

**CITY OF RIGBY
RIGBY, IDAHO**

**Basic Financial Statements and
Required Supplementary Information
With
Supplementary Information and
Independent Auditor's Report
Year Ended September 30, 2021**

CITY OF RIGBY
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Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Rigby, Idaho
Rigby, ID 83442

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Rigby as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Rigby basic financial statements as listed in the table of contents.

Management's Responsibility of 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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governments activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Rigby, as of September 30, 2021, 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 the budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 34-38 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 the 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 of 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 of City of Rigby's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund 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 basic 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 and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
January 30, 2022

City of Rigby
Management's Discussion and Analysis of Financial Statements
Fiscal Year Ending September 30, 2021

As management of the City of Rigby, we offer the citizens of the City of Rigby's financial statements this narrative overview and analysis of the financial activities of the City of Rigby for the fiscal year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

The net assets of the City exceeded its liabilities at September 30, 2021 from \$32.7 million to \$36.6 million, an increase of \$3.9 million.

- Of the total net asset of \$36.6 million, \$12.9 million represents unrestricted net position and \$3.4 million of restricted assets which is available to meet the City's ongoing obligations to citizens and creditors.
- At fiscal year end, the City's governmental funds reported combined ending net position balance of \$16.9 million, an increase of \$3.4 million from the prior year. The business-type activities reported ending net position balance of \$19.6 million, an increase of \$361,000 over the prior year.
- The net working capital for all funds remained relatively unchanged from \$14.4 million to \$14.6 million at year end.
- Fixed capital assets of the city increased by \$5.2 million with depreciation charges totaling \$1.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Rigby's basic financial statements. The City of Rigby's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statement themselves.

Government-wide financial statements: The *governmental-wide financial statements* are designed to provide readers with a broad overview of the City of Rigby's finances, in a manner similar to a business-like manner. These statements include all assets and liabilities using full accrual accounting, which is similar to accounting used by most large businesses. Full accrual accounting reports all of the current year's revenues and expenses when they are obligated, regardless of whether or not cash has yet been received or paid out.

These statements distinguish *functions* that are principally supported by property taxes and intergovernmental revenues (governmental activities) from functions that are supported by user fees (business-like activities). Governmental activities include: general administration, public safety, streets and roads, park & recreation, cultural (library), airport operation, capital projects and other special revenue funds. The business-like activities include: water, sanitation and sewer revenue/wastewater treatment.

The *statement of net assets* presents information on all of the City of Rigby's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Rigby is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flow*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation/sick leave).

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rigby, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains fifteen individual governmental fund and three proprietary funds (water, sewer and sanitation) and one internal service fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service fund to account for the use of city owned equipment. Because this service predominantly benefits business-type functions, it has been included within business-type functions in the government-wide financial statements. The propriety funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sanitation, and sewer operations, all of which the City considers to be major funds.

The city has one fiduciary fund type—"police reserve account" which is a custodial fund. Custodial funds are used to report activities that the city is not a beneficiary of and is dedicated to providing benefits to recipients in accordance with the benefit terms.

The basic governmental wide funds financial statements can be found on pages 9-17 and non-major funds on pages 42-43.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes can be found on pages 18-42 of the audit report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position: For the years ended September 30, 2020 and September 30, 2021. Net Position changed as follows:

| | Governmental Activities | Business-type Activities | All Activities |
|----------------------------|-------------------------|--------------------------|------------------|
| Net Position Sept 30, 2020 | 13,510,217 | 19,248,856 | 32,759,073 |
| Increase in Net Position | <u>3,480,819</u> | <u>361,327</u> | <u>3,842,146</u> |
| Net Position Sept 30, 2021 | 16,991,036 | 19,610,183 | 36,601,219 |
| Percent Change | 25.76% | 1.88% | 11.73% |

Following is the comparative statement of Net Position (2020 vs. 2021)

| | <u>Government Activities</u> | | <u>Business-type Activities</u> | | <u>Total - All Activities</u> | | Favorable/ (Unfavorable) Change |
|---|------------------------------|-------------------|---------------------------------|-------------------|-------------------------------|-------------------|---------------------------------------|
| | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | |
| Current and other assets | 7,401,518 | 9,129,736 | 9,844,908 | 8,928,572 | 17,246,426 | 18,058,308 | 811,882 |
| Capital Assets (Net) | <u>6,863,110</u> | <u>9,694,296</u> | <u>17,148,361</u> | <u>17,357,201</u> | <u>24,011,471</u> | <u>27,051,497</u> | <u>3,040,026</u> |
| Total Assets | 14,264,628 | 18,824,032 | 26,993,269 | 26,367,312 | 41,257,897 | 45,109,805 | 3,851,908 |
| Deferred Outflows – Pension | <u>115,643</u> | <u>232,070</u> | <u>42,771</u> | <u>81,539</u> | <u>158,414</u> | <u>313,609</u> | <u>155,195</u> |
| Total Assets & Deferred Outflows | 14,380,271 | 19,056,102 | 27,036,040 | 26,367,312 | 41,416,311 | 45,423,414 | 4,007,103 |
| Current Liabilities | 818,769 | 1,460,114 | 903,949 | 668,322 | 1,722,718 | 2,128,436 | (405,718) |
| Long-term liabilities outstanding | 36,867 | 99,381 | 6,877,902 | 5,911,173 | 6,914,769 | 6,010,554 | 904,215 |
| Total Liabilities | 855,636 | 1,559,495 | 7,781,851 | 6,579,495 | 8,637,487 | 8,138,990 | 498,497 |
| Deferred Inflows - Pension | <u>14,418</u> | <u>505,571</u> | <u>5,333</u> | <u>177,634</u> | <u>19,751</u> | <u>683,205</u> | <u>(663,454)</u> |
| Net Position: | | | | | | | |
| Invested in capital assets-net of debt | 6,863,110 | 9,255,554 | 9,779,486 | 10,953,699 | 16,642,596 | 20,209,253 | 3,566,657 |
| Restricted | 3,323,603 | 1,008,014 | 1,800,391 | 2,426,438 | 5,123,994 | 3,434,452 | 1,689,542 |
| Unrestricted | <u>3,323,504</u> | <u>6,727,468</u> | <u>7,668,979</u> | <u>6,230,046</u> | <u>10,992,483</u> | <u>12,957,514</u> | <u>(1,965,031)</u> |
| Total net assets | 13,510,217 | 16,991,036 | 19,248,856 | 19,610,183 | 32,759,073 | 36,601,219 | 3,842,146 |

As noted above, net assets may serve over time as a useful indicator of government's financial position. In the case of the City of Rigby, assets exceeded liabilities by \$36.6 million at September 30, 2021 compared with \$32.7 million of the prior year for an overall net increase of \$3.8 million in net assets. The increase represents the net change in the city's addition: the governmental fund types increased their net position \$3.4 million and the business-types funds increased their net position \$361,000.

By far the largest portion of the City's net position, 57.48 percent, reflects its net investment in capital assets (e.g. land, infrastructure, buildings, machinery and equipment), less any related debt used to

acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens and consequently are not available for future spending. However, it should be noted that the resource needed to repay the debt outstanding must be provided from other sources.

Outstanding Debt:

The debt owed on the government activities and business-type assets decreased from \$7.4 million to \$6.4 million as shown below.

| | <u>Beginning</u> | <u>Additions</u> | <u>Retirement</u> | <u>Ending</u> |
|-------------------------|------------------|------------------|-------------------|------------------|
| DEQ Wastewater Loan | 5,747,072 | | 396,350 | 5,350,722 |
| USDA-RD Wastewater Loan | 1,621,803 | | 569,023 | 1,052,780 |
| Bancorp Bank | <u>-0-</u> | <u>109,812</u> | <u>27,453</u> | <u>82,359</u> |
| | 7,368,875 | 109,812 | 499,919 | 6,321,143 |
| Compensated Absences | <u>49,696</u> | <u>7,608</u> | <u>1,356</u> | <u>55,948</u> |
| Total | 7,381,704 | 473,803 | 994,182 | 6,377,091 |

Working capital (current assets less current liabilities) for the city's governmental and enterprise funds remained relatively flat year over year with a 2.6% increase. With an overall increase over the past 5 years of 6.9%, an increased from \$9.4 million at September 30, 2016 to \$15.9 million at September 30, 2021, a net increase of \$6.5 million over the five year period.

| <u>Working Capital</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Current/Other Assets | 11,110,427 | 11,975,673 | 13,286,436 | 14,811,399 | 17,246,426 | 18,058,308 |
| Current Liabilities | <u>1,689,246</u> | <u>1,405,915</u> | <u>2,046,285</u> | <u>1,344,055</u> | <u>1,722,718</u> | <u>2,128,436</u> |
| Net Working Capital | 9,421,181 | 10,569,758 | 11,240,151 | 13,467,344 | 15,523,708 | 15,929,872 |
| Year over Year % Increase (Decrease) | 10.25% | 12.2% | 6.3% | 19.81% | 15.27% | 2.6% |

The city's has established a minimum fund balance guideline for various funds of the city. As a general practice, the City strives to maintain discretionary unassigned fund balance equal to 25% or greater of the succeeding year's operating budget this allows for unforeseen emergencies, and to mitigate current and future risks (e.g., revenue shortfall and unanticipated expenditures). Fund balance levels are a crucial consideration, in long-term financial planning. Fund balance, created as a result of actual revenue and expenditures deviations from the budget will be used to achieve and maintain the City's minimum fund balance goals and to meet the next year's budget expenditures requirements.

The following schedule shows the funds achieving the financial goal stated above.

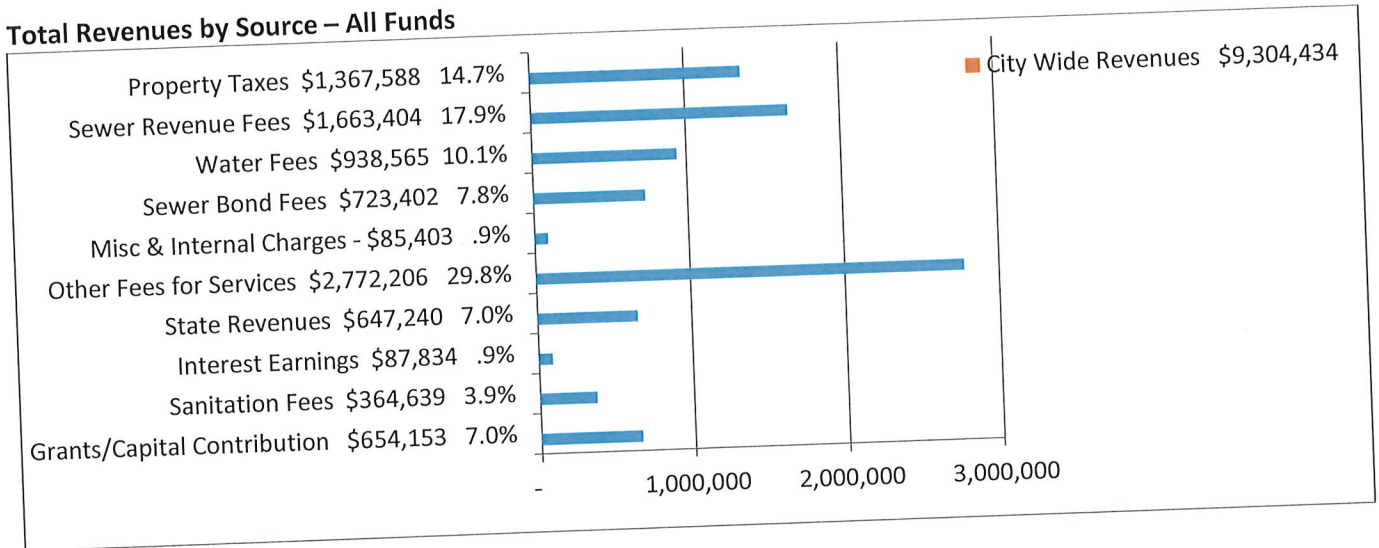
| | <u>Ending Fund Balance</u> | <u>2021 Budget</u> | <u>25% 2021 Budget</u> | <u>Excess Fund Balance over Working Cap.</u> |
|-----------------------------|----------------------------|--------------------|------------------------|--|
| General Fund | 2,612,307 | 1,625,300 | 406,325 | 2,205,982 |
| Library Fund | 191,030 | 257,775 | 64,444 | 126,586 |
| Parks/Recreation | 234,575 | 198,425 | 49,606 | 184,969 |
| Roads | 1,034,611 | 957,850 | 239,463 | 795,149 |
| Rodeo Committee | 46,534 | 103,350 | 25,838 | 20,697 |
| Capital Improvement | 1,189,982 | 3,477,000 | 869,250 | 320,732 |
| Water Revenue (Net) | 2,201,381 | 1,719,700 | 429,925 | 1,771,456 |
| Sanitation (Net) | 1,142,546 | 874,275 | 218,569 | 923,977 |
| Sewer Revenue (Net of Bond) | 2,775,217 | 3,041,350 | 760,338 | 2,014,880 |

As shown, all funds have excess reserves, thus achieving the financial goal of 25% reserves.

CITY-WIDE REVENUES

Total city-wide revenues totaled \$9.3 million. The following chart shows the source of revenues by funding source.

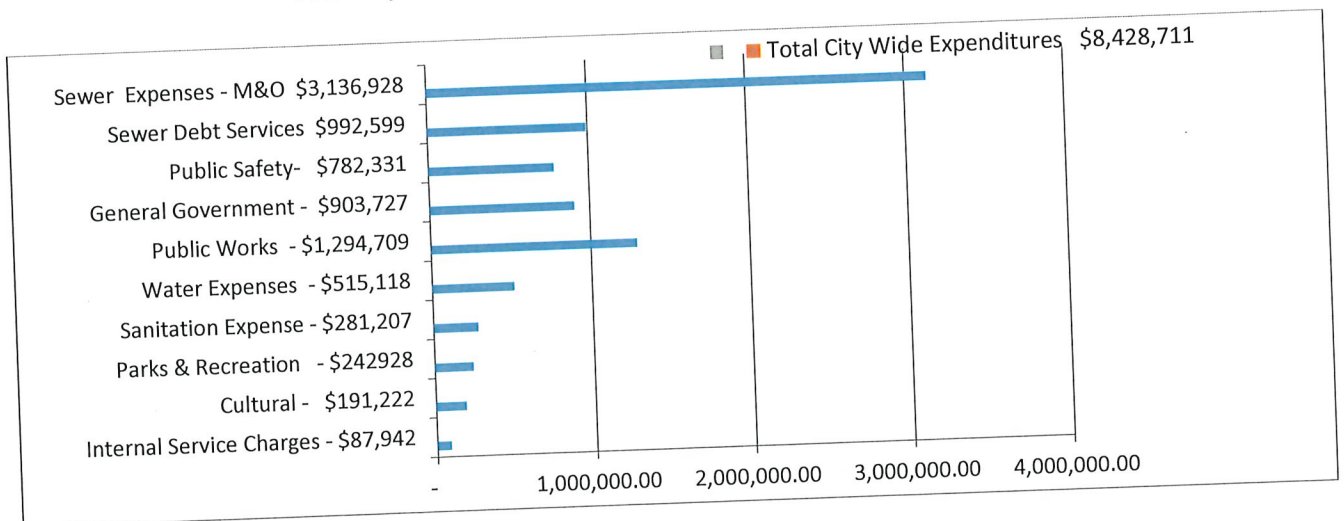
Total Revenues by Source – All Funds



CITY-WIDE EXPENDITURES

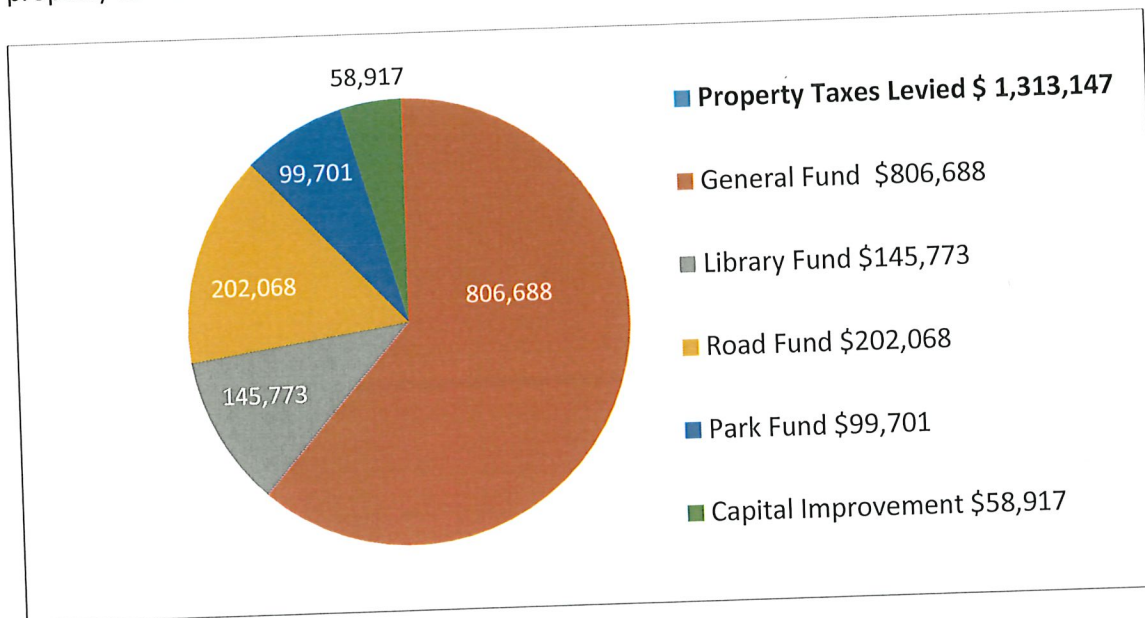
Total city-wide expenditures totaled \$8.4 million. The following chart shows the allocation expenditures by function.

Total Expenditures – All Funds



PROPERTY TAX ASSESSMENT -

The city assessed \$1.3 million from property taxes. The following pie chart shows the allocation of property tax to the various funds.



GENERAL FUND BUDGETARY HIGHLIGHT

The general fund is the primary operating fund of the city. At year end its unreserved, undesignated fund balance was \$2.6 million versus \$2.2 million for the prior year an increase of \$435,000. The general fund ending fund balance is 62% of the total general fund expenditures and fund transfers for the current year.

The city authorized a \$100,000 transfer from the unreserved fund balance to the capital improvement fund which was made. The budget also authorized a transfer of \$42,000 from the general fund to the rodeo fund which was not made during the year.

The mayor and council adopt annual operating budgets for all funds – governmental and proprietary funds. The city measures its success of achieving its goals through implementation of the budget process. Revenues and expenditures are recorded in the financial statements on the modified accrual basis of accounting and budgets on a cash basis of accounting.

Actual general fund expenditures including net transfers totaled \$1.3 million with total actual revenues totaling \$1.7 million for a net increase of \$424,000. The largest increase in actual revenues over budgeted revenue was from state sources; \$228,999, (i.e., revenue sharing, liquor apportionment, state replacement tax). Expenditures that were under budgeted; \$92,000, (i.e., legal & professional, economic development, planning/zoning, misc. appropriations and transfers from).

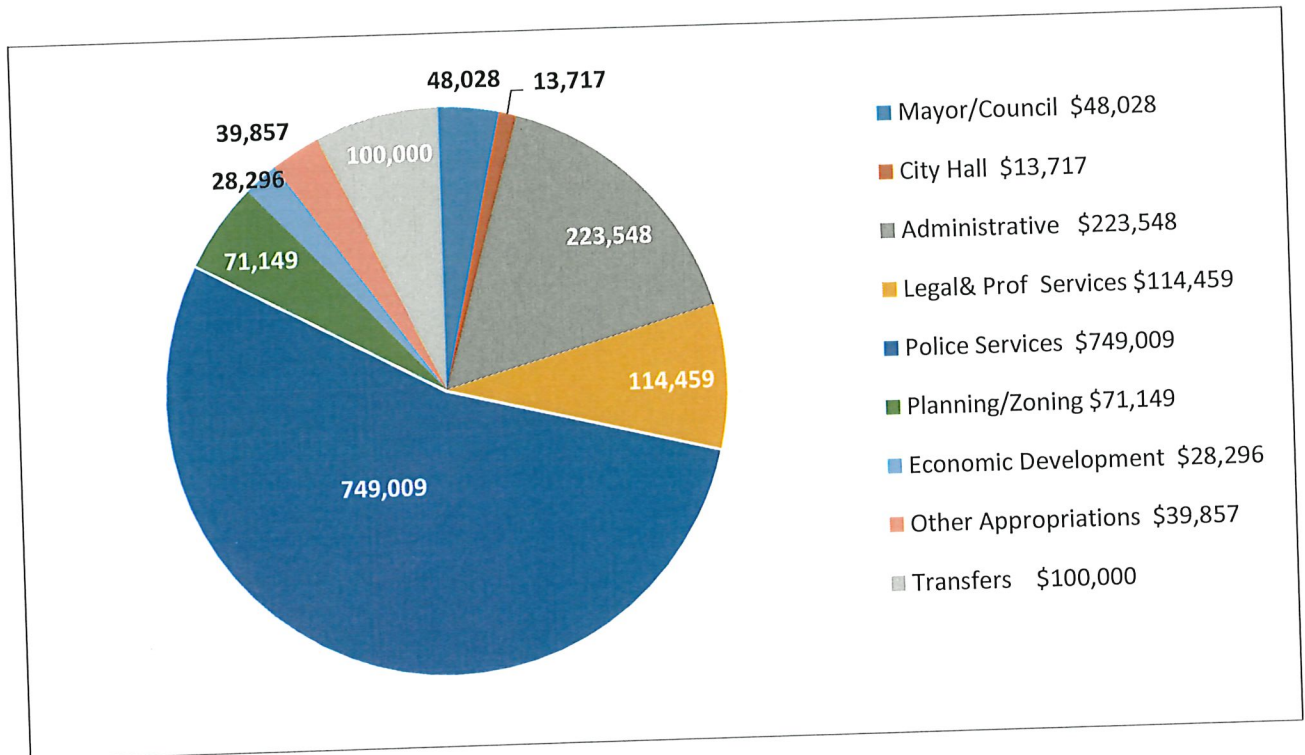
Annual budgets are published prior to adoption and public hearings are held. Budgets may be amended during the year. Whenever budgets are raised over the authorized budget state statutes require a public hearing and re-publication of the prior budget, increase and revised budget. The city did not amend its 2020/21 budget for year.

GENERAL FUND EXPENDITURES

The general fund had an operating budget of \$1.48 million for fiscal year ending September 30, 2021 versus the prior year's budget of \$1.438 million.

Actual expenditures (including transfers out) total \$1.388 million out of the authorized budget of \$1.480 million. The following chart summarizes the actual expenditures to the various departments within the general fund.

General Fund Actual Expenditures – By Department



Economic Factors and Next Year's Budgets and Rates

- Inflationary trends for the City are about the same as the state level.
- Interest rates on earnings remain low compared with prior years.
- The City compares favorably with the mountain west region in economic growth. Revenues from building permits have seen an upward trend and are projected to increase going forward.
- There has been an increase in net taxable assessed property tax values during the current and past year. It is expected that the assessed values will continue to increase in the near future.
- The City is looking at updating its wastewater treatment plant to meet state ammonia removal levels. Total costs of the updates range from \$13.6 million to \$23 million. USDA-RD has allocated \$9.2 million to the City at an interest rate of 1.5% for 40 years. They have verbally stated they would increase their commitment when the city decides on the total cost of the wastewater treatment plant. User's rates will increase for additional operating costs and additional debt service for the new upgrades. Rates at this point have not been determined.

Request for Information

This financial report is designed to provide a general overview of the City of Rigby's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be directed to the city clerk/treasurer at 158 West Fremont, Rigby, ID 83442.

David Swager, CPA
City Clerk/Treasurer

BASIC FINANCIAL STATEMENTS

CITY OF RIGBY
Statement of Net Position
September 30, 2021

| | Governmental Activities | Business-Type Activities | Total | Component Unit |
|--|----------------------------|-----------------------------|----------------------|-------------------|
| ASSETS | | | | |
| Cash and cash equivalents..... | \$ 7,165,103 | \$ 2,570,113 | \$ 9,735,216 | \$ 662,097 |
| Investments..... | 1,200,760 | 5,833,862 | 7,034,622 | - |
| Receivables (net)..... | 721,635 | 500,119 | 1,221,754 | 5,642 |
| Prepaid expenses..... | 13,524 | - | 13,524 | - |
| Net pension liability..... | 15,804 | 5,553 | 21,357 | - |
| Capital assets, net of depreciation..... | 7,143,659 | 16,828,955 | 23,972,614 | - |
| Capital assets, non-depreciable..... | 2,550,637 | 528,246 | 3,078,883 | - |
| Total assets..... | <u>\$ 18,811,122</u> | <u>\$ 26,266,848</u> | <u>\$ 45,077,970</u> | <u>\$ 667,739</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension deferred outflows..... | 232,070 | 81,539 | 313,609 | - |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u>\$ 19,043,192</u> | <u>\$ 26,348,387</u> | <u>\$ 45,391,579</u> | <u>\$ 667,739</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable..... | \$ 1,005,966 | \$ 67,978 | \$ 1,073,944 | \$ 4,104 |
| Other payable..... | 932 | 30,610 | 31,542 | - |
| Salaries & benefits payable..... | 82,232 | 13,615 | 95,847 | - |
| Water deposits..... | - | 53,560 | 53,560 | - |
| Current portion of long term debt..... | 383,836 | 503,802 | 887,638 | - |
| Total current liabilities | <u>\$ 1,472,966</u> | <u>\$ 669,565</u> | <u>\$ 2,142,531</u> | <u>\$ 4,104</u> |
| Long-term liabilities | | | | |
| Debt portion due in more than one year..... | 54,906 | 5,899,700 | 5,954,606 | - |
| Interim DEQ financing | - | - | - | - |
| Compensated absences..... | 44,475 | 11,473 | 55,948 | - |
| Total long-term liabilities..... | <u>\$ 99,381</u> | <u>\$ 5,911,173</u> | <u>\$ 6,010,554</u> | <u>\$ -</u> |
| Total liabilities..... | <u>\$ 1,572,347</u> | <u>\$ 6,580,738</u> | <u>\$ 8,153,085</u> | <u>\$ 4,104</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension deferred inflows..... | \$ 505,571 | \$ 177,634 | \$ 683,205 | \$ - |
| NET POSITION | | | | |
| Invested in capital assets, net of related debt | 9,255,554 | 10,953,699 | 20,209,253 | - |
| Restricted for: | 515,078 | - | 515,078 | - |
| Capital projects..... | - | 2,426,438 | 2,426,438 | - |
| Debt service..... | - | - | - | - |
| Community development and improvement projects..... | 478,403 | - | 478,403 | - |
| Unrestricted | 6,716,239 | 6,209,878 | 12,926,117 | 663,665 |
| Total net position..... | <u>\$ 16,965,274</u> | <u>\$ 19,590,015</u> | <u>\$ 36,555,289</u> | <u>\$ 663,665</u> |

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

CITY OF RIGBY
Statement of Activities
For the Year Ended September 30, 2021

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|---|-------------------------------------|------------------------------------|----------------------------------|---|--------------------------|---------------|----------------|
| | Fees, Fines, & Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total | |
| Governmental activities: | | | | | | | |
| General government..... | 903,727 | \$ - | 461,596 | \$ (395,767) | \$ - | \$ (395,767) | \$ - |
| Public safety..... | 782,331 | - | - | (728,033) | - | (728,033) | - |
| Public works..... | 1,294,709 | 183,875 | - | 7,497 | - | 7,497 | - |
| Parks and recreation..... | 242,928 | - | - | (138,707) | - | (138,707) | - |
| Cultural..... | 191,222 | 8,682 | - | (171,105) | - | (171,105) | - |
| Interest on long term debt..... | - | - | - | - | (26,053) | (26,053) | - |
| Internal Service charges..... | 26,053 | - | - | (26,053) | - | (26,053) | - |
| Total governmental activities..... | 3,440,970 | 192,557 | 461,596 | (1,452,168) | - | (1,452,168) | - |
| Business-type activities: | | | | | | | |
| Water fund..... | 515,118 | - | - | - | \$ 423,447 | 423,447 | - |
| Sanitation fund..... | 281,207 | - | - | - | 83,432 | 83,432 | - |
| Sewer fund..... | 1,192,527 | - | - | - | 1,193,188 | 1,193,188 | - |
| Internal Service charges..... | 61,889 | - | - | - | (61,889) | (61,889) | - |
| Total business-type activities..... | 2,050,741 | - | - | - | 1,638,178 | 1,638,178 | - |
| Total primary government..... | \$ 5,491,711 | \$ 192,557 | \$ 461,596 | (1,452,168) | 1,638,178 | 186,010 | (346,672) |
| Component unit..... | \$ 346,672 | \$ - | \$ - | - | - | - | 276,858 |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes | | | | 840,482 | - | 840,482 | - |
| Property taxes, levied for library | | | | 151,713 | - | 151,713 | - |
| Property taxes, levied for park and recreation fund | | | | 103,767 | - | 103,767 | - |
| Property taxes, levied for public works | | | | 210,308 | - | 210,308 | - |
| Property taxes, levied for capital projects | | | | 61,318 | - | 61,318 | - |
| State sales taxes | | | | 138,204 | - | 138,204 | - |
| State revenue sharing | | | | 411,193 | - | 411,193 | - |
| State liquor allocation | | | | 97,843 | - | 97,843 | - |
| Earnings on investments | | | | 51,948 | 35,886 | 87,834 | 1,739 |
| Miscellaneous | | | | 1,150,337 | 170,328 | 1,320,665 | - |
| Internal Service Charges | | | | 35,869 | 49,534 | 85,403 | - |
| Transfers | | | | 1,585,000 | (1,585,000) | - | - |
| Net pension revenue (expense) | | | | 82,644 | 35,339 | 117,983 | - |
| Total general revenues and transfers | | | | 4,920,626 | (1,293,913) | 3,626,713 | 278,597 |
| Changes in net assets | | | | 3,468,458 | 344,265 | 3,812,723 | (68,075) |
| Net position--beginning | | | | 13,496,816 | 19,245,750 | 32,742,566 | 731,710 |
| Net assets--ending | | | | \$ 16,965,274 | \$ 19,590,015 | \$ 36,555,289 | \$ 663,635 |

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

CITY OF RIGBY
Balance Sheet
Governmental Funds
September 30, 2021

| | General Fund | Road Fund | Connection Funds | Capital Improvement | WWTP Improvement Fund | Non Major Funds | Total Governmental Funds |
|---|---------------------|---------------------|---------------------|------------------------|-----------------------------|-----------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash..... | \$ 1,956,075 | \$ 1,170,617 | \$ 2,038,105 | \$ 1,585,231 | 2,244 | \$ 330,693 | \$ 7,082,965 |
| Investments..... | 570,081 | 170,860 | 333,611 | - | - | 126,208 | 1,200,760 |
| Taxes receivable..... | 25,179 | 6,001 | - | 1,777 | - | 7,372 | 40,329 |
| Other receivables..... | 175,513 | 70,419 | - | 105,522 | - | 329,852 | 681,306 |
| Interfund receivable..... | - | - | - | 282,172 | - | - | 282,172 |
| Prepaid expenses..... | 13,524 | - | - | - | - | - | 13,524 |
| Total assets..... | <u>\$ 2,740,372</u> | <u>\$ 1,417,897</u> | <u>\$ 2,371,716</u> | <u>\$ 1,974,702</u> | <u>\$ 2,244</u> | <u>\$ 794,125</u> | <u>\$ 9,301,056</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| LIABILITIES: | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| Accounts payable..... | \$ 47,589 | \$ 25,286 | \$ - | \$ 39,444 | \$ 348,988 | \$ 541,785 | \$ 1,003,092 |
| Due to other government..... | - | - | - | - | - | 932 | 932 |
| Interfund payable..... | - | - | - | - | - | 282,172 | 282,172 |
| Payroll liabilities..... | 70,240 | 5,567 | - | - | - | 6,416 | 82,223 |
| Construction cash bond..... | - | 356,383 | - | - | - | - | 356,383 |
| Deferred revenue..... | 21,297 | 5,113 | - | 745,276 | - | 6,263 | 777,949 |
| Total current liabilities..... | <u>139,126</u> | <u>392,349</u> | <u>-</u> | <u>784,720</u> | <u>348,988</u> | <u>837,568</u> | <u>2,502,751</u> |
| FUND BALANCE | | | | | | | |
| Restricted..... | - | 1,025,548 | 2,371,716 | 1,189,982 | (346,744) | (588,225) | 3,652,277 |
| Committed..... | - | - | - | - | - | 72,642 | 72,642 |
| Assigned..... | - | - | - | - | - | 472,140 | 472,140 |
| Unassigned..... | 2,601,246 | - | - | - | - | - | 2,601,246 |
| Total fund balance..... | <u>2,601,246</u> | <u>1,025,548</u> | <u>2,371,716</u> | <u>1,189,982</u> | <u>(346,744)</u> | <u>(43,443)</u> | <u>6,798,305</u> |
| Total liabilities and fund balance..... | <u>\$ 2,740,372</u> | <u>\$ 1,417,897</u> | <u>\$ 2,371,716</u> | <u>\$ 1,974,702</u> | <u>\$ 2,244</u> | <u>\$ 794,125</u> | <u>\$ 9,301,056</u> |

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

CITY OF RIGBY
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2021

| | | |
|--|--------------------|-----------------------------|
| Total fund balances - governmental funds | | \$ 6,798,305 |
| <p>The cost of capital assets (land, buildings, furniture, and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p> | | |
| Cost of capital assets | 13,909,159 | |
| Depreciation expense to date | <u>(4,214,863)</u> | 9,694,296 |
| Property taxes and assessments that are not available to pay for current period expenditures are deferred in the funds. | | 777,949 |
| <p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p> | | |
| Capital leases | (82,359) | |
| Compensated absences | <u>(44,475)</u> | (126,834) |
| <p>GASB 68 requires the accrual of net pension assets and liabilities and the deferred inflows and outflows of resources related thereto.</p> | | |
| Net pension liability | 15,804 | |
| Deferred outflows of resources | 232,070 | |
| Deferred inflows of resources | <u>(505,571)</u> | (257,697) |
| <p>Internal service funds are used by management to charge the costs of equipment usage to individual funds. The fund balance of certain activities of the internal service funds is reported with governmental activities.</p> | | |
| | | <u>79,255</u> |
| Total net assets for governmental activities | | <u><u>\$ 16,965,274</u></u> |

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

CITY OF RIGBY
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
September 30, 2021

| | General Fund | Road Fund | Connection Funds | Capital Improvement | WWTP Improvement Fund | Non Major Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------|------------------------|-----------------------------|-----------------------|--------------------------------|
| REVENUES | | | | | | | |
| Local Revenue: | | | | | | | |
| Property taxes..... | \$ 981,668 | \$ 216,802 | \$ - | \$ 67,998 | \$ - | \$ 260,545 | \$ 1,527,013 |
| Earnings on investments..... | 14,148 | 5,735 | 5,123 | 2,743 | - | 24,199 | 51,948 |
| Fees and fines..... | 95,683 | - | 942,000 | - | - | - | 1,037,683 |
| Charges for services..... | 54,298 | 110,560 | - | - | - | 27,887 | 192,745 |
| Miscellaneous and other revenue..... | 14,284 | 454,550 | - | 150,000 | - | 142,011 | 760,845 |
| State revenues..... | 553,828 | 276,517 | - | 4,950 | - | 21,117 | 856,412 |
| Grants..... | 23,223 | - | - | 261,737 | - | 51,862 | 336,822 |
| Total revenue..... | <u>1,737,132</u> | <u>1,064,164</u> | <u>947,123</u> | <u>487,428</u> | <u>-</u> | <u>527,621</u> | <u>4,763,468</u> |
| EXPENDITURES | | | | | | | |
| General government..... | \$ 523,215 | \$ - | \$ - | \$ - | \$ - | \$ 69,782 | \$ 592,997 |
| Public safety..... | 728,741 | - | - | - | - | - | 728,741 |
| Street and public improvement..... | - | 425,187 | - | - | - | - | 425,187 |
| Parks and recreation..... | - | - | - | - | - | 188,329 | 188,329 |
| Cultural..... | 14,897 | - | - | - | - | 151,067 | 165,964 |
| Capital outlay..... | 15,210 | 10,563 | - | 425,975 | 1,550,746 | 2,050,862 | 4,053,356 |
| Total expenditures..... | <u>1,282,063</u> | <u>435,750</u> | <u>-</u> | <u>425,975</u> | <u>1,550,746</u> | <u>2,460,040</u> | <u>6,154,574</u> |
| Excess (deficiency) of revenue over expenditures..... | \$ 455,069 | \$ 628,414 | \$ 947,123 | \$ 61,453 | \$ (1,550,746) | \$ (1,932,419) | (1,391,106) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Other Financing Source..... | - | - | - | - | - | - | - |
| Transfers..... | (31,000) | - | - | 101,308 | 1,510,000 | 4,692 | 1,585,000 |
| Net change in fund balances..... | 424,069 | 628,414 | 947,123 | 162,761 | (40,746) | (1,927,727) | 193,894 |
| Fund Balance - Beginning..... | 2,177,177 | 397,134 | 1,424,593 | 1,027,221 | (305,998) | 1,884,284 | 6,604,411 |
| Fund Balance - Ending..... | <u>\$ 2,601,246</u> | <u>\$ 1,025,548</u> | <u>\$ 2,371,716</u> | <u>\$ 1,189,982</u> | <u>\$ (346,744)</u> | <u>\$ (43,443)</u> | <u>\$ 6,798,305</u> |

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

CITY OF RIGBY
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2021

| | | |
|---|------------------|----------------------------|
| Net Change in fund balances-total governmental funds | \$ | 193,894 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| <p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period.</p> | | |
| Capitalized assets | \$ 3,241,953 | |
| Depreciation expense | <u>(404,592)</u> | 2,837,361 |
| <p>Debt payments are treated as an expenditure in the governmental funds, but the payments reduce long term debt in the Statement of Activities.</p> | | |
| Capital lease payable | (82,359) | |
| Bonds payable | <u>-</u> | (82,359) |
| <p>Tax revenues are deferred and not recognized in the funds until they are available to pay for current period expenditures. In the Statement of Activities, however they are recognized when levied. This is the difference between the amount deferred at the beginning and end of the current period.</p> | | |
| Deferred revenue - 2021 | 777,949 | |
| Deferred revenue - 2020 | <u>(343,239)</u> | 434,710 |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p> | | |
| Compensated absences - 2021 | (44,475) | |
| Compensated absences - 2020 | <u>36,867</u> | (7,608) |
| <p>GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions.</p> | | |
| Current contributions | 27,378 | |
| Net pension revenue (expense) | <u>55,266</u> | 82,644 |
| <p>Internal service funds are used by management to charge the costs of equipment usage to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.</p> | | |
| | | <u>9,816</u> |
| Change in Net Position of Governmental Activities | | <u><u>\$ 3,468,458</u></u> |

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

CITY OF RIGBY
Statement of Net Position
Proprietary Funds
September 30, 2021

| | Water Fund | Sanitation | Sewer Fund | Total | Internal Service Funds |
|--|---------------------|---------------------|----------------------|----------------------|---------------------------|
| ASSETS | | | | | |
| Cash..... | \$ 1,049,915 | \$ 645,412 | \$ 216,511 | \$ 1,911,838 | \$ 195,692 |
| Cash - restricted for bond..... | - | - | 544,721 | 544,721 | - |
| Investments..... | 1,137,698 | 498,562 | 4,197,602 | 5,833,862 | - |
| Receivables..... | 133,488 | 28,431 | 338,200 | 500,119 | - |
| Net pension liability..... | 2,136 | 427 | 2,990 | 5,553 | - |
| Capital assets, net of depreciation..... | 3,064,537 | 166,844 | 13,577,896 | 16,809,277 | 19,678 |
| Capital assets, non-depreciable..... | 309,129 | - | 219,117 | 528,246 | - |
| Prepaid expenses..... | - | - | - | - | - |
| Total assets..... | <u>5,696,903</u> | <u>1,339,676</u> | <u>19,097,037</u> | <u>26,133,616</u> | <u>\$ 215,370</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension deferred outflows..... | \$ 34,426 | \$ 3,207 | \$ 43,906 | \$ 81,539 | \$ - |
| Total deferred outflows of resources..... | <u>34,426</u> | <u>3,207</u> | <u>43,906</u> | <u>81,539</u> | <u>\$ -</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u>\$ 5,731,329</u> | <u>\$ 1,342,883</u> | <u>\$ 19,140,943</u> | <u>\$ 26,215,155</u> | <u>\$ 215,370</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable..... | \$ 38,507 | \$ 19,111 | \$ 7,486 | \$ 65,104 | \$ 5,748 |
| Other payable..... | - | - | 30,610 | 30,610 | - |
| Water deposits..... | 53,560 | - | - | 53,560 | - |
| Salaries payable & payroll liabilities..... | 3,600 | 1,146 | 8,860 | 13,606 | 18 |
| Current portion of long term debt..... | - | - | 503,802 | 503,802 | - |
| Total current liabilities..... | <u>95,667</u> | <u>20,257</u> | <u>550,758</u> | <u>666,682</u> | <u>5,766</u> |
| Noncurrent liabilities: | | | | | |
| Bond payable - long term..... | - | - | 5,899,700 | 5,899,700 | - |
| Interim DEQ financing..... | - | - | - | - | - |
| Compensated absences payable..... | 1,398 | 1,881 | 8,194 | 11,473 | - |
| Total liabilities..... | <u>97,065</u> | <u>22,138</u> | <u>6,458,652</u> | <u>6,577,855</u> | <u>5,766</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension deferred inflows..... | \$ 68,321 | \$ 13,664 | \$ 95,649 | \$ 177,634 | - |
| Total deferred inflows of resources..... | <u>68,321</u> | <u>13,664</u> | <u>95,649</u> | <u>177,634</u> | <u>-</u> |
| NET POSITION | | | | | |
| Invested in capital assets, net of related debt..... | 3,373,666 | 166,844 | 7,393,511 | 10,934,021 | 19,678 |
| Restricted for debt service..... | - | - | 2,426,438 | 2,426,438 | - |
| Net assets - unrestricted..... | 2,192,277 | 1,140,237 | 2,766,693 | 6,099,207 | 189,926 |
| Total net position..... | <u>\$ 5,565,943</u> | <u>\$ 1,307,081</u> | <u>\$ 12,586,642</u> | <u>19,459,666</u> | <u>\$ 209,604</u> |

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

130,349
\$ 19,590,015

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

CITY OF RIGBY
Statement of Cash Flows
Proprietary Funds
September 30, 2021

| | Water Fund | Sanitation | Sewer Fund | Totals | Internal Service Funds |
|--|---------------------|-------------------|---------------------|---------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash received from customers..... | \$ 975,785 | \$ 676,192 | \$ 2,234,513 | \$ 3,886,490 | \$ 85,403 |
| Payments to suppliers and employees..... | (364,177) | (233,384) | (636,712) | (1,234,273) | (61,523) |
| Cash provided by customer deposits..... | 13,774 | - | - | 13,774 | - |
| Net cash provided (used) by operating activities..... | <u>625,382</u> | <u>442,808</u> | <u>1,597,801</u> | <u>2,665,991</u> | <u>23,880</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers from (to) other funds..... | (25,000) | (25,000) | (1,535,000) | (1,585,000) | - |
| Net cash provided (used) by noncapital financing activities..... | <u>(25,000)</u> | <u>(25,000)</u> | <u>(1,535,000)</u> | <u>(1,585,000)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | | |
| Cash paid for capital assets..... | (782,663) | - | (256,537) | (1,039,200) | - |
| Cash from capital grants..... | - | - | (965,373) | (965,373) | - |
| Principle payments..... | - | - | (27,226) | (27,226) | - |
| Interest paid on long-term obligations..... | - | - | - | - | - |
| Net cash provided (used) by capital and related financing activities..... | <u>(782,663)</u> | <u>-</u> | <u>(1,249,136)</u> | <u>(2,031,799)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest income..... | 315 | 5,648 | 1,540 | 7,503 | 808 |
| Purchase of investments..... | (123,682) | (66,000) | (960,000) | (1,149,682) | - |
| Net cash provided (used) from investing activities..... | <u>(123,367)</u> | <u>(60,352)</u> | <u>(958,460)</u> | <u>(1,142,179)</u> | <u>808</u> |
| Net increase (decrease) in cash..... | (305,648) | 357,456 | (2,144,795) | (2,092,987) | 24,688 |
| Cash and cash equivalents-beginning of year..... | 1,355,563 | 287,956 | 2,906,027 | 4,549,546 | 171,004 |
| Cash and cash equivalents-end of year..... | <u>\$ 1,049,915</u> | <u>\$ 645,412</u> | <u>\$ 761,232</u> | <u>\$ 2,456,559</u> | <u>\$ 195,692</u> |
| Reconciliation of operating income to net cash provided by operating activities | | | | | |
| Operating income..... | \$ 428,389 | \$ 247,726 | \$ 1,238,554 | \$ 1,914,669 | \$ (2,539) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation..... | 89,907 | 67,506 | 538,830 | 696,243 | 25,911 |
| (Increase) decrease in accounts receivable..... | 32,278 | 2,267 | (152,294) | (117,749) | - |
| Net pension revenue/(expense)..... | - | 144,992 | - | 144,992 | - |
| Increase (decrease) in customer deposits..... | 13,774 | - | - | 13,774 | - |
| (Increase) decrease in customer prepaids..... | (10,571) | (1,189) | (60,927) | (72,687) | 55 |
| Increase (decrease) in accounts payable..... | 71,605 | (18,494) | 33,638 | 86,749 | 453 |
| Net cash provided by operating activities..... | <u>\$ 625,382</u> | <u>\$ 442,808</u> | <u>\$ 1,597,801</u> | <u>\$ 2,665,991</u> | <u>\$ 23,880</u> |

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

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Rigby consists of patrons from Jefferson County.

This report includes all of the funds/accounts of the City. It includes all activities considered to be part of the City under GASB Statement #2100, *Defining the Governmental Reporting Entity*. Activities include areas in which the City can assert its authority either directly or indirectly by financial means. The City has an urban renewal agency within its legal jurisdiction. The agencies follow Idaho Code in their operations. The agencies boards, which must include one of the members of the City Council, are approved by the City Council. The agencies adopt their own budgets based on revenues prescribed by Idaho Code. The City does not have any authority over the urban renewal agency either directly or indirectly.

The City is organized and operates under the provisions of the Idaho Constitution and the accounting policies and practices of the City conform to generally accepted accounting principles as applied to governments. The city's reporting entity applies all relevant *Governmental Accounting Standards Boards (GASB)* pronouncements. Proprietary funds and similar component units apply *Financial Accounting Standards Board's (FASB)* pronouncements and *Accounting Principal Board (APB)* opinions issued on or after November 30, 1989.

In conformity with generally accepted accounting principles, the basic financial statements of Rigby Urban Renewal Agency have been included in the financial reporting entity as a discretely presented component unit. It is presented as a separate column within the basic financial statements. The City appoints the governing body of the Agency. The Agency is comprised of volunteers who devote their time to improving and enhancing the quality of life within the City of Rigby.

For financial reporting purposes on the government-wide financial statements, the City has capitalized improvement projects that the Agency has paid for and donated to the City for public use.

A copy of the Rigby Urban Renewal Agency audit may be obtained at the City office.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal balances and transfers. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING, Continued

Basis of Presentation, continued

Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category—*governmental* and *proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road Fund. This fund is responsible for the operation, maintenance and development of roads within the City's jurisdiction.

Connection Funds. The water and sewer connection funds are used to collect water and sewer hook-up fees.

WWTP Improvement Fund. This fund is used to pay expenses related to certain contracts of the WWTP improvement project.

Capital Improvements Fund. This fund is used to help fund capital improvement projects for the city.

The City reports the following major enterprise funds:

Water Fund. This fund accounts for the operation, maintenance and development of the City's water resources.

Sewer Fund. This fund accounts for the operation and maintenance of the City's sewer system.

Sanitation Fund. This fund accounts for the operation and maintenance of the City's sanitation system.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

CITY OF RIGBY

Notes to the Financial Statements September 30, 2021

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING, Continued

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or after November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

The cash balances of substantially all funds are pooled and invested by the City Clerk for the purpose of increasing earnings through investment activities. The pooled investments are reported at fair value at September 30, 2021 based on market prices. Cash also includes funds held at the Local Government Investment Pool. The cash at the Local Government Investment Pool earns interest at a variable rate and is available upon demand. Earnings on the pooled funds are apportioned and paid or credited to the funds based on the balance of each participating fund.

Cash and Cash Equivalents

The City considers cash and cash equivalents in the proprietary funds to be cash on hand and demand deposits. Demand deposits include money market accounts and certificates of deposit. In addition, because the Local Government Investment Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

C. ASSETS, LIABILITIES, AND EQUITY, Continued

Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectables. Because property taxes attach as an enforceable lien after three years of delinquency, the City feels that all receivables are collectible.

Property Tax Calendar

Property taxes are levied in November of each year and become payable on December 20, and June 20, of the following year for real property and personal property.

Property taxes attach as an enforceable lien as of December 20 following the levy in August. Therefore, no amount has been set aside for an allowance for doubtful accounts. Property taxes collected after December 1, 2020 are classified as deferred revenue.

Inventories and Prepaid Items

The City does not have any inventory items at September 30, 2021.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The City had the following prepaid item at the end of the fiscal year.

| | |
|--------------|-----------|
| General Fund | \$ 13,524 |
|--------------|-----------|

The balance represents SUTA overpayments in the amount of \$13,524.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired after July 1, 2001 are reported at cost or estimated historical cost. The Standards did not require that we track and maintain general infrastructure assets acquired prior to July 1, 2001 and also do not require us to retroactively restate these assets for financial reporting purposes. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The City has elected to capitalize all asset acquisitions that exceed \$3,000. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|--------------------------|---------|
| Buildings and structures | 10 – 40 |
| Machinery and equipment | 3 – 10 |
| Industrial systems | 30 – 40 |

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

C. ASSETS, LIABILITIES, AND EQUITY, Continued

Compensated Absences

The liability for compensated absences in the government-wide and proprietary fund statements consists of unpaid, accumulated sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Fund Balance Reserves

The five categories of fund balance are nonspendable, restricted, committed, assigned, and unassigned. For the year ended September 30, 2021, the City had fund balances which were restricted, committed, assigned, and unassigned of \$3,652,277, \$72,642, \$472,140 and \$2,601,246 respectively. Restricted funds are those which are constrained to being used for a specific purpose by external parties, constitutional provisions, or enabling legislation. Committed funds are those which are constrained to being used for a specific purpose by the City itself. Assigned Funds are amounts intended to be used for specific purposes as expressed by the City's management. Unassigned funds are those which are available for any purpose.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. 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.

NOTE 2

DEPOSITS AND INVESTMENTS

Following is a reconciliation of the City's deposit and investment balances as of September 30, 2021:

| | Pooled Cash and Investments |
|-----------------------|--|
| Demand Deposits | \$ 1,944,199 |
| State Investment Pool | 7,882,016 |
| Investments | 6,879,835 |
| Money Market | <u>63,788</u> |
| Total | <u>\$ 16,769,838</u> |

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

NOTE 2

DEPOSITS AND INVESTMENTS, Continued

Cash Deposits

The following is a schedule illustrating the cash balances held by the City of Rigby that are insured, collateralized, or uninsured as of September 30, 2021. The City does not have a deposit policy.

| <u>Depository Institution</u> | <u>Bank Balance</u> | <u>Book Balance</u> | <u>FDIC Insured</u> | <u>Collateralized</u> | <u>Uninsured</u> |
|-------------------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|
| Zions Bank | \$ 2,059,248 | \$1,795,194 | \$ 250,000 | \$ 63,761 | \$ 1,745,458 |
| Xpress Deposit | 27,311 | 30,419 | - | - | 27,311 |
| Wells Fargo | 10,475 | 10,475 | 10,475 | - | - |
| US Bank | 17,338 | 16,506 | 17,338 | - | - |
| State Invest. Pool | 7,881,236 | 7,882,017 | - | - | 7,881,236 |
| Petty Cash | | 706 | - | - | 706 |
| Investment Accts: | | | | | |
| Idaho Central | 1,161,523 | 1,161,523 | 250,000 | - | 911,523 |
| Westmark | 465,571 | 465,571 | 250,000 | - | 215,571 |
| RBC Wealth | 1,073,953 | 1,073,953 | - | - | 1,073,953 |
| Edward Jones | 417,528 | 417,528 | - | - | 417,528 |
| US Bank | 1,182,771 | 1,182,771 | 250,000 | - | 932,771 |
| Wells Fargo | 434,771 | 434,771 | 250,000 | - | 184,721 |
| Zions | <u>2,298,554</u> | <u>2,298,554</u> | <u>250,000</u> | - | <u>2,048,554</u> |
| Total | <u>\$17,030,229</u> | <u>\$16,769,838</u> | <u>\$1,527,813</u> | <u>\$ 63,761</u> | <u>\$ 15,439,332</u> |

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of September 30, 2021, \$15,439,332 of the government's cash and investments bank balance of \$17,029,297 was exposed to custodial credit risk.

Credit Risk: Per the Local Government Investment Pool management, the investment pool itself does not have a credit rating.

Investments

The City's investment policy, in compliance with state statutes, authorizes the Clerk to invest in the following – 1) Corporate Bonds, 2) Federal Agency Obligations, 3) Mortgage Backed Securities, and 4) Mutual Funds.

As of September 30, 2021, the City has the following investments.

| <u>Investment</u> | <u>Maturity</u> | <u>Fair Value</u> |
|----------------------------|-----------------|---------------------|
| Money Market | n/a | 1,014,615 |
| Certificates of Deposit | Various | 3,729,444 |
| Federal Agency Obligations | Various | 199,842 |
| Mutual Funds | n/a | 1,890,819 |
| Bonds | Various | 45,115 |
| Total Investments | | <u>\$ 6,879,835</u> |

Concentration Credit Risk is the risk that the City has invested more than 5% of their total investment in any one issuer. Currently, the City of Rigby holds the following individual issues in an amount greater than 5% of their total investments:

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

NOTE 2 DEPOSITS AND INVESTMENTS, Continued

| <u>Individual Issuer</u> | <u>% of Total Investment</u> |
|--------------------------|------------------------------|
| Franklin US Gov | 28.48% |
| Pimco | 23.47% |
| FHLB | 21.14% |
| Loomis Sayles | 14.22% |
| Lord Abbet | 12.69% |

Credit Risk: The City's investments are rated by the two nationally recognized statistical rating organizations—Standard & Poor's and Moody's Investment Services. Investments in US Government Agencies, Corporate Bonds, and Mutual Funds are rated AAA and Aaa, respectively.

NOTE 3 RECEIVABLES

Receivables at year end consist of the following:

| | <u>General Fund</u> | <u>Street and Road Fund</u> | <u>Other Governmental Funds</u> | <u>Enterprise Funds</u> | | | |
|----------------------|---------------------|-----------------------------|---------------------------------|-------------------------|-------------------|-------------------|-------------------------|
| | | | | <u>Water</u> | <u>Sewer</u> | <u>Sanitation</u> | <u>Sewer Collection</u> |
| Local Sources | | | | | | | |
| Property Taxes | \$ 25,179 | \$ 6,001 | \$ 9,149 | \$ - | \$ - | \$ - | \$ - |
| Consumer Fees | - | - | - | 77,903 | 338,200 | 28,431 | - |
| Other | - | 4,080 | - | 55,585 | - | - | - |
| Total Local | <u>\$ 25,179</u> | <u>\$ 10,081</u> | <u>\$ 9,149</u> | <u>\$133,488</u> | <u>\$ 338,200</u> | <u>\$ 28,431</u> | <u>\$ -</u> |
| State Sources | | | | | | | |
| Other State Revenue | \$175,513 | \$ 66,339 | \$ 435,374 | | | | |
| Total Receivable | <u>\$200,692</u> | <u>\$ 76,420</u> | <u>\$ 444,523</u> | | | | |

NOTE 4 INTERFUND TRANSACTIONS

Interfund Receivable/Payable

During the course of its operations, the City had numerous transactions between funds to finance operations, provide services, construct assets, and service debt. As of September 30, 2021 the LID#8 and LID #9 funds owed the Capital Improvement fund \$282,172 to payback the initial funding of the LID projects. Funds are remitted back to Capital Improvement as they are received from assessments to the property owners.

The following interfund operating transfers were made during the fiscal year to cover expenditures from operations:

| <u>Major Funds</u> | <u>Transfers To</u> | <u>Transfers From</u> |
|---------------------|---------------------|-----------------------|
| General | \$ 75,000 | \$ 106,000 |
| Capital Improvement | 121,308 | 20,000 |
| WWTP Improvement | 1,510,000 | - |
| LID #8 | - | 5,350 |
| LID #9 | - | 15,958 |
| Water | - | 25,000 |
| Sanitation | - | 1,535,000 |
| Sewer | 26,000 | - |
| Airport | - | - |

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

NOTE 5 LONG-TERM OBLIGATIONS

Vehicles

During the fiscal year 2021, the City entered into a capital lease agreement with Bancorp Bank for the lease of three 2021 Dodge Durango Pursuit AWD vehicles. Payments are due in 4 annual installments of \$27,452.93. The total amount outstanding as of September 30, 2021 is \$82,358.79.

Cash Bond Agreement

In December of 2020 Kartchner Land Management was approved to construct a subdivision near Hailey Creek. As part of the agreement Karchner was required to pay the City of Rigby \$356,383, all of which is to be paid back to Karchner after the completion of the subdivision. If the developer fails to complete all necessary infrastructure work then the City may use this cash bond to complete the required work.

Sewer Revenue Bond Issue

As of September 30, 2021 the City had one sewer revenue bond outstanding. The bond bears interest of 3.75% per annum and matures December 22, 2040. Annual payments of principal and interest are due in December in the amount of \$168,270. The total amount outstanding as of September 30, 2021 was \$1,052,780.

Wastewater Project Loans

The DEQ provided loan funds to the City which were being used to finance the construction of the wastewater treatment facility as well as improvements to the wastewater collection system. As of September 30, 2021, the loan balance payable to the DEQ was \$5,350,722 for the wastewater treatment facility. The loan is interest free with semi-annual payments of \$198,175 and will mature in April of 2035.

The following schedule recaps the changes in long-term obligations for the fiscal year ending September 30, 2021:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Subtractions</u> | <u>Ending Balance</u> |
|---------------------------------------|-------------------------------------|-------------------------|----------------------------|----------------------------------|
| Governmental-type activities | | | | |
| Compensated absences | 36,867 | 7,608 | - | 44,475 |
| Kartchner Land Management | - | 356,383 | - | 356,383 |
| Bancorp Bank | - | 109,812 | 27,453 | 82,359 |
| <i>Total governmental-type</i> | <u>\$ 36,867</u> | <u>\$ 473,803</u> | <u>\$ 27,453</u> | <u>\$ 483,217</u> |
| Business-type activities | | | | |
| Waste Water Project DEQ Loan | 5,747,072 | - | 396,350 | 5,350,722 |
| Sewer USDA Loan | 1,621,803 | - | 569,023 | 1,052,780 |
| Compensated absences | 12,829 | - | 1,356 | 11,473 |
| <i>Total business-type activities</i> | <u>\$ 7,381,704</u> | <u>\$ -</u> | <u>\$ 966,729</u> | <u>\$ 6,414,975</u> |

Maturities of long-term obligations are as follows:

| | |
|--------------|----------------------------|
| 2022 | \$ 908,977 |
| 2023 | 557,423 |
| 2024 | 562,434 |
| 2025 | 540,180 |
| 2026 | 545,573 |
| 2027-2031 | 1,944,084 |
| 2032-2036 | <u>1,783,574</u> |
| Total | <u>\$ 6,842,245</u> |

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

| | <u>Beginning Balance</u> | <u>Capital Acquisitions</u> | <u>Sales / Other Changes</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------------------|--------------------------------------|---------------------------|
| Governmental Activities | | | | |
| Non-depreciable Assets: | | | | |
| Work-in-progress | \$ 594,642 | \$ 1,401,723 | \$ 134,595 | \$ 1,861,771 |
| Land | 688,866 | - | - | 688,866 |
| Depreciable Assets: | | | | |
| Buildings/Sites | \$ 4,390,362 | \$ 118,838 | \$ - | \$ 4,509,200 |
| Equipment | 1,537,408 | 381,635 | - | 1,537,408 |
| Infrastructure | <u>3,445,928</u> | <u>1,474,352</u> | - | <u>3,445,928</u> |
| <i>Total capital assets</i> | 10,667,206 | 3,376,548 | 134,595 | 13,909,159 |
| Less: accumulated depreciation | <u>(3,810,271)</u> | <u>(404,592)</u> | - | <u>(4,214,863)</u> |
| <i>Governmental activity capital assets, net</i> | <u>\$ 6,856,935</u> | <u>\$ 2,971,956</u> | <u>\$ -</u> | <u>\$ 9,694,296</u> |
| Business-type Activities | | | | |
| Non-depreciable Assets: | | | | |
| Work-in-progress | \$ 999,652 | \$ 118,564 | \$ 815,374 | \$ 302,842 |
| Land | 75,031 | - | - | 75,031 |
| Depreciable Assets: | | | | |
| Water Fund | | | | |
| Buildings & equipment | \$ 3,220,651 | \$ 1,499,126 | \$ - | \$ 4,719,777 |
| Less: accumulated depreciation | <u>(1,355,771)</u> | <u>(89,907)</u> | - | <u>(1,445,678)</u> |
| <i>Water capital assets, net</i> | <u>1,864,880</u> | <u>1,409,218</u> | - | <u>3,274,099</u> |
| Sanitation Fund | | | | |
| Buildings & equipment | 1,054,718 | - | 495,047 | 559,671 |
| Less: accumulated depreciation | <u>(712,162)</u> | <u>(67,506)</u> | <u>(386,841)</u> | <u>(392,827)</u> |
| <i>Sanitation capital assets, net</i> | <u>342,556</u> | <u>(67,506)</u> | <u>108,206</u> | <u>166,844</u> |
| Sewer | | | | |
| Buildings & equipment | 18,748,694 | 236,883 | - | 18,985,577 |
| Less: accumulated depreciation | <u>(4,928,041)</u> | <u>(538,830)</u> | - | <u>(5,466,870)</u> |
| <i>Sewer capital assets, net</i> | <u>13,820,653</u> | <u>(301,946)</u> | - | <u>13,518,707</u> |
| <i>Business-type activities capital assets, net</i> | <u>\$17,102,772</u> | <u>\$ 1,158,330</u> | <u>\$ 923,580</u> | <u>\$17,337,523</u> |
| Internal Service Fund | | | | |
| Buildings & equipment | \$ 517,039 | \$ - | \$ - | \$ 517,039 |
| Less: accumulated depreciation | <u>(471,451)</u> | <u>(25,910)</u> | - | <u>(497,361)</u> |
| <i>Internal Service capital assets, net</i> | <u>\$ 45,588</u> | <u>\$ (25,910)</u> | <u>\$ -</u> | <u>\$ 19,678</u> |

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

NOTE 6 CAPITAL ASSETS, Continued

Depreciation expense was charged to functions as follows:

| | |
|--------------------|---------------------|
| General government | \$ 371,938 |
| Water fund | 85,932 |
| Sanitation fund | 67,130 |
| Sewer fund | 536,442 |
| Internal Service | <u>31,606</u> |
| | <u>\$ 1,093,048</u> |

NOTE 7 RISK MANAGEMENT

The City is exposed to a considerable number of risks of loss including but not limited to a) damage to and loss of property and contents; b) employee torts; c) professional liability, i.e. errors and omissions; d) environmental damage; e) workers compensation, i.e. employee injuries and f) medical insurance costs of its employees. Commercial insurance policies transferring the risk of loss, but for a relatively small deductible amount, are purchased for property and content damage, employees' torts and professional liabilities. Settled claims resulting from these risks have not exceeded the insurance deductible provided for in the last three years.

NOTE 8 SUBSEQUENT EVENTS

Transactions occurring subsequent to year end have been evaluated through January 30, 2022, the date which the financial statements were available and no events have taken place that requires disclosure.

NOTE 9 RELATED PARTY TRANSACTIONS

The City has not been involved in any related party transactions that would violate the Idaho Code or applicable federal regulations.

CITY OF RIGBY

Notes to the Financial Statements September 30, 2021

NOTE 10

PENSION ACTIVITY—EMPLOYER REPORTING

The City of Rigby contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months. Amounts in parenthesis represent police/firefighters.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

NOTE 10

PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2021 it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City of Rigby's contributions were \$122,930 for the year ended September 30, 2021.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the City of Rigby reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Rigby's proportion of the net pension liability was based on the City of Rigby's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2021, the City of Rigby's proportion was .0270411 percent.

For the year ended September 30, 2021, the City of Rigby's recognized pension revenue of \$11,030. At September 30, 2021 the City of Rigby 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 | \$ 31,466 | \$ 12,414 |
| Changes in assumptions or other inputs | 245,145 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 670,791 |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | - | - |
| Contributions subsequent to the measurement date | <u>27,378</u> | <u>-</u> |
| TOTAL | \$ 303,989 | \$ 683,205 |

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

NOTE 10

PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

\$27,378 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2020 the beginning of the measurement period ended June 30, 2021 is 4.8 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

| Year ended September 30, 2021: | |
|---------------------------------------|--------------|
| 2022 | \$ (95,645) |
| 2023 | \$ (86,195) |
| 2024 | \$ (75,325) |
| 2025 | \$ (149,429) |

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|-----------------------------------|
| Inflation | 2.30% |
| Salary Increases | 3.05% |
| Salary inflation | 3.05% |
| Investment rate of return | 6.35%, net of investment expenses |
| Cost-of-living adjustments | 1.00% |

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries – Males Pub-2010 General Tables, increased 11%
 General Employees and All Beneficiaries – Females Pub-2010 General Tables, increased 21%
 Teachers – Males Pub-2010 General Tables, increased 11%
 Teachers – Females Pub-2010 General Tables, increased 21%
 Fire and Police – Males Pub-2010 General Tables, increased 21%
 Fire and Police – Females Pub-2010 General Tables, increased 26%
 Disabled Members – Males Pub-2010 General Tables, increased 38%
 Disabled Members – Females Pub-2010 General Tables, increased 36%

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

NOTE 10 PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2021 is based on the results of an actuarial valuation date of July 1, 2021.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

| Capital Market Assumptions from Callan 2021 | | | |
|---|--------------------------|---|--|
| Asset Class | Target Allocation | Long-Term Expected Nominal Rate of Return (Arithmetic) | Long-Term Expected Real Rate of Return (Arithmetic) |
| Core Fixed Income | 30.00% | 1.80% | (0.20%) |
| Broad US Equities | 55.00% | 8.00% | 6.00% |
| Developed Foreign Equities | 15.00% | 8.25% | 6.25% |
| Assumed Inflation – Mean | | 2.00% | 2.00% |
| Assumed Inflation – Standard Deviation | | 1.50% | 1.50% |
| Portfolio Arithmetic Mean Return | | 6.18% | 4.18% |
| Portfolio Standard Deviation | | 12.29% | 12.29% |
| Portfolio Long-Term (Geometric) Expected Rate of Return | | 5.55% | 3.46% |
| Assumed Investment Expenses | | 0.40% | 0.40% |
| Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses | | 5.15% | 3.06% |
| Investment Policy Assumptions from PERSI Board November 2019 | | | |
| Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | 4.14% |
| Portfolio Standard Deviation | | | 14.16% |
| Economic/Demographic Assumptions from Milliman 2021 | | | |
| Valuation Assumptions Chosen by PERSI Board | | | |
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | 4.05% |
| Assumed Inflation | | | 2.30% |
| Long-Term Expected Nominal Rate of Return, Net of Investment Expenses | | | 6.35% |

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2021

NOTE 10 PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

| | 1% Decrease (5.35%) | Current Discount Rate (6.35%) | 1% Increase (7.35%) |
|--|--------------------------------|--|--------------------------------|
| City or Rigby's proportionate share of the net pension liability (asset) | 742,398 | (21,357) | (647,421) |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At September 30, 2021, the City of Rigby reported payables to the defined benefit pension plan of \$4,826 for legally required employer contributions and employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2021**

NOTE 11 POST RETIREMENT BENEFITS

The City of Rigby does not provide post-retirement benefits to its employees and has no reporting requirement under GASB #45.

NOTE 12 RIGBY URBAN RENEWAL

The Rigby Urban Renewal Agency (Agency) has been presented in the government-wide financial statements as a discretely presented component unit of the City of Rigby due to its operational and/or financial relationship with the City. The agency is organized and operates under the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code).

A. The accounting policies and practices of the Agency conform to generally accepted accounting principles applied to governments.

B. Cash and investments for all funds consist of the following at year end:

| | |
|---|-------------------|
| Cash – demand deposit (net of overdrafts) | \$ 179,206 |
| Cash – State Investment Pool | <u>482,891</u> |
| Total | <u>\$ 662,097</u> |

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. The bank balance for cash demand deposits was \$179,206 at year end. The entire balance was covered by federal depository insurance. Cash held at the Local Government Investment Pool is uninsured and uncollateralized.

The Agency follows the requirements of the Idaho Public Depository Law (Idaho Code Section: Title 57-100) and applicable investment rights and restrictions cited by Idaho Code Section, Title 67:67-1210.

C. Receivables at year end consist of the following:

| | |
|----------------|----------|
| Property Taxes | \$ 5,642 |
|----------------|----------|

D. Payables at year end consist of the following:

| | |
|------------------|----------|
| Accounts Payable | \$ 4,104 |
|------------------|----------|

NOTE 13 DEFERRED REVENUE

During the year the City received \$461,596 from the American Rescue Plan Act. Generally Accepted Accounting Principles state this money should not be recognized as income until it has been spent. Until the funds can be recognized as revenue they will be held as deferred revenue.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIGBY
Budget to Actual Comparison Schedule
General Fund
For Year Ended September 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Local Revenue: | | | | |
| Taxes..... | \$ 909,000 | \$ 909,000 | \$ 981,668 | \$ 72,668 |
| Earnings on investments..... | 37,500 | 37,500 | 14,148 | (23,352) |
| Fees and fines..... | 54,000 | 54,000 | 95,683 | 41,683 |
| Charges for services..... | 44,000 | 44,000 | 54,298 | 10,298 |
| Miscellaneous and other revenue..... | 30,270 | 30,270 | 14,284 | (15,986) |
| State revenues..... | 325,500 | 325,500 | 553,828 | 228,328 |
| Grants..... | - | - | 23,223 | 23,223 |
| Total revenue..... | <u>1,400,270</u> | <u>1,400,270</u> | <u>1,737,132</u> | <u>336,862</u> |
| | | | | |
| EXPENDITURES | | | | |
| General government..... | \$ 633,645 | \$ 633,645 | \$ 523,215 | \$ 110,430 |
| Public safety..... | 656,625 | 656,625 | 728,741 | (72,116) |
| Cultural..... | 15,000 | 15,000 | 14,897 | 103 |
| Capital outlay..... | 22,000 | 22,000 | 15,210 | 6,790 |
| Total expenditures..... | <u>1,327,270</u> | <u>1,327,270</u> | <u>1,282,063</u> | <u>45,207</u> |
| | | | | |
| Excess (deficiency) of revenue over expenditures..... | \$ 73,000 | \$ 73,000 | \$ 455,069 | \$ 382,069 |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Other Financing Source..... | - | - | - | - |
| Transfers..... | <u>(73,000)</u> | <u>(73,000)</u> | <u>(31,000)</u> | <u>42,000</u> |
| Net change in fund balances..... | - | - | 424,069 | 424,069 |
| Fund Balance - Beginning..... | <u>2,177,177</u> | <u>2,177,177</u> | <u>2,177,177</u> | <u>-</u> |
| Fund Balance - Ending..... | <u>\$ 2,177,177</u> | <u>\$ 2,177,177</u> | <u>\$ 2,601,246</u> | <u>\$ 424,069</u> |

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

CITY OF RIGBY
Budget to Actual Comparison Schedule
Road Fund
For Year Ended September 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Local Revenue: | | | | |
| Taxes..... | \$ 205,688 | \$ 205,688 | \$ 210,631 | \$ 4,943 |
| Earnings on investments..... | 6,000 | 6,000 | 5,735 | (265) |
| Charges for services..... | - | - | - | - |
| Miscellaneous and other revenue..... | 100,000 | 100,000 | 110,560 | 10,560 |
| State revenues..... | 196,571 | 196,571 | 737,238 | 540,667 |
| Total revenue..... | <u>508,259</u> | <u>508,259</u> | <u>1,064,164</u> | <u>555,905</u> |
| EXPENDITURES | | | | |
| Street and public improvement..... | \$ 508,100 | \$ 508,100 | \$ 425,187 | \$ 82,913 |
| Capital outlay..... | <u>150,000</u> | <u>150,000</u> | <u>10,563</u> | <u>139,437</u> |
| Total expenditures..... | <u>658,100</u> | <u>658,100</u> | <u>435,750</u> | <u>222,350</u> |
| Excess (deficiency) of revenue over expenditures..... | \$ (149,841) | \$ (149,841) | \$ 628,414 | \$ 778,255 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers..... | - | - | - | - |
| Net change in fund balances..... | (149,841) | (149,841) | 628,414 | 778,255 |
| FUND BALANCES | | | | |
| Beginning of the year..... | <u>397,134</u> | <u>397,134</u> | <u>397,134</u> | <u>-</u> |
| End of the year..... | <u>\$ 247,293</u> | <u>\$ 247,293</u> | <u>\$ 1,025,548</u> | <u>\$ 778,255</u> |

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

CITY OF RIGBY
Budget to Actual Comparison Schedule
Connection Funds
For Year Ended September 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Local Revenue: | | | | |
| Earnings on investments..... | \$ 7,500 | \$ 7,500 | \$ 5,123 | \$ (2,377) |
| Fees and fines..... | 90,000 | 90,000 | 942,000 | 852,000 |
| Total revenue..... | <u>97,500</u> | <u>97,500</u> | <u>947,123</u> | <u>849,623</u> |
| EXPENDITURES | | | | |
| Capital outlay..... | \$ 525,000 | \$ 525,000 | - | \$ 525,000 |
| Total expenditures..... | <u>525,000</u> | <u>525,000</u> | <u>-</u> | <u>525,000</u> |
| Excess (deficiency) of revenue over expenditures..... | \$ (427,500) | \$ (427,500) | \$ 947,123 | \$ 1,374,623 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers..... | - | - | - | - |
| Net change in fund balances..... | (427,500) | (427,500) | 947,123 | 1,374,623 |
| FUND BALANCES | | | | |
| Beginning of the year..... | 1,424,593 | 1,424,593 | 1,424,593 | - |
| End of the year..... | <u>\$ 997,093</u> | <u>\$ 997,093</u> | <u>\$ 2,371,716</u> | <u>\$ 1,374,623</u> |

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

CITY OF RIGBY
Budget to Actual Comparison Schedule
WWTP Improvement Fund
For Year Ended September 30, 2021

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Local Revenue: | | | | |
| Earnings on investments..... | \$ - | \$ - | \$ - | \$ - |
| Fees and fines..... | - | - | - | - |
| Total revenue..... | - | - | - | - |
| EXPENDITURES | | | | |
| Capital outlay..... | \$ 500,000 | \$ 500,000 | \$ 1,550,746 | \$ (1,050,746) |
| Total expenditures..... | 500,000 | 500,000 | 1,550,746 | (1,050,746) |
| Excess (deficiency) of revenue over expenditures..... | \$ (500,000) | \$ (500,000) | \$ (1,550,746) | \$ (1,050,746) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers..... | - | - | 1,510,000 | 1,510,000 |
| Net change in fund balances..... | (500,000) | (500,000) | (40,746) | 459,254 |
| FUND BALANCES | | | | |
| Beginning of the year..... | (305,998) | (305,998) | (305,998) | - |
| End of the year..... | <u>\$ (805,998)</u> | <u>\$ (805,998)</u> | <u>\$ (346,744)</u> | <u>\$ 459,254</u> |

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

CITY OF RIGBY
Budget to Actual Comparison Schedule
Capital Improvement Fund
For Year Ended September 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|---------------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Local Sources: | | | | |
| Local Revenue: | | | | |
| Taxes..... | \$ 61,771 | \$ 61,771 | \$ 67,998 | \$ 6,227 |
| Earnings on investments..... | 10,000 | 10,000 | 2,743 | (7,257) |
| Miscellaneous and other revenue..... | - | - | 150,000 | 150,000 |
| State revenues..... | 6,600 | 6,600 | 4,950 | (1,650) |
| Grants..... | - | - | 261,737 | 261,737 |
| Total revenue..... | <u>78,371</u> | <u>78,371</u> | <u>487,428</u> | <u>409,057</u> |
| | | | | |
| EXPENDITURES | <u>\$ 442,771</u> | <u>\$ 442,771</u> | <u>\$ 425,975</u> | <u>\$ 16,796</u> |
| Capital outlay..... | <u>442,771</u> | <u>442,771</u> | <u>425,975</u> | <u>16,796</u> |
| Total expenditures..... | | | | |
| Excess (deficiency) of revenue over expenditures..... | \$ (364,400) | \$ (364,400) | \$ 61,453 | \$ 425,853 |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Other Financing Source..... | - | - | - | - |
| Transfers..... | <u>106,000</u> | <u>106,000</u> | <u>101,308</u> | <u>(4,692)</u> |
| Net change in fund balances..... | (258,400) | (258,400) | 162,761 | 421,161 |
| Fund Balance - Beginning..... | <u>1,027,221</u> | <u>1,027,221</u> | <u>1,027,221</u> | <u>-</u> |
| Fund Balance - Ending..... | <u>\$ 768,821</u> | <u>\$ 768,821</u> | <u>\$ 1,189,982</u> | <u>\$ 421,161</u> |

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

CITY OF RIGBY
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
PERSI - Base Plan
Last 10 Fiscal Years*

| | |
|---|--------------|
| | <u>2021</u> |
| City of Rigby's portion of the net pension liability | 0.0270411% |
| City of Rigby's proportionate share of the net pension liability | \$ (21,357) |
| City of Rigby's covered-employee payroll | \$ 1,095,626 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | -1.95% |
| Plan fiduciary net position as a percentage of the total pension liability | 100.36% |
| - Data reported is measured as of June 30, 2021 | |
| | <u>2020</u> |
| City of Rigby's portion of the net pension liability | 0.0260487% |
| City of Rigby's proportionate share of the net pension liability | \$ 604,885 |
| City of Rigby's covered-employee payroll | \$ 930,328 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | 65.02% |
| Plan fiduciary net position as a percentage of the total pension liability | 88.22% |
| - Data reported is measured as of June 30, 2020 | |
| | <u>2019</u> |
| City of Rigby's portion of the net pension liability | 0.0244692% |
| City of Rigby's proportionate share of the net pension liability | \$ 279,309 |
| City of Rigby's covered-employee payroll | \$ 897,811 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | 31.11% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.79% |
| - Data reported is measured as of June 30, 2019 | |
| | <u>2018</u> |
| City of Rigby's portion of the net pension liability | 0.0248565% |
| City of Rigby's proportionate share of the net pension liability | \$ 366,638 |
| City of Rigby's covered-employee payroll | \$ 824,446 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | 44.47% |
| Plan fiduciary net position as a percentage of the total pension liability | 91.69% |
| - Data reported is measured as of June 30, 2018 | |
| | <u>2017</u> |
| City of Rigby's portion of the net pension liability | 0.0259108% |
| City of Rigby's proportionate share of the net pension liability | \$ 407,273 |
| City of Rigby's covered-employee payroll | \$ 838,304 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | 48.58% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.68% |
| - Data reported is measured as of June 30, 2017 | |
| | <u>2016</u> |
| City of Rigby's portion of the net pension liability | 0.0281754% |
| City of Rigby's proportionate share of the net pension liability | \$ 571,159 |
| City of Rigby's covered-employee payroll | \$ 815,799 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | 69.82% |
| Plan fiduciary net position as a percentage of the total pension liability | 87.26% |
| - Data reported is measured as of June 30, 2016 | |
| | <u>2015</u> |
| City of Rigby's portion of the net pension liability | 0.0299508% |
| City of Rigby's proportionate share of the net pension liability | \$ 394,403 |
| City of Rigby's covered-employee payroll | \$ 809,554 |
| City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll | 48.72% |
| Plan fiduciary net position as a percentage of the total pension liability | 91.38% |
| - Data reported is measured as of June 30, 2015 | |

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, City of Rigby will only present those years for which information is available.

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

CITY OF RIGBY
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PERSI - Base Plan
 Last 10 Fiscal Years*

| | <u>2021</u> |
|--|--------------|
| Statutorily required contribution | \$ 106,766 |
| Contributions in relation to the statutorily required contribution | \$ 121,942 |
| Contribution (deficiency) excess | \$ 15,176 |
| Employer's covered-employee payroll | \$ 1,005,044 |
| Contributions as a percentage of covered-employee payroll | 12.13% |
| - Data reported is measured as of June 30, 2021 | |
| | <u>2020</u> |
| Statutorily required contribution | \$ 102,200 |
| Contributions in relation to the statutorily required contribution | \$ 112,176 |
| Contribution (deficiency) excess | \$ 9,976 |
| Employer's covered-employee payroll | \$ 923,696 |
| Contributions as a percentage of covered-employee payroll | 12.14% |
| - Data reported is measured as of June 30, 2020 | |
| | <u>2019</u> |
| Statutorily required contribution | \$ 93,629 |
| Contributions in relation to the statutorily required contribution | \$ 95,450 |
| Contribution (deficiency) excess | \$ 1,821 |
| Employer's covered-employee payroll | \$ 827,561 |
| Contributions as a percentage of covered-employee payroll | 11.53% |
| - Data reported is measured as of June 30, 2019 | |
| | <u>2018</u> |
| Statutorily required contribution | \$ 96,528 |
| Contributions in relation to the statutorily required contribution | \$ 91,755 |
| Contribution (deficiency) excess | \$ (4,773) |
| Employer's covered-employee payroll | \$ 795,506 |
| Contributions as a percentage of covered-employee payroll | 11.53% |
| - Data reported is measured as of June 30, 2018 | |
| | <u>2017</u> |
| Statutorily required contribution | \$ 94,835 |
| Contributions in relation to the statutorily required contribution | \$ 92,338 |
| Contribution (deficiency) excess | \$ (2,497) |
| Employer's covered-employee payroll | \$ 800,528 |
| Contributions as a percentage of covered-employee payroll | 11.53% |
| - Data reported is measured as of June 30, 2017 | |
| | <u>2016</u> |
| Statutorily required contribution | \$ 93,282 |
| Contributions in relation to the statutorily required contribution | \$ 94,559 |
| Contribution (deficiency) excess | \$ 1,277 |
| Employer's covered-employee payroll | \$ 815,799 |
| Contributions as a percentage of covered-employee payroll | 11.59% |
| - Data reported is measured as of June 30, 2016 | |
| | <u>2015</u> |
| Statutorily required contribution | \$ 97,353 |
| Contributions in relation to the statutorily required contribution | \$ 93,143 |
| Contribution (deficiency) excess | \$ (4,210) |
| Employer's covered-employee payroll | \$ 809,554 |
| Contributions as a percentage of covered-employee payroll | 11.51% |
| - Data reported is measured as of June 30, 2015 | |

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, City of Rigby will only present those years for which information is available.

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

CITY OF RIGBY

**Notes to the Required Supplementary Information
September 30, 2021**

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The Idaho Constitution and the Idaho State Tax Commission prescribe the budget process and procedures for governmental subdivisions. The City has satisfied the basic requirements prescribed in the following particulars:

- 1) Formulation of subsequent year budget requirements by City officials and personnel.
- 2) Perusal of formulated budgets by City officials.
- 3) Presentation of preliminary and final budget requirements in formal news media of the City.
- 4) Open hearings to permit taxpayer input before such budgets are formally adopted.

Subsequent control of budgets following adoption is accomplished through a budget-expenditures control system with interim status accounting and reporting made available to officials and employees for management purposes. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All annual appropriations lapse at the end of the fiscal year.

NOTE 2 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

Expenditures did not exceed budget amounts in any major funds during 2021.

NOTE 3 PENSION - GASB 68

The City of Rigby contributes to a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions.

During the fiscal year ended June 30, 2021, there were no changes of benefit terms, neither was there any significant change in the composition of the population covered by the benefit terms. All assumptions used in actuarial calculations were not significantly different from those used in the past.

SUPPLEMENTARY INFORMATION

CITY OF RIGBY
Combining Balance Sheet - Non Major Funds
September 30, 2021

Capital Projects Custodial Funds

| | Special Revenue | | | | | | Capital Projects | | | | Custodial Funds | | Totals |
|---|-----------------|--------------------|------------|------------------|--------------|-------------|-------------------------|-----------|------------|--------------|-----------------|------|------------|
| | Library Fund | Arterial Road Fund | Park Fund | Police Drug Fund | Airport Fund | Splash Park | Sewer Construction Fund | LID #8 | LID #9 | LID #10 | Police Reserve | | |
| ASSETS | | | | | | | | | | | | | |
| Cash..... | 197,096 | \$ 27,354 | \$ 288,299 | \$ 10,475 | \$ 58,946 | \$ 200 | 18 | \$ - | \$ - | \$ (252,627) | \$ 932 | \$ - | \$ 330,693 |
| Investments..... | - | 45,288 | - | - | - | - | 80,920 | - | - | - | - | - | 126,208 |
| Taxes receivable..... | 4,402 | - | 2,970 | - | 41,180 | - | - | 41,801 | 240,371 | - | - | - | 7,372 |
| Other receivables..... | - | - | 6,500 | - | - | - | - | - | - | - | - | - | 329,852 |
| Interfund receivable..... | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prepaid expenses..... | - | - | - | 10,475 | 100,126 | 200 | 80,938 | 41,801 | 240,371 | (252,627) | 932 | - | 794,125 |
| Total assets..... | \$ 201,498 | \$ 72,642 | \$ 297,769 | \$ 10,475 | \$ 100,126 | \$ 200 | \$ 80,938 | \$ 41,801 | \$ 240,371 | \$ (252,627) | \$ 932 | \$ - | \$ 794,125 |
| LIABILITIES AND FUND BALANCE | | | | | | | | | | | | | |
| LIABILITIES: | | | | | | | | | | | | | |
| Accounts payable..... | \$ 3,436 | \$ - | \$ 11,017 | \$ - | \$ 61,900 | \$ - | \$ 57,348 | \$ - | \$ - | \$ 408,084 | \$ - | \$ - | \$ 541,785 |
| Due to other government..... | - | - | - | - | - | - | - | 41,801 | 240,371 | - | - | - | 282,172 |
| Interfund payable..... | - | - | - | - | - | - | 5 | - | - | - | - | - | 6,416 |
| Payroll liabilities..... | 3,297 | - | 3,114 | - | - | - | - | - | - | - | - | - | 6,263 |
| Deferred revenue..... | 3,735 | - | 2,528 | - | 61,900 | - | 57,353 | 41,801 | 240,371 | 408,084 | 932 | - | 837,568 |
| Total liabilities..... | 10,468 | - | 16,659 | - | 123,800 | - | 114,706 | 41,801 | 240,371 | 408,084 | 932 | - | 1,374,804 |
| FUND BALANCE: | | | | | | | | | | | | | |
| Restricted..... | - | - | - | 10,475 | 38,226 | 200 | 23,585 | - | - | (660,711) | - | - | (588,225) |
| Committed..... | - | 72,642 | - | - | - | - | - | - | - | - | - | - | 72,642 |
| Assigned..... | 191,030 | - | 281,110 | 10,475 | 38,226 | 200 | - | - | - | - | - | - | 472,140 |
| Total fund balance..... | 191,030 | 72,642 | 281,110 | 10,475 | 38,226 | 200 | 23,585 | - | - | (660,711) | - | - | (43,443) |
| Total liabilities and fund balance..... | \$ 201,498 | \$ 72,642 | \$ 297,769 | \$ 10,475 | \$ 100,126 | \$ 200 | \$ 80,938 | \$ 41,801 | \$ 240,371 | \$ (252,627) | \$ 932 | \$ - | \$ 794,125 |

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

CITY OF RIGBY
Combining Statement of Revenue, Expenditures and Changes
in Fund Balances - Non Major Funds
September 30, 2021

| | Special Revenue | | | | | | | Capital Projects | | | | Total |
|---|-----------------|--------------------|------------|------------------|--------------|-------------|-------------------------|------------------|-----------|--------------|----------------|-------------|
| | Library Fund | Arterial Road Fund | Park Fund | Police Drug Fund | Airport Fund | Splash Park | Sewer Construction Fund | LID #8 | LID #9 | LID #10 | | |
| REVENUES | | | | | | | | | | | | |
| Local Revenue: | | | | | | | | | | | | |
| Property taxes..... | \$ 156,615 | \$ - | \$ 103,930 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 260,545 |
| Earnings on investments..... | 444 | 20,441 | 790 | - | - | - | 2,524 | - | - | - | - | 24,199 |
| Charges for services..... | 11,435 | - | - | - | 16,452 | - | - | - | - | - | - | 27,887 |
| Miscellaneous and other revenue..... | - | - | 107,094 | 1 | 13,608 | - | - | 5,350 | 15,958 | - | - | 142,011 |
| Special assessments..... | 12,117 | - | 9,000 | - | - | - | - | - | - | - | - | 21,117 |
| State revenues..... | 8,682 | - | 2,000 | - | 41,180 | - | - | - | - | - | - | 51,862 |
| Grants..... | 189,293 | 20,441 | 222,814 | 1 | 71,240 | - | 2,524 | 5,350 | 15,958 | - | - | 527,621 |
| Total revenue..... | | | | | | | | | | | | |
| | \$ - | \$ - | \$ - | \$ - | \$ 69,782 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 69,782 |
| EXPENDITURES | | | | | | | | | | | | |
| General government..... | - | - | - | - | - | - | - | - | - | - | - | - |
| Street and public improvement..... | - | - | - | - | - | - | - | - | - | - | - | 188,329 |
| Public safety..... | - | - | 188,329 | - | - | - | - | - | - | - | - | 151,067 |
| Parks and recreation..... | 151,067 | - | - | - | - | - | 1,331,413 | - | - | 660,711 | - | 2,050,862 |
| Culture..... | 4,191 | - | 12,847 | - | 41,700 | - | 1,331,413 | - | - | 660,711 | - | 2,460,040 |
| Capital outlay..... | 155,258 | - | 201,176 | - | 111,482 | - | - | - | - | - | - | - |
| Total expenditures..... | | | | | | | | | | | | |
| | \$ 34,035 | \$ 20,441 | \$ 21,638 | \$ 1 | \$ (40,242) | \$ - | \$ (1,328,889) | \$ 5,350 | \$ 15,958 | \$ (660,711) | \$ (1,932,419) | \$ (4,692) |
| Excess (deficiency) of revenue over expenditures..... | | | | | | | | | | | | |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers..... | - | - | - | - | - | - | - | - | - | - | - | - |
| Other financing sources..... | - | - | - | - | 26,000 | - | - | (5,350) | (15,958) | - | - | 4,692 |
| Net change in fund balances..... | 34,035 | 20,441 | 21,638 | 1 | (14,242) | - | (1,328,889) | - | - | (660,711) | (1,927,727) | 1,884,284 |
| FUND BALANCES | | | | | | | | | | | | |
| Beginning of the year..... | 156,995 | 52,201 | 259,472 | 10,474 | 52,468 | 200 | 1,352,474 | - | - | - | - | 1,884,284 |
| End of the year..... | \$ 191,030 | \$ 72,642 | \$ 281,110 | \$ 10,475 | \$ 38,226 | \$ 200 | \$ 23,585 | \$ - | \$ - | \$ (660,711) | \$ (43,443) | \$ (43,443) |

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

CITY OF RIGBY
Schedule of Expenditures
General Fund
For Year Ended September 30, 2021

| | Total Expenditures |
|--|---------------------------|
| GENERAL GOVERNMENT | |
| Mayor & Council | 40,584 |
| Payroll related expenditures | 2,588 |
| Public relations | 4,855 |
| Other | \$ 48,027 |
| Total Mayor & Council | |
| City Hall | \$ 895 |
| Payroll related expenditures | 9,054 |
| Utilities & telephone | 3,767 |
| Maintenance | \$ 13,716 |
| Total City Hall | |
| Administration | \$ 154,575 |
| Payroll related expenditures | 29,009 |
| Office expenditures | 36,816 |
| Bank fees | 3,146 |
| Other | \$ 223,546 |
| Total Administration | |
| Non-departmental | \$ 19,669 |
| Payroll related expenditures | 57,995 |
| Legal & professional | 36,024 |
| Bonds & insurance | 48,027 |
| Other | \$ 161,715 |
| Total Non-departmental | |
| Planning & Zoning | \$ 64,357 |
| Payroll related expenditures | 4,272 |
| Office expenditures | - |
| Engineering fees | 2,024 |
| Other | \$ 70,653 |
| Total Planning & Zoning | |
| TOTAL GENERAL GOVERNMENT EXPENDITURES | \$ 517,657 |
| PUBLIC SAFETY | \$ 599,333 |
| Payroll related expenditures | 16,474 |
| Office expenditures | 13,116 |
| Utilities & telephone | 81,221 |
| Police expenditures | 24,155 |
| Maintenance & repairs | \$ 734,299 |
| TOTAL PUBLIC SAFETY | |
| CULTURAL | \$ 14,897 |
| Museum, rodeo, & discretionary cultural expenditures | |
| CAPITAL OUTLAY | \$ - |
| City Hall | 498 |
| Administration | 14,712 |
| Police | \$ 15,210 |
| TOTAL CAPITAL OUTLAY | |
| TOTAL GOVERNMENTAL EXPENDITURES | \$ 1,282,063 |

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

JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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ERNEST M. JENSEN, M.B.A., C.P.A.
ROBERT B. POULSEN, C.P.A.
SHERI L. POULSEN, C.P.A.

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

Mayor and City Council
City of Rigby
Rigby, ID 83442

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 City of Rigby, Idaho, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Rigby, Idaho's basic financial statements and have issued our report thereon dated January 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Rigby, Idaho'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 City of Rigby'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 consider 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 the 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 that are required to be reported under Government Auditing Standards.

Mayor and City Council
City of Rigby, Idaho
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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.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants
Idaho Falls, Idaho
January 30, 2022

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