

**CITY OF RIGBY
RIGBY, IDAHO**

**Basic Financial Statements and
Required Supplementary Information
With
Supplementary Information and
Independent Auditor's Report
Year Ended September 30, 2023**

CITY OF RIGBY

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Year Ended September 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying 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 the City of Rigby, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Rigby's, basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Rigby, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rigby, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rigby's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rigby's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rigby's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rigby's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
January 30, 2024

BASIC FINANCIAL STATEMENTS

CITY OF RIGBY
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents.....	\$ 6,876,471	\$ 5,388,343	\$ 12,264,814	\$ 1,222,525
Investments.....	5,285,309	4,425,623	9,710,932	-
Receivables (net).....	3,099,073	384,749	3,483,822	7,672
Prepaid expenses.....	44,110	-	44,110	-
Capital assets, net of depreciation.....	8,966,789	15,859,834	24,826,623	-
Capital assets, non-depreciable.....	15,084,339	363,838	15,448,177	-
Total assets.....	<u>\$ 39,356,091</u>	<u>\$ 26,422,387</u>	<u>\$ 65,778,478</u>	<u>\$ 1,230,197</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows.....	\$ 394,158	\$ 104,777	\$ 498,935	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 39,750,249</u>	<u>\$ 26,527,164</u>	<u>\$ 66,277,413</u>	<u>\$ 1,230,197</u>
LIABILITIES				
Current liabilities				
Accounts payable.....	\$ 2,627,207	\$ 278,806	\$ 2,906,012	\$ 478
Other payable.....	2,283	8,259	10,542	-
Salaries & benefits payable.....	74,447	13,423	87,870	-
Water deposits.....	-	57,084	57,084	-
Unearned Income.....	-	923,192	923,192	-
Net pension liability.....	995,104	264,522	1,259,626	-
Current portion of long term debt.....	238,836	503,802	742,638	-
Total current liabilities	<u>\$ 3,937,877</u>	<u>\$ 2,049,088</u>	<u>\$ 5,986,964</u>	<u>\$ 478</u>
Long-term liabilities				
Debt portion due in more than one year.....	\$ 9,333	\$ 4,338,262	\$ 4,347,595	\$ -
Interim DEQ financing	-	-	-	-
Compensated absences.....	39,785	28,130	67,915	-
Total long-term liabilities	<u>\$ 49,118</u>	<u>\$ 4,366,392</u>	<u>\$ 4,415,510</u>	<u>\$ -</u>
Total liabilities.....	<u>\$ 3,986,995</u>	<u>\$ 6,415,480</u>	<u>\$ 10,402,474</u>	<u>\$ 478</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows.....	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Invested in capital assets, net of related debt	\$ 23,802,959	\$ 11,381,608	\$ 35,184,567	\$ -
Restricted for:				
Capital projects.....	3,824,541	-	3,824,541	-
Debt service.....	-	4,431,842	4,431,842	-
Community development and improvement projects.....	786,098	-	786,098	-
Unrestricted	7,349,657	4,298,234	11,647,891	1,229,719
Total net position.....	<u>\$ 35,763,255</u>	<u>\$ 20,111,684</u>	<u>\$ 55,874,939</u>	<u>\$ 1,229,719</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, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Fees, Fines, & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
General government.....	\$ 753,377	\$ 49,827	\$ -	\$ (923,192)	\$ (1,626,742)		\$ (1,626,742)	\$ -
Public safety.....	990,931	72,954	-	-	(917,977)		(917,977)	-
Public works.....	1,065,875	313,375	176,309	10,042,264	9,466,073		9,466,073	-
Parks and recreation.....	265,994	99,585	-	-	(166,409)		(166,409)	-
Cultural.....	247,130	9,256	8,677	-	(229,197)		(229,197)	-
Interest on long term debt.....	-	-	-	-	-		-	-
Internal Service charges.....	43,319	-	-	-	(43,319)		(43,319)	-
Total governmental activities.....	\$ 3,366,626	\$ 544,997	\$ 184,986	\$ 9,119,072	\$ 6,482,429		\$ 6,482,429	\$ -
Business-type activities:								
Water fund.....	\$ 569,236	\$ 987,776	\$ -	\$ -	\$ -	\$ 418,540	\$ 418,540	\$ -
Sanitation fund.....	309,514	331,828	-	-	-	22,314	22,314	-
Sewer fund.....	1,244,528	2,962,910	-	-	-	1,718,382	1,718,382	-
Internal Service charges.....	62,779	-	-	-	-	(62,779)	(62,779)	-
Total business-type activities.....	\$ 2,186,057	\$ 4,282,514	\$ -	\$ -	\$ -	\$ 2,096,457	\$ 2,096,457	\$ -
Total primary government.....	\$ 5,552,683	\$ 4,827,511	\$ 184,986	\$ 9,119,072	\$ 6,482,429		\$ 8,578,886	\$ -
Component unit.....	\$ 396,935	\$ -	\$ -	\$ -	\$ -		\$ -	\$ (396,935)

General revenues:

Taxes:								
Property taxes, levied for general purposes	\$ 1,098,422	\$ -	\$ -	\$ 1,098,422	\$ -	\$ 1,098,422	\$ 1,098,422	\$ 424,364
Property taxes, levied for library	162,848	-	-	-	-	162,848	162,848	-
Property taxes, levied for park and recreation fund	137,076	-	-	-	-	137,076	137,076	-
Property taxes, levied for public works	303,370	-	-	-	-	303,370	303,370	-
Property taxes, levied for capital projects	91,367	-	-	-	-	91,367	91,367	-
State sales taxes	168,850	-	-	-	-	168,850	168,850	-
State revenue sharing	517,576	-	-	-	-	517,576	517,576	-
State liquor allocation	94,520	-	-	-	-	94,520	94,520	-
Earnings on investments	455,555	-	-	-	-	129,749	585,304	33,847
Miscellaneous	1,594,081	-	-	-	-	3,831	1,597,912	-
Internal Service Charges	41,233	-	-	-	-	100,951	142,184	-
Transfers	175,000	-	-	-	-	(175,000)	-	-
Net pension revenue (expense)	(183,600)	-	-	-	-	(27,950)	(211,550)	-
Total general revenues and transfers	\$ 4,656,298	\$ 31,581	\$ -	\$ -	\$ 4,687,879	\$ -	\$ 4,687,879	\$ 458,211
Changes in net assets	\$ 11,138,728	\$ 2,128,037	\$ -	\$ -	\$ 13,266,765	\$ -	\$ 13,266,765	\$ 61,276
Net position--beginning	24,624,527	17,983,647	-	-	42,608,174	-	42,608,174	1,168,443
Net assets--ending	\$ 35,763,255	\$ 20,111,684	\$ -	\$ -	\$ 55,874,939	\$ -	\$ 55,874,939	\$ 1,229,719

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

CITY OF RIGBY
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Road Fund	Capital Improvement	WWTP Improvement Fund	Non Major Funds	Total Governmental Funds
ASSETS						
Cash.....	\$ 1,364,114	\$ 1,248,344	\$ 434,233	\$ 1,700,708	\$ 2,031,420	\$ 6,778,819
Investments.....	1,992,212	180,043	1,778,010	-	1,335,044	5,285,309
Taxes receivable.....	15,760	4,087	1,316	-	105,587	126,750
Other receivables.....	51,471	298,172	333,193	1,945,488	343,999	2,972,323
Interfund receivable.....	-	-	323,998	-	-	323,998
Prepaid expenses.....	44,110	-	-	-	-	44,110
Total assets.....	\$ 3,467,667	\$ 1,730,646	\$ 2,870,750	\$ 3,646,196	\$ 3,816,050	\$ 15,531,309
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
CURRENT LIABILITIES						
Accounts payable.....	\$ 53,152	\$ 360,526	\$ 237,916	\$ 1,945,488	\$ 24,956	\$ 2,622,038
Due to other government.....	-	-	-	-	2,282	2,282
Interfund payable.....	-	-	-	-	323,999	323,999
Payroll liabilities.....	61,536	5,384	-	-	7,527	74,447
Construction cash bond.....	-	211,383	-	-	-	211,383
Deferred revenue.....	14,606	3,920	325,219	-	4,116	347,861
Total current liabilities.....	\$ 129,294	\$ 581,213	\$ 563,135	\$ 1,945,488	\$ 362,880	\$ 3,582,010
FUND BALANCE						
Restricted.....	\$ -	\$ 1,149,433	\$ 2,307,615	\$ 1,700,708	\$ 2,620,401	\$ 7,778,157
Committed.....	-	-	-	-	50,787	50,787
Assigned.....	-	-	-	-	781,982	781,982
Unassigned.....	3,338,373	-	-	-	-	3,338,373
Total fund balance.....	\$ 3,338,373	\$ 1,149,433	\$ 2,307,615	\$ 1,700,708	\$ 3,453,170	\$ 11,949,299
Total liabilities and fund balance.....	\$ 3,467,667	\$ 1,730,646	\$ 2,870,750	\$ 3,646,196	\$ 3,816,050	\$ 15,531,309

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, 2023

Total fund balances - governmental funds \$ 11,949,299

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.

Cost of capital assets	29,362,952	
Depreciation expense to date	<u>(5,311,824)</u>	24,051,128

Property taxes and assessments that are not available to pay for current period expenditures are deferred in the funds.		347,861
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Capital leases	(36,786)	
Compensated absences	<u>(39,785)</u>	(76,571)

GASB 68 requires the accrual of net pension assets and liabilities and the deferred inflows and outflows of resources related thereto.

Net pension liability	(995,104)	
Deferred outflows of resources	394,158	
Deferred inflows of resources	<u>-</u>	(600,946)

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.

92,484

Total net assets for governmental activities \$ 35,763,255

CITY OF RIGBY
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
September 30, 2023

	General Fund	Road Fund	Capital Improvement	WWTP Improvement Fund	Non Major Funds	Total Governmental Funds
REVENUES						
Local Revenue:						
Property taxes.....	\$ 1,099,093	\$ 303,284	\$ 91,406	\$ -	\$ 300,286	\$ 1,794,069
Earnings on investments.....	209,069	53,400	99,227	-	93,859	455,555
Fees and fines.....	51,086	-	-	-	-	51,086
Charges for services.....	72,954	133,261	-	-	313,278	519,493
Miscellaneous and other revenue.....	9,649	177,491	235,635	-	603,624	1,026,399
State revenues.....	518,577	292,367	17,100	-	109,150	937,194
Grants.....	72,434	-	9,334	10,042,264	8,677	10,132,709
Total revenue.....	<u>\$ 2,032,862</u>	<u>\$ 959,803</u>	<u>\$ 452,702</u>	<u>\$ 10,042,264</u>	<u>\$ 1,428,874</u>	<u>\$ 14,916,505</u>
EXPENDITURES						
General government.....	\$ 528,691	\$ -	\$ -	\$ -	\$ 28,675	\$ 557,366
Public safety.....	899,046	-	-	-	8,795	907,841
Street and public improvement.....	-	740,522	-	-	17,582	758,104
Parks and recreation.....	-	-	-	-	194,395	194,395
Cultural.....	15,068	-	-	-	197,577	212,645
Capital outlay.....	10,999	49,710	884,645	10,091,192	365,388	11,401,934
Total expenditures.....	<u>\$ 1,453,804</u>	<u>\$ 790,232</u>	<u>\$ 884,645</u>	<u>\$ 10,091,192</u>	<u>\$ 812,412</u>	<u>\$ 14,032,285</u>
Excess (deficiency) of revenue over expenditures.....	\$ 579,058	\$ 169,571	\$ (431,943)	\$ (48,928)	\$ 616,462	\$ 884,220
OTHER FINANCING SOURCES (USES)						
Other Financing Source.....	-	-	-	-	-	-
Transfers.....	(101,000)	-	522,713	-	(246,713)	175,000
Net change in fund balances.....	\$ 478,058	\$ 169,571	\$ 90,770	\$ (48,928)	\$ 369,749	\$ 1,059,220
Fund Balance - Beginning.....	2,860,315	979,862	2,216,845	1,749,636	3,083,421	10,890,079
Fund Balance - Ending.....	<u>\$ 3,338,373</u>	<u>\$ 1,149,433</u>	<u>\$ 2,307,615</u>	<u>\$ 1,700,708</u>	<u>\$ 3,453,170</u>	<u>\$ 11,949,299</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, 2023

Net Change in fund balances-total governmental funds		\$ 1,059,220
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	11,758,970	
Depreciation expense	<u>(694,337)</u>	11,064,633
<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 2023	(36,786)	
Capital lease payable 2022	<u>64,239</u>	27,453
<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 - 2023	347,861	
Deferred revenue - 2022	<u>(1,175,684)</u>	(827,823)
<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 - 2023	(39,785)	
Compensated absences - 2022	<u>40,715</u>	930
<p>GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions.</p>		
Current contributions	31,648	
Net pension revenue (expense)	<u>(215,248)</u>	(183,600)
<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>(2,085)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 11,138,728</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, 2023

	Water Fund	Sanitation	Sewer Fund	Total	Internal Service Funds
ASSETS					
Cash.....	\$ 2,623,616	123,850	\$ 1,969,548	\$ 4,717,014	\$ 100,771
Cash - restricted for bond.....	-	-	668,210	668,210	-
Investments.....	1,165,443	773,653	2,486,527	4,425,623	-
Receivables.....	71,855	32,024	280,870	384,749	-
Capital assets, net of depreciation.....	3,115,790	-	12,741,304	15,857,094	2,740
Capital assets, non-depreciable.....	124,277	-	239,561	363,838	-
Prepaid expenses.....	-	-	-	-	-
Total assets.....	<u>\$ 7,100,981</u>	<u>\$ 929,527</u>	<u>\$ 18,386,020</u>	<u>\$ 26,416,528</u>	<u>\$ 103,511</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferred outflows.....	\$ 29,936	\$ 4,990	\$ 69,851	\$ 104,777	\$ -
Total deferred outflows of resources.....	<u>\$ 29,936</u>	<u>\$ 4,990</u>	<u>\$ 69,851</u>	<u>\$ 104,777</u>	<u>\$ -</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 7,130,917</u>	<u>\$ 934,517</u>	<u>\$ 18,455,871</u>	<u>\$ 26,521,305</u>	<u>\$ 103,511</u>
LIABILITIES					
Current liabilities:					
Accounts payable.....	\$ 26,354	\$ 22,844	\$ 224,439	\$ 273,637	\$ 10,337
Other payable.....	-	-	8,259	8,259	-
Water deposits.....	57,084	-	-	57,084	-
Unearned Income.....	923,192	-	-	923,192	-
Salaries payable & payroll liabilities.....	3,434	839	9,150	13,423	-
Net pension liability.....	75,578	12,596	176,348	264,522	-
Current portion of long term debt.....	-	-	503,802	503,802	-
Total current liabilities.....	<u>\$ 1,085,642</u>	<u>\$ 36,279</u>	<u>\$ 921,998</u>	<u>\$ 2,043,919</u>	<u>\$ 10,337</u>
Noncurrent liabilities:					
Bond payable - long term.....	\$ -	\$ -	\$ 4,338,262	\$ 4,338,262	\$ -
Interim DEQ financing.....	-	-	-	-	-
Compensated absences payable.....	1,380	1,109	25,641	28,130	-
Total liabilities.....	<u>\$ 1,087,022</u>	<u>\$ 37,388</u>	<u>\$ 5,285,901</u>	<u>\$ 6,410,311</u>	<u>\$ 10,337</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferred inflows.....	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION					
Invested in capital assets, net of related debt.....	\$ 3,240,067	\$ -	\$ 8,138,801	\$ 11,378,868	\$ 2,740
Restricted for debt service.....	-	-	4,431,842	4,431,842	-
Net assets - unrestricted.....	2,803,828	897,129	599,327	4,300,284	90,434
Total net position.....	<u>\$ 6,043,895</u>	<u>\$ 897,129</u>	<u>\$ 13,169,970</u>	<u>\$ 20,110,994</u>	<u>\$ 93,174</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.

Net position of business-type activities	690
	<u>\$ 20,111,684</u>

CITY OF RIGBY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
September 30, 2023

	Water Fund	Sanitation	Sewer Fund	Total	Internal Service Funds
OPERATING REVENUE					
Consumer charges.....	\$ 987,776	\$ 331,828	\$ 2,962,910	\$ 4,282,514	\$ -
Other revenue.....	(20)	-	3,851	3,831	-
Other services.....	-	-	-	-	142,184
Total operating revenue.....	<u>\$ 987,756</u>	<u>\$ 331,828</u>	<u>\$ 2,966,761</u>	<u>\$ 4,286,345</u>	<u>\$ 142,184</u>
OPERATING EXPENSES					
Salaries.....	\$ 88,122	\$ 20,808	\$ 193,681	\$ 302,611	\$ 11,254
Payroll taxes.....	6,480	1,592	13,908	21,980	865
Insurance - employee.....	11,033	853	55,678	67,564	2,603
Retirement - employee.....	9,986	2,273	21,847	34,106	1,392
Legal fees.....	-	-	-	-	-
Municipal shop building	15,369	-	19,435	34,804	11,064
Utilities.....	1,316	-	11,393	12,709	-
Office supplies and postage.....	7,402	6,151	2,390	15,943	-
Maintenance and repairs.....	249,241	-	57,769	307,010	12,631
Training and travel.....	75	-	-	75	-
Supplies.....	-	68	8,931	8,999	45,894
Fuel.....	104	-	2,361	2,465	16,274
Depreciation.....	133,047	-	560,018	693,065	2,958
Miscellaneous expense.....	32,799	277,769	259,895	570,463	1,163
Irrigation assessments.....	14,262	-	-	14,262	-
Total operating expense.....	<u>\$ 569,236</u>	<u>\$ 309,514</u>	<u>\$ 1,207,306</u>	<u>\$ 2,086,056</u>	<u>\$ 106,098</u>
Operating income (loss).....	<u>\$ 418,520</u>	<u>\$ 22,314</u>	<u>\$ 1,759,455</u>	<u>\$ 2,200,289</u>	<u>\$ 36,086</u>
NONOPERATING REVENUE (EXPENSE)					
Wastewater project grant income.....	\$ -	\$ -	\$ -	\$ -	\$ -
Water project grant income.....	-	-	-	-	-
Interest income.....	59,287	25,648	44,814	129,749	-
Interest expense.....	-	-	(37,222)	(37,222)	-
Reserve for debt service.....	-	-	-	-	-
Gain (loss) on investments.....	-	-	-	-	-
Net pension revenue/expense	(1,711)	(2,114)	(24,125)	(27,950)	-
Operating transfers.....	(25,000)	(25,000)	(25,000)	(75,000)	(100,000)
Changes in net position.....	<u>\$ 451,096</u>	<u>\$ 20,848</u>	<u>\$ 1,717,922</u>	<u>\$ 2,189,866</u>	<u>\$ (63,914)</u>
NET POSITION					
Total net position - beginning.....	5,592,799	876,281	11,452,048		157,088
Total net position - ending.....	<u>\$ 6,043,895</u>	<u>\$ 897,129</u>	<u>\$ 13,169,970</u>		<u>\$ 93,174</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with business-type activities.

(61,829)
<u>\$ 2,128,037</u>

Change in net position of business-type activities

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

CITY OF RIGBY
Statement of Cash Flows
Proprietary Funds
September 30, 2023

	Water Fund	Sanitation	Sewer Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers.....	\$ 986,379	\$ 365,970	\$ 2,928,212	\$ 4,280,561	\$ 142,184
Payments to suppliers and employees.....	(413,589)	(310,336)	(607,327)	(1,331,252)	(109,654)
Cash provided by customer deposits.....	(14,755)	-	-	(14,755)	-
Net cash provided (used) by operating activities.....	<u>\$ 558,035</u>	<u>\$ 55,634</u>	<u>\$ 2,320,885</u>	<u>\$ 2,934,554</u>	<u>\$ 32,530</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds.....	\$ (25,000)	\$ (25,000)	\$ (25,000)	\$ (75,000)	\$ (100,000)
Net cash provided (used) by noncapital financing activities.....	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (75,000)</u>	<u>\$ (100,000)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Cash paid for capital assets.....	\$ (38,840)	\$ -	\$ (278,481)	\$ (317,321)	\$ -
Cash from capital grants.....	923,192	-	-	923,192	-
Principle payments.....	-	-	(1,009,581)	(1,009,581)	-
Interest paid on long-term obligations.....	-	-	(20,174)	(20,174)	-
Net cash provided (used) by capital and related financing activities.....	<u>\$ 884,352</u>	<u>\$ -</u>	<u>\$ (1,308,236)</u>	<u>\$ (423,884)</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income.....	\$ 26,919	\$ 14,534	\$ 29,874	\$ 71,327	\$ 9,207
Purchase of investments.....	(35,557)	(44,984)	(124,957)	(205,498)	-
Net cash provided (used) from investing activities.....	<u>\$ (8,638)</u>	<u>\$ (30,450)</u>	<u>\$ (95,083)</u>	<u>\$ (134,171)</u>	<u>\$ 9,207</u>
Net increase (decrease) in cash.....	\$ 1,408,749	\$ 184	\$ 892,566	\$ 2,301,499	\$ (58,263)
Cash and cash equivalents-beginning of year.....	1,214,867	123,666	1,745,192	3,083,725	159,034
Cash and cash equivalents-end of year.....	<u>\$ 2,623,616</u>	<u>\$ 123,850</u>	<u>\$ 2,637,758</u>	<u>\$ 5,385,224</u>	<u>\$ 100,771</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income.....	\$ 418,520	\$ 22,314	\$ 1,759,455	\$ 2,200,289	\$ 36,086
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation.....	133,047	-	560,018	693,065	2,958
(Increase) decrease in accounts receivable.....	(1,377)	(2,644)	(38,549)	(42,570)	-
Net pension revenue/(expense).....	-	144,992	-	144,992	-
Increase (decrease) in customer deposits.....	(14,755)	-	-	(14,755)	-
(Increase) decrease in customer prepaids.....	-	-	-	-	55
Increase (decrease) in accounts payable.....	22,600	(822)	39,961	61,739	(6,514)
Net cash provided by operating activities.....	<u>\$ 558,035</u>	<u>\$ 163,840</u>	<u>\$ 2,320,885</u>	<u>\$ 3,042,760</u>	<u>\$ 32,585</u>

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

CITY OF RIGBY

Notes to the Financial Statements September 30, 2023

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, 2023

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.

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, 2023

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, 2023 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, 2023**

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, 2023 are classified as deferred revenue.

Inventories and Prepaid Items

The City does not have any inventory items at September 30, 2023.

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	\$ 44,110
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The balance represents SUTA overpayments in the amount of \$44,110.

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, 2023**

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, 2023, the City had fund balances which were restricted, committed, assigned, and unassigned of \$7,778,157, \$50,787, \$781,982 and \$3,338,373 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, 2023:

	Pooled Cash and Investments
Demand Deposits	\$ 1,938,811
State Investment Pool	9,657,793
Investments	9,710,932
Money Market	668,210
Total	<u>\$ 21,975,746</u>

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2023**

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, 2023. 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	\$ 3,136,844	\$2,567,098	\$ 250,000	\$ 65,193	\$ 2,821,651
Xpress Deposit	29,634	32,609	-	-	29,634
US Bank	6,976	6,976	6,976	-	-
State Invest. Pool	9,657,793	9,657,793	-	-	9,657,793
Petty Cash		338	-	-	338
Investment Accts:					
Idaho Central	1,221,529	1,221,529	250,000	-	937,487
Westmark	471,900	471,900	250,000	-	221,900
Mass Mutual	1,882,190	1,882,189	-	-	1,882,190
TVI Investment	1,916,718	1,916,718	-	-	1,916,718
RBC Wealth	1,019,482	1,019,481	-	-	1,019,482
Edward Jones	384,907	384,908	-	-	382,666
US Bank	1,144,046	1,144,046	250,000	-	894,046
Wells Fargo	360,490	360,490	250,000	-	110,490
Zions	<u>1,309,671</u>	<u>1,309,671</u>	<u>250,000</u>	<u>-</u>	<u>1,059,671</u>
Total	<u>\$22,542,179</u>	<u>\$21,975,746</u>	<u>\$1,506,976</u>	<u>\$ 65,193</u>	<u>\$ 20,970,348</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, 2023, \$20,970,348 of the government's cash and investments bank balance of \$22,542,179 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, 2023, the City has the following investments.

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Money Market	n/a	\$ 150,658
Certificates of Deposit	Various	3,530,398
Federal Agency Obligations	Various	375,565
Mutual Funds	n/a	3,635,350
Bonds	Various	<u>1,781,198</u>
Total Investments		<u>\$ 9,710,932</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, 2023**

NOTE 2 DEPOSITS AND INVESTMENTS, Continued

<u>Individual Issuer</u>	<u>% of Total Investment</u>
Franklin US GOV	30.40%
Fixed Income Funds	20.34%
Corporate Issues	17.70%
Lord Abbet	7.06%
Pimco	5.05%
Loomis Sayles	2.25%
Goldman Sachs	1.94%

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	\$ 15,760	\$ 4,087	\$ 106,903	\$ -	\$ -	\$ -	\$ -
Consumer Fees	-	-	-	71,855	280,870	32,024	-
Other	-	116,836	-	-	-	-	-
Total Local	<u>\$ 16,926</u>	<u>\$ 120,923</u>	<u>\$ 106,363</u>	<u>\$ 71,855</u>	<u>\$ 280,870</u>	<u>\$ 32,024</u>	<u>\$ -</u>
Federal Sources							
Other Fed Sources	\$ -	\$ -	\$ 1,945,488				
Total Federal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,945,488</u>				
State Sources							
Other State Revenue	\$ 51,471	\$ 181,336	\$ 677,192				
Total Receivable	<u>\$ 67,231</u>	<u>\$ 302,259</u>	<u>\$ 2,729,583</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, 2023 the LID#8, LID #9 and LID #10 funds owed the Capital Improvement fund \$323,999 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:

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2023**

NOTE 4 INTERFUND TRANSACTIONS, Continued

<u>Major Funds</u>	<u>Transfers To</u>	<u>Transfers From</u>
General	\$ 75,000	\$ 176,000
Capital Improvement	522,713	-
Water	-	25,000
Sanitation	-	25,000
Sewer	-	25,000
Non-Major	-	346,713

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 \$27,453. The total amount outstanding as of September 30, 2023 is \$36,786

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 \$211,383, 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, 2023, 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, 2023 was \$284,042.

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, 2023, the loan balance payable to the DEQ was \$4,558,022 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, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Governmental-type activities				
Compensated absences	\$ 40,715	\$ -	\$ 930	\$ 39,785
Kartchner Land Management	356,383	-	145,000	211,383
Bancorp Bank	64,239	-	27,453	36,786
<i>Total governmental-type</i>	<u>\$ 461,337</u>	<u>\$ -</u>	<u>\$ 173,383</u>	<u>\$ 287,954</u>
Business-type activities				
Waste Water Project DEQ Loan	\$ 4,954,372	\$ -	\$ 396,350	\$ 4,558,022
Sewer USDA Loan	897,273	-	613,231	284,042
Compensated absences	22,321	5,809	-	28,130
<i>Total business-type activities</i>	<u>\$ 6,414,975</u>	<u>\$ 5,809</u>	<u>\$ 1,009,581</u>	<u>\$ 4,870,194</u>

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2023**

Maturities of long-term obligations are as follows:

2023	\$ 800,421
2024	524,140
2025	396,350
2026	396,350
2027	396,350
2028-2032	1,981,749
2033-2037	<u>990,874</u>
Total	<u>\$ 5,486,234</u>

NOTE 6

CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, 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	\$ 5,122,527	\$ 10,453,391	\$ 1,180,445	\$ 14,395,473
Land	688,866	-	-	688,866
Depreciable Assets:				
Buildings/Sites	\$ 4,509,200	\$ -	\$ -	\$ 4,509,200
Equipment	1,841,258	535,780	2,392	2,374,646
Infrastructure	<u>5,444,523</u>	<u>1,950,242</u>	<u>-</u>	<u>7,394,765</u>
<i>Total capital assets</i>	<u>\$ 17,667,544</u>	<u>\$ 12,939,413</u>	<u>\$ 1,182,837</u>	<u>\$ 29,362,952</u>
Less: accumulated depreciation	<u>(4,619,878)</u>	<u>(694,337)</u>	<u>2,392</u>	<u>(5,311,824)</u>
<i>Governmental activity capital assets, net</i>	<u>\$ 12,986,496</u>	<u>\$ 12,245,076</u>	<u>\$ 1,180,445</u>	<u>\$ 24,051,128</u>
Business-type Activities				
Non-depreciable Assets:				
Work-in-progress	\$ 342,686	\$ -	\$ -	\$ 342,686
Land	75,031	-	-	75,031
Depreciable Assets:				
Water Fund				
Buildings & equipment	\$ 4,783,853	\$ 38,840	\$ -	\$ 4,822,693
Less: accumulated depreciation	<u>(1,573,856)</u>	<u>(133,047)</u>	<u>-</u>	<u>(1,706,903)</u>
<i>Water capital assets, net</i>	<u>3,209,997</u>	<u>(94,207)</u>	<u>\$ -</u>	<u>\$ 3,115,790</u>
Sanitation Fund				
Buildings & equipment	-	-	-	-
Less: accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Sanitation capital assets, net</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sewer				
Buildings & equipment	18,985,577	278,482	-	19,264,060
Less: accumulated depreciation	<u>(6,016,615)</u>	<u>(560,018)</u>	<u>-</u>	<u>(6,576,633)</u>
<i>Sewer capital assets, net</i>	<u>12,968,962</u>	<u>(281,536)</u>	<u>-</u>	<u>12,687,427</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 16,596,677</u>	<u>\$ (375,743)</u>	<u>\$ -</u>	<u>\$ 16,220,933</u>
Internal Service Fund				
Buildings & equipment	\$ 517,039	\$ -	\$ -	\$ 517,039
Less: accumulated depreciation	<u>(511,341)</u>	<u>(2,958)</u>	<u>-</u>	<u>(514,299)</u>
<i>Internal Service capital assets, net</i>	<u>\$ 5,698</u>	<u>\$ (2,958)</u>	<u>\$ -</u>	<u>\$ 2,740</u>

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2023**

NOTE 6 CAPITAL ASSETS, Continued

Depreciation expense was charged to functions as follows:

General government	\$ 694,337
Water fund	133,047
Sewer fund	561,614
Internal Service	<u>2,958</u>
	<u>\$ 1,391,956</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, 2024, 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, 2023**

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, 2023**

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, 2023 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 \$138,482 for the year ended September 30, 2023.

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

At September 30, 2023, 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, 2023, 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, 2023, the City of Rigby's proportion was .03156427 percent.

For the year ended September 30, 2023, the City of Rigby's recognized pension expense of \$159,911. At September 30, 2023 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	\$ 215,909	\$ -
Changes in assumptions or other inputs	124,729	-
Net difference between projected and actual earnings on pension plan investments	118,234	-
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>40,061</u>	<u>-</u>
TOTAL	\$ 498,933	\$ -

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2023**

NOTE 10 PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

\$40,061 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, 2023.

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, 2022 the beginning of the measurement period ended June 30, 2023 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, 2023:	
2024	\$ 163,185
2025	\$ 76,685
2026	\$ 238,556
2027	\$ (19,553)

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, 2023 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, 2023**

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, 2023 is based on the results of an actuarial valuation date of July 1, 2022.

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 2023.

2023

Asset Class	DB Plans	Sick Leave
Fixed Income	30.0%	50.0%
US/Global Equity	55.0%	39.3%
International Equity	15.0%	10.7%
Cash	0.0%	0.00%
Total	100%	100%

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2023

NOTE 10 PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 6.35%. 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 6.35 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 (5.35 percent) or 1-percentage-point higher (7.35 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)	2,265,489	1,259,626	437,521

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.

CITY OF RIGBY

**Notes to the Financial Statements
September 30, 2023**

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)	\$ 102,953
Cash – State Investment Pool	<u>1,119,572</u>
Total	<u>\$1,222,525</u>

Deposits with financial institutions include bank demand deposits as authorized by Idaho statutes. The bank balance for cash demand deposits was \$213,65 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	\$ 7,672
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- D. Payables at year end consist of the following:

Accounts Payable	\$ 478
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NOTE 13 UNEARNED INCOME

During the year 2021 & 2022 the City received \$923,192 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 unearned income.

CITY OF RIGBY
Budget to Actual Comparison Schedule
General Fund
September 30, 2023

	<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.....	\$ 1,061,000	\$ 1,061,000	\$ 1,099,093	\$ 38,093
Earnings on investments.....	8,000	8,000	209,069	201,069
Fees and fines.....	77,600	77,600	51,086	(26,514)
Charges for services.....	51,000	51,000	72,954	21,954
Miscellaneous and other revenue.....	5,000	5,000	9,649	4,649
State revenues.....	508,150	508,150	518,577	10,427
Grants.....	61,200	61,200	72,434	11,234
Total revenue.....	<u>\$ 1,771,950</u>	<u>\$ 1,771,950</u>	<u>\$ 2,032,862</u>	<u>\$ 260,912</u>
EXPENDITURES				
General government.....	\$ 748,150	\$ 748,150	\$ 528,691	\$ 219,459
Public safety.....	885,800	885,800	899,046	(13,246)
Cultural.....	16,000	16,000	15,068	932
Capital outlay.....	21,000	21,000	10,999	10,001
Total expenditures.....	<u>\$ 1,670,950</u>	<u>\$ 1,670,950</u>	<u>\$ 1,453,804</u>	<u>\$ 217,146</u>
Excess (deficiency) of revenue over expenditures.....	\$ 101,000	\$ 101,000	\$ 579,058	\$ 478,058
OTHER FINANCING SOURCES (USES)				
Other Financing Source.....	-	-	-	-
Transfers.....	(101,000)	(101,000)	(101,000)	-
Net change in fund balances.....	\$ -	\$ -	\$ 478,058	\$ 478,058
Fund Balance - Beginning.....	2,860,315	2,860,315	2,860,315	-
Fund Balance - Ending.....	<u>\$ 2,860,315</u>	<u>\$ 2,860,315</u>	<u>\$ 3,338,373</u>	<u>\$ 478,058</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIGBY
Budget to Actual Comparison Schedule
Road Fund
September 30, 2023

	<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.....	\$ 293,325	\$ 293,325	\$ 303,284	\$ 9,959
Earnings on investments.....	6,000	6,000	53,400	47,400
Charges for services.....	-	-	-	-
Miscellaneous and other revenue.....	120,000	120,000	133,261	13,261
State revenues.....	331,640	331,640	469,858	138,218
Total revenue.....	<u>\$ 750,965</u>	<u>\$ 750,965</u>	<u>\$ 959,803</u>	<u>\$ 208,838</u>
EXPENDITURES				
Street and public improvement.....	\$ 660,350	\$ 660,350	\$ 740,522	\$ (80,172)
Capital outlay.....	690,615	690,615	49,710	640,905
Total expenditures.....	<u>\$ 1,350,965</u>	<u>\$ 1,350,965</u>	<u>\$ 790,232</u>	<u>\$ 560,733</u>
Excess (deficiency) of revenue over expenditures.....	\$ (600,000)	\$ (600,000)	\$ 169,571	\$ 769,571
OTHER FINANCING SOURCES (USES)				
Transfers.....	-	-	-	-
Net change in fund balances.....	\$ (600,000)	\$ (600,000)	\$ 169,571	\$ 769,571
Fund Balance - Beginning	979,862	979,862	979,862	-
Fund Balance - Ending.....	<u>\$ 379,862</u>	<u>\$ 379,862</u>	<u>\$ 1,149,433</u>	<u>\$ 769,571</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
September 30, 2023

	<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.....	-	-	10,042,264	10,042,264
Total revenue.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,042,264</u>	<u>\$ 10,042,264</u>
EXPENDITURES				
Capital outlay.....	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 10,091,192</u>	<u>\$ (9,591,192)</u>
Total expenditures.....	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 10,091,192</u>	<u>\$ (9,591,192)</u>
Excess (deficiency) of revenue over expenditures.....	\$ (500,000)	\$ (500,000)	\$ (48,928)	\$ 451,072
OTHER FINANCING SOURCES (USES)				
Transfers.....	-	-	-	-
Net change in fund balances.....	\$ (500,000)	\$ (500,000)	\$ (48,928)	\$ 451,072
Fund Balance - Beginning	1,749,636	1,749,636	1,749,636	-
Fund Balance - Ending.....	<u>\$ 1,249,636</u>	<u>\$ 1,249,636</u>	<u>\$ 1,700,708</u>	<u>\$ 451,072</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
September 30, 2023

	<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.....	\$ 88,300	\$ 88,300	\$ 91,406	\$ 3,106
Earnings on investments.....	4,990	4,990	99,227	94,237
Miscellaneous and other revenue.....	-	-	235,635	235,635
State revenues.....	17,100	17,100	17,100	-
Grants.....	61,200	61,200	9,334	(51,866)
Total revenue.....	<u>\$ 171,590</u>	<u>\$ 171,590</u>	<u>\$ 452,702</u>	<u>\$ 281,112</u>
EXPENDITURES				
Capital outlay.....	\$ 442,771	\$ 442,771	\$ 884,645	\$ (441,874)
Total expenditures.....	<u>\$ 442,771</u>	<u>\$ 442,771</u>	<u>\$ 884,645</u>	<u>\$ (441,874)</u>
Excess (deficiency) of revenue over expenditures.....	\$ (271,181)	\$ (271,181)	\$ (431,943)	\$ (160,762)
OTHER FINANCING SOURCES (USES)				
Other Financing Source.....	-	-	-	-
Transfers.....	271,500	271,500	522,713	251,213
Net change in fund balances.....	\$ 319	\$ 319	\$ 90,770	\$ 90,451
Fund Balance - Beginning.....	2,216,845	2,216,845	2,216,845	-
Fund Balance - Ending.....	<u>\$ 2,217,164</u>	<u>\$ 2,217,164</u>	<u>\$ 2,307,615</u>	<u>\$ 90,451</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*

	2019	2020	2021	2022	2023
City of Rigby's portion of the net pension liability	0.0244692%	0.0260487%	0.0270411%	0.0295697%	0.0315643%
City of Rigby's proportionate share of the net pension liability	\$ 279,309	\$ 604,885	\$ (21,357)	\$ 1,164,678	\$ 1,259,626
City of Rigby's covered-employee payroll	\$ 897,811	\$ 930,328	\$ 1,095,626	\$ 1,299,083	\$ 1,347,215
City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll	31.11%	65.02%	-1.95%	89.65%	93.50%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	88.22%	100.36%	83.09%	83.83%
	2018	2017	2016	2015	
City of Rigby's portion of the net pension liability	0.0248565%	0.0259108%	0.0281754%	0.0299508%	
City of Rigby's proportionate share of the net pension liability	\$ 366,638	\$ 407,273	\$ 571,159	\$ 394,403	
City of Rigby's covered-employee payroll	\$ 824,446	\$ 838,304	\$ 815,799	\$ 809,554	
City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll	44.47%	48.58%	69.82%	48.72%	
Plan fiduciary net position as a percentage of the total pension liability	91.69%	90.68%	87.26%	91.38%	

- Data reported is measured as of June 30, 2023

* 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*

	2019	2020	2021	2022	2023
Statutorily required contribution	\$ 93,629	\$ 102,200	\$ 106,766	\$ 136,927	\$ 137,859
Contributions in relation to the statutorily required contribution	\$ 95,450	\$ 112,176	\$ 121,942	\$ 140,875	\$ 162,186
Contribution (deficiency) excess	\$ 1,821	\$ 9,976	\$ 15,176	\$ 3,948	\$ 24,327
Employer's covered-employee payroll	\$ 827,561	\$ 923,696	\$ 1,005,044	\$ 1,161,065	\$ 1,336,632
Contributions as a percentage of covered-employee payroll	11.53%	12.14%	12.13%	12.13%	12.13%

	2018	2017	2016	2015
Statutorily required contribution	\$ 94,835	\$ 94,835	\$ 93,282	\$ 97,353
Contributions in relation to the statutorily required contribution	\$ 88,580	\$ 92,338	\$ 94,559	\$ 93,143
Contribution (deficiency) excess	\$ (6,255)	\$ (2,497)	\$ 1,277	\$ (4,210)
Employer's covered-employee payroll	\$ 767,955	\$ 800,528	\$ 815,799	\$ 809,554
Contributions as a percentage of covered-employee payroll	11.53%	11.53%	11.59%	11.51%

- Data reported is measured as of June 30, 2023

* 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, 2023**

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 2023.

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, 2023, 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, 2023

	Special Revenue					Capital Projects					Custodial Funds		
	Library Fund	Arterial Road Fund	Park Fund	Police Drug Fund	Airport Fund	Splash Park	Sewer Construction Fund	Connection Funds	LID #8	LID #9	LID #10	Police Reserve	Totals
ASSETS													
Cash.....	\$ 238,304	\$ 7,796	\$ 453,127	\$ 2,383	\$ 60,859	\$ 200	\$ 6,769	\$ 1,259,700	\$ -	\$ -	\$ -	\$ 2,282	\$ 2,031,420
Investments.....	-	42,991	-	-	-	-	-	1,292,053	-	-	-	-	1,335,044
Taxes receivable.....	2,430	-	103,157	-	-	-	-	-	-	-	-	-	105,587
Other receivables.....	8,000	-	12,000	-	-	-	-	-	19,172	168,213	136,614	-	343,999
Interfund receivable.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets.....	\$ 248,734	\$ 50,787	\$ 568,284	\$ 2,383	\$ 60,859	\$ 200	\$ 6,769	\$ 2,551,753	\$ 19,172	\$ 168,213	\$ 136,614	\$ 2,282	\$ 3,816,050
LIABILITIES AND FUND BALANCE													
LIABILITIES:													
Accounts payable.....	\$ 16,180	\$ -	\$ 7,213	\$ -	\$ 1,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,956
Due to other government.....	-	-	-	-	-	-	-	-	-	-	-	2,282	2,282
Interfund payable.....	-	-	-	-	-	-	-	-	-	-	-	-	323,999
Payroll liabilities.....	3,588	-	3,939	-	-	-	-	-	19,172	168,213	136,614	-	7,527
Deferred revenue.....	2,256	-	1,860	-	-	-	-	-	-	-	-	-	4,116
Total liabilities.....	\$ 22,024	\$ -	\$ 13,012	\$ -	\$ 1,563	\$ -	\$ -	\$ -	\$ 19,172	\$ 168,213	\$ 136,614	\$ 2,282	\$ 362,880
FUND BALANCE:													
Restricted.....	\$ -	\$ -	\$ -	\$ 2,383	\$ 59,296	\$ 200	\$ 6,769	\$ 2,551,753	\$ -	\$ -	\$ -	\$ -	\$ 2,620,401
Committed.....	-	50,787	-	-	-	-	-	-	-	-	-	-	50,787
Assigned.....	226,710	-	555,272	-	-	-	-	-	-	-	-	-	781,982
Total fund balance.....	\$ 226,710	\$ 50,787	\$ 555,272	\$ 2,383	\$ 59,296	\$ 200	\$ 6,769	\$ 2,551,753	\$ -	\$ -	\$ -	\$ -	\$ 3,453,170
Total liabilities and fund balance.....	\$ 248,734	\$ 50,787	\$ 568,284	\$ 2,383	\$ 60,859	\$ 200	\$ 6,769	\$ 2,551,753	\$ 19,172	\$ 168,213	\$ 136,614	\$ 2,282	\$ 3,816,050

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, 2023

	Special Revenue										Capital Projects				Total
	Library Fund	Arterial Road Fund	Park Fund	Police Drug Fund	Airport Fund	Splash Park	Sewer Construction Fund	Connection Funds	LID #8	LID #9	LID #10				
REVENUES															
Local Revenue:															
Property taxes.....	\$ 163,086	\$ -	\$ 137,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,286
Earnings on investments.....	6,888	11,850	8,537	-	-	-	-	66,584	-	-	-	-	-	-	93,859
Charges for services.....	9,766	-	-	-	19,855	-	-	283,657	-	-	-	-	-	-	313,278
Miscellaneous and other revenue.....	5,096	-	99,585	702	370,864	-	-	-	11,851	28,408	87,118	-	-	-	603,624
Special assessments.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State revenues.....	8,000	-	101,150	-	-	-	-	-	-	-	-	-	-	-	109,150
Grants.....	8,677	-	-	-	-	-	-	-	-	-	-	-	-	-	8,677
Total revenue.....	\$ 201,513	\$ 11,850	\$ 346,472	\$ 702	\$ 390,719	\$ -	\$ -	\$ 350,241	\$ 11,851	\$ 28,408	\$ 87,118	\$ -	\$ -	\$ -	\$ 1,428,874
EXPENDITURES															
General government.....	\$ -	\$ -	\$ -	\$ -	\$ 28,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,675
Street and public improvement.....	-	-	-	-	-	-	-	17,582	-	-	-	-	-	-	17,582
Public safety.....	-	-	-	8,795	-	-	-	-	-	-	-	-	-	-	8,795
Parks and recreation.....	-	-	194,395	-	-	-	-	-	-	-	-	-	-	-	194,395
Culture.....	197,577	-	-	-	-	-	-	-	-	-	-	-	-	-	197,577
Capital outlay.....	-	-	2,165	-	362,709	-	-	-	-	-	-	-	-	514	365,388
Total expenditures.....	\$ 197,577	\$ -	\$ 196,560	\$ 8,795.00	\$ 391,384	\$ -	\$ -	\$ 17,582	\$ -	\$ -	\$ 514	\$ -	\$ -	\$ -	\$ 812,412
Excess (deficiency) of revenue over expenditures.....	\$ 3,936	\$ 11,850	\$ 149,912	\$ (8,093)	\$ (665)	\$ -	\$ -	\$ 332,659	\$ 11,851	\$ 28,408	\$ 86,604	\$ -	\$ -	\$ -	\$ 616,462
OTHER FINANCING SOURCES (USES)															
Transfers.....	-	-	-	-	26,000	-	-	-	(11,851)	(28,408)	(232,454)	-	-	-	(246,713)
Other financing sources.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances.....	\$ 3,936	\$ 11,850	\$ 149,912	\$ (8,093)	\$ 25,335	\$ -	\$ -	\$ 332,659	\$ -	\$ -	\$ (145,850)	\$ -	\$ -	\$ -	\$ 369,749
FUND BALANCES															
Beginning of the year.....	222,774	38,937	405,560	10,476	33,961	200	6,769	2,219,094	-	-	145,850	-	-	-	3,083,421
End of the year.....	\$ 226,710	\$ 50,787	\$ 555,272	\$ 2,383	\$ 59,296	\$ 200	\$ 6,769	\$ 2,551,753	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,453,170

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

CITY OF RIGBY
Schedule of Expenditures
General Fund
September 30, 2023

		<u>Total Expenditures</u>
GENERAL GOVERNMENT		
Mayor & Council		
Payroll related expenditures	\$ 40,081	
Public relations	2,800	
Other	4,881	
Total Mayor & Council		<u>\$ 47,762</u>
City Hall		
Payroll related expenditures	\$ 664	
Utilities & telephone	13,346	
Maintenance	6,566	
Total City Hall		<u>\$ 20,576</u>
Administration		
Payroll related expenditures	\$ 181,414	
Office expenditures	36,856	
Bank fees	23,205	
Other	1,500	
Total Administration		<u>\$ 242,975</u>
Non-departmental		
Payroll related expenditures	\$ 28,117	
Legal & professional	62,174	
Bonds & insurance	7,544	
Other	38,313	
Total Non-departmental		<u>\$ 136,148</u>
Planning & Zoning		
Payroll related expenditures	\$ 68,452	
Office expenditures	1,812	
Engineering fees	-	
Other	4,243	
Total Planning & Zoning		<u>\$ 74,507</u>
TOTAL GENERAL GOVERNMENT EXPENDITURES		<u><u>\$ 521,968</u></u>
PUBLIC SAFETY		
Payroll related expenditures	\$ 752,749	
Office expenditures	12,326	
Utilities & telephone	23,996	
Police expenditures	94,512	
Maintenance & repairs	22,912	
TOTAL PUBLIC SAFETY		<u>\$ 906,495</u>
CULTURAL		
Museum, rodeo, & discretionary cultural expenditures		<u>\$ 15,068</u>
CAPITAL OUTLAY		
City Hall	\$ -	
Administration	-	
Police	10,273	
TOTAL CAPITAL OUTLAY		<u>\$ 10,273</u>
TOTAL GOVERNMENTAL EXPENDITURES		<u><u>\$ 1,453,804</u></u>

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

JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 50700

185 S. CAPITAL

IDAHO FALLS, IDAHO 83405

ERNEST M. JENSEN, M.B.A., C.P.A.
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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, 2023, 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, 2024.

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.

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, 2024

JENSEN POULSEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
City of Rigby
Rigby, Idaho 83442

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Rigby's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Rigby's major federal programs for the year ended September 30, 2023. City of Rigby's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Rigby complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Rigby and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Rigby's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Rigby's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Rigby's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Rigby's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Rigby's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Rigby's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Jensen Poulsen & Company, PLLC

JENSEN POULSEN & COMPANY, PLLC
Certified Public Accountants

Idaho Falls, ID
January 30, 2024

CITY OF RIGBY

**Schedule of Findings and Questioned Costs
September 30, 2023**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material Weaknesses identified?	No
Significant Deficiencies identified?	No
Type of auditors’ report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.514?	No

Identification of Major Programs:

<u>CFDA Number:</u>	<u>Name of Federal Program:</u>
#21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Programs Findings

None

CITY OF RIGBY

**Schedule of Expenditures of Federal Awards
For the year ended September 30, 2023**

	<u>Federal CFDA No.</u>	<u>Accrued Grant and Loan Disbursements</u>
<u>Department of Transportation</u>		
State and Community Highway Safety	20.600	\$ 2,844
National Priority Safety Program	20.616	<u>17,217</u>
		<u>\$ 20,061</u>
<u>Department of Commerce</u>		
Community Development Block Grant	14.228	<u>\$ 695,242</u>
<u>Department of the Treasury</u>		
Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>\$ 9,572,023</u>
Total Expenditures		<u>\$ 10,287,325</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Rigby under programs of the federal government for the year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Rigby, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Rigby.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C INDIRECT COST RATE

The City of Rigby has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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