RIVERDALE CITY

Financial Statements - June 30, 2015

(With Auditor's Report Thereon)

RIVERDALE CITY

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Christensen, Palmer & Ambrose
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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, 2015, 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, 2015, 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 required supplementary information on pages 3-12 and 36-41 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 October 27, 2015 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.

October 16, 2015

Riverdale City, Utah
Management's Discussion and Analysis

for fiscal year ending June 30, 2015

INTRODUCTION

The following is a discussion and analysis of Riverdale City's financial performance and activities for the fiscal year ending June 30, 2015. 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

Ferguson Plumbing joined the City in this fiscal year. New residential construction numbers were lower than the previous year. Permits for single family dwelling homes were 3 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 Position, and 2) the Statement of Activities. These two statements provide a broad overview of the City's finances. The Statement of Net Position shows the overall net position of the City. Over time, increases and decreases in net position 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, 69.3 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 14.5 percent of total net position and is subject to external restrictions on how they may be used. The remaining 16.2 percent of net position is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

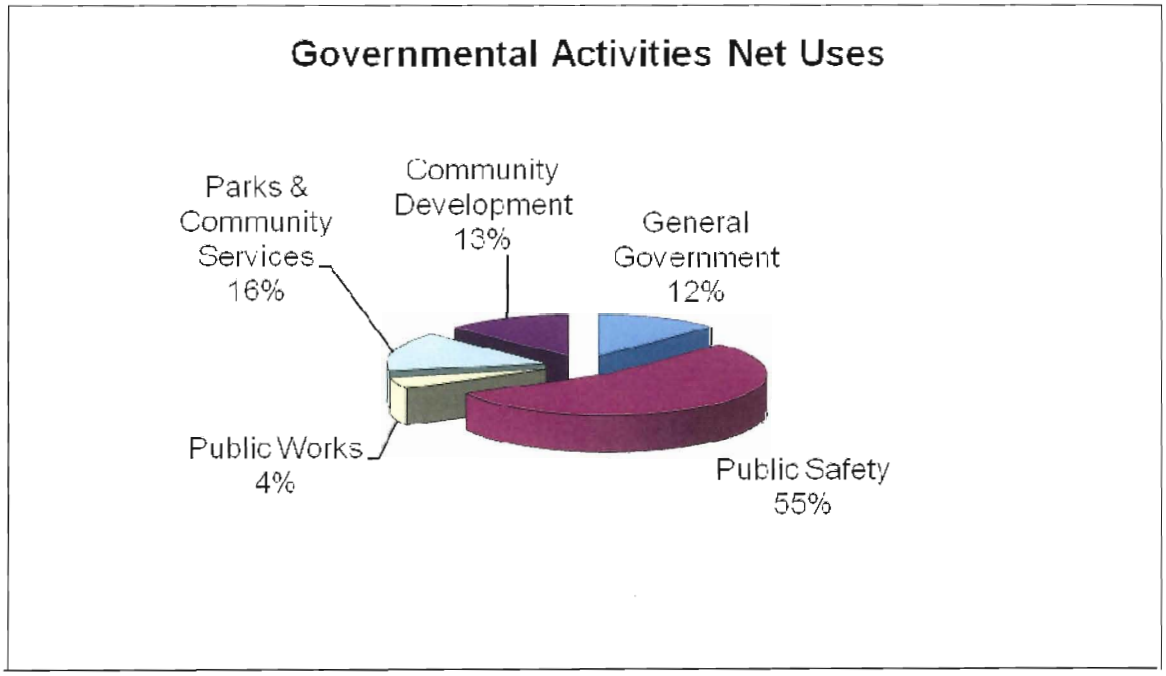
Riverdale City

Statement of Net Position
Comparative

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities
	2015	2014	2015	2014
Current and Other Assets	9,944,301	11,976,731	5,407,425	5,940,878
Capital Assets (Net)	17,453,441	14,643,359	12,661,877	11,901,504
Total Assets	27,397,742	25,620,090	18,069,302	17,842,382
Deferred Outflows	375,353	0	26,524	0
Current Liabilities	157,651	158,760	64,005	135,910
Noncurrent Liabilities	3,157,780	1,645,594	1,411,201	1,314,937
Total Liabilities	3,315,431	1,804,354	1,475,206	1,450,847
Deferred Inflows	400,471	0	28,299	0
Net Position				
Net Investment in Capital Assets	16,778,441	13,858,359	11,406,437	10,586,064
Restricted	5,878,396	8,261,406		
Unrestricted	1,400,356	2,695,971	5,185,884	5,805,471
Total Net Position	24,057,193	24,815,736	16,592,321	16,391,535

Governmental Activities

The activities in the governmental funds resulted in an increase in net position of $1,084,212 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
	2015	2014	2015	2014
Program Revenues				
Charges for Services	1,090,675	1,018,068	2,546,311	2,568,240
Operating Grants & Contributions	306,721	330,481		
Capital Grants & Contributions				
General Revenues				
Property Taxes	1,677,187	1,667,636		
Sales Tax	5,930,940	5,884,718		
Unrestricted interest earned	42,802	47,296	26,652	27,970
Miscellaneous	206,852	215,726	0	2,770
Transfers - internal activities				
Total Revenues	9,255,177	9,163,925	2,572,963	2,598,980
Expenses				
General Government	1,619,314	1,366,420		
Public Safety	3,966,304	3,805,415		
Public Works	570,213	457,548		
Parks & Community Services	1,151,400	1,161,677		
Community Development	863,734	1,279,919		
Interest on long-term debt				
Public Utilities			2,241,961	2,125,151
Total Expenses	8,170,965	8,070,979	2,241,961	2,125,151
Change in Net Position before Transfers	1,084,212	1,092,946	331,002	473,829
Transfers				
Change in Net Position	1,084,212	1,092,946	331,002	473,829
Net Position Beginning - restated	22,972,981	23,722,790	16,261,319	15,917,706
Net Position Ending	24,057,193	24,815,736	16,592,321	16,391,535

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 $1,397,396 or 17.1 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 82.9 percent of expenses.

Activities	*Total Program Expenses*	*Less Program Revenues*	*Net Program Costs*	*Program Revenues as a Percentage of Total Expense*
General Government	$1,619,314	$779,282	($840,032)	48.1%
Public Safety	$3,966,304	$243,524	($3,722,780)	6.1%
Public Works	$570,213	$270,756	($299,457)	47.5%
Parks & Community Services	$1,151,400	$103,834	($1,047,566)	9.0%
Community Development	$863,734	$0	($863,734)	0.0%
Totals	$8,170,965	$1,397,396	($6,773,569)	17.1%

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

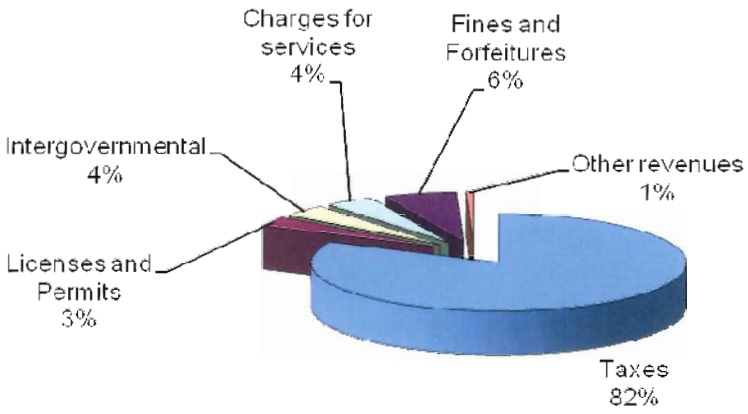
Capital Assets
Riverdale City added $3,570,455 in net capital assets in governmental and business-type activities during the fiscal year – added $1,649,883 in infrastructure, and added $654,622 in buildings, equipment and other assets. There was an increase of $2,432,801 in land. Accumulated depreciation on the assets increased by $1,166,851.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

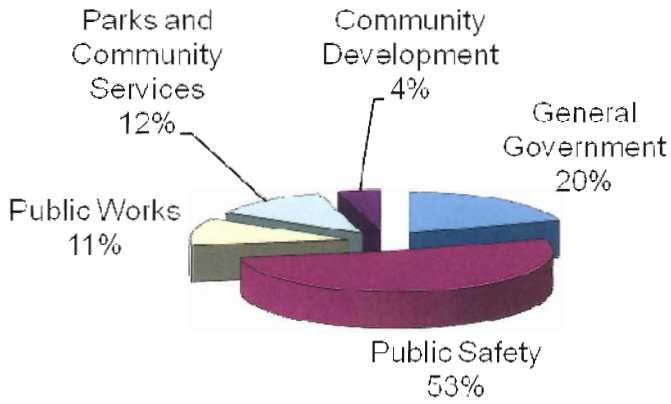
Fund Balances
At June 30, 2015, Riverdale City's governmental funds reported combined fund balances of $7,878,396. Of this amount, $4,220,159 or 53.6% is restricted for specific purposes and projects. $1,658,237 or 21.0% is assigned to Capital Projects and the remaining $2,000,000 or 25.4% is unreserved.

General Fund
During 2015, the fund balance in the general fund decreased by $200,812. Taxes increased $62,004, a 0.1% increase from the previous year. Total general fund revenue was up $81,877, a 1.0% increase from the previous year. Total general fund expenditures (excluding transfers) were up $513,799 or 7.1%.

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 made no budget amendments to the General Fund this year.

Actual General Fund revenues were $249,586 or 3.2% above the budget. Actual expenditures were $785,793 or 9.2% below the budget. The City was not required to draw upon existing fund balance in the General Fund this year to cover its expenditures.

RDA Fund
During the fiscal year, the fund balance in the Redevelopment Agency Fund decreased $379,188.

The RDA budget was amended during this fiscal year. The budget was increased by $348,770.

Capital Projects Fund
During the fiscal year, the fund balance in the Capital Projects Fund decreased $1,741,011.

Enterprise Funds
The combined change in net position of the enterprise funds shows an increase of $331,002. This is $69,524 higher than the previous year.

OTHER MATTERS

Current and Future Projects
The City may add a generator for the Fire/Community Services in the amount of $85,000. The City's water department has budgeted $920,500 in various projects, and sewer replacement/repair projects in the amount of $50,000 in the coming fiscal year. The City will also be working on possible storm water projects in the amount of $161,000.

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, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 8,514,769	5,034,444	13,549,213
Accounts receivable	103,009	220,306	323,315
Due from other governments	522,240	-	522,240
Housing loans receivable	688,106	-	688,106
Investments	-	144,465	144,465
Pension asset	116,177	8,210	124,387
Capital assets:			
Land and related non-depreciable assets	4,739,309	755	4,740,064
Depreciable infrastructure	4,409,252	17,805,196	22,214,448
Buildings, equipment, and other depreciable assets	17,422,345	942,333	18,364,678
Less accumulated depreciation	(9,117,465)	(6,086,407)	(15,203,872)
Total capital assets	17,453,441	12,661,877	30,115,318
Total assets	27,397,742	18,069,302	45,467,044
Deferred Outflows of Resources - pension related	375,353	26,524	401,877
Liabilities:			
Accounts payable and accrued liabilities	35,366	4,005	39,371
Customer deposits	12,285	-	12,285
Noncurrent liabilities:			
Due within one year	110,000	60,000	170,000
Due in more than one year	3,157,780	1,411,201	4,568,981
Total liabilities	3,315,431	1,475,206	4,790,637
Deferred Inflows of Resources - pension related	400,471	28,299	428,770
Net position:			
Net investment in capital assets	16,778,441	11,406,437	28,184,878
Restricted for:			
Class C roads	154,659	-	154,659
Special revenue activities	4,065,500	-	4,065,500
Capital projects	1,658,237	-	1,658,237
Unrestricted	1,400,356	5,185,884	6,586,240
Total net position	$24,057,193	16,592,321	40,649,514

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

RIVERDALE CITY

Statement of Activities

Year Ended June 30, 2015

Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental:				
General government	$ 1,619,314	779,282	-	-
Public safety	3,966,304	200,153	43,371	-
Public works	570,213	7,406	263,350	-
Parks and community services	1,151,400	103,834	-	-
Community development	863,734	-	-	-
Total governmental activities	8,170,965	1,090,675	306,721	-
Business-type:				
Public utilities	2,241,961	2,546,311	-	-
Total business-type activities	2,241,961	2,546,311	-	-
Total primary government	10,412,926	3,636,986	306,721	-

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	
Prior period adjustment	
Net position - beginning of year - restated	
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
(840,032)	-	(840,032)
(3,722,780)	-	(3,722,780)
(299,457)	-	(299,457)
(1,047,566)	-	(1,047,566)
(863,734)	-	(863,734)
(6,773,569)	-	(6,773,569)
-	304,350	304,350
-	304,350	304,350
(6,773,569)	304,350	(6,469,219)
1,677,187	-	1,677,187
5,930,940	-	5,930,940
7,608,127	-	7,608,127
42,802	26,652	69,454
206,852	-	206,852
-	-	-
249,654	26,652	276,306
7,857,781	26,652	7,884,433
1,084,212	331,002	1,415,214
24,815,736	16,391,535	41,207,271
(1,842,755)	(130,216)	(1,972,971)
22,972,981	16,261,319	39,234,300
$24,057,193	16,592,321	40,649,514

RIVERDALE CITY

Balance Sheet
Governmental Funds

June 30, 2015

Assets	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Cash (note 2)	$ 1,573,238	3,377,186	1,658,237	6,608,661
Restricted cash	-	4,031	-	4,031
Accounts receivable (note 3)	102,330	679	-	103,009
Due from other governments	517,457	4,783	-	522,240
Housing loans receivable	-	688,106	-	688,106
	$ 2,193,025	4,074,785	1,658,237	7,926,047
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 2,420	-	-	2,420
Accrued liabilities	32,946	-	-	32,946
Deposits	3,000	9,285	-	12,285
Total liabilities	38,366	9,285	-	47,651
Fund balances:				
Restricted for: (note 1)				
Class C roads	154,659	-	-	154,659
Redevelopment Agency	-	4,065,500	-	4,065,500
Assigned to:				
Capital projects	-	-	1,658,237	1,658,237
Unassigned	2,000,000	-	-	2,000,000
Total fund balances	2,154,659	4,065,500	1,658,237	7,878,396
	$ 2,193,025	4,074,785	1,658,237	7,926,047

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, 2015

Total fund balance - governmental funds		$ 7,878,396
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	$ 4,739,309	
Depreciable infrastructure	4,409,252	
Buildings, equipment, and other depreciable assets	14,028,534	
Accumulated depreciation	(6,967,373)	
Total capital assets		16,209,722
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.)		3,145,796
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	(675,000)	
Compensated absences	(928,623)	
Net pension liability	(1,664,157)	
Total long-term debt		(3,267,780)
The net pension asset is not an available resource and, therefore, is not reported in the funds		116,177
Deferred inflows for pension credits ($400,471) and deferred outflows for pension charges ($375,356) and not reflected in the fund statements but are reported as part of the entity-wide statement of activities		(25,118)
Total net position - governmental activities		$24,057,193

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, 2015

	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Taxes	$ 6,585,611	1,022,516	-	7,608,127
Licenses and permits	250,592	-	-	250,592
Intergovernmental	306,721	-	-	306,721
Charges for services	337,148	-	-	337,148
Fines and forfeitures	502,935	-	-	502,935
Interest	7,501	24,498	10,803	42,802
Other revenues	38,851	168,001	-	206,852
Total revenues	8,029,359	1,215,015	10,803	9,255,177
Expenditures:				
Current:				
General government	1,548,125	-	-	1,548,125
Public safety	4,084,423	-	-	4,084,423
Public works	829,971	-	-	829,971
Parks and community services	953,034	-	-	953,034
Community development	341,814	1,156,792	-	1,498,556
Capital outlay	-	-	2,662,079	2,662,079
Total expenditures	7,757,367	1,156,742	2,662,079	11,576,188
Excess (deficiency) of revenues over expenditures	271,992	58,273	(2,651,276)	(2,321,011)
Other financing sources (uses):				
Operating transfers in	-	-	910,265	910,265
Operating transfers out	(472,804)	(437,461)	-	(910,265)
Total other financing sources (uses)	(472,804)	(437,461)	910,265	-
Net changes in fund balances	(200,812)	(379,188)	(1,741,011)	(2.321,011)
Fund balances - beginning of year	2,355,471	4,444,688	3,399,248	10,199,407
Fund balances - end of year	$ 2,154,659	4,065,500	1,658,237	7,878,396

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, 2015

Net change in fund balance - total governmental funds		$(2,321,011)
Amount reported for governmental activities in the statement of activities are different because:		
Government funds report capital outlays as expenditures ($3,599,588). However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense ($627,247). Capital outlays exceeded depreciation for the period.		2,972,341
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.		11,253
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	
Decrease in compensated absences	41,971	
Total changes in long-term debt		151,971
Implementation of GASB Statement 68 resulted in a net reduction of pension expenses at the entity-wide level		269,658
Changes in net position of governmental activities		$ 1,084,212

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

RIVERDALE CITY

Statement of Net Position
Proprietary Funds

June 30, 2015

	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	$ 1,482,990	2,091,139	1,210,905	249,410	5,034,444	1,902,077
Accounts receivable	220,306	-	-	-	220,306	-
Total current assets	1,703,296	2,091,139	1,210,905	249,410	5,254,750	1,902,077
Noncurrent assets:						
Pension asset	5,635	1,567	1,008	-	8,210	-
Investments	144,465	-	-	-	144,465	-
Land	755	-	-	-	755	-
Buildings	797,776	-	38,497	-	836,273	-
Infrastructure	7,284,485	6,731,970	3,001,700	-	17,018,155	-
Machinery and equipment	880,497	6,094	6,510	-	893,101	3,393,811
Accumulated depreciation	(3,394,041)	(2,293,503)	(398,863)	-	(6,086,407)	(2,150,092)
Total noncurrent assets	5,719,572	4,446,128	2,648,852	-	12,814,552	1,243,719
Total assets	7,422,868	6,537,267	3,859,757	249,410	18,069,302	3,145,796
Deferred outflows of resources:						
Deferred pension charge	18,205	5,064	3,255	-	26,524	-
Liabilities:						
Current liabilities:						
Accounts payable	4,005	-	-	-	4,005	-
Bonds payable and current	-	60,000	-	-	60,000	-
Total current liabilities	4,005	60,000	-	-	64,005	-
Noncurrent liabilities:						
Compensated absences	51,727	23,767	22,672	-	98,166	-
Bonds payable	-	1,195,440	-	-	1,195,440	-
Net pension liability	80,713	22,450	14,432	-	117,595	-
Total noncurrent liabilities	132,440	1,241,657	37,104	-	1,411,201	-
Total liabilities	136,445	1,301,657	37,104	-	1,475,206	-
Deferred inflows of resources:						
Deferred pension credit	19,423	5,403	3,473	-	28,299	-
Net position:						
Net investment in capital assets	5,569,472	3,189,121	2,647,844	-	11,406,437	1,243,719
Unrestricted	1,715,733	2,046,150	1,174,591	249,410	5,185,884	1,902,077
Total net position	$ 7,285,205	5,235,271	3,822,435	249,410	16,592,321	3,145,796

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, 2015

	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	$ 820,691	1,135,968	225,681	343,438	2,525,778	309,948
Miscellaneous	20,533	-	-	-	20,533	38,915
Total operating revenues	841,224	1,135,968	225,681	343,438	2,546,311	348,863
Operating expenses:						
Personnel services	304,873	84,781	68,629	-	458,283	-
Contractual services	224,364	663,174	24,511	302,872	1,214,921	-
Materials and supplies	62,496	16,149	18,209	7,000	103,854	68,039
Depreciation	177,283	128,302	57,764	-	363,349	283,190
Utilities	73,473	507	-	-	73,980	10,523
Bad debts	915	-	-	-	915	-
Total operating expenses	843,404	892,913	169,113	309,872	2,215,302	361,752
Operating income (loss)	(2,180)	243,055	56,568	33,566	331,009	(12,889)
Non-operating revenues (expenses):						
Interest revenue	9,096	10,529	5,801	1,226	26,652	8,692
Interest expense	-	(26,659)	-	-	(26,659)	-
Gain on sale of assets	-	-	-	-	-	15,450
Total non-operating revenues (expenses)	9,096	(16,130)	5,801	1,226	(7)	24,142
Income before contributions and transfers	6,916	226,925	62,369	34,792	331,002	11,253
Operating transfers in	-	-	-	-	-	-
Contributed capital - developers	-	-	-	-	-	-
Total contributions and transfers	-	-	-	-	-	-
Change in net position	6,916	226,925	62,369	34,792	331,002	11,253
Net position - beginning of year	7,367,665	5,033,205	3,776,047	214,618	16,391,535	3,134,543
Prior period adjustment	(89,376)	(24,859)	(15,981)	-	(130,216)	-
Net position - beginning of year restated	7,278,289	5.008,346	3,760,066	214,618	16,261,319	3,134,543
Net position - end of year	$ 7,285,205	5,235,271	3,822,435	249,410	16,592,321	3,145,796

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

RIVERDALE CITY

Statement of Cash Flows
Proprietary Funds

Year Ended June 30, 2015

	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	$ 851,202	1,135,968	225,681	343,438	2,556,289	309,948
Cash received from other activities	20,533	-	-	-	20,533	38,915
Cash payments for payroll and benefits	(293,028)	(80,629)	(45,957)	-	(419,614)	-
Cash payments for goods and services	(358,614)	(754,369)	(42,720)	(309,872)	(1,465,575)	(79,062)
Net cash provided by operating activities	220,093	300,970	137,004	33,566	691,633	269,801
Cash flows from investing activities:						
Interest earned on cash deposits	9,096	10,529	5,801	1,226	26,652	8,692
Net cash provided by investing activities	9,096	10,529	5,801	1,226	26,652	8,692
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	-	(26,659)	-	-	(26,659)	-
Principal paid on debt	-	(60,000)	-	-	(60,000)	-
Cash payments for property and equipment purchases	(617,773)	(332,036)	(173,913)	-	(1,123,821)	(128,821)
Property and equipment disposals	-	-	-	-	-	7,891
Gain on sale of assets	-	-	-	-	-	15,450
Pension related items	(13,080)	(3,637)	(2,339)	-	(19,056)	-
Net cash used for capital and related financing activities	(630,853)	(422,332)	(176,252)	-	(1,229,437)	(105,480)
Net increase (decrease) in cash and cash equivalents	(401,664)	(110,833)	(33,447)	34,792	(511,152)	173,013
Cash and cash equivalents - beginning of year	1,884,654	2,201,972	1,244,352	214,618	5,545,596	1,729,064
Cash and cash equivalents - end of year	$ 1,482,990	2,091,139	1,210,905	249,410	5,034,444	1,902,077

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

RIVERDALE CITY

Statement of Cash Flows - Continued
Proprietary Funds

Year Ended June 30, 2015

	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 (loss)	$ (2,180)	243,055	56,568	33,566	331,009	(12,889)
Adjustments to reconcile operating income to net cash provided by by operating activities:						
Depreciation	177,283	128,302	57,764	-	363,349	283,190
(Increase) decrease in accounts receivable	30,511	-	-	-	30,511	-
Increase (decrease) in accounts payable and accrued liabilities	2,634	(74,539)	-	-	(71,905)	(500)
Increase (decrease) in compensated absences	11,845	4,152	22,672	-	38,669	-
Net cash provided by operating activities	$ 220,093	300,970	137,004	33,566	691,633	269,801
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 capital projects budget for $2,000,000 and the RDA budget for $348,770.

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

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

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. Pensions

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

I. 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.

J. Subsequent Events

Management has evaluated subsequent events through October 16, 2015, 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, 2015 were $149,720, of which $-0- 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.

(2) Deposits and Investments - Continued

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, 2015:

Investment Type	Fair Value	Maturity	Quality Ratings
PTIF Investments	$13,941,570	65 days*	not rated

*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 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 $32,636 and accounts receivable in the enterprise fund are shown net of an allowance for doubtful accounts of $17,478.

(4) Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 2,306,508	2,432,801	-	4,739,309
Capital assets being depreciated:				
Building and improvements	9,266,287	489,360	-	9,755,647
Other improvements	2,874,343	8,588	-	2,882,931
Equipment	4,627,093	271,500	(114,826)	4,783,767
Infrastructure	3,883,091	526,161	-	4,409,252
Total	20,650,814	1,295,609	(114,826)	21,831,597
Less accumulated depreciation for:				
Buildings and improvements	(3,228,953)	(236,181)	-	(3,465,134)
Other improvements	(1,054,030)	(137,938)	-	(1,191,968)
Equipment	(2,873,865)	(370,869)	(106,935)	(3,137,799)
Infrastructure	(1,157,115)	(165,499)	-	(1,322,564)
Total	(8,313,963)	(910,437)	(106,935)	(9,117,465)
Capital assets being depreciated, net	12,336,851	385,172	(7,891)	12,714,132
Governmental activity capital assets, net	$14,643,359	2,817,973	(7,891)	17,453,441

(4) Capital Assets - Continued

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land and land improvements	$ 755	-	-	755
Capital assets being depreciated:				
Buildings	836,273	-	-	836,273
Infrastructure	16,681,474	1,123,722	-	17,805,196
Equipment and improvements	106,060	-	-	106,060
Total	17,623,807	1,123,722	-	18,747,529
Less accumulated depreciation for:				
Buildings	(385,283)	(14,470)	-	(399,753)
Infrastructure	(5,259,983)	(345,410)	-	(5,605,393)
Equipment	(77,792)	(3,469)	-	(81,261)
Total	(5,723,058)	(363,349)	-	(6,086,407)
Capital assets being depreciated, net	11,900,749	760,373	-	12,661,122
Business-type activities capital assets, net	$11,901,504	760,373	-	12,661,877

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

General Government	$ 146,955
Public Safety	81,933
Public Works	187,160
Parks and Community Services	211,199
Depreciation on capital assets of the City's internal service funds is charged to the various functions based on their usage of assets	283,190
Total	$ 910,437

(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%.	$ 785,000	-	110,000	675,000

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

	Principal	Interest	Total Debt Service
Year ending June 30:			
2016	$ 110,000	19,373	129,373
2017	120,000	15,871	135,871
2018	100,000	12,827	112,827
2019	105,000	9,668	114,668
2020	110,000	6,343	116,343
2021	130,000	2,800	132,800
	$ 675,000	66,882	741,882

(5) Long-Term Debt - Continued

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, 2015 the City had been advanced the entire $1,502,000 of these bonds.

	Beginning Balance	Additions	Deletions	Ending Balance
Series 2009 sewer revenue bonds	$ 1,315,440	-	60,000	1,255,440

Annual debt service requirements on the bonds are as follows:

	Principal	Interest	Total Debt Service
Year ending June 30:			
2016	$ 60,000	38,220	98,220
2017	62,000	36,360	98,360
2018	64,000	34,440	98,440
2019	67,000	32,430	99,430
2020	69,000	30,360	99,360
2021-2025	378,000	118,470	496,470
2026-2030	439,000	50,490	489,490
2031-2035	116,440	8,820	125,260
	$ 1,255,440	349,590	1,605,030

Changes in Long-Term Debt:

During the year ended June 30, 2015 the following activity occurred in liabilities reported as long-term:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ 785,000	-	110,000	675,000	110,000
Compensated absences	970,594	-	41,971	928,623	-
Net pension liability	-	1,664,157	-	1,664,157	-
Total	$ 1,755,594	1,664,157	151,971	3,267,780	110,000
Business-type activities:					
Bonds payable	$ 1,315,440	-	60,000	1,255,440	60,000
Compensated absences	59,497	38,669	-	98,166	-
Net pension liability	-	117,595	-	117,595	-
Total	$ 1,374,937	156,264	60,000	1,471,201	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 2015.

(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

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1053, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

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

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%

(8) Retirement Plans - Continued

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year Service	COLA
Tier 2 Public Employees Systems	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

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

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

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11 - Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 - Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
75 - Other Division A Noncontributory Tier 1	N/A	N/A	35.710%
122 - Other Division A Contributory Tier 2	N/A	N/A	23.710%
Firefighters System			
31 - Division A Tier 1	N/A	15.050%	3.820%
132 - Division B Tier 2	N/A	N/A	10.800%

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

At December 31, 2014, we reported a net pension asset of $124,387 and a net pension liability of $1,781,753.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1862885%	$ -	808,908
Contributory System	0.1108293%	-	31,968
Public Safety System	0.7481631%	-	940,877
Firefighters System	2.1517438%	122,787	-
Tier 2 Public Employees System	0.0081248%	246	-
Tier 2 Public Safety and Firefighter System	0.0915134%	1,354	-
Total Net Pension Asset/Liability		$ 124,387	1,781,753

(8) Retirement Plans - Continued

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of $505,522. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 44	145,816
Changes in assumptions	-	282,954
Net difference between projected and actual earnings on pension plan investments	53,256	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	348,577	-
Total	$ 401,877	428,770

$348,577 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	$ (96,198)
2016	(92,289)
2017	(90,692)
2018	(53,841)
2019	(14,138)
Thereafter	(28,313)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality
Educators:
Men EDUM (90%)
Women EDUF (100%)
Public Safety and Firefighters:
Men RP 2000mWC (100%)
Women EDUF (120%)
Local Government, Public Employees:
Men RP 2000mWC (100%)
Women EDUF (120%)
EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given Percentage.

(8) Retirement Plans - Continued

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 - December 31, 2013.

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

		Expected Return Arithmetic Basis	
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset)/liability	$ 4,837,806	1,657,366	(951,728)

Pension plan fiduciary net position: Detailed information about the plan's fiduciary net position is available in the separately issued URS financial report.

(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 2015, 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	$ (472,804)
Transfer from RDA	(437,461)
Transfer to capital projects	910,265
Net transfers	$ -

(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

(11) Budgetary Accounting and Tax Calendar - Continued

Property Tax Calendar

Duties to be Completed	Authorizing Statute	Statute Date
Taxing districts adopt tentative budgets and notify county of intent to exceed certified tax rate	59-2-924(3)	6/22
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 $402,284 for the Riverdale road area, $345,657 for the 550 West area and $274,575 for the 1050 West area. There were no tax increments paid to any other taxing agency. The RDA has outstanding bonds of $675,000 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	$ 325,811
Administrative cost	183,636
Debt service	123,544
Land Acquisition	523,801

(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.

(15) Prior Period Adjustment

The City implemented the provisions of GASB Statement Number 68 during the year. This implementation required an adjustment to the beginning net position of the governmental activities of $1,842,755 and the beginning net position of the business-type activities of $130,216.

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.

Pension Plan

As explained in Note 8 to the Financial Statements, the City implemented GASB statement 68 during the year which requires the City to provide a 10-year history for certain pension related amounts. The schedule of Proportionate Share of the Net Pension Liability shows the City's share of various assets and liabilities related to the net pension liability. The Schedule of Contributions shows the City's contractually required contributions, actual amounts contributed and contributions as a percentage of covered payroll. Both schedules show information only for the current year since this is the first year of this required information.

RIVERDALE CITY

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

Year Ended June 30, 2015

Revenues	Budgeted Amounts Original	Final	Actual	Variance
Taxes:				
Current year property taxes	$ 584,273	584,273	595,207	10,934
Delinquent prior years taxes	10,000	10,000	11,200	1,200
Fee in lieu	48,000	48,000	48,264	264
Sales tax	5,790,000	5,790,000	5,921,208	151,208
Transient room tax	10,000	10,000	9,732	(268)
Total taxes	6,422,273	6,422,273	6,585,611	163,338
Licenses and permits:				
Business licenses	128,000	128,000	133,101	5,101
Building permits	30,000	30,000	68,478	38,478
Building plan/development fees	10,000	10,000	38,768	28,768
Animal licenses	8,500	8,500	10,245	1,745
Total licenses and permits	176,500	176,500	250,592	74,092
Intergovernmental:				
Grants	16,500	16,500	25,948	9,448
Class "C" roads	260,000	260,000	261,723	1,723
Class "C" road interest	1,000	1,000	1,627	627
State liquor allotment	20,000	20,000	17,423	(2,577)
Total intergovernmental	297,500	297,500	306,721	9,221
Charges for services:				
Ambulance fees	180,000	180,000	189,908	9,908
Recreation and user fees	63,500	63,500	57,449	(6,051)
Senior programs	42,000	42,000	46,385	4,385
Street repairs	1,000	1,000	4,756	3,756
Zoning and sub fees	-	-	2,650	2,650
Interfund services	36,000	36,000	36,000	-
Total charges for services	322,500	322,500	337,148	14,648
Fines and forfeitures	518,000	518,000	502,935	(15,065)
Other revenues:				
Donations	500	500	3,479	2,979
Lease revenue	12,000	12,000	12,584	584
Interest earned	8,000	8,000	7,501	(499)
Miscellaneous	20,500	20,500	20,690	190
Sale of assets	2,000	2,000	2,098	98
Total other revenues	43,000	43,000	46,352	3,352
Total revenues	7,779,773	7,779,773	8,029,359	249,586
Expenditures				
General government:				
Legislative	110,852	110,852	99,044	(11,808)
Judicial	579,327	579,327	546,502	(32,825)
City administration	338,613	338,613	327,701	(10,912)
Business administration	586,797	586,797	550,878	(35,919)
Non-departmental	24,000	24,000	24,000	-
Total general government	1,639,589	1,639,589	1,548,125	(91,464)

RIVERDALE CITY

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

Year Ended June 30, 2015

Expenditures - Continued	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance
Public safety:				
Police department	$ 2,824,289	2,824,289	2,704,258	(120,031)
Fire department	1,433,200	1,433,200	1,380,165	(53,035)
Total public safety	4,257,489	4,257,489	4,084,423	(173,066)
Streets and public works	1,244,662	1,244,662	829,971	(414,691)
Parks and community services:				
Parks department	422,005	422,005	364,007	(57,998)
Community services	621,662	621,662	589,027	(32,635)
Total parks and community services	1,043,667	1,043,667	953,034	(90,633)
Community development	357,753	357,753	341,814	(15,939)
Total expenditures	8,543,160	8,543,160	7,757,367	(785,793)
Excess (deficiency) of revenues over expenditures	(763,387)	(736,387)	271,992	1,035,379
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(472,804)	(472,804)
Use of fund balance	763,387	763,387	-	(763,387)
Total other financing sources (uses)	763,387	763,387	(472,804)	(1,236,191)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	(200,812)	(200,812)
Fund balance - beginning of year	2,355,471	2,355,471	2,355,471	-
Fund balance - end of year	$ 2,355,471	2,355,471	2,154,659	(200,812)

RIVERDALE CITY

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

Year Ended June 30, 2015

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Property taxes	$ 1,100,000	1,100,000	1,022,516	(77,484)
Rents	171,200	171,200	167,501	(3,699)
Sundry	-	-	500	500
Interest	26,000	26,000	24,498	(1,502)
Total revenues	1,297,200	1,297,200	1,215,015	(82,185)
Expenditures:				
Community development	1,466,100	2,066,100	1,033,198	(1,032,902)
Debt service:				
Principal retirement	110,000	110,000	110,000	-
Interest and fiscal charges	40,000	40,000	13,544	(26,456)
Total expenditures	1,616,100	2,216,100	1,156,742	(1,059,358)
Excess (deficiency) of revenues and expenditures	(318,900)	(918,900)	58,273	977,173
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(437,461)	(437,461)	(437,461)	-
Use of fund balance	756,361	1,356,361	-	(1,356,361)
Total other financing sources (uses)	318,900	918,900	(437,461)	(1,356,361)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	-	(379,188)	(379,188)
Fund balance - beginning of year	4,444,688	4,444,688	4,444,688	-
Fund balance - end of year	$ 4,444,688	4,444,688	4,065,500	(379,188)

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
RIVERDALE CITY
Utah Retirement Systems
As of December 31, 2014
Last 10 Fiscal Years

	Noncontributory System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.1862885%	0.1108293%	0.7481631%	2.1517438%	0.0081248%	0.0915134%
Proportionate share of the net pension liability (asset)	$808,908	$31,968	$940,877	($122,787)	($246)	($1,354)
Covered employee payroll	$1,647,872	$59,870	$1,159,107	$563,736	$39,676	$37,806
Proportionate share of the net pension liability(asset) as a percentage of its covered-employee payroll	49.1%	53.4%	81.2%	-21.8%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	90.5%	103.5%	103.5%	103.5%

*In accordance with GASB 68, the City will need to disclose a 10-year history of its proportionate share of the Net Pension Liability (Asset). The 10-year schedule will be built prospectively. The schedule above is only for the current year.

SCHEDULE OF CONTRIBUTIONS
RIVERDALE CITY
Utah Retirement Systems
As of December 31, 2014
Last 10 Fiscal Years

	Noncontributory System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	$292,793	$8,224	$368.512	$19,182	$3,352	$4,124
Contributions in relation to the contractually required contribution	($292,793)	(8,224)	($368,512)	(19,182)	(3,352)	(4,124)
Contribution deficiency (excess)	-	-	-	-	-	-
Covered employee payroll	$1,647,872	$59,870	$1,159,107	$563,763	$39,676	$37,806
Contributions as a percentage of covered-employees payroll**	17.77%	13.74%	31.79%	3.40%	8.45%	10.91%

*Amounts presented were determined as of calendar year January 1- December 31. The City will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year.

**Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

RIVERDALE CITY

Combining Statement of Net Position
Internal Service Funds

June 30, 2015

	Information Technology Fund	Motor Pool Fund	Total
Assets:			
Cash	$ 155,424	1,746,653	1,902,077
Machinery and equipment	312,043	3,081,768	3,393,811
Accumulated depreciation	(75,531)	(2,074,561)	(2,150,092)
Total assets	391,936	2,753,860	3,145,796
Liabilities:			
Accounts payable	-	-	-
Total liabilities	-	-	-
Net position:			
Net investment in capital assets	236,512	1,007,207	1,243,719
Unrestricted	155,424	1,746,653	1,902,077
Total net position	$ 391,936	2,753,860	3,145,796

RIVERDALE CITY

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

Year Ended June 30, 2015

	Information Technology Fund	Motor Pool Fund	Total
Operating revenues:			
Charges for services	$ 57,912	252,036	309,948
Miscellaneous revenue	34,907	4,008	38,915
Total operating revenues	92,819	256,044	348,863
Operating expenses:			
Materials and supplies	61,489	6,550	68,039
Depreciation	46,387	236,803	283,190
Utilities	3,605	6,918	10,523
Total operating expenses	111,481	250,271	361,752
Operating income (loss)	(18,662)	5,773	(12,889)
Non-operating revenues:			
Interest revenue	781	7,911	8,692
Gain on sale of assets	1,450	14,000	15,450
Total non-operating revenues	2,231	21,911	24,142
Operating transfers in	-	-	-
Change in net position	(16,431)	27,684	11,253
Net position - beginning of year	408,367	2,726,176	3,134,543
Net position - end of year	$ 391,936	2,753,860	3,145,796

RIVERDALE CITY

Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2015

	Information Technology Fund	Motor Pool Fund	Total
Cash flows from operating activities:			
Cash received from customers	$ 57,912	252,036	309,948
Cash received from other activities	34,907	4,008	38,915
Cash payments for goods and services	(65,094)	(13,968)	(79,062)
Net cash provided by operating activities	27,725	242,076	269,801
Cash flows from investing activities:			
Interest earned on cash deposits	781	7,911	8,692
Net cash provided by investing activities	781	7,911	8,692
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	1,450	14,000	15,450
Cash payments for property and equipment purchases	(113,728)	(15,093)	(128,821)
Property and equipment disposals	7,891	-	7,891
Net cash used in capital and related financing activities	(104,387)	(1,093)	(105,480)
Net increase (decrease) in cash and cash equivalents	(75,881)	248,894	173,013
Cash and cash equivalents - beginning of year	231,305	1,497,759	1,729,064
Cash and cash equivalents - end of year	$ 155,424	1,746,653	1,902,077
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ (18,662)	5,773	(12,889)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	46,387	236,803	283,190
Change in assets and liabilities:			
Increase (decrease) in accounts payable	-	(500)	(500)
Net cash provided by operating activities	$ 27,725	242,076	269,801

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, 2015, and the related notes to the financial statements, which collectively comprise Riverdale City's basic financial statements, and have issued our report thereon dated October 27, 2015.

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.

October 27, 2015

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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, 2015.

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
Conflicts of Interest

Riverdale City did not receive any major assistance programs from the State of Utah during the year ended June 30, 2015.

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, 2015.

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.

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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.

October 27, 2015

Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

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

October 27, 2015

Mayor and City Council
Riverdale City
4600 South Weber River Drive
Riverdale, UT 84405

We have audited the financial statements of Riverdale City for the year ended June 30, 2015, and have issued our report thereon dated October 27, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 07, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Riverdale City are described in Note 1 to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The estimates affecting the financial statements were estimated useful lives of property and equipment and allowances for doubtful accounts.

We evaluated the key factors and assumptions used to develop the useful lives of property and equipment and allowances for doubtful accounts in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatement

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Some misstatements were discovered during the audit. We proposed adjusting journal entries to management in order to correct the misstatements. Management has reviewed and approved all of those adjusting entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 27, 2015.

Other Audit Findings or Issues

We generally discuss a variety of other matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

As a result of observations made during our audit, we have no additional recommendations to communicate.

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

Christensen, Palmer & Ambrose P.C.

CHRISTENSEN, PALMER & AMBROSE
Ogden, Utah