RIVERDALE CITY

Financial Statements - June 30, 2014

(With Auditor's Report Thereon)

RIVERDALE CITY

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Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

Independent Auditor's Report

To the Mayor and City Council
Riverdale City

Report on the Financial Statements

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 (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprises the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtain is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the City, as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-12 and 33-36 be presented to supplement the basic financial statements. Such information, 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.

Other 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements 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 September 26, 2014 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering the City's internal control over financial reporting and compliance.

Christensen, Palmer & Ambrose P.C.

September 26, 2014

Riverdale City, Utah
Management's Discussion and Analysis
for fiscal year ending June 30, 2014

INTRODUCTION

The following is a discussion and analysis of Riverdale City's financial performance and activities for the fiscal year ending June 30, 2014. 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

Some of the businesses that joined the City in this fiscal year were In-N-Out, Firehouse Subs, and Subway. New residential construction numbers were the same as the previous year. Permits for single family dwelling homes were 6 for the current year and 6 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 Position

The largest component of the City's net position, 59.3 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 22.7 percent of total net position and is subject to external restrictions on how they may be used. The remaining 18.0 percent of net position is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

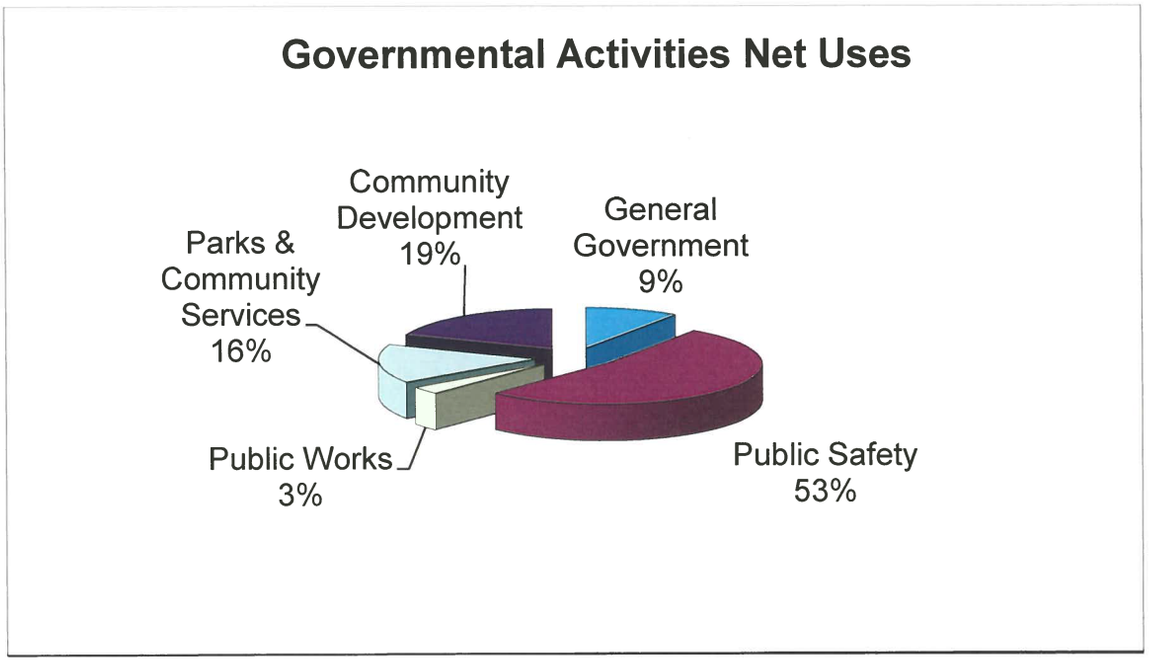
Riverdale City

Statement of Net Position
Comparative

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities
	2014	2013	2014	2013
Current and Other Assets	11,976,731	11,485,495	5,940,878	5,746,950
Capital Assets (Net)	14,643,359	14,157,161	11,901,504	11,604,312
Total Assets	26,620,090	25,642,656	17,842,382	17,351,262
Current Liabilities	158,760	168,911	135,910	58,840
Noncurrent Liabilities	1,645,594	1,750,955	1,314,937	1,374,716
Total Liabilities	1,804,354	1,919,866	1,450,847	1,433,556
Net Assets				
Invested in Capital Assets, Net of Related Debt	13,858,359	13,262,161	10,586,064	10,230,872
Restricted	8,261,406	7,509,871		
Unrestricted	2,695,971	2,950,758	5,805,471	5,686,834
Total Net Assets	24,815,736	23,722,790	16,391,535	15,917,706

Governmental Activities

The activities in the governmental funds resulted in an increase in net position of $1,092,946 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 Position
Comparative

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities
	2014	2013	2014	2013
Program Revenues				
Charges for Services	1,018,068	1,313,749	2,568,240	2,676,763
Operating Grants & Contributions	330,481	555,245		
Capital Grants & Contributions				
General Revenues				
Property Taxes	1,667,636	1,675,416		
Sales Tax	5,884,718	5,864,129		
Unrestricted interest earned	47,296	53,145	27,970	34,301
Miscellaneous	215,726	528,505	2,770	5,032
Transfers - internal activities				
Total Revenues	9,163,925	9,990,189	2,598,980	2,716,096
Expenses				
General Government	1,366,420	1,640,399		
Public Safety	3,805,415	3,876,085		
Public Works	457,548	1,133,302		
Parks & Community Services	1,161,677	1,028,458		
Community Development	1,279,919	1,008,293		
Interest on long-term debt				
Public Utilities			2,125,151	2,125,118
Total Expenses	8,070,979	8,686,537	2,125,151	2,125,118
Increase in Net Position before Transfers	1,092,946	1,303,652	473,829	590,978
Transfers				
Change in Net Position	1,092,946	1,303,652	473,829	590,978
Net Position Beginning - restated	23,722,790	22,419,138	15,917,706	15,326,728
Net Position Ending	24,815,736	23,722,790	16,391,535	15,917,706

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 $1,348,549 or 16.7 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 83.3 percent of expenses.

Activities	*Total Program Expenses*	*Less Program Revenues*	*Net Program Costs*	*Program Revenues as a Percentage of Total Expense*
General Government	$1,366,420	$722,484	($643,936)	52.9%
Public Safety	$3,805,415	$266,447	($3,538,968)	7.0%
Public Works	$457,548	$250,635	($206,913)	54.8%
Parks & Community Services	$1,161,677	$108,983	($1,052,694)	9.4%
Community Development	$1,279,919	$0	($1,279,919)	0.0%
Totals	$8,070,979	$1,348,549	($6,722,430)	16.7%

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 $783,390 in net capital assets in governmental and business-type activities during the fiscal year – added $555,228 in infrastructure, and added $234,475 in buildings, equipment and other assets. There was an increase of $537,530 in land. $599,278 in assets was sold/written off. Accumulated depreciation on the assets increased by $543,843.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

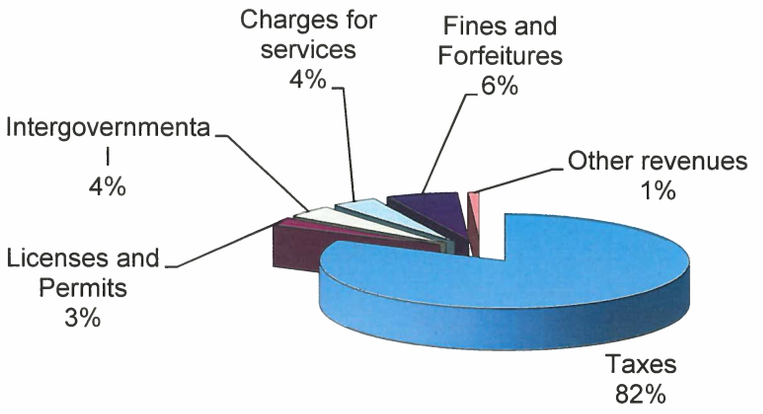
Fund Balances

At June 30, 2014, Riverdale City's governmental funds reported combined fund balances of $10,199,407. Of this amount, $4,862,158 or 47.7% is restricted for specific purposes and projects. $3,399,248 or 33.3% is assigned to Capital Projects and the remaining $1,938,001 or 19.0% is unreserved.

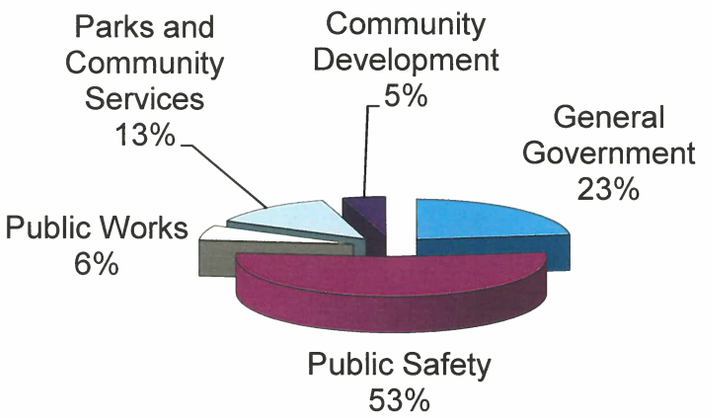
General Fund

During 2014, the fund balance in the general fund increased by $205,650. Taxes decreased $12,809, a 0.2% decrease from the previous year. Total general fund revenue was down $826,264, a 8.3% decrease from the previous year. Total general fund expenditures (excluding transfers) were down $21,002 or 0.2%.

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. The budget was increased by $94,000.

Actual General Fund revenues were $86,853 or 1.1% above the original budget and $7,147 or 0.1% below the final budget. Actual expenditures were $767,312 or 9.6% below the original budget and $861,312 or 10.6% 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 $135,090.

The RDA budget was amended during this fiscal year. The budget was increased by $610,000.

Capital Projects Fund
During the fiscal year, the fund balance in the Capital Projects Fund increased $399,023.

Enterprise Funds
The combined change in net position of the enterprise funds shows an increase of $261,428. This is $341,496 higher than the previous year.

OTHER MATTERS

Current and Future Projects
The City will be working on possible river restoration projects in the amount of $250,000, as well as various re-carpeting projects in city buildings. The City is planning on building an addition to the Fire Station in the amount of $470,000. The City's water department has budgeted $1,405,000 in various projects, and sewer replacement/repair projects in the amount of $533,500 in the coming fiscal year. The City will also be working on possible storm water projects in the amount of $409,000.

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:

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

RIVERDALE CITY

Statement of Net Position

June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$10,727,995	5,545,596	16,273,591
Accounts receivable	87,161	250,817	337,978
Due from other governments	503,717	-	503,717
Housing loans receivable	657,858	-	657,858
Investments	-	144,465	144,465
Capital assets:			
Land and related non-depreciable assets	2,306,508	755	2,307,263
Depreciable infrastructure	3,883,091	16,681,474	20,564,565
Buildings, equipment, and other depreciable assets	16,767,723	942,333	17,710,056
Less accumulated depreciation	(8,313,963)	(5,723,058)	(14,037,021)
Total capital assets	14,643,359	11,901,504	26,544,863
Total assets	26,620,090	17,842,382	44,462,472
Deferred Outflows of Resources	-	-	-
Liabilities:			
Accounts payable and accrued liabilities	37,485	75,910	113,395
Customer deposits	11,275	-	11,275
Noncurrent liabilities:			
Due within one year	110,000	60,000	170,000
Due in more than one year	1,645,594	1,314,937	2,960,531
Total liabilities	1,804,354	1,450,847	3,255,201
Deferred Inflows of Resources	-	-	-
Net position:			
Net investment in capital assets	13,858,359	10,586,064	24,444,423
Restricted for:			
Class C roads	417,470	-	417,470
Special revenue activities	4,444,688	-	4,444,688
Capital projects	3,399,248	-	3,399,248
Unrestricted	2,695,971	5,805,471	8,501,442
Total net position	$24,815,736	16,391,535	41,207,271

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Statement of Activities

Year Ended June 30, 2014

Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental:				
General government	$ 1,366,420	722,484	-	-
Public safety	3,805,415	185,529	80,918	-
Public works	457,548	1,072	249,563	-
Parks and community services	1,161,677	108,983	-	-
Community development	1,279,919	-	-	-
Total governmental activities	8,070,979	1,018,068	330,481	-
Business-type:				
Public utilities	2,125,151	2,568,240	-	-
Total business-type activities	2,125,151	2,568,240	-	-
Total primary government	10,196,130	3,586,308	330,481	-

General revenues:
- Property tax
- Sales tax
- Total taxes

Other general revenues:
- Unrestricted interest earned
- Miscellaneous
- Transfers - internal activities
- Total other general revenues
- Total general revenues, special items and transfers

Change in net position

Net position - beginning of year

Net position - end of year

See independent auditor's report and notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
(643,936)	-	(643,936)
(3,538,968)	-	(3,538,968)
(206,913)	-	(206,913)
(1,052,694)	-	(1,052,694)
(1,279,919)	-	(1,279,919)
(6,722,430)	-	(6,722,430)
-	443,089	443,089
-	443,089	443,089
(6,722,430)	443,089	(6,279,341)
1,667,636	-	1,667,636
5,884,718	-	5,884,718
7,552,354	-	7,552,354
47,296	27,970	75,266
215,726	2,770	218,496
-	-	-
263,022	30,740	293,762
7,815,376	30,740	7,846,116
1,092,946	473,829	1,566,775
23,722,790	15,917,706	39,640,496
$24,815,736	16,391,535	41,207,271

RIVERDALE CITY

Balance Sheet
Governmental Funds

June 30, 2014

Assets	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Cash (note 2)	$ 1,810,799	3,771,205	3,399,248	8,981,252
Restricted cash	-	17,679	-	17,679
Accounts receivable (note 3)	84,856	2,305	-	87,161
Due from other governments	498,801	4,916	-	503,717
Housing loans receivable	-	657,858	-	657,858
	$ 2,394,456	4,453,963	3,399,248	10,247,667
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 2,030	-	-	2,030
Accrued liabilities	34,955	-	-	34,955
Deposits	2,000	9,275	-	11,275
Total liabilities	38,985	9,275	-	48,260
Fund balances:				
Restricted for: (note 1)				
Class C roads	417,470	-	-	417,470
Redevelopment Agency	-	4,444,688	-	4,444,688
Assigned to:				
Capital projects	-	-	3,399,248	3,399,248
Unassigned	1,938,001	-	-	1,938,001
Total fund balances	2,355,471	4,444,688	3,399,248	10,199,407
	$ 2,394,456	4,453,963	3,399,248	10,247,667

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position

June 30, 2014

Total fund balance - governmental funds		$10,199,407
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not reported as assets in governmental funds. These assets consist of:		
Land and related non-depreciable assets	$ 2,306,508	
Depreciable infrastructure	3,883,091	
Buildings, equipment, and other depreciable assets	13,387,907	
Accumulated depreciation	(6,340,126)	
Total capital assets		13,237,380
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 position. (Net of capital assets included above.)		3,134,543
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(785,000)	
Compensated absences	(970,594)	
Total long-term debt		(1,755,594)
Total net position - governmental activities		$24,815,736

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2014

	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Taxes	$ 6,523,607	1,028,747	-	7,552,354
Licenses and permits	202,372	-	-	202,372
Intergovernmental	330,481	-	-	330,481
Charges for services	321,191	-	-	321,191
Fines and forfeitures	494,505	-	-	494,505
Interest	7,292	25,436	14,568	47,296
Other revenues	68,034	147,692	-	215,726
Total revenues	7,947,482	1,201,875	14,568	9,163,925
Expenditures:				
Current:				
General government	1,663,265	-	-	1,663,265
Public safety	3,871,994	-	-	3,871,994
Public works	430,558	-	-	430,558
Parks and community services	954,617	-	-	954,617
Community development	323,134	1,066,785	-	1,389,919
Capital outlay	-	-	113,809	113,809
Total expenditures	7,243,568	1,066,785	113,809	8,424,162
Excess (deficiency) of revenues over expenditures	703,914	135,090	(99,241)	739,763
Other financing sources (uses):				
Operating transfers in	-	-	498,264	498,264
Operating transfers out	(498,264)	-	-	(498,264)
Total other financing sources (uses)	(498,264)	-	498,264	-
Net changes in fund balances	205,650	135,090	399,023	739,763
Fund balances - beginning of year	2,149,821	4,309,598	3,000,225	9,459,644
Fund balances - end of year	$ 2,355,471	4,444,688	3,399,248	10,199,407

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2014

Net change in fund balance - total governmental funds		$ 739,763
Amount reported for governmental activities in the statement of activities are different because:		
Government funds report capital outlays as expenditures ($606,037). However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense ($619,643). Depreciation exceeded capital outlays for the period.		(13,606)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		261,428
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:		
Payments on long-term debt	$ 110,000	
Increase in compensated absences	(4,639)	
Total changes in long-term debt		105,361
Changes in net position of governmental activities		$ 1,092,946

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Statement of Net Position
Proprietary Funds

June 30, 2014

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	
Assets:						
Current assets:						
Cash	$ 1,884,654	2,201,972	1,244,352	214,618	5,545,596	1,729,064
Accounts receivable	250,817	-	-	-	250,817	-
Total current assets	2,135,471	2,201,972	1,244,352	214,618	5,796,413	1,729,064
Noncurrent assets:						
Investments	144,465	-	-	-	144,465	-
Land	755	-	-	-	755	-
Buildings	797,776	-	38,497	-	836,273	-
Infrastructure	7,453,753	6,399,934	2,827,787	-	16,681,474	-
Machinery and equipment	93,456	6,094	6,510	-	106,060	3,379,816
Accumulated depreciation	(3,216,758)	(2,165,201)	(341,099)	-	(5,723,058)	(1,973,837)
Total noncurrent assets	5,273,447	4,240,827	2,531,695	-	12,045,969	1,405,979
Total assets	7,408,918	6,442,799	3,776,047	214,618	17,842,382	3,135,043
Liabilities:						
Current liabilities:						
Accounts payable	1,371	74,539	-	-	75,910	500
Bonds payable and current	-	60,000	-	-	60,000	-
Total current liabilities	1,371	134,539	-	-	135,910	500
Noncurrent liabilities:						
Compensated absences	39,882	19,615	-	-	59,497	-
Bonds payable	-	1,255,440	-	-	1,255,440	-
Total noncurrent liabilities	39,882	1,275,055	-	-	1,314,937	-
Total liabilities	41,253	1,409,594	-	-	1,450,847	500
Net position:						
Net investment in capital assets	5,128,982	2,925,387	2,531,695	-	10,586,064	1,405,979
Unrestricted	2,238,683	2,107,818	1,244,352	214,618	5,805,471	1,728,564
Total net position	$ 7,367,665	5,033,205	3,776,047	214,618	16,391,535	3,134,543

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	
Operating revenues:						
Charges for services	$ 869,640	1,128,294	225,476	342,709	2,566,119	333,576
Impact fees	-	2,121	-	-	2,121	-
Miscellaneous	1,970	800	-	-	2,770	36,024
Total operating revenues	871,610	1,131,215	225,476	342,709	2,571,010	369,600
Operating expenses:						
Personnel services	302,266	82,910	-	-	385,176	-
Contractual services	219,841	635,024	30,828	309,552	1,195,245	-
Materials and supplies	67,401	8,990	8,971	42	85,404	47,025
Depreciation	156,840	126,498	55,377	-	338,715	184,763
Utilities	89,822	468	-	-	90,290	9,568
Bad debts	2,501	-	-	-	2,501	-
Total operating expenses	838,671	853,890	95,176	309,594	2,097,331	241,356
Operating income	32,939	277,325	130,300	33,115	473,679	128,244
Non-operating revenues (expenses):						
Interest revenue	10,695	10,012	6,185	1,078	27,970	8,005
Interest expense	-	(27,820)	-	-	(27,820)	-
Gain on sale of assets	-	-	-	-	-	125,179
Total non-operating revenues (expenses)	10,695	(17,808)	6,185	1,078	150	133,184
Income before contributions and transfers	43,634	259,517	136,485	34,193	473,829	261,428
Operating transfers in	-	-	-	-	-	-
Contributed capital - developers	-	-	-	-	-	-
Total contributions and transfers	-	-	-	-	-	-
Change in net position	43,634	259,517	136,485	34,193	473,829	261,428
Net position - beginning of year	7,324,031	4,773,688	3,639,562	180,425	15,917,706	2,873,115
Net position - end of year	$ 7,367,665	5,033,205	3,776,047	214,618	16,391,535	3,134,543

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Statement of Cash Flows
Proprietary Funds

Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	
Cash flows from operating activities:						
Cash received from customers	$ 898,329	1,130,415	225,476	342,709	2,596,929	333,576
Cash received from other activities	1,970	800	-	-	2,770	36,024
Cash payments for payroll and benefits	(303,500)	(81,455)	-	-	(384,955)	-
Cash payments for goods and services	(379,034)	(569,943)	(39,799)	(309,594)	(1,298,370)	(56,093)
Net cash provided by operating activities	217,765	479,817	185,677	33,115	916,374	313,507
Cash flows from investing activities:						
Interest earned on cash deposits	10,695	10,012	6,185	1,078	27,970	8,005
Net cash provided by investing activities	10,695	10,012	6,185	1,078	27,970	8,005
Cash flows from noncapital financing activities:						
Operating transfers in	-	-	-	-	-	-
Net cash provided by noncapital financing activities	-	-	-	-	-	-
Cash flows from capital and related financing activities:						
Interest on debt	-	(27,820)	-	-	(27,820)	-
Principal paid on debt	-	(58,000)	-	-	(58,000)	-
Cash payments for property and equipment purchases	(426,409)	(90,197)	(119,301)	-	(635,907)	(684,567)
Gain on sale of assets	-	-	-	-	-	125,179
Net cash used for capital and related financing activities	(426,409)	(176,017)	(119,301)	-	(721,727)	(559,388)
Net increase (decrease) in cash and cash equivalents	(197,949)	313,812	72,561	34,193	222,618	(237,876)
Cash and cash equivalents - beginning of year	2,082,603	1,888,160	1,171,791	180,425	5,322,979	1,966,940
Cash and cash equivalents - end of year	$ 1,884,654	2,201,972	1,244,352	214,618	5,545,596	1,729,064

See independent auditor's report and notes to financial statements.

RIVERDALE CITY

Statement of Cash Flows - Continued
Proprietary Funds

Year Ended June 30, 2014

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Storm Water Fund	Garbage Fund	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income	$ 32,939	277,325	130,300	33,115	473,679	128,244
Adjustments to reconcile operating income to net cash provided by by operating activities:						
Depreciation	156,840	126,498	55,377	-	338,715	184,763
(Increase) decrease in accounts receivable	28,689	-	-	-	28,689	-
Increase (decrease) in accounts payable and accrued liabilities	531	74,539	-	-	75,070	500
Increase (decrease) in compensated absences	(1,234)	1,455	-	-	221	-
Net cash provided by operating activities	$ 217,765	479,817	185,677	33,115	916,374	313,507
Noncash capital financing activities:						
Contributions by developers	$ -	-	-	-	-	-

See independent auditor's report and notes to financial statements.

(1) Summary of Significant Accounting Policies

The City of Riverdale was incorporated March 4, 1946. The City operates under a traditional council/mayor form of government and provides the following services as authorized by its charter: public safety, public utilities, highways and streets, sanitation, social services, 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 government 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 - 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 in removing blight 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 interfund 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 Position presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is 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 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:
The City reports the following major governmental funds:

General fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in other funds. It also includes the financial activities related to most federal and state funds.

(1) Summary of Significant Accounting Policies - Continued

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

Capital projects fund - These funds are used to account for financial resources to be used for the acquisition or construction of general major capital facilities.

Proprietary Fund Types:

Enterprise fund - The enterprise fund is used to account for operations (a) that 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 revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates its water, sewer, storm drainage and garbage funds as 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 and services provided by the information technology department and motor pool to other departments or agencies of the City, or to other governments, on a cost-reimbursements basis.

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 for using a current financial resources 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.

All proprietary funds are accounted for on a flow of economic resources 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 soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if they are collected within 60 days after year-end.

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 all applicable FASB pronouncements.

D. Budgets

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act of Utah Cities" by the City of Riverdale Municipal Council on or before June 22nd for the following fiscal year which begins on July 1.

(1) Summary of Significant Accounting Policies - Continued

D. Budgets - Continued

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 desires to exceed its total budget appropriation. The City follows Uniform Fiscal Procedures for Cities as adopted by the State Legislature for policies concerning its budgetary accounting. Annual budgets are adopted for all governmental fund types. All annual appropriations lapse at fiscal year end.

During the year, one supplemental amendment was made to the City's general fund budget in the amount of $94,000, the capital projects budget for $2,000,000 and the RDA budget for $610,000.

E. Capital Assets

Capital assets, which include 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 (amount not rounded) 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.

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 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 improvements	20 years
Other improvements	10-30 years

F. Governmental Fund Balances

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

Nonspendable Fund Balance - classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Riverdale has no nonspendable fund balance.

Restricted Fund Balance - classified as restricted by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Riverdale reports it Class C fund balance and Redevelopment Agency fund balance as restricted.

Committed Fund Balance - classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Riverdale has no committed fund balances.

Assigned Fund Balance - classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Riverdale reports its Capital Project fund balances as assigned.

Unassigned Fund Balance - classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

(1) Summary of Significant Accounting Policies - Continued

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.

I. Subsequent Events

Management has evaluated subsequent events through September 26, 2014, the date the financial statements were available to be issued.

(2) Deposits and Investments

Deposits and investments for Riverdale City are governed by the Utah Money Management Act and by rules of the Utah Money Management 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 requirement of the Act and adhering to the rules of the Utah Money Management Council.

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 deposits at June 30, 2014 were $573,321, of which $300,993 was uninsured and uncollateralized.

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 costs 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, 2014:

Investment Type	Fair Value	Maturity	Quality Ratings
PTIF Investments	$15,998,509	66 days*	not rated

*Weighted-average maturity

(2) Deposits and Investments - Continued

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 solely 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.

D. 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 to limit this risk is to adhere to the rules of the Money Management Council and to invest most of its available funds in the PTIF. The Council rules do not limit the amount of investments a government may make in any one issuer except for Rule 2 regarding certain endowments and funds with a long-term perspective, and Rule 17 which limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the government's portfolio at the time of purchase.

(3) Accounts Receivable

The accounts receivable in the general fund are reported net of an allowance for doubtful accounts of $27,235 and accounts receivable in the enterprise fund are shown net of an allowance for doubtful accounts of $17,169.

(4) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 1,768,978	537,530	-	2,306,508
Capital assets being depreciated:				
Building and improvements	9,256,110	10,177	-	9,266,287
Other improvements	2,850,245	24,098	-	2,874,343
Equipment	4,427,121	718,799	(518,827)	4,627,093
Infrastructure	3,883,091	-	-	3,883,091
Total	20,416,567	753,074	(518,827)	20,650,814
Less accumulated depreciation for:				
Buildings and improvements	(2,993,026)	(235,927)	-	(3,228,953)
Other improvements	(917,517)	(136,513)	-	(1,054,030)
Equipment	(3,120,741)	(271,951)	(518,827)	(2,873,865)
Infrastructure	(997,100)	(160,015)	-	(1,157,115)
Total	(8,028,384)	(804,406)	(518,827)	(8,313,963)
Capital assets being depreciated, net	12,388,183	(51,332)	-	12,336,851
Governmental activity capital assets, net	$14,157,161	486,198	-	14,643,359
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 755	-	-	755
Capital assets being depreciated:				
Buildings	817,996	18,277	-	836,273
Infrastructure	16,155,842	606,083	80,451	16,681,474
Equipment	94,513	11,547	-	106,060
Total	17,068,351	635,907	80,451	17,623,807

(4) Capital Assets - Continued

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation for:				
Buildings	$ (371,987)	(13,296)	-	(385,283)
Infrastructure	(5,014,701)	(314,692)	(80,451)	(5,248,942)
Equipment	(78,106)	(10,727)	-	(88,833)
Total	(5,464,794)	(338,751)	(80,451)	(5,723,058)
Capital assets being depreciated, net	11,603,557	297,192	-	11,900,749
Business-type activities capital assets, net	$11,604,312	297,192	-	11,901,504

Depreciation expense of governmental activities was charged to functions as follows:

General Government	$ 150,019
Public Safety	80,631
Public Works	180,410
Parks and Community Services	208,583
Depreciation on capital assets of the City's internal service funds is charged to the various functions based on their usage of assets	184,763
Total	$ 804,406

(5) Long-Term Debt

Long-term debt of the City consists of the following:

Government Activities:

	Beginning Balance	Additions	Deletions	Ending Balance
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%.	$ 1,000,000	-	105,000	895,000

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

	Principal	Interest	Total Debt Service
Year ending June 30:			
2015	$ 110,000	22,718	132,718
2016	120,000	19,373	139,373
2017	100,000	15,871	115,871
2018	105,000	12,827	117,827
2019	110,000	9,668	119,668
2020-2021	240,000	8,210	248,210
	$ 785,000	88,667	873,667

Business-Type Activities:

On October 20, 2009 the city authorized the issuance of up to $1,502,000 in sewer revenue bonds. The bonds carry an interest rate of 3% and payments on the bonds began on December 1, 2011. As of June 30, 2014 the City had been advanced the entire $1,502,000 of these bonds.

	Beginning Balance	Additions	Deletions	Ending Balance
Series 2009 sewer revenue bonds	$ 1,373,440	-	58,000	1,315,440

(5) Long-Term Debt - Continued

Annual debt service requirements on the bonds are as follows:

Year ending June 30:	Principal	Interest	Total Debt Service
2015	$ 60,000	40,020	100,020
2016	62,000	38,220	100,220
2017	64,000	36,360	100,360
2018	67,000	34,440	101,440
2019	69,000	32,430	101,430
2020-2024	378,000	129,810	507,810
2025-2029	439,000	69,510	508,510
2030-2031	176,440	8,820	185,260
	$ 1,315,440	389,610	1,705,050

Changes in Long-Term Debt:

During the year ended June 30, 2014 the following activity occurred in liabilities reported as long-term:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 895,000	-	110,000	785,000	110,000
Compensated absences	965,955	4,639	-	970,594	-
Total	$ 1,860,955	4,639	110,000	1,755,594	110,000
Business-type activities:					
Bonds payable	$ 1,373,440	-	58,000	1,315,440	60,000
Compensated absences	59,276	221	-	59,497	-
Total	$ 1,432,716	221	58,000	1,374,937	60,000

(6) Developer Contributions

The water, sewer and storm sewer funds regularly receive contributions from subdividers 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. There were no current year additions by developers for water, sewer, and storm sewer lines in 2014.

(7) Compensated Absences, Accumulated Unpaid Vacation, Sick Leave Pay, Compensatory Time

It is the government's policy to permit employees to accumulate earned but unused vacation and sick leave pay benefits. Vacation and compensatory leave are recorded as an expenditure 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 position.

(8) Retirement Plans

Plan Description
Riverdale City (City) contributes to the Local Governmental Contributory, Non-contributory and Public Safety Non-contributory, all cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

(8) Retirement Plans - Continued

The System is 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 Non-contributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah, 84102 or by calling 1-800-365-8772.

Funding Policy
In the Local Governmental Contributory System the City contributes a combined rate of 19.28% for Tier 1 and 13.99% for Tier 2 of covered salary, in the Non-contributory Retirement System the City is required to contribute 17.29% of its annual covered salary. In fiscal year 2014, the City contributed 34.17% to the Public Safety Non-contributory System and 18.01% to the Firefighters System based on covered wages. 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, 2014, 2013 and 2012 were as follows:

A. Local Governmental System - Contributory

	2014	2013	2012	
$	5,362	6,256	6,321	Employer paid for employee contributions.
	16,502	13,251	10,283	Employer contributions.
	143,886	112,541	105,354	Salary subject to contributions.

B. Local Governmental System - Non-contributory

	2014	2013	2012	
$	266,309	251,417	202,592	Employer contributions.
	1,562,706	1,603,600	1,496,557	Salary subject to retirement contributions.

C. Utah Public Retirement System - Public Safety

	2014	2013	2012	
$	347,428	340,315	279,795	Employer paid contributions.
	1,119,275	1,108,901	1,066,223	Salary subject to retirement contributions.

D. Firefighters System

	2014	2013	2012	
$	103,319	78,391	71,088	Employer contributions.
	588,154	442,636	457,155	Salary subject to contributions.

E 401(K) Plan

	2014	2013	2012	
$	34,651	37,737	35,935	Employer paid for employee contributions.

(9) Deferred Compensation Plan

The City also provides through ICMA a 457 deferred compensation plan to City employees and elected officials. The plan, created in accordance with Internal Revenue Code Section 457, allows City employees and elected officials to defer a portion of their salary until future years. For fiscal year 2014, the City contributed the difference between 17.40% and the amount contributed to the Utah Retirement Systems Plans to the employee's 457 account.

(10) Inter-fund Transfers

Transfer from general fund	$ (498,264)
Transfer to capital projects	498,264

(11) Budgetary Accounting and Tax Calendar

The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. 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 public record and is available for inspection at the City Business Administration Department and the City Recorder's Office for at least ten days prior to adoption of the final budget. Notice of public hearing on adoption of 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.

In connection with budget adoption an annual tax ordinance establishing the tax rate is adopted before June 22nd and the City 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 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	1/1
Taxing districts with June year end notify county commission of date, time and place of public hearing	59-2-919	3/1
County treasurer to settle taxes charged and collected for previous year	59-2-1365	3/31
Budget officer shall prepare and file with council a tentative budget	10-6-111	1st scheduled council meeting in May
County assessor delivers roll to county auditor	59-2-924	6/1
Tax commission reports value of Centrally Assessed Property to counties	59-2-802	6/1
County assessor delivers to county auditor statement showing aggregate valuation of all taxable property	59-2-924	6/1
County auditor sends valuation, certified tax rate and levy work sheets to each taxing district	59-2-924	6/1
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	6/22
Taxing districts adopt tentative budgets and notify county of intent to exceed certified tax rate	59-2-924(3)	6/22

(11) Budgetary Accounting and Tax Calendar - Continued

Property Tax Calendar

Duties to be Completed	Authorizing Statute	Statute Date
County auditor to submit levy worksheets and supporting documentation to tax commission	59-2-913	6/22
Copy of final budget to state auditor within 30 days of adoption	10-6-118	9/17
County treasurer to mail tax notice	59-2-1317	11/1
County auditor delivers assessment roll with affidavit to tax commission	59-2-326	11/1
Payment and delinquency date	59-2-1331	11/30
Delinquency list published	59-2-1332.5	12/31

(12) Riverdale Redevelopment Agency

The redevelopment agency (RDA) collected tax increments of $388,766 for the Riverdale road area, $355,455 for the 550 West area and $284,056 for the 1050 West area. There were no tax increments paid to any other taxing agency. The RDA has outstanding bonds of $895,000 associated with a senior housing project. The RDA has entered into agreements with certain developers that require continuing payments to those developers from the RDA through fiscal year 2023.

The RDA expended funds in the following areas:

Development payments	$ 342,629
Administrative cost	140,824
Debt service	125,328
Land Acquisition	458,004

(13) Contingent Liabilities

Amounts received or receivable 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.

(14) 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.

REQUIRED SUPPLEMENTAL INFORMATION

Budgeting and Budgetary Control

As more fully explained in Note 1 of the Notes to Financial Statements, annual budgets are prepared and adopted before June 22 for the fiscal year commencing the following July 1 in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

The Budgetary Comparison schedules presented in this section of the report are for the City's general fund and major special revenue funds. Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to July 1. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the City Council through formal resolution. Final budgets do not include unexpected balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

RIVERDALE CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund

Year Ended June 30, 2014

	Budgeted Amounts			
Revenues	Original	Final	Actual	Variance
Taxes:				
Current year property taxes	$ 574,629	574,629	580,173	5,544
Delinquent prior years taxes	15,000	15,000	10,613	(4,387)
Fee in lieu	50,000	50,000	48,103	(1,897)
Sales tax	5,600,000	5,694,000	5,875,576	181,576
Transient room tax	9,000	9,000	9,142	142
Total taxes	6,248,629	6,342,629	6,523,607	180,978
Licenses and permits:				
Business licenses	125,000	125,000	132,752	7,752
Building permits	59,000	59,000	39,556	(19,444)
Building plan/development fees	30,000	30,000	19,671	(10,329)
Animal licenses	7,500	7,500	10,393	2,893
Total licenses and permits	221,500	221,500	202,372	(19,128)
Intergovernmental:				
Grants	31,500	31,500	61,150	29,650
Class "C" roads	250,000	250,000	248,057	(1,943)
Class "C" road interest	500	500	1,506	1,006
State liquor allotment	20,000	20,000	19,768	(232)
Total intergovernmental	302,000	302,000	330,481	28,481
Charges for services:				
Ambulance fees	240,000	240,000	175,136	(64,864)
Recreation and user fees	61,000	61,000	66,322	5,322
Senior programs	42,000	42,000	42,661	661
Street repairs	1,000	1,000	822	(178)
Zoning and sub fees	-	-	250	250
Interfund services	36,000	36,000	36,000	-
Total charges for services	380,000	380,000	321,191	(58,809)
Fines and forfeitures	668,000	668,000	494,505	(173,495)
Other revenues:				
Donations	1,000	1,000	962	(38)
Lease revenue	12,000	12,000	12,338	338
Interest earned	5,000	5,000	7,292	2,292
Miscellaneous	20,500	20,500	50,997	30,497
Sale of assets	2,000	2,000	3,737	1,737
Total other revenues	40,500	40,500	75,326	34,826
Total revenues	7,860,629	7,954,629	7,947,482	(7,147)
Expenditures				
General government:				
Legislative	121,649	121,649	119,591	(2,058)
Judicial	562,124	562,124	534,408	(27,716)
City administration	371,444	452,444	440,690	(11,754)
Business administration	574,584	574,584	544,576	(30,008)
Non-departmental	24,000	24,000	24,000	-
Total general government	1,653,801	1,734,801	1,663,265	(71,536)

RIVERDALE CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Continued
General Fund

Year Ended June 30, 2014

Expenditures - Continued	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance
Public safety:				
Police department	$ 2,742,945	2,742,945	2,585,201	(157,744)
Fire department	1,385,652	1,385,652	1,286,793	(98,859)
Total public safety	4,128,597	4,128,597	3,871,994	(256,603)
Streets and public works	895,051	895,051	430,558	(464,493)
Parks and community services:				
Parks department	393,389	393,389	368,484	(24,905)
Community services	595,274	608,274	586,133	(22,141)
Total parks and community services	988,663	1,001,663	954,617	(47,046)
Community development	344,768	344,768	323,134	(21,634)
Total expenditures	8,010,880	8,104,880	7,243,568	(861,312)
Excess (deficiency) of revenues over expenditures	(150,251)	(150,251)	703,914	854,165
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(39,749)	(39,749)	(498,264)	458,515
Use of fund balance	190,000	190,000	-	190,000
Total other financing sources (uses)	150,251	150,251	(498,264)	648,515
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	205,650	205,650
Fund balance - beginning of year	2,149,821	2,149,821	2,149,821	-
Fund balance - end of year	$ 2,149,821	2,149,821	2,355,471	205,650

RIVERDALE CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Redevelopment Agency Special Revenue Fund

Year Ended June 30, 2014

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Property taxes	$ 1,060,000	1,060,000	1,028,747	(31,253)
Rents	153,000	153,000	146,472	(6,528)
Sundry	-	-	1,220	1,220
Interest	29,800	29,800	25,436	(4,364)
Total revenues	1,242,800	1,242,800	1,201,875	(40,925)
Expenditures:				
Community development	1,208,800	1,818,800	941,457	(877,343)
Debt service:				
Principal retirement	110,000	110,000	110,000	-
Interest and fiscal charges	40,000	40,000	15,328	(24,672)
Total expenditures	1,358,800	1,968 800	1,066,785	(902,015)
Excess (deficiency) of revenues and expenditures	(116,000)	(726,000)	135,090	861,090
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Use of fund balance	116,000	726,000	-	(726,000)
Total other financing sources (uses)	116,000	726,000	-	(726,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	135,090	135,090
Fund balance - beginning of year	4,309,598	4,309,598	4,309,598	-
Fund balance - end of year	$ 4,309,598	4,309,598	4,444,688	135,090

SUPPLEMENTAL INFORMATION

RIVERDALE CITY

Combining Statement of Net Position
Internal Service Funds

June 30, 2014

	Information Technology Fund	Motor Pool Fund	Total
Assets:			
Cash	$ 231,305	1,497,759	1,729,064
Machinery and equipment	239,935	3,139,881	3,379,816
Accumulated depreciation	(62,873)	(1,910,964)	(1,973,837)
Total assets	408,367	2,726,676	3,135,043
Liabilities:			
Accounts payable	-	500	500
Total liabilities	-	500	500
Net position:			
Net investment in capital assets	177,062	1,228,917	1,405,979
Unrestricted	231,305	1,497,259	1,728,564
Total net position	$ 408,367	2,726,176	3,134,543

RIVERDALE CITY

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds

Year Ended June 30, 2014

	Information Technology Fund	Motor Pool Fund	Total
Operating revenues:			
Charges for services	$ 41,364	292,212	333,576
Miscellaneous revenue	32,016	4,008	36,024
Total operating revenues	73,380	296,220	369,600
Operating expenses:			
Materials and supplies	41,387	5,638	47,025
Depreciation	25,926	158,837	184,763
Utilities	2,744	6,824	9,568
Total operating expenses	70,057	171,299	241,356
Operating income (loss)	3,323	124,921	128,244
Non-operating revenues:			
Interest revenue	1,184	6,821	8,005
Gain on sale of assets	336	124,843	125,179
Total non-operating revenues	1,520	131,664	133,184
Operating transfers in	-	-	-
Change in net position	4,843	256,585	261,428
Net position - beginning of year	403,524	2,469,591	2,873,115
Net position - end of year	$ 408,367	2,726,176	3,134,543

RIVERDALE CITY

Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2014

	Information Technology Fund	Motor Pool Fund	Total
Cash flows from operating activities:			
Cash received from customers	$ 41,364	292,212	333,576
Cash received from other activities	32,016	4,008	36,024
Cash payments for goods and services	(44,131)	(11,962)	(56,093)
Net cash provided by operating activities	29,249	284,258	313,507
Cash flows from investing activities:			
Interest earned on cash deposits	1,184	6,821	8,005
Net cash provided by investing activities	1,184	6,821	8,005
Cash flows from non-capital financing activities:			
Operating transfers in	-	-	-
Net cash provided by non-capital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Gain on sale of assets	336	124,843	125,179
Cash payments for property and equipment purchases	(110,307)	(574,260)	(684,567)
Net cash used in capital and related financing activities	(109,971)	(449,417)	(559,388)
Net decrease in cash and cash equivalents	(79,538)	(158,338)	(237,876)
Cash and cash equivalents - beginning of year	310,843	1,656,097	1,966,940
Cash and cash equivalents - end of year	$ 231,305	1,497,759	1,729,064
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	$ 3,323	124,921	128,244
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	25,926	158,837	184,763
Change in assets and liabilities:			
Increase in accounts payable	-	500	500
Net cash provided by operating activities	$ 29,249	284,258	313,507

Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

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

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, 2014, and the related notes to the financial statements, which collectively comprise Riverdale City's basic financial statements, and have issued our report thereon dated September 26, 2014.

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 the 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.

September 26, 2014

Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

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

To the Mayor and City Council
Riverdale City

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, 2014.

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

Budgetary Compliance
Fund Balance
Justice Courts
Utah Retirement Systems Compliance
Enterprise Fund Transfers, Reimbursements, loans, and services
Nepotism

Riverdale City did not receive any major assistance programs from the State of Utah during the year ended June 30, 2014.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, Riverdale City complied, in all material respects, with the general compliance requirements identified above for the year ended June 30, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

Purpose of Report

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

Christensen, Palmer & Ambrose P.C.

September 26, 2014