,019)</u>
Net assets depreciated	<u>12,511,086</u>	<u>(474,809)</u>	<u>-</u>	<u>12,036,277</u>
Business-type activities capital assets, net	<u>\$ 12,702,506</u>	<u>\$ (474,809)</u>	<u>\$ -</u>	<u>\$ 12,227,697</u>

DEPRECIATION EXPENSE	Governmental Types	Business Types	Totals
General government	\$ 205,192	\$ -	\$ 205,192
Public Safety	139,317	-	139,317
Streets and public works	441,467	-	441,467
Parks and community services	162,971	-	162,971
Community development	1,261	-	1,261
Internal service*	303,250	-	303,250
Water system	-	274,092	274,092
Sewer system	-	142,771	142,771
Storm water system	-	85,396	85,396
TOTAL	<u>\$ 1,253,458</u>	<u>\$ 502,259</u>	<u>\$ 1,755,717</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, 2023

NOTE 5 - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023, were as follows:

Description	Long-term debt payable 6/30/2022	Additions	Deletions	Long-term debt payable 6/30/2023	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Compensated Absences	\$ 1,366,919	\$ 27,327	\$ -	\$ 1,394,246	N/A
Net Pension Liability	5,480	1,165,278	-	1,170,758	N/A
Governmental Activities Total Long-term Liabilities	<u>\$ 1,372,399</u>	<u>\$ 1,192,605</u>	<u>\$ -</u>	<u>\$ 2,565,004</u>	<u>\$ -</u>
BUSINESS-TYPE ACTIVITIES					
Compensated Absences	\$ 208,488	\$ 71,029	\$ -	\$ 279,517	N/A
Net Pension Liability	11,360	91,694	-	103,054	N/A
Business-type Activities Total Long-term Liabilities	<u>\$ 219,848</u>	<u>\$ 162,723</u>	<u>\$ -</u>	<u>\$ 382,571</u>	<u>\$ -</u>

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

For the year ended June 30, 2023, \$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, 2023 in Governmental or Business-type Activities.

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023 are as follows:

	Employee Paid	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System			
11 - Local Governmental Division Tier 1	6.00%	13.96%	N/A
111 - Local Government Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 - Local Government Division Tier 1	N/A	17.97%	N/A
Public Safety System			
Contributory			
122 - Other Division A Contributory Tier 2	2.59%	26.99%	N/A
Noncontributory			
75 - Other Div A with 4% COLA	N/A	35.71%	N/A
Firefighters Retirement System			
31 - Other Division A	15.05%	3.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.59%	14.08%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.19%	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, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 285,230	-
Public Safety System	365,841	-
Firefighters System	16,905	70,477
Tier 2 Public Employees System	123,415	-
Tier 2 Public Safety and Firefighter	216,778	25,678
Tier 2 DC Only System	5,962	-
Tier 2 DC Public Safety and Firefighter	9,949	-
Total Contributions	\$ 1,024,080	\$ 96,155

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, 2023

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, 2023, we reported a net pension asset of \$332,069 and a net pension liability of \$1,273,814.

(Measurement Date): December 31, 2022

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Increase (Decrease)
Noncontributory System	\$ -	\$ 291,890	0.1704221%	0.1780748%	-0.0076527%
Public Safety System	-	925,657	0.7158572%	0.7400831%	0.0242259%
Firefighters System	332,069	-	1.2786416%	1.3668741%	-0.0882325%
Tier 2 Public Employees System	-	36,066	0.0331220%	0.0320159%	0.0011061%
Tier 2 Public Safety and Firefighter	-	20,201.00	0.2421497%	0.2442885%	-0.0021388%
	<u>\$ 332,069</u>	<u>\$ 1,273,814</u>			

The net pension asset and liability was measure as of December 31, 2022, 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, 2023, we recognized pension expense of (\$450,309).

At June 30, 2023 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	\$ 183,624	\$ 9,827
Changes in assumptions	138,423	3,281
Net difference between projected and actual earnings on pension plan investments	531,431	-
Changes in proportion and differences between contributions and proportionate share of contributions	39,268	32,402
Contributions subsequent to the measurement date	511,526	-
Total	<u>\$ 1,404,272</u>	<u>\$ 45,510</u>

\$511,526 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, 2022.

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (211,526)
2024	4,034
2025	238,977
2026	792,298
2027	4,151
Thereafter	\$ 19,303

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

For the year ended June 30, 2023, we recognized pension expense of \$128,691.

At June 30, 2023 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	\$ 99,005	\$ -
Changes in assumptions	47,837	1,166
Net difference between projected and actual earnings on pension plan investments	192,534	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,291	5,305
Contributions subsequent to the measurement date	135,599	-
Total	\$ 481,265	\$ 6,471

\$135,599 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, 2022.

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
2023	\$ (41,192)
2024	7,381
2025	77,333
2026	295,674
2027	-
Thereafter	\$ -

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, we recognized pension expense of \$255,037.

At June 30, 2023 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	\$ 4,098	\$ -
Changes in assumptions	24,827	-
Net difference between projected and actual earnings on pension plan investments	214,553	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	13,406
Contributions subsequent to the measurement date	171,131	-
Total	<u>\$ 414,609</u>	<u>\$ 13,406</u>

\$171,131 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, 2022.

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
2023	\$ (171,142)
2024	(38,197)
2025	89,440
2026	349,971
2027	-
Thereafter	\$ -

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, we recognized pension expense of (\$89,937).

At June 30, 2023 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	\$ 58,594	\$ 1,697
Changes in assumptions	41,274	-
Net difference between projected and actual earnings on pension plan investments	88,843	-
Changes in proportion and differences between contributions and proportionate share of contributions	24,139	7,882
Contributions subsequent to the measurement date	8,625	-
Total	<u>\$ 221,475</u>	<u>\$ 9,579</u>

\$8,625 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, 2022.

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
2023	\$ (2,860)
2024	26,684
2025	59,030
2026	120,417
2027	-
Thereafter	\$ -

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, we recognized pension expense of \$69,215.

At June 30, 2023 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	\$ 12,182	\$ 1,431
Changes in assumptions	11,709	92
Net difference between projected and actual earnings on pension plan investments	14,541	-
Changes in proportion and differences between contributions and proportionate share of contributions	7,484	1,664
Contributions subsequent to the measurement date	62,841	-
Total	<u>\$ 108,757</u>	<u>\$ 3,187</u>

\$62,841 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, 2022.

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
2023	\$ 2,142
2024	4,433
2025	7,001
2026	13,224
2027	3,280
Thereafter	\$ 12,648

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, we recognized pension expense of \$87,304.

At June 30, 2023 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	\$ 9,745	\$ 6,699
Changes in assumptions	12,776	2,023
Net difference between projected and actual earnings on pension plan investments	20,960	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,355	4,144
Contributions subsequent to the measurement date	133,331	-
Total	<u>\$ 178,166</u>	<u>\$ 12,866</u>

\$133,331 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, 2022.

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
2023	\$ 1,527
2024	3,732
2025	6,173
2026	13,012
2027	871
Thereafter	\$ 6,655

Actuarial assumptions:

The total pension liability in the December 31, 2022 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, 2023

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, 2022 valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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	35.00%	6.58%	2.30%
Debt Securities	20.00%	1.08%	0.22%
Real Assets	18.00%	5.72%	1.03%
Private Equity	12.00%	9.80%	1.18%
Absolute Return	15.00%	2.91%	0.44%
Cash and Cash Equivalents	0.00%	(0.11)%	0.00%
Totals	100.00%		5.17%
	Inflation		2.50%
	Expected arithmetic nominal return		7.67%

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.

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 1,839,590	\$ 291,890	\$(1,001,295)
Public Safety System	2,981,083	925,657	(745,889)
Firefighters System	264,665	(332,069)	(816,336)
Tier 2 Public Employees System	157,590	36,066	(57,552)
Tier 2 Public Safety and Firefighter	161,705	20,201	(92,260)
Total	\$ 5,404,633	\$ 941,745	\$(2,713,332)

***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>2023</u>	<u>2022</u>	<u>2021</u>
Employer Contributions	\$ 46,185	\$ 36,600	\$ 31,512
Employee Contributions	38,187	29,305	26,950
<u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	38,806	35,054	31,712
<u>Roth IRA Plan</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 13,310	\$ 12,610	\$ 11,190

RIVERDALE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, 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, 2023 were as follows:

	Transfers In	
Transfers Out	Capital Projects	Total
General Fund	\$ 2,464,990	\$ 2,464,990
Totals	\$ 2,464,990	\$ 2,464,990

NOTE 10 - REDEVELOPMENT AGENCY

The Redevelopment Agency (RDA) collected tax increments of \$346,971 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	\$	436,731
Administrative costs		14,698
Capital outlay	\$	36,895

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, 2023

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 st 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, 2023 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 February 26, 2024, 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, 2023

REVENUES	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Taxes:				
Property taxes	\$ 1,548,416	\$ 1,548,416	\$ 1,561,044	\$ 12,628
Fee in lieu	45,000	45,000	79,854	34,854
Sales taxes	7,310,000	7,310,000	8,632,885	1,322,885
Franchise taxes	300,000	300,000	741,654	441,654
Transient room tax	12,000	12,000	22,379	10,379
Total taxes	<u>9,215,416</u>	<u>9,215,416</u>	<u>11,037,816</u>	<u>1,822,400</u>
Licenses and permits:				
Business licenses	135,000	135,000	144,157	9,157
Building permits	75,000	75,000	144,578	69,578
Building plan/development fees	40,000	40,000	87,680	47,680
Animal licenses	8,000	8,000	4,760	(3,240)
Total licenses and permits	<u>258,000</u>	<u>258,000</u>	<u>381,175</u>	<u>123,175</u>
Intergovernmental revenue:				
Grants	28,750	28,750	24,835	(3,915)
Federal revenues	1,486,000	1,486,000	522,992	(963,008)
Other local governments	37,450	37,450	35,578	(1,872)
Class "C" roads	321,300	321,300	427,264	105,964
Local option highways/transportation	449,400	449,400	643,570	194,170
State liquor allotment	17,500	17,500	20,782	3,282
Total intergovernmental revenue	<u>2,340,400</u>	<u>2,340,400</u>	<u>1,675,021</u>	<u>(665,379)</u>
Charges for services				
Ambulance fees	325,000	325,000	418,496	93,496
Recreation and user fees	85,300	85,300	93,532	8,232
Senior programs	45,000	45,000	35,947	(9,053)
Interfund services	60,000	60,000	60,000	-
Other charges for services	4,000	4,000	64,758	60,758
Total charges for services	<u>519,300</u>	<u>519,300</u>	<u>672,733</u>	<u>153,433</u>
Fines and forfeitures	400,000	400,000	623,194	223,194
Other revenues:				
Lease revenue	25,000	25,000	34,772	9,772
Interest revenue	10,000	10,000	228,697	218,697
Sale of assets	2,000	2,000	200	(1,800)
Miscellaneous	36,500	36,500	56,058	19,558
Total other revenues	<u>73,500</u>	<u>73,500</u>	<u>319,727</u>	<u>246,227</u>
TOTAL REVENUES	<u>12,806,616</u>	<u>12,806,616</u>	<u>14,709,666</u>	<u>1,903,050</u>

RIVERDALE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES TO FUND BALANCES -
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

EXPENDITURES	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General government:				
Legislative	160,758	160,758	128,049	32,709
Judicial	611,179	611,179	574,886	36,293
City administration	262,912	262,912	243,974	18,938
Business administration	826,544	826,544	778,185	48,359
Non-departmental	1,776,543	1,136,929	616,708	520,221
Total general government	3,637,936	2,998,322	2,341,802	656,520
Public safety:				
Police department	3,865,552	4,295,552	3,968,241	327,311
Fire department	1,970,013	2,105,376	2,017,414	87,962
Total public safety	5,835,565	6,400,928	5,985,655	415,273
Streets and public works	3,204,543	3,204,543	1,463,969	1,740,574
Parks and community services:				
Parks department	\$ 571,378	\$ 571,378	\$ 486,481	\$ 84,897
Community services	685,844	685,844	656,518	29,326
Total parks and community services	1,257,222	1,257,222	1,142,999	114,223
Community development and building	609,078	683,329	566,816	116,513
TOTAL EXPENDITURES	14,544,344	14,544,344	11,501,241	3,043,103
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(1,737,728)	(1,737,728)	3,208,425	4,946,153
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	3,237,728	4,237,728	-	(4,237,728)
Operating transfers in	-	-	-	-
Operating transfers out	(1,500,000)	(2,500,000)	(2,464,990)	35,010
TOTAL OTHER FINANCING SOURCES (USES)	1,737,728	1,737,728	(2,464,990)	(4,202,718)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	743,435	743,435
Fund balance - July 1	6,153,487	6,153,487	6,153,487	-
Fund balance - June 30	<u>\$ 6,153,487</u>	<u>\$ 6,153,487</u>	<u>\$ 6,896,922</u>	<u>\$ 743,435</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 300,000	\$ 300,000	\$ 346,971	\$ 46,971
Rents	173,250	173,250	151,170	(22,080)
Sundry	-	-	25	25
Interest	26,600	26,600	157,407	130,807
TOTAL REVENUES	<u>499,850</u>	<u>499,850</u>	<u>655,573</u>	<u>155,723</u>
EXPENDITURES				
Community development	983,550	983,550	488,324	495,226
Debt service:				
Principal	-	-	-	-
Interest and fees	-	-	-	-
TOTAL EXPENDITURES	<u>983,550</u>	<u>983,550</u>	<u>488,324</u>	<u>495,226</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(483,700)</u>	<u>(483,700)</u>	<u>167,249</u>	<u>650,949</u>
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	483,700	483,700	-	(483,700)
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>483,700</u>	<u>483,700</u>	<u>-</u>	<u>(483,700)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>167,249</u>	<u>167,249</u>
Fund balance - July 1	<u>4,373,973</u>	<u>4,373,973</u>	<u>4,373,973</u>	<u>-</u>
Fund balance - June 30	<u>\$ 4,373,973</u>	<u>\$ 4,373,973</u>	<u>\$ 4,541,222</u>	<u>\$ 167,249</u>

RIVERDALE CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
JUNE 30, 2023

		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)	2023	0.1704221%	0.0000000%	0.7158572%	1.2786416%	0.03312200%	0.2421497%
	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)	2023	\$ 291,890	\$ -	\$ 925,657	\$ (332,069)	\$ 36,066	\$ 20,201
	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	2023	\$ 1,587,399	\$ -	\$ 1,056,676	\$ 457,298	\$ 721,786	\$ 745,045
	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	2023	18.39%	0.00%	87.60%	-72.62%	5.00%	2.71%
	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	2023	97.5%	0.0%	93.6%	108.4%	92.3%	96.4%
	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, 2023**

	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%
	2023	285,230	285,230	-	1,609,916	17.72%
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%
	2023	-	-	-	-	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%
	2023	365,841	365,841	-	1,024,479	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%
	2023	16,905	16,905	-	468,286	3.61%
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%
	2023	123,415	123,415	-	770,860	16.01%
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%
	2023	216,778	216,778	-	991,407	21.87%
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%
	2023	5,962	5,962	-	96,314	6.19%
Tier 2 Public Safety and Firefighters DC O 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%
	2023	9,949	9,949	-	76,589	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, 2023

Changes in Assumptions:

No changes were made in actuarial assumptions from the prior year's valuation.

SUPPLEMENTARY INFORMATION

RIVERDALE CITY
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	<u>Information Technology Fund</u>	<u>Motor Pool Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 183,341	\$ 2,744,694	\$ 2,928,035
Machinery and equipment	657,143	3,884,314	4,541,457
Accumulated depreciation	(582,377)	(2,381,674)	(2,964,051)
	<u>\$ 258,107</u>	<u>\$ 4,247,334</u>	<u>\$ 4,505,441</u>
LIABILITIES			
Accounts payable	\$ 18,742	\$ 2,490	\$ 21,232
Total liabilities	<u>18,742</u>	<u>2,490</u>	<u>21,232</u>
NET POSITION			
Net investment in capital assets	74,766	1,502,640	1,577,406
Unrestricted	164,599	2,742,204	2,906,803
Total net position	<u>\$ 239,365</u>	<u>\$ 4,244,844</u>	<u>\$ 4,484,209</u>

RIVERDALE CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Information Technology Fund	Motor Pool Fund	Total
OPERATING REVENUE			
Charges for service	\$ 163,122	\$ 541,428	\$ 704,550
Other	-	-	-
Total operating revenue	<u>163,122</u>	<u>541,428</u>	<u>704,550</u>
OPERATING EXPENSES			
Materials and supplies	176,469	109,771	286,240
Depreciation	35,453	267,797	303,250
Utilities	15,070	8,852	23,922
Total operating expenses	<u>226,992</u>	<u>386,420</u>	<u>613,412</u>
Operating income (loss)	<u>(63,870)</u>	<u>155,008</u>	<u>91,138</u>
NONOPERATING REVENUE (EXPENSES)			
Interest revenue	5,860	96,983	102,843
Interest expense	-	-	-
Gain on sale	-	121,557	121,557
Total nonoperating revenue	<u>5,860</u>	<u>218,540</u>	<u>224,400</u>
Change in net position	<u>(58,010)</u>	<u>373,548</u>	<u>315,538</u>
Net position - beginning	<u>297,375</u>	<u>3,871,296</u>	<u>4,168,671</u>
Net position - ending	<u>\$ 239,365</u>	<u>\$ 4,244,844</u>	<u>\$ 4,484,209</u>

RIVERDALE CITY
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Information Technology Fund	Motor Pool Fund	Total
Cash Flows From Operating Activities			
Interfund services provided	\$ 163,122	\$ 541,428	\$ 704,550
Cash received from other activities	-	-	-
Payments to suppliers	(177,603)	(118,768)	(296,371)
Net cash provided by operating activities	<u>(14,481)</u>	<u>422,660</u>	<u>408,179</u>
Cash Flows From Investing Activities			
Interest earned on cash deposits	5,860	96,983	102,843
Net cash provided by investing activities	<u>5,860</u>	<u>96,983</u>	<u>102,843</u>
Cash Flows From Noncapital Financing Activities			
Operating transfers in	-	-	-
Net cash provided by non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of capital assets	(31,056)	(430,284)	(461,340)
Proceeds from sale of assets	-	199,000	199,000
Net cash provided (used) in capital and related financial activities	<u>(31,056)</u>	<u>(231,284)</u>	<u>(262,340)</u>
Net increase (decrease) in cash and cash equivalents	(39,677)	288,359	248,682
Cash and cash equivalents - beginning of year	<u>223,018</u>	<u>2,456,335</u>	<u>2,679,353</u>
Cash and cash equivalents - end of year	<u>\$ 183,341</u>	<u>\$ 2,744,694</u>	<u>\$ 2,928,035</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (63,870)	\$ 155,008	\$ 91,138
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expenses	35,453	267,797	303,250
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	13,936	(145)	13,791
Net cash provided by operating activities	<u>\$ (14,481)</u>	<u>\$ 422,660</u>	<u>\$ 408,179</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, 2023, and the related notes to the financial statements, which collectively comprise Riverdale City’s basic financial statements, and have issued our report thereon dated February 26, 2024.

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.

February 26, 2024
Ogden, UT



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, 2023.

State compliance requirements were tested for the year ended Riverdale City in the following areas:

Budgetary Compliance
Fund Balance
Restricted Taxes and Related Revenues
Fraud Risk Assessment
Government Fees
Cash Management
Open and Public Meeting Act

Opinion on Compliance

In our opinion, Riverdale City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the State Compliance Audit Guide (Guide). Our responsibilities under those standards and the State Compliance Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Riverdale City and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of Riverdale City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Riverdale City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Riverdale City's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Riverdale City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Riverdale City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Riverdale City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide but not for the purpose of expressing an opinion on the effectiveness of Riverdale City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guide and which are described in the accompanying schedule of findings and recommendations as items 2023-1. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the Riverdale City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The Riverdale City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

February 26, 2024
Ogden, UT