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RIVERDALE CITY

June 30, 2009

Financial Statements

(With Auditors' Report)

LITZ & COMPANY

Certified Public Accountants
A Professional Corporation

RIVERDALE CITY

Table of Contents

Page

Independent Auditors' Report 1
Management's Discussion and Analysis 2-8

Basic Financial Statements
Government-wide Financial Statements
Statement of Net Assets 10
Statement of Activities 11

Governmental Funds Statements
Balance Sheet 12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets 13
Statement of Revenues, Expenditures, and Changes in Fund Balances 14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities 15

Proprietary Funds Statements
Statement of Net Assets 16
Statement of Revenues, Expenses, and Changes in Fund Net Assets 17
Statement of Cash Flows 18

Notes to Financial Statements 19-30

Required Supplementary Information
General Fund Supplementary Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 32-33
RDA Special Revenue Fund Supplementary Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 34

Supplementary Information
Internal Service Fund Statements
Combining Statement of Net Assets 36
Combining Statement of Revenues, Expenses, and Changes in Net Assets 37
Combining Statement of Cash Flows 38

Reports
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards 41
Schedule of State Findings and Questioned Costs 42
Independent Auditors' State Legal Compliance Report 43

LITZ & COMPANY
Certified Public Accountants
A Professional Corporation

Independent Auditors' Report

Honorable Mayor and City Council
Riverdale City, Utah

We have audited the accompanying 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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Riverdale City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2009, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and Required Supplementary Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Riverdale City's basic financial statements. The Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Riverdale City. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Litz & Company, PC.

August 25, 2009

Riverdale City, Utah
Management's Discussion and Analysis
for fiscal year ending June 30, 2009

INTRODUCTION

The following is a discussion and analysis of Riverdale City's financial performance and activities for the fiscal year ending June 30, 2009. Beginning in fiscal year 2004, the City implemented new financial reporting standards established by GASB (the Governmental Accounting Standards Board). These new standards significantly changed the content and structure of the financial statements.

HIGHLIGHTS

Some of the businesses that joined the City in this fiscal year were Backyards, Inc., Carter's, Ken Garff Nissan, and Rubio's. New residential construction numbers were down from the previous year. Permits for single family dwelling homes were 8 for the current year and 22 for the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The fund financial statements provide detailed information about individual major funds and not the City as a whole. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of 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.

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.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets

The largest component of the City's net assets, 62 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 assets comprise 9.3 percent of total net assets and are subject to external restrictions on how they may be used. The remaining 28.7 percent of net assets is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

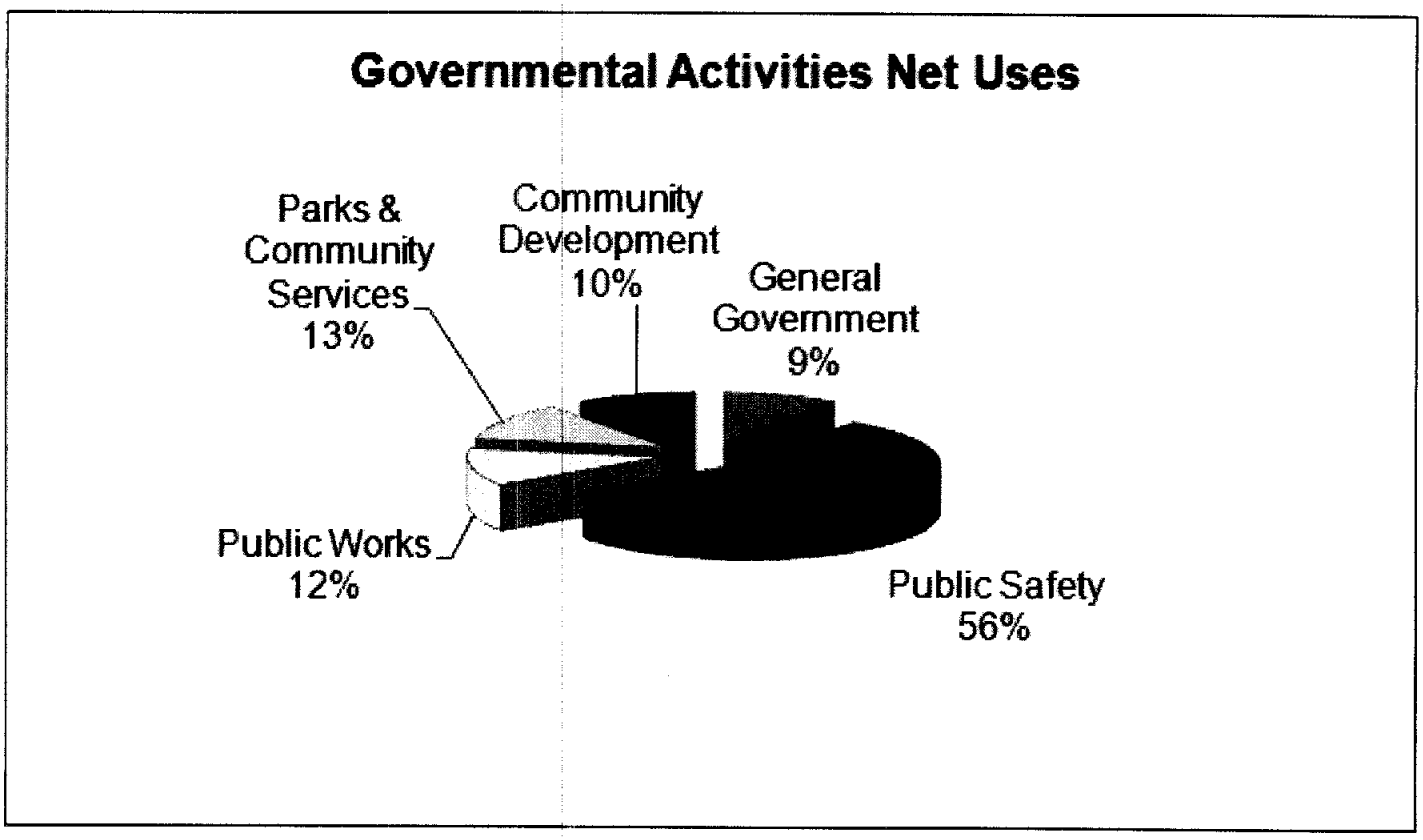
Riverdale City

Statement of Net Assets
Comparative

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008
Current and Other Assets	8,225,575	8,082,997	4,418,855	4,417,582
Capital Assets (Net)	14,751,865	13,707,796	8,979,408	8,272,375
Total Assets	22,977,440	21,790,793	13,398,263	12,689,957
Current Liabilities	1,509,672	1,546,386	27,461	6,126
Noncurrent Liabilities	1,600,641	1,626,583	11,353	7,695
Total Liabilities	3,110,313	3,172,969	38,814	13,821
Net Assets				
Invested in Capital Assets, Net of Related Debt	13,446,865	12,307,796	8,979,408	8,416,840
Restricted	3,367,155	2,801,967	-	-
Unrestricted	3,053,107	3,689,792	4,380,041	4,259,296
Total Net Assets	19,867,127	18,799,555	13,359,449	12,676,136

Governmental Activities

The activities in the governmental funds resulted in an increase in net assets of $1,067,572 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

Changes in Net Assets
Comparative

	Governmental Activities 2009	Governmental Activities 2008	Business-type Activities 2009	Business-type Activities 2008
Program Revenues				
Charges for Services	1,391,731	1,385,542	1,858,292	1,813,866
Operating Grants & Contributions	273,342	368,991		
Capital Grants & Contributions			210,306	489,171
General Revenues				
Property Taxes	1,854,062	1,664,288		
Sales Tax	5,002,690	4,610,137		
Unrestricted interest earned	142,759	204,480	87,374	170,887
Gain or Loss on Sale of Assets	70,367	31,990		
Other Revenues	208,825	265,277		
Total Revenues	8,943,776	8,530,705	2,155,972	2,473,924
Expenses				
General Government	1,738,671	1,821,621		
Public Safety	3,567,537	3,089,762		
Public Works	978,750	159,745		
Parks & Community Services	874,759	863,254		
Community Development	689,551	935,971		
Interest on long-term debt	26,937	49,786		
Public Utilities			1,472,659	1,348,308
Total Expenses	7,876,205	6,920,139	1,472,659	1,348,308
Increase in Net Assets before Transfers	1,067,571	1,610,566	683,313	1,125,616
Transfers				
Change in Net Assets	1,067,571	1,610,566	683,313	1,125,616
Net Assets Beginning	18,799,555	17,188,989	12,676,136	11,550,520
Net Assets Ending	19,867,126	18,799,555	13,359,449	12,676,136

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 $1,665,073 or 21.1 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 78.9 percent of expenses.

Activities	*Total Program Expenses*	*Less Program Revenues*	*Net Program Costs*	*Program Revenues as a Percentage of Total Expense*
General Government	$1,738,671	$1,155,301	($583,370)	66.4%
Public Safety	$3,567,537	$101,218	($3,466,319)	2.8%
Public Works	$978,750	$234,922	$(743,829)	24.0%
Parks & Community Services	$874,759	$103,850	($770,909)	13.5%
Community Development	$689,551	$69,782	($619,769)	10.1%
Interest on Debt	$26,937		($26,937)	0.0%
Totals	$7,876,205	$1,665,073	($6,211,132)	21.1%

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

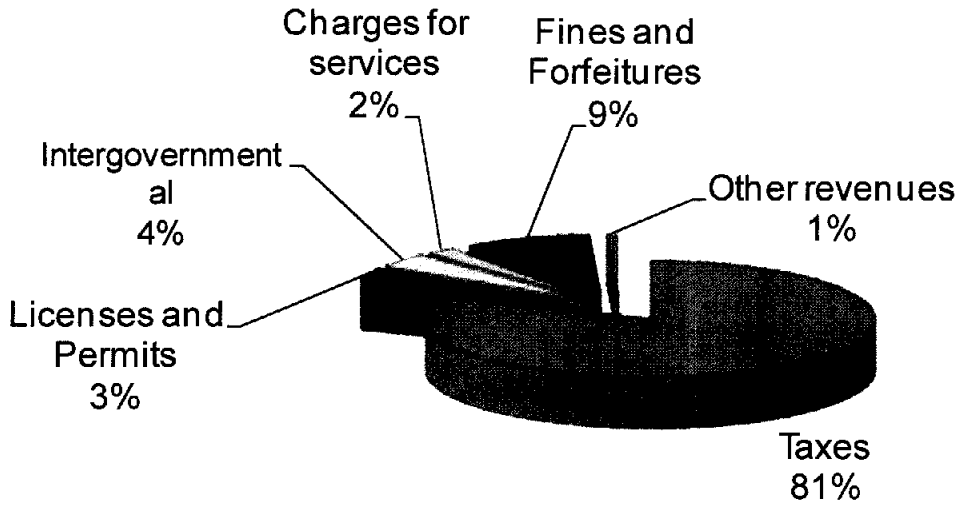
Capital Assets
Riverdale City added $1,751,102 in net capital assets in governmental and business-type activities during the fiscal year - $402,629 in infrastructure, and $1,386,468 in buildings, equipment and other assets. Land was increased by $241,825. Accumulated depreciation on the assets increased by $279,820.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

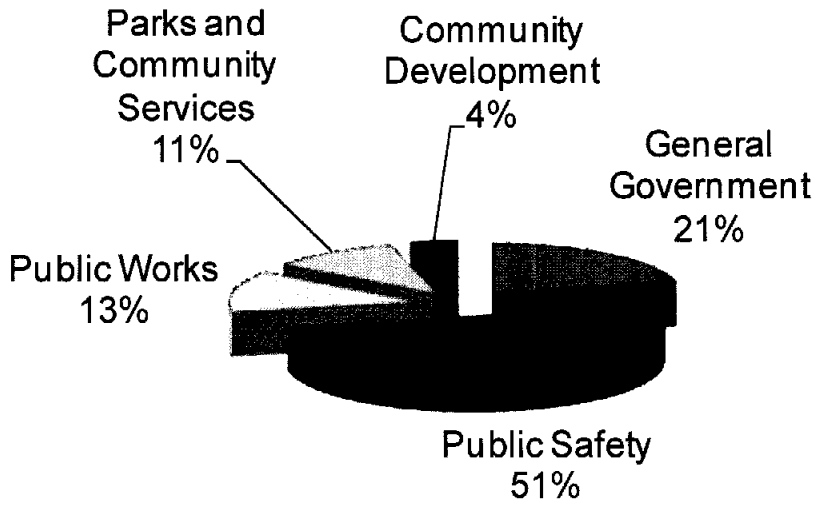
Fund Balances
At June 30, 2009, Riverdale City's governmental funds reported combined fund balances of $5,751,506. Of this amount, $3,367,155 or 58.5% is reserved for specific purposes and projects. The remaining $2,384,351 or 41.5% is unreserved. Of this amount, $1,218,164 is held in the General Fund as the "rainy day" fund, and $1,166,187 is in the Capital Projects Fund.

General Fund
During 2009, the fund balance in the general fund decreased by $27,242. Taxes increased $401,053 a 7.7% increase from the previous year. Total general fund revenue was up $122,230 or 1.8% increase. Total general fund expenditures (excluding transfers) were up $677,880 or 11.6%.

General Fund Revenue Sources



General Fund Expenditures



General Fund Budgetary Highlights

Riverdale City prepares its budget according to state statutes. The most significant budget is the General Fund. The City amended the General Fund budget once during the year to reflect the receipt of lower-than-expected revenues and the reduced spending of the departments. The budget was decreased by $242,000.

Actual General Fund revenues were $400,347 or 5.4% below the original budget and $48,347 or 0.1% below the final budget. Actual expenditures were $503,761 or 7.2% below the original budget and $151,761 or 2.2% below the final 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 $726,838. The RDA budget was not amended during this fiscal year.

Capital Projects Fund
During the fiscal year, the fund balance in the Capital Projects Fund decreased $482,749. Expenditures for the year included a variety of projects for parks and trails including a restroom at the north end of the trail, as well as work done to repair the bank of the Weber River and install barbs.
Expenditures for Street Infrastructure were made for extending 1500 W. to Ritter Drive.
Other expenditures included installing new roofs on the Civic Center and Police buildings.

Enterprise Funds
The combined change in net assets of the enterprise funds shows an increase of $683,313. This is $442,303 or 39.3% lower than the previous year.

OTHER MATTERS

Current and Future Projects
The City will be working on possible street infrastructure improvements in the amount of $378,000, parks and trails improvements in the amount of $1,316,000, equipment purchases in the amount of $180,000, possible water tank replacements in the amount of $1,500,000 as well as a water main replacement on Riverdale Road in the amount of $770,000, and sewer replacement/repair projects in the amount of $1,533,000 in the coming fiscal year. The City will also be working on possible storm water projects in the amount of $1,232,500.

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:

Lynn Fortie
Business Administrator
4600 S. Weber River Dr.
Riverdale, UT 84405

BASIC FINANCIAL STATEMENTS

RIVERDALE CITY
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 7,110,954	$ 4,091,885	$ 11,202,839
Cash - restricted	89,319		89,319
Accounts receivable - net	69,418	182,505	251,923
Property taxes receivable	26,757	-	26,757
Due from other governmental units	486,728	-	486,728
Housing loans receivable	386,063	-	386,063
Prepaid expenses	1,206	-	1,206
Investments	-	144,465	144,465
Deferred bond financing cost - net	55,130	-	55,130
Capital assets			
Land	1,417,128	755	1,417,883
Depreciable infrastructure	3,316,251	-	3,316,251
Buildings, equipment, and other depreciable assets	15,112,309	13,262,431	28,374,740
Less accumulated depreciation	(5,093,823)	(4,283,778)	(9,377,601)
Total capital assets, net	14,751,865	8,979,408	23,731,273
Total assets	$ 22,977,440	$ 13,398,263	$ 36,375,703
LIABILITIES			
Accounts payable	$ 915,690	$ 19,892	$ 935,582
Accrued liabilities	39,738	-	39,738
Customer deposits	83,922	-	83,922
Bonds payable - current	95,000	-	95,000
Compensated absences -current	375,322	7,569	382,891
Bonds payable - noncurrent	1,210,000	-	1,210,000
Compensated absences -noncurrent	390,641	11,353	401,994
Total liabilities	3,110,313	38,814	3,149,127
NET ASSETS			
Invested in capital assets, net of related debt	13,446,865	9,123,873	22,570,738
Restricted for:			
Class C roads	168,912	-	168,912
RDA	3,198,243	-	3,198,243
Unrestricted	3,053,107	4,235,576	7,288,683
Total net assets	19,867,127	13,359,449	33,226,576
Total liabilites and net assets	$ 22,977,440	$ 13,398,263	$ 36,375,703

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Activities
For the Year Ended June 30, 2009

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Rev & Chgs in Net Assets: Primary Government: Governmental Activities	Net (Expense) Rev & Chgs in Net Assets: Primary Government: Business-type Activities	Net (Expense) Rev & Chgs in Net Assets: Primary Government: Total
Primary government:							
Governmental activities:							
General government	$ 1,738,671	$ 1,139,985	$ 15,316	$ -	$ (583,370)	$ -	$ (583,370)
Public safety	3,567,537	85,843	15,375	-	(3,466,319)	-	(3,466,319)
Public works	978,750	(7,729)	242,651	-	(743,829)	-	(743,829)
Parks and community services	874,759	103,850	-	-	(770,909)	-	(770,909)
Community development	689,551	69,782	-	-	(619,769)	-	(619,769)
Interest on long-term debt	26,937	-	-	-	(26,937)	-	(26,937)
Total governmental activities	7,876,205	1,391,731	273,342	-	(6,211,132)	-	(6,211,132)
Business-type activities:							
Water	717,787	918,790		55,350	-	256,353	256,353
Sewer	461,693	432,620		18,270	-	(10,803)	(10,803)
Storm water	42,804	219,989		136,686	-	313,871	313,871
Garbage	250,375	286,893		-	-	36,518	36,518
Total business-type activities	1,472,659	1,858,292	-	210,306	-	595,939	595,939
Total primary government	$ 9,348,864	$ 3,250,023	$ 273,342	$ 210,306	(6,211,132)	595,939	(5,615,193)
General revenues:							
Property taxes					1,854,062	-	1,854,062
Sales tax					5,002,690	-	5,002,690
Unrestricted interest earned					142,759	87,374	230,133
Gain or loss on sale of asset					70,367	-	70,367
Miscellaneous					208,825	-	208,825
Total general revenues					7,278,704	87,374	7,366,078
Change in net assets					1,067,572	683,313	1,750,885
Net assets - beginning of year - restated					18,799,555	12,676,136	31,475,691
Net assets - end of year					$ 19,867,127	$ 13,359,449	$ 33,226,576

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Redevelopment Agency	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,013,136	$ 3,477,364	$ 1,331,568	$ 5,822,068
Restricted cash	-	89,319	-	89,319
Accounts receivable	-	5,472	-	5,472
Due from other governmental units	486,728	-	-	486,728
Housing loans receivable	-	386,063	-	386,063
Prepaid expenses	1,206	-	-	1,206
Total assets	$ 1,501,070	$ 3,958,218	$ 1,331,568	$ 6,790,856
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 309	$ 750,000	$ 165,381	$ 915,690
Accrued liabilities	39,738	-	-	39,738
Customer deposits	73,947	9,975	-	83,922
Total liabilities	113,994	759,975	165,381	1,039,350
Fund Balances:				
Fund balances reserved for:				
Class "C" roads	168,912	-	-	168,912
RDA	-	3,198,243	-	3,198,243
Unreserved fund balance	1,218,164	-	1,166,187	2,384,351
Total fund balances	1,387,076	3,198,243	1,166,187	5,751,506
Total liabilities and fund balances	$ 1,501,070	$ 3,958,218	$ 1,331,568	$ 6,790,856

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Balance Sheet Reconciliation to
Statement of Net Assets
June 30, 2009

Total fund balances - governmental fund types:		$ 5,751,506
Amounts reported for governmental activities in the statement of net assets are different because:		
Receivables not collected in sufficient time to fund the current year operations are not recorded as revenue in the fund statements		90,703
Capital assets used in governmental activities are not financial resources and, therefore, These assets consist of:		
Land	1,417,128	
Construction in progress	-	
Depreciable infrastructure	3,316,251	
Buildings, equipment and other depreciable assets	15,112,309	
Accumulated depreciation	(5,093,823)	
Total capital assets		14,751,865
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 governmental activities in the statement of net assets. (Net of capital assets included above.)		1,288,886
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Compensated absences	765,963	
Bonds payable	1,305,000	
Less: Deferred charge for issuance costs, net of amortization	(55,130)	
		(2,015,833)
Net assets of government activities		$19,867,127

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General Fund	Redevelopment Agency	Capital Projects	Total Governmental Funds
Revenues:				
Taxes	$ 5,629,044	$ 1,200,951	$ -	$ 6,829,995
Licenses and permits	199,926	-	-	199,926
Intergovernmental	273,342	-	-	273,342
Charges for services	146,973	-	-	146,973
Fines and forfeitures	632,154	-	-	632,154
Other revenues	53,371	146,005	-	199,376
Total revenues	6,934,811	1,346,956	-	8,281,767
Expenditures:				
Current:				
General government	1,364,456		-	1,364,456
Public safety	3,320,778	-	-	3,320,778
Public works	855,663	-	-	855,663
Parks and community services	718,675	-	-	718,675
Community development	260,589	570,046		830,635
Capital expenditures	-	-	967,480	967,480
Debt service:				
Principal retirement	-	95,000	-	95,000
Interest and fiscal charges	-	26,937	-	26,937
Total expenditures	6,520,161	691,983	967,480	8,179,624
Excess (deficiency) of revenues over (under) expenditures	414,650	654,973	(967,480)	102,143
Other financing sources (uses):				
Interest income	12,750	71,865	30,089	114,704
Transfers in	-	-	454,642	454,642
Transfers out	(454,642)	-	-	(454,642)
Total other financing sources and	(441,892)	71,865	484,731	114,704
Net changes in fund balances	(27,242)	726,838	(482,749)	216,847
Fund balances - beginning (restated)	1,414,318	2,471,405	1,648,936	5,534,659
Fund balances - ending	$ 1,387,076	$ 3,198,243	$ 1,166,187	$ 5,751,506

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Revenues, Expenditures and Changes in Fund Balances Reconciliation to Statement of Activities
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	$ 216,847
Change in net assets not recognized in the fund statements	90,703
Governmental funds report capital outlays as expenditures ($1,273,684) However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense ($694,652). This is the amount by which capital outlays exceeded depreciation in the current period.	579,032
Internal service funds were used by management to charge the costs of service to individual funds. The net revenue (expense) of certain activities of internal service fund is reported with governmental activities.	225,877
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Governmental funds report payments on long-term liabilities as current expenses and debt issuance costs, bond premiums or discounts, when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and bond issuance costs.	90,523
Changes in general long-term liabilities are not reflected in the fund statements but are reported as part of the entity-wide statement of activities.	(135,410)
Change in net assets of governmental activities	$ 1,067,572

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business - Type Activities - Enterprise Funds					Governmental Activities -
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 1,627,510	$ 1,221,340	$ 1,050,366	$ 192,669	$ 4,091,885	$ 1,288,886
Accounts receivable - net	182,505	-	-	-	182,505	-
Total current assets	1,810,015	1,221,340	1,050,366	192,669	4,274,390	1,288,886
Noncurrent assets:						
Investments	144,465	-	-	-	144,465	-
Land	755	-	-	-	755	-
Buildings	797,776	-	-	-	797,776	-
Improvements	6,220,718	4,541,374	1,602,526	-	12,364,618	-
Machinery and equipment	93,943	6,094	-	-	100,037	3,067,133
Less: Accumulated depreciation	(2,524,784)	(1,640,072)	(118,922)	-	(4,283,778)	(1,528,134)
Total noncurrent assets	4,732,873	2,907,396	1,483,604	-	9,123,873	1,538,999
Total assets	$ 6,542,888	$ 4,128,736	$ 2,533,970	$ 192,669	$ 13,398,263	$ 2,827,885
LIABILITIES						
Current liabilities:						
Accounts payable	$ -	$ -	$ -	$ 19,892	$ 19,892	$ -
Compensated absences	5,552	2,017			7,569	-
Total current liabilities	5,552	2,017	-	19,892	27,461	-
Noncurrent liabilities:						
Compensated absences	8,328	3,025	-	-	11,353	-
Total noncurrent liabilities	8,328	3,025	-	-	11,353	-
Total liabilities	13,880	5,042	-	19,892	38,814	-
Net Assets:						
Invested in capital assets, net of related debt	4,732,873	2,907,396	1,483,604	-	9,123,873	1,538,999
Unrestricted	1,796,135	1,216,298	1,050,366	172,777	4,235,576	1,288,886
Total net assets	6,529,008	4,123,694	2,533,970	172,777	13,359,449	2,827,885
Total liabilites and net assets	$ 6,542,888	$ 4,128,736	$ 2,533,970	$ 192,669	$ 13,398,263	$ 2,827,885

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business - Type Activities - Enterprise Funds					Governmental Activities -
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Operating revenues:						
Charges for services	$ 918,790	$ 428,218	$ 219,989	$ 286,893	$ 1,853,890	$ 384,732
Impact fees	-	1,642	-	-	1,642	-
Miscellaneous	-	2,760	-	-	2,760	9,449
Total operating revenues	918,790	432,620	219,989	286,893	1,858,292	394,181
Operating expenses:						
Personnel services	234,594	69,997	-	-	304,591	-
Contract services	183,830	283,727	2,705	241,224	711,486	-
Materials and supplies	97,932	21,010	10,781	9,151	495,243	50,858
Depreciation	135,024	86,959	29,318	-	251,301	200,686
Utilities	66,407	-	-	-	66,407	15,182
Total operating expenses	717,787	461,693	42,804	250,375	1,472,659	266,726
Operating income (expense)	201,003	(29,073)	177,185	36,518	385,633	127,455
Non-operating revenues (expenses):						
Interest income	39,810	26,012	18,260	3,292	87,374	28,055
Gain or (loss) on sale of assets	-	-	-	-	-	70,367
Total nonoperating revenues	39,810	26,012	18,260	3,292	87,374	98,422
Income before contributions	240,813	(3,061)	195,445	39,810	473,007	225,877
Contributions from developers	55,350	18,270	136,686	-	210,306	-
Change in net assets	296,163	15,209	332,131	39,810	683,313	225,877
Total net assets - beginning	6,232,845	4,108,485	2,201,839	132,967	12,676,136	2,602,008
Total net assets - ending	$ 6,529,008	$ 4,123,694	$ 2,533,970	$ 172,777	$ 13,359,449	$ 2,827,885

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Business - Type Activities - Enterprise Funds					Governmental Activities -
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities:						
Receipts from customers	$ 932,183	$ 428,217	$ 219,989	$286,893	$ 1,867,282	$ -
Receipts from interfund services provided	-	-	-	-	-	384,732
Receipts from other activities	-	4,402	-	-	4,402	9,449
Payments to suppliers	(349,099)	(304,737)	(13,486)	(230,484)	(897,806)	(66,040)
Payments to employees	(230,538)	(68,022)	-	-	(298,560)	-
Net cash provided (used) by operating activities	352,546	59,860	206,503	56,409	675,318	328,141
Cash Flows From Noncapital Financing Activities:						
Transfers to other funds	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities:						
Purchases of capital assets	(593,864)	(154,164)	-	-	(748,028)	(672,641)
Proceeds from sale of assets	-	-	-	-	-	77,496
Net cash provided (used) by capital and related financing activities	(593,864)	(154,164)	-	-	(748,028)	(595,145)
Cash Flows From Investing Activities:						
Interest earned on cash deposits	39,810	26,012	18,261	3,293	87,376	28,055
Net cash provided (used) by investing activities	39,810	26,012	18,261	3,293	87,376	28,055
Net increase (decrease) in cash and cash equivalents	(201,508)	(68,292)	224,764	59,702	14,666	(238,949)
Cash and cash equivalents - beginning	1,829,018	1,289,632	825,602	132,967	4,077,219	1,527,835
Cash and cash equivalents (deficit) - end	$1,627,510	$ 1,221,340	$ 1,050,366	$192,669	$ 4,091,885	$ 1,288,886
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	$ 201,003	$ (29,073)	$ 177,185	$ 36,518	$ 385,633	$ 127,455
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	135,024	86,959	29,318	-	251,301	200,686
(Incr) decr in accounts receivable	13,393	-	-	-	13,393	-
(Incr) decr in due from other funds	-	-	-	-	-	-
Incr (decr) in accounts payable	(930)	-	-	19,891	18,961	-
Incr (decr) in compensated absences	4,056	1,974	-	-	6,030	-
Total adjustments	151,543	88,933	29,318	19,891	289,685	200,686
Net cash provided (used) by operating activities	352,546	59,860	206,503	56,409	675,318	328,141
Noncash capital financing activities:						
Contributions by developers	$ 55,350	$ 18,270	$ 136,686	$ -	$ 210,306	$ -

The notes to the financial statements are an integral part of this statement.

1 - Summary of Significant Accounting Policies

Riverdale City (City) was incorporated on March 4, 1946. The City operates under a traditional form of government and provides the following services as authorized by its charter: public safety, public utilities, streets and highways, garbage collection, culture, recreation, public improvements, planning and zoning, and general administrative services. The financial statements of Riverdale City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present Riverdale City (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationships with the City.

Blended Component Unit

Riverdale Redevelopment Agency (RDA). - 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 sole purpose is to redevelop areas within the City thereby generating additional property tax and sales tax.

B. Government-wide and Fund Financial Statements

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 and its component units. 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 effects of inter-fund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities.

The Statement of Net Assets presents the City's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets 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 is 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 operation or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

1 - Summary of Significant Accounting Policies - Continued

B. Government-wide and Fund Financial Statements – Continued

Fund Financial Statements
The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and statutory mandate. The various funds are grouped, in the financial statements in this report, into fund types and categories as follows:

Governmental Fund Types:
General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The City's Redevelopment Agency Fund is reported as a special revenue fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital improvements.

Proprietary Fund Types:
Enterprise Fund - The Enterprise Fund is used to account for operations that (a) are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (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 appropriated for capital maintenance, public policy, management control, accountability, or other purposes. The City operates the water, sewer, storm drain, and garbage activities in the enterprise funds. Each is considered a major proprietary fund.

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government units, on a cost reimbursement basis. The City operated the motor pool and information technology funds as an internal service fund.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted using a current resource measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

1 - Summary of Significant Accounting Policies – Continued

C. Measurement Focus and Basis of Accounting- Continued

All proprietary funds are accounted for using a current resource measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases and decreases in net total assets.

All governmental funds are accounted for using the modified accrual basis of accounting. That is, revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or 60 days thereafter to be used to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued in the individual funds because the current portion of these items cannot be reasonably estimated and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The City applies only the applicable FASB pronouncements issued on or before November 30, 1989.

D. Budgets

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act of Utah" by the City Council on or before June 22nd for the following fiscal year which begins on July 1. Budgets may be increased by resolution of the City Council at any time during the year, following a public hearing. Budgets are prepared in line-item detail; however, budget amendments by resolution are generally required only if the fund exceeds its total budget appropriation. Annual budgets are adopted for all governmental fund types. All annual appropriations lapse at the fiscal year end.

Utah State allows for any undesignated fund balances in excess of 5% of total revenue of the general fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the general fund in an amount equal to 18% of the total estimated revenue of the general fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the general fund budget.

E. Capital Assets

Capital assets, which include land, buildings, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $2,000 (for infrastructure assets $50,000) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

1 - Summary of Significant Accounting Policies - Continued

E. Capital Assets - Continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of these assets is computed by use of the straight-line method over their estimated useful lives as follows:

Buildings and improvements	40 Years
Wells	50 Years
Water distribution systems	50 Years
Sewer collection system	50 Years
Infrastructure and improvements	20 Years
Machinery and equipment	5-15 Years
Other improvements	10-30 Years

F. Reservation of Fund Balance/Retained Earnings

The City is required to reserve part of the fund balance of the general fund to account for the unexpected portions of certain types of revenue. The reserved fund balance is for class "C" road revenue. The Redevelopment Agency has reserved fund balance for RDA Housing loans and for expenditures in the redevelopment project areas.

G. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

H. Use of Estimates

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

2 - Deposits and Investments

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 Money Management Council ("the Council"). Following are discussions of the City's exposure to various risks related to its cash management activities.

A. Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

2 - Deposits and Investments – Continued

The City's deposits in the bank in excess of the insured amount are uninsured and are not collateralized, nor do state statutes require them to be. The City's bank balances at June 30, 2009 were $(606,693), of which $0 was uninsured and uncollateralized.

Investments. Custodial credit risk for investments 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 that are in the possession of an outside party. The City's policy for custodial credit risk of investments is to comply with the Money Management Act. The City has no investments exposed to custodial credit risk.

B. Credit Risk

Credit risk is the risk that the counterparty to an investment transaction will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations; and shares in a money market fund as defined in the Act. The City is also authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. Following are the City's investments at June 30, 2009:

Investment Type	Fair Value	Maturity	Quality Ratings
PTIF Investments	$ 11,896,642	54 days*	not rated
Total	$ 11,896,642		

* Weighted-average maturity

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The 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 of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in the previous table.

3 - Accounts Receivable

Accounts receivable are recorded net of the allowance for doubtful accounts of $22,635 in the enterprise funds.

4 - Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,175,303	$ 241,825	$ -	$ 1,417,128
Total	1,175,303	241,825	-	1,417,128
Capital assets, being depreciated:				
Buildings and improvements	9,093,368	-	(50,824)	9,042,544
Other improvements	1,660,169	317,650	-	1,977,819
Machinery and equipment	3,930,640	783,746	(622,441)	4,091,946
Infrastructure	2,913,622	402,628	-	3,316,251
Total	17,597,799	1,504,025	(673,264)	18,428,560
Less accumulated depreciation for:				
Buildings	(1,899,640)	(228,807)	50,824	(2,077,623)
Other improvements	(346,773)	(77,833)	-	(424,606)
Machinery and equipment	(2,524,507)	(268,923)	615,310	(2,178,120)
Infrastructure	(294,385)	(119,089)	-	(413,474)
Total	(5,065,305)	(694,652)	666,134	(5,093,823)
Capital assets, being depreciated, net	12,532,494	809,373	(7,130)	13,334,737
	$ 13,707,797	$ 1,051,198	$ (7,130)	$ 14,751,865
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 755	$ -	$ -	$ 755
Total	755	-	-	755
Capital assets, being depreciated:				
Buildings	797,776	-	-	797,776
Improvements	11,406,282	958,334	-	12,364,616
Equipment	100,038	-		100,038
Total	12,304,096	958,334	-	13,262,430

4 - Capital Assets – Continued

Less accumulated depreciation for:				
Buildings	(305,507)	(13,296)	-	(318,803)
Improvements	(3,648,512)	(230,291)	-	(3,878,803)
Equipment	(78,455)	(7,715)	-	(86,170)
Total accumulated depreciation	(4,032,474)	(251,302)	-	(4,283,776)
Capital assets, being depreciated, net	8,271,622	707,032	-	8,978,654
Business-type activities capital assets, net	$ 8,272,377	$ 707,032	-	$ 8,979,409

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	$ 147,011
Public safety	198,538
Public works	171,261
Parks and Community Services	141,084
Depreciation on capital assets of the City's internal service funds is charges to the various functions based on their usage of assets	36,758
Total depreciation expense - governmental activities	$ 694,652

5 - Developer Contributions

The water, sewer and storm sewer funds regularly receive contributions from developers for the extension of water and sewer lines. Private developers construct water and sewer transmission systems at their own cost. Occasionally the City constructs large trunk lines. The current year additions by developers totaled $210,306 for water, sewer, and storm drain systems.

6 - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and personal leave pay benefits. Vacation and compensatory leave are recorded as expenditures when used in governmental funds and as an expense when earned in proprietary funds and in the governmental-wide statements. A liability for unused vacation and compensatory leave is recorded in the governmental –wide statement of net assets.

7 - Retirement Plans

Plan Description

Riverdale City contributes to the Local Governmental Contributory Retirement System (Contributory System), Local Governmental Non-contributory (Noncontributory System), Public Safety Retirement System (Public Safety System) for employers with Social Security coverage, Firefighters Retirement System (Firefighters System) which is for employers with Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Non-contributory Retirement System and Public Safety Retirement System for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems at 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy

Plan members enrolled in the contributory type system are required to contribute a percentage of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong; 6.00% to the Contributory, and 13.14% to the Firefighters Retirement Systems respectively. Riverdale City is required to contribute a percent of covered salary to the respective systems, 7.61% to the Contributory, 11.62% to the Noncontributory, and 22.81% to the Public Safety Noncontributory Systems. The contribution rate is actuarially determined. The contribution requirements of the System is authorized by statute and specified by the Board.

The City's contributions to the various systems for June 30, 2009, 2008 and 2007 were as follows:

A. Local Governmental System – Contributory

2009	2008	2007	
$ 8,723	8,532	8,023	Employer paid for employee contributions
11,064	10,822	10,136	Employer contributions
145,395	142,206	133,720	Salary subject to contributions

B. Local Governmental System – Noncontributory

2009	2008	2007	
$ 165,313	161,912	154,431	Employer contributions
1,422,660	1,393,390	1,332,454	Salary subject to contributions

C. Utah Public Retirement System – Public Safety

2009	2008	2007	
$ 107,002	200,182	195,516	Employer contributions
473,254	885,370	873,617	Salary subject to contributions

7 - Retirement Plans - Continued

D. 401(K) Plan

2009	2008	2007	
$ 31,896	31,229	31,258	Employer paid for employee contributions

8 - Deferred Compensation Plan

The City also provides through ICMA a 457 deferred compensation plan to City employees. The plan, created in accordance with Internal Revenue Code Section 457, allows City employees to defer a portion of their salary until future years. For fiscal year 2009, the City contributed the difference between 17.40% and the amount contributed to the Utah Retirement Systems plans to the employees' 457 account.

9 - Inter-fund Transfers

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2009 were as follows:

Fund	Transfers In	Transfers Out
Governmental Activities		
General	$ -	$ 454,642
Capital Projects	454,642	-
Total	$ 454,462	$ 454,462

The purpose of the interfund transfers is to meet the City's ongoing need for capital improvements.

10 - Budgetary Accounting and Tax Calendar

The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed revenues and appropriated fund balances. Budgets are required by the State of Utah for the general, special revenue, debt service and capital improvement funds. The legal level of control required by the State of Utah is at the department level. The City's budget is a financial plan of all estimated revenues and all appropriations for expenditures. Revenues and expenditures must balance.

The budget is prepared sometime between the 1st of March and the 1st of May. A tentative budget is presented by the City Administrator 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 the first meeting in May. The tentative budget is a public record and is available for inspection at the City Treasurer and the City Recorder's Office for at least ten days prior to adoption of the final budget. Notice of a public hearing on adoption on the final budget is published seven days prior to the public hearing. The public hearing on the tentatively adopted budget is held prior to final adoption. Final adjustments are made to the tentative budget by the Council after the public hearing. The final budget is adopted by ordinance before June 22nd and a copy of the budget certified by the Budget Officer is filed with the State Auditor within thirty days of adoption.

10 - Budgetary Accounting and Tax Calendar- Continued

In connection with budget adoption an annual tax ordinance establishing the tax rate is adopted before June 22nd and the City Recorder is to certify the tax rate to the County Auditor before June 22nd. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The above procedures are authorized by the Utah Code Sections 10-6-109 through 10-6-135.

Property Tax Calendar

Duties to be Completed	Authorizing Statute	Statute Date
Lien date	59-2-103 59-2-1302	01/01
Taxing Districts with June year end notify county commission of date, time and place of public hearing	59-2-919	03/01
County treasurer to settle taxes charged and collected for previous year	59-2-1365	03/31
Budget officer shall prepare and file with council a tentative budget	10-6-111	1st scheduled council meeting in May
County auditor sends valuation, certified tax rate and levy work sheets to each taxing district	59-2-924	06/01
Taxing District must adopt a proposed tax rate, certify the rate and levy and submit to county auditor	59-2-912	before 6/22
County to set proposed tax rates	59-2-909	06/22
Taxing districts adopt tentative budgets and notify county of intent to exceed certified rate	59-2-924(3)	06/22
County auditor to submit levy worksheets and supporting documentation to tax commission	59-2-913	06/22
Copy of final budget to state auditor within 30 days of adoption	10-6-118	09/17
County treasurer to mail tax notice	59-2-1317	11/01
County auditor delivers assessment roll with affidavit to tax commission	59-2-326	11/01
Payment and delinquency date	59-2-1331	11/30
Delinquency list published	59-2-1332.5	12/31

11 - Redevelopment Agency

The Redevelopment Agency (RDA) collected tax increments of $1,255,783 for the Riverdale Road Area, the 1050 West Area, the Weber River Area, and the 550 West Area. There is no tax increments paid to any other taxing agency. The RDA has one outstanding bond associated with the Senior Center Housing Project which is located in the Riverdale Road Area. The outstanding principal amount of debt issued for this project at June 30, 2009 was $1,305,000. The RDA has entered into agreements with certain developers that require continuing payments to those developers from the RDA through fiscal year 2017. The RDA is presently holding funds until certain developer improvements are accepted by the City as complete.

The RDA expended funds in the following areas:

Development payments	$ 301,509
Administrative cost	148,927
Senior center housing debt service	121,937
Project area improvements	119,610
Total	$ 691,983

12 - Contingent Liabilities

Amounts 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.

13 - 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; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage.

14 - Long term Debt

The government issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The long-term debt includes the following bonds payable:

	Balance July 1, 2008	Issued	Retired	Balance June 30, 2009
Governmental activities:				
Redevelopment Agency Tax Increment Revenue Bonds Series 2006 payable in annual installments of $90,000 to $125,000 through 2021. Interest rate of 3.0%.	$1,400,000	$ -	$ 95,000	$ 1,305,000

14 - Long-term Debt – Continued

Annual debt service requirements to maturity of the bonds are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2009	$ 95,000	$ 41,224	$ 136,224
2010	100,000	38,394	138,394
2011	105,000	35,356	140,356
2012	100,000	32,291	132,291
2013	105,000	29,165	134,165
2014-2018	545,000	93,736	638,736
2019-2021	350,000	18,811	368,811
	$ 1,400,000	$ 288,977	$ 1,688,977

Changes in Long-term Debt

During the year ended June 30, 2009 the following activity occurred in liabilities reported as long-term:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bond payable	$ 1,400,000	-	95,000	1,305,000	100,000
Compensated absences	630,554	135,410	-	765,964	-
Total	$ 2,030,554	135,410	95,000	2,070,964	100,000
Business-type activities:					
Compensated absences	$ 12,891	6,031	-	18,922	-

15 – Prior period adjustment

The retained earnings of the Redevelopment Agency Fund was adjusted for the over accrual of contractor liability in 2008. The beginning retained earnings were adjusted as follows.

Retained earnings – as previously stated	$ 2,289,674
Adjustment to reduce developer expenses	181,731
Retained earnings – restated	$ 2,471,405

REQUIRED SUPPLEMENTARY INFORMATION

RIVERDALE CITY

Supplementary Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Taxes:				
Current year property taxes	$ 538,063	$ 538,063	$ 544,945	$ 6,882
Delinquent property taxes	10,000	10,000	14,158	4,158
Fee in lieu	75,000	75,000	67,251	(7,749)
Sales and use taxes	5,029,645	4,907,645	5,002,690	95,045
Total taxes	5,652,708	5,530,708	5,629,044	98,336
Licenses and Permits:				
Business licenses	93,000	93,000	123,099	30,099
Building permits	30,000	60,000	47,753	(12,247)
Building plan/development fees	60,000	30,000	22,029	(7,971)
Animal licenses	5,000	5,000	7,045	2,045
Total licenses and permits	188,000	188,000	199,926	11,926
Intergovernmental Revenue:				
Grants	8,200	8,200	15,375	7,175
Class "C" roads	260,000	265,000	242,651	(22,350)
State liquor fund allotment	15,000	15,000	15,316	316
DUI/seatbelt OT Reimbursement	-	-	-	-
Total intergovernmental revenue	283,200	288,200	273,342	(14,858)
Charges for Services:				
Recreation and user fees	90,500	90,500	103,850	13,350
Street repairs	3,000	3,000	(7,729)	(10,729)
Interfund service fees	36,000	36,000	36,000	-
Ambulance fees	213,000	13,000	14,852	1,852
Total charges for services	342,500	142,500	146,973	4,473
Fines and Forfeitures:	646,500	616,500	632,154	15,654
Other revenues:				
Lease revenue	12,000	12,000	10,255	(1,745)
Interest earned	35,000	30,000	12,750	(17,250)
Miscellaneous	33,000	33,000	28,183	(4,817)
Sale of assets	10,000	10,000	14,933	4,933
Class C road funds	145,000	145,000	-	(145,000)
Total other revenue	235,000	230,000	66,121	(163,879)
Total revenues	$ 7,347,908	$ 6,995,908	$ 6,947,561	$ (48,347)

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Supplementary Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures:				
General Government:				
Legislative	$ 115,461	$ 102,461	$ 96,707	$ (5,754)
Judicial	485,782	461,782	450,248	(11,534)
City administration	341,714	328,714	318,738	(9,976)
Business administration	534,440	512,440	489,115	(23,325)
Non-departmental	9,648	9,648	9,648	-
Total general government	1,487,045	1,415,045	1,364,456	(50,589)
Public Safety:				
Police department	2,351,864	2,264,864	2,226,945	(37,919)
Fire department	1,169,079	1,138,079	1,093,833	(44,246)
Total public safety	3,520,943	3,402,943	3,320,778	(82,165)
Streets and Public Works	890,045	854,045	855,663	1,618
Parks and Community Services				
Parks department	303,404	267,404	260,254	(7,150)
Community services	485,072	468,072	458,421	(9,651)
Total parks, community services	788,476	735,476	718,675	(16,801)
Community Development	337,413	264,413	260,589	(3,824)
Total expenditures	7,023,922	6,671,922	6,520,161	(151,761)
Excess Revenues Over (Under) Expenditures	323,986	323,986	427,400	(29,694)
Other Financing Sources (Uses):				
Transfers out	(323,986)	(323,986)	(454,642)	(130,656)
Total other financing sources (uses)	(323,986)	(323,986)	(454,642)	(130,656)
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	(27,242)	(160,350)
Fund balance - beginning	-	-	1,414,318	-
Fund balance - ending	$ -	$ -	$ 1,387,076	$ -

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Redevelopment Agency Special Revenue Fund
Budget and Actual
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	$ 1,360,000	$ 1,360,000	$ 1,200,953	$ (159,047)
Rents	138,520	138,520	146,005	7,485
Total revenues	1,498,520	1,498,520	1,346,958	(151,562)
Expenditures:				
Community development	1,446,020	1,446,020	570,046	(875,974)
Debt service:				
Principal retirement	162,000	162,000	121,937	(40,063)
Interest and fiscal charges		-	-	-
Total expenditures	1,608,020	1,608,020	691,983	(916,037)
Excess of revenues over (under) expenditures	(109,500)	(109,500)	654,975	764,475
Other financing sources (uses):				
Interest	109,500	109,500	71,865	(37,635)
Transfers out	-	$ -	-	-
Transfers in	-	-	-	-
Total other fin. sources (uses)	109,500	109,500	71,865	(37,635)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	726,840	726,840
Fund Balance - Beginning (restated)	2,289,674	2,289,674	2,471,405	181,731
Fund Balance - Ending	$ 2,289,674	$ 2,289,674	$ 3,198,245	$ 908,571

The notes to the financial statements are an integral part of this statement.

SUPPLEMENTARY INFORMATION

RIVERDALE CITY
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

	Information Technology Fund	Motor Pool Fund	Total
ASSETS			
Current Assets:			
Cash	$ 394,983	$ 893,903	$ 1,288,886
Due from other funds	-	-	-
Total current assets	394,983	893,903	1,288,886
Noncurrent Assets:			
Machinery and equipment	236,413	2,830,720	3,067,133
Accumulated depreciation	(187,844)	(1,340,290)	(1,528,134)
Total noncurrent assets	48,569	1,490,430	1,538,999
Total assets	$ 443,552	$ 2,384,333	$ 2,827,885
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts payable	$ -	$ -	$ -
Total current liabilites	-	-	-
Net assets:			
Investment in capital assets, net of related debt	48,569	1,490,430	1,538,999
Unrestricted	394,983	893,903	1,288,886
Total net assets	443,552	2,384,333	2,827,885
Total liabilities and net assets	$ 443,552	$ 2,384,333	$ 2,827,885

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Combining Statement of Revenues, Expenditures, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

	Information Technology Fund	Motor Pool Fund	Total Internal Service Funds
Operating revenues:			
Charges for services	$ 71,544	$ 313,188	$ 384,732
Miscellaneous revenue	2,056	7,393	9,449
Total operating revenues	73,600	320,581	394,181
Operating expenses:			
Materials and maintenance	43,609	7,249	50,858
Depreciation	41,437	159,249	200,686
Utilities	10,196	4,986	15,182
Total operating expenses	95,242	171,484	266,726
Operating income (loss)	(21,642)	149,097	127,455
Non-operating revenues (expenses):			
Interest income	7,389	20,666	28,055
Gain or (loss) on sale of assets	390	69,977	70,367
Total non-operating revenues (expenses)	7,779	90,643	98,422
Change in net assets	(13,863)	239,740	225,877
Net assets - beginning of year	457,415	2,144,593	2,602,008
Net assets - end of year	$ 443,552	$ 2,384,333	$ 2,827,885

The notes to the financial statements are an integral part of this statement.

RIVERDALE CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

	Information Technology Fund	Motor Pool Fund	Total
Cash Flows From Operating Activities:			
Receipts from interfund services provided	$ 71,544	$ 313,188	$ 384,732
Receipts from other activities	2,056	7,393	9,449
Payments to suppliers	(53,805)	(12,235)	(66,040)
Net cash provided (used) by operating activities	19,795	308,346	328,141
Cash Flows From Capital and Related Financing Activities:			
Purchases of capital assets	(2,299)	(670,342)	(672,641)
Proceeds from sale of assets	4,905	72,591	77,496
Net cash provided (used) by capital and related financing activities	2,606	(597,751)	(595,145)
Cash Flows From Investing Activities:			
Interest earned on cash deposits	7,389	20,666	28,055
Net cash provided (used) by investing activities	7,389	20,666	28,055
Net increase (decrease) in cash and cash equivalents	29,790	(268,739)	(238,949)
Cash and cash equivalents - beginning	365,193	1,162,642	1,527,835
Cash and cash equivalent - ending	$ 394,983	$ 893,903	$ 1,288,886
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	$ (21,642)	$ 149,097	$ 127,455
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	41,437	159,249	200,686
Change in assets and liabilities:			-
(Increase) decrease in due from other funds	-	-	-
Increase (decrease) in accounts payable	-	-	-
Total adjustments	41,437	159,249	200,686
Net cash provided (used) by operating activities	$ 19,795	$ 308,346	$ 328,141

The notes to the financial statements are an integral part of this statement.

REPORTS

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LITZ & COMPANY
Certified Public Accountants
A Professional Corporation

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

Honorable Mayor and City Council
Riverdale City, Utah

We have audited 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, 2009, which collectively comprise Riverdale City's basic financial statements and have issued our report thereon dated August 25, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Riverdale City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Riverdale City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Riverdale City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Riverdale City's financial statements that is more than inconsequential will not be prevented or detected by Riverdale City's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. 2009-1

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Riverdale City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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*.

We noted certain matters that we reported to management of Riverdale City, in a separate letter dated August 25, 2009.

Riverdale City's response to the findings identified in our audit is described in the accompanying schedule of findings and questions costs. We did not audit Riverdale City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Council, and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Litz & Company, PC.

August 25, 2009

Finding 2009-1 Bail Payable

Condition and Criteria: The City complied with the mandated CORIS software conversion for the courts system in May 2009. However, the City currently has not reconciled the bail payable record in the accounting system with the bail payable in the courts software system.

Cause and Effect: Because the new courts software cannot communicate with the accounting software, and the City is unable to generate reports from the courts software that can provide the necessary information, the City is unable to reconcile this account.

Recommendation: We would recommend that the City continue to work with the State of Utah to resolve the issue of reports not being generated from the new software. Once the City is able to obtain accurate reports we would encourage the reconciliation of the bail payable account.

City Response:

The City will review the internal controls associated with the CORIS court software, and to make the necessary internal control changes that are determined to be necessary. The City will also encourage the Court Administrators Office of the State of Utah to produce more useful reports from the CORIS software system.

Independent Auditors' State Legal Compliance Report

Honorable Mayor and City Council
Riverdale City, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverdale City, for the year ended June 30, 2009, and have issued our report thereon dated August 25, 2009. As part of our audit, we have audited Riverdale City's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2009. The City received the following major state assistance programs from the State of Utah:

B&C Road Funds (Department of Transportation)

The City also received the following non-major grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of Riverdale City's financial statements.)

Liquor Law Enforcement (State Tax Commission)

Our audit also included test work on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt	Special Districts
Cash Management	Other General Issues
Purchasing Requirements	Uniform Building Code Standards
Budgetary Compliance	Truth in Taxation & Property Tax Limits
Liquor Law Enforcement	Justice Court
B&C Road Funds	Impact Fees and Other Development Fees

The management of Riverdale City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Our audit does not provide a legal determination on the city's compliance with these requirements.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion Riverdale City complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2009.

The report is intended solely for the information and use of management of the city and is not intended to be and should not be used by anyone other than the(se) specified parties. However, the report is a matter of public record and its distribution is not limited.

Litz & Company, PC

August 25, 2009