

**CITY OF RIGBY
RIGBY, IDAHO**

**Basic Financial Statements and
Required Supplementary Information
With
Supplementary Information and
Independent Auditor's Report
Year Ended September 30, 2022**

CITY OF RIGBY

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Year Ended September 30, 2022

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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, 2022, 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, 2022, 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
March 2, 2023

City of Rigby
Management's Discussion and Analysis of Financial Statements
Fiscal Year Ending September 30, 2022

As management of the City of Rigby, we offer the citizens of the City of Rigby's financial statements this narrative overview and analysis of the financial activities of the City of Rigby for the fiscal year ended September 30, 2022.

FINANCIAL HIGHLIGHTS

The net assets of the City exceeded its liabilities at September 30, 2022 from \$36.6 million to \$42.6 million, an increase of \$6 million.

- Of the total net asset of \$42.7 million, \$11.6 million represents unrestricted net position and \$7.6 million of restricted assets which is available to meet the City's ongoing obligations to citizens and creditors.
- At fiscal year end, the City's governmental funds reported combined ending net position balance of \$24.6 million, an increase of \$7.6 million from the prior year. The business-type activities reported ending net position balance of \$18 million, a decrease \$1.6 million from the prior year.
- The net working capital for all funds increased from \$15.9 million to \$17.8 million at year end.
- Net fixed capital assets of the city increased by \$1.9 million with depreciation charges totaling \$1.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of net assets* presents information on all the City of Rigby's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may

serve as a useful indicator of whether the financial position of the City of Rigby is improving or deteriorating.

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

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

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

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

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

The city has one agency fund type –“police reserve account” which is a custodial fund. Custodial funds are used to report activities that the city is not a beneficiary of and provides benefits to recipients in accordance with the benefit terms.

The basic governmental wide funds financial statements can be found on pages 9-17 and non-major funds on pages 41-42.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes can be found on pages 18-38 of the audit report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position: For the years ended September 30, 2021 and September 30, 2022. Net Position changed as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>All Activities</u>
Net Position Sept 30, 2021	16,991,036	19,610,183	36,601,219
Increase (Decrease) in Net Position	<u>7,633,492</u>	<u>(1,326,535)</u>	<u>6,006,957</u>
Net Position Sept 30, 2022	24,624,528	17,983,648	42,608,176
Percent Change	44.93%	(6.76%)	16.41%

Following is the comparative statement of Net Position (2021 vs. 2022)

	<u>Governmental Activities</u>		<u>Business-Types Activities</u>		<u>Total- All Activities</u>		<u>Net Change</u>
	2021	2022	2021	2022	2021	2022	Favorable/(Unfavorable)
ASSETS							
Current & Other Assets	9,129,736	13,158,500	8,928,572	7,825,563	18,058,308	20,984,063	2,925,755
Capital Assets (Net)	<u>9,694,296</u>	<u>12,986,496</u>	<u>17,357,201</u>	<u>16,602,374</u>	<u>27,051,497</u>	<u>29,588,870</u>	<u>2,537,373</u>
Total Assets	18,824,032	26,144,996	26,285,773	24,427,937	45,109,805	50,572,933	5,463,128
Deferred Outflows (Pensions)	<u>232,070</u>	<u>471,758</u>	<u>81,539</u>	<u>148,976</u>	<u>313,609</u>	<u>620,734</u>	<u>307,125</u>
Total Assets & Deferred Outflows	<u>19,056,102</u>	<u>26,616,754</u>	<u>26,367,312</u>	<u>24,576,913</u>	<u>45,423,414</u>	<u>51,193,667</u>	<u>5,770,253</u>
LIABILITIES							
Current Liabilities	1,460,114	1,910,776	668,322	1,221,854	2,128,436	3,132,630	(1,004,194)
Long-Term Liabilities	<u>99,381</u>	<u>77,501</u>	<u>5,911,173</u>	<u>5,370,164</u>	<u>6,010,554</u>	<u>5,447,665</u>	<u>562,889</u>
Total Liabilities	1,559,495	1,988,277	6,579,495	6,592,018	8,138,990	8,580,295	(441,305)
DEFERRED INFLOWS/RESOURCES:							
Deferred Pension Inflows	<u>505,571</u>	<u>3,949</u>	<u>177,634</u>	<u>1,248</u>	<u>683,205</u>	<u>5,197</u>	<u>678,008</u>
NET POSITION:							
Investment Fixed Assets	9,255,554	12,565,874	10,953,699	10,750,729	20,209,253	23,316,603	3,107,350
Restricted	1,008,014	4,071,595	2,426,438	3,568,289	3,434,452	7,639,884	4,205,432
Unrestricted	<u>6,727,468</u>	<u>7,987,059</u>	<u>6,230,046</u>	<u>3,664,630</u>	<u>12,957,514</u>	<u>11,651,689</u>	<u>(1,305,825)</u>
Total Net Position	<u>16,991,036</u>	<u>24,624,528</u>	<u>19,610,183</u>	<u>17,983,648</u>	<u>36,601,219</u>	<u>42,608,176</u>	<u>6,006,957</u>

As noted above, net assets may serve over time as a useful indicator of government's financial position. In the case of the City of Rigby, assets exceeded liabilities by \$42.6 million at September 30, 2022 compared with \$36.6 million of the prior year for an overall net increase of \$6 million in net assets. The increase represents the net change in the city's addition: the governmental fund types increased their net position \$7.6 million and the business-types funds decreased their net position by \$1.6 million.

The City's net position between its net investment in capital assets and other assets remained relative unchanged from 2021 to 2022 (55.2% vs. 54.7%).

Outstanding Debt:

The debt owed on the government activities and business-type assets decreased from \$6.8 million to \$6.3 million as shown below.

	<u>Beginning</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending</u>
DEQ Wastewater Loan	5,350,722		396,350	4,954,372
USDA-RD Wastewater Loan	1,052,780		155,507	897,273
Kartchner Homes	356,383			356,383
Bancorp Bank	<u>82,359</u>	<u>-</u>	<u>18,120</u>	<u>64,239</u>
	<u>6,842,244</u>	<u>0</u>	<u>569,977</u>	<u>6,272,267</u>
Compensated Absences	<u>55,948</u>	<u>10,848</u>	<u>3,760</u>	63,036
Total	6,898,192	10,848	573,737	6,335,303

Working capital (current assets less current liabilities) for the city's governmental and enterprise funds increased over the prior year with a 1.21% increase. With an overall increase over the past 5 years of a total of \$7.1 million.

<u>Working Capital</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Current/Other Assets	11,110,427	11,975,673	13,286,436	14,811,399	17,246,426	18,058,308	20,984,063
Current Liabilities	<u>1,689,246</u>	<u>1,405,915</u>	<u>2,046,285</u>	<u>1,344,055</u>	<u>1,722,718</u>	<u>2,128,436</u>	<u>3,132,630</u>
Net Working Capital	9,421,181	10,569,758	11,240,151	13,467,344	15,523,708	15,929,872	17,851,433
Year over Year % Increase (Decrease)	10.25%	12.20%	6.30%	19.81%	15.27%	2.60%	12.1%

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

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

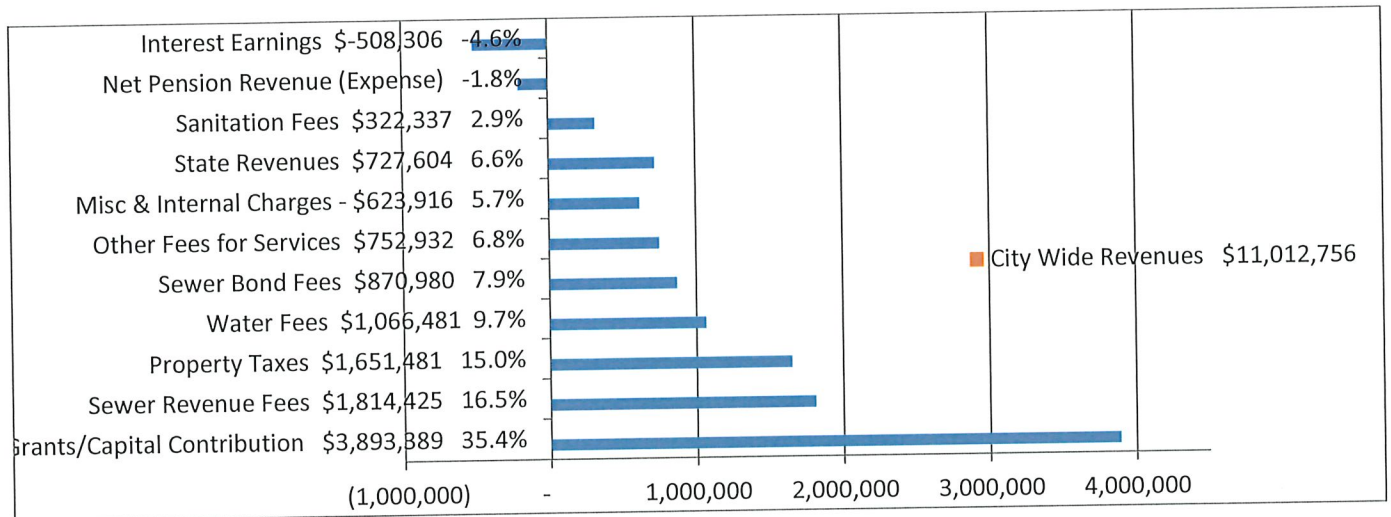
	Ending Fund Balance	2022 Budget	25% 2022 Budget	Excess Fund Balance over Working Cap.
General Fund	2,860,315	1,891,950	472,988	2,387,328
Library Fund	222,775	259,475	64,869	157,906
Parks	405,361	385,475	96,369	308,992
Roads	979,861	1,350,965	337,741	642,120
Rodeo Committee	59,941	75,000	18,750	41,191
Capital Improvement	2,216,845	2,945,910	736,478	1,480,368
Water Revenue (Net)	2,299,437	2,377,000	594,250	1,705,187
Sanitation (Net)	876,281	612,000	153,000	723,281
Sewer Revenue (Net of Bond)	2,805,344	1,772,000	443,000	2,362,344

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

CITY-WIDE REVENUES

Total city-wide revenues totaled \$11 million. The following chart shows the source of revenues by funding source.

Total Revenues by Source – All Funds



Negative Interest Earnings:

The city experienced negative interest earnings for the year due to the accounting requirements established by the Government Accounting Standards Board (GASB), which establishes the accounting and financial reporting standards for state and local governments in the United States recognized the need to report investments at fair value at fiscal year-end. Investments at year-end are therefore valued at market value which may show mark-to-market gains and mark-to-market losses. Mark-to-market losses are losses generated through an accounting entry rather than the actual sale of a security. Mark-to-market losses can occur when financial instruments held are valued at the current

market value. If a security was purchased for interest to be paid at a certain rate of interest and new instruments are issued paying a higher rate of interest, the holder would have an unrealized loss, and marking the security down to the new market price would result in the mark-to-market loss. When the investment is redeemed at maturity the stated rate of interest is paid at that point in time. Conversely when an investment is purchased in a declining interest rate environment, the investment when mark-to-market, gains would be generated through an accounting entry showing the investments at a gain.

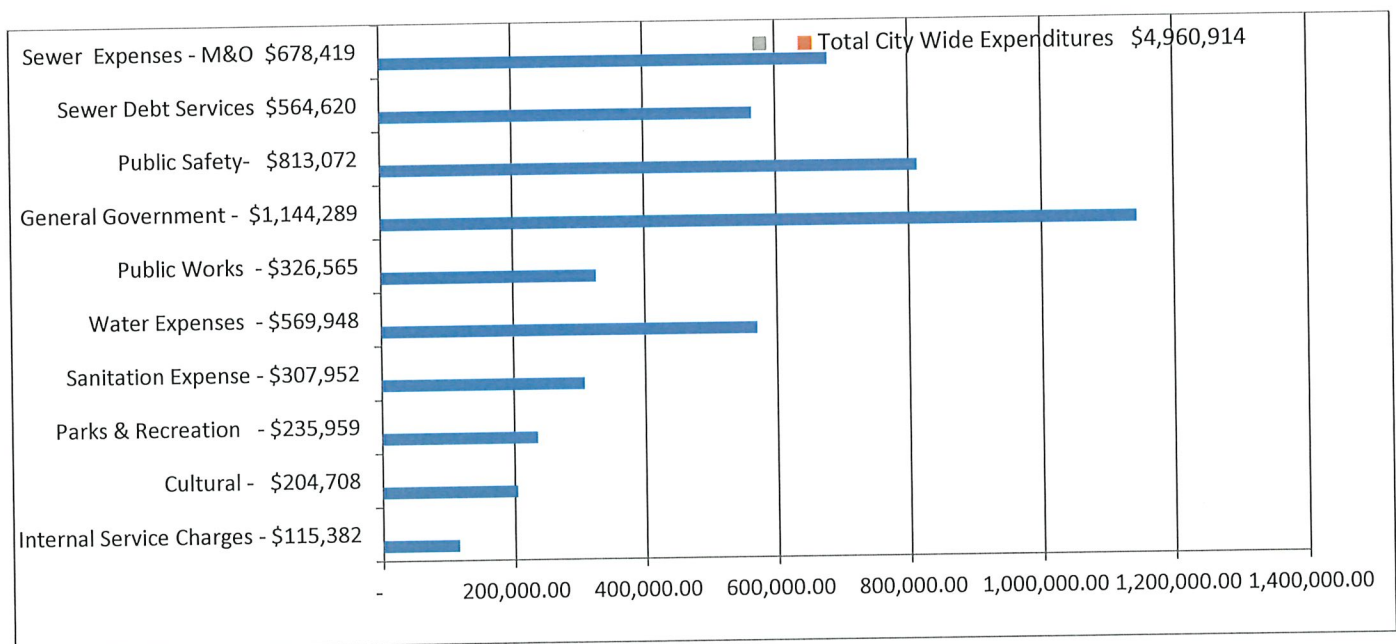
- Mark-to-market losses are losses generated through an accounting entry rather than the actual sale of a security.
- Mark-to-market losses can occur when financial instruments held are valued at the current market value.
- Assets that experience a price decline from their original cost would be revalued at the new market price leading to a mark-to-market loss.

The city recorded a mark-to-market net loss for the year totaling \$508,306.

CITY-WIDE EXPENDITURES

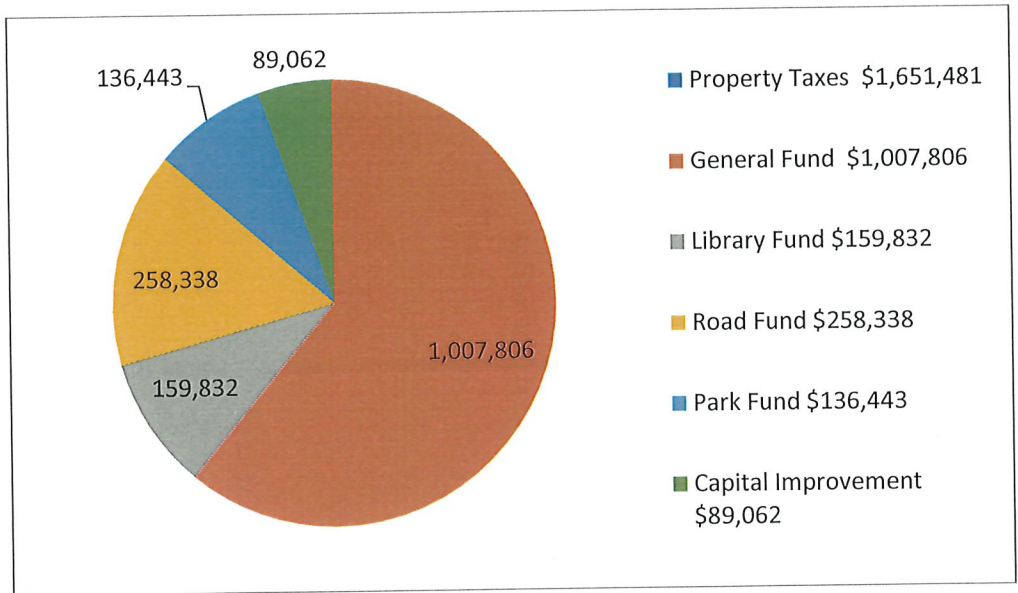
Total city-wide expenditures totaled \$4.9 million. The following chart shows the allocation expenditures by function.

Total City Wide Expenditures \$4,960,914



PROPERTY TAX ASSESSMENT -

The city assessed \$1.6 million from property taxes. The following pie chart shows the allocation of property tax to the various funds.



GENERAL FUND BUDGETARY HIGHLIGHT

The general fund is the primary operating fund of the city. At year end its unreserved, undesignated fund balance was \$2.8 million versus \$2.6million for the prior year an increase of \$259,065. The general fund ending fund balance is 66% of the total general fund expenditures and fund transfers for the current year.

The city authorized a \$100,000 transfer from the unreserved fund balance to the capital improvement fund which was made.

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

Actual general fund expenditures including net transfers totaled \$1.433 million with total actual revenues totaling \$1.692 million for a net increase of \$259,069. The largest increase in actual revenues over budgeted revenue was from state sources; \$165,456, (i.e., revenue sharing, liquor apportionment, state replacement tax). Expenditures that were under budgeted; planning/zoning - \$72,400, Other Appropriations- \$61,044; economic development - \$16,937.

Annual budgets are published prior to adoption and public hearings are held. Budgets may be amended during the year. Whenever budgets are raised over the authorized budget state statutes require a public hearing and re-publication of the prior budget, increase and revised budget. The city did amend its 2021/22 budget for year. The general fund budget was increased net \$11,000 due to additional grants and the wastewater treatment project budget was amended an additional \$1.5 million from

interfund transfers to pay for engineering fees associated with the new wastewater treatment plant expansion.

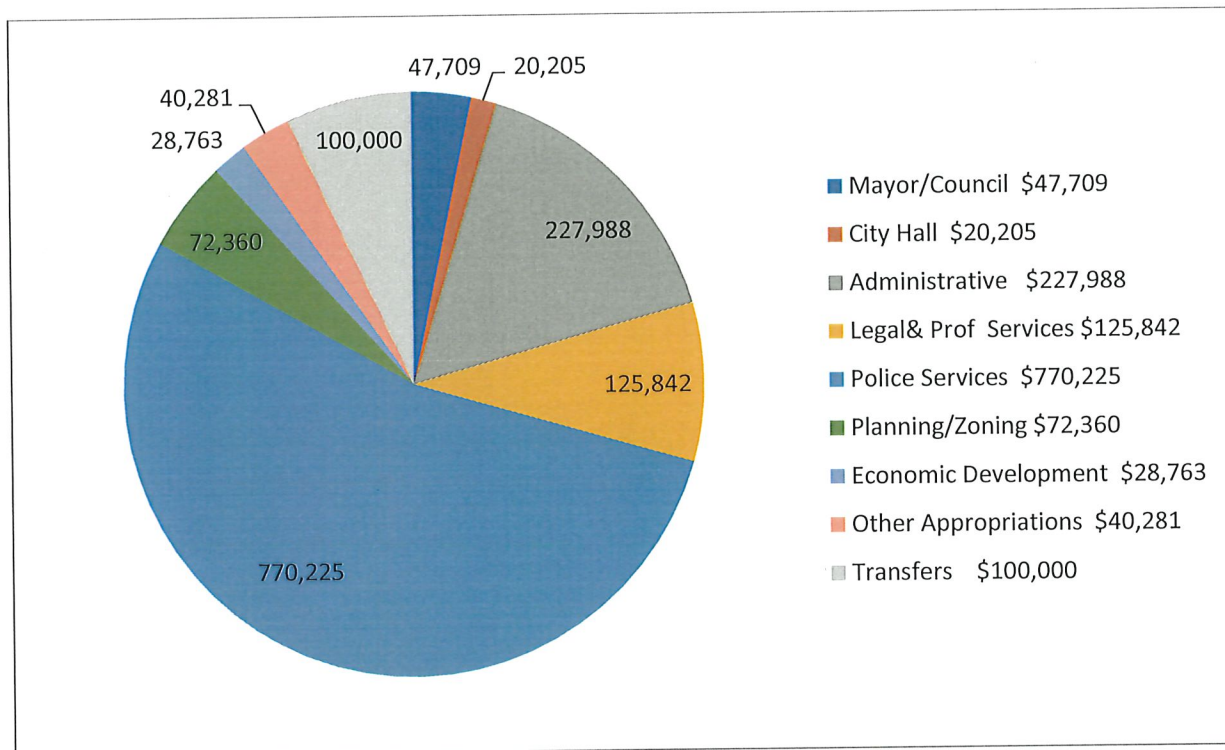
GENERAL FUND EXPENDITURES

The general fund had an operating budget of \$1.6 million for fiscal year ending September 30, 2022, versus the prior year’s budget of \$1.48 million.

Actual expenditures (including transfers out) total \$1.433 million out of the authorized budget of \$1.636 million. The following chart summarizes the actual expenditures to the various departments within the general fund.

General Fund Actual Expenditures – By Department

Total General Fund - \$1,433,373



Economic Factors and Next Year’s Budgets and Rates

- Inflationary trends for the City are about the same as the state level.
- Interest rates on earnings remain relative the same compared with prior years however, interest rates being paid are increasing in rates.
- The City compares favorably with the mountain west region in economic growth. Revenues from building permits after having seen an upward trend for the past few years, are seeing a decline in new home construction permits and construction.
- There has been an increase in net taxable assessed property tax values during the current and past year. It is expected that the assessed values will continue to increase.

- The City is updating its wastewater treatment plant to meet state ammonia removal levels. Total costs of the updates total \$26.645 million. The city received three grants totaling \$24.173 million which will fund the \$26.645 million project. The sources of those grants are:
 - DEQ- American Recovery Plan \$23.0 million
 - Corp of Army Engineers - \$673,330
 - Idaho Community Development Block Grant \$500,000The city will use \$2.471 million of its savings in the sewer revenue fund to fund the balance of the \$26.645 million project.

USDA-RD has committed a loan of \$9.2 million to the City at an interest rate of 1.5% for 40 years. The City does not anticipate using any of the USDA-RD loan.

Request for Information

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

David Swager, CPA
City Clerk/Treasurer

BASIC FINANCIAL STATEMENTS

CITY OF RIGBY
Statement of Net Position
September 30, 2022

	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS				
Cash and cash equivalents.....	\$ 4,920,973	\$ 3,144,367	\$ 8,065,340	\$ 1,015,958
Investments.....	5,134,152	4,339,017	9,473,169	-
Receivables (net).....	3,080,068	342,179	3,422,247	7,296
Prepaid expenses.....	23,307	-	23,307	-
Capital assets, net of depreciation.....	7,175,104	16,243,846	23,418,950	-
Capital assets, non-depreciable.....	5,811,392	358,528	6,169,920	-
Total assets.....	<u>\$ 26,144,996</u>	<u>\$ 24,427,937</u>	<u>\$ 50,572,933</u>	<u>\$ 1,023,254</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferred outflows.....	\$ 471,758	\$ 148,976	\$ 620,734	\$ -
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 26,616,754</u>	<u>\$ 24,576,913</u>	<u>\$ 51,193,667</u>	<u>\$ 1,023,254</u>
LIABILITIES				
Current liabilities				
Accounts payable.....	\$ 589,406	\$ 326,866	\$ 916,271	\$ 1,682
Other payable.....	1,932	26,089	28,021	-
Salaries & benefits payable.....	50,447	13,735	64,182	-
Water deposits.....	-	71,839	71,839	-
Net pension liability.....	885,155	279,523	1,164,678	-
Current portion of long term debt.....	383,836	503,802	887,638	-
Total current liabilities	<u>\$ 1,910,776</u>	<u>\$ 1,221,854</u>	<u>\$ 3,132,629</u>	<u>\$ 1,682</u>
Long-term liabilities				
Debt portion due in more than one year.....	\$ 36,786	\$ 5,347,843	\$ 5,384,629	\$ -
Interim DEQ financing	-	-	-	-
Compensated absences.....	40,715	22,321	63,036	-
Total long-term liabilities.....	<u>\$ 77,501</u>	<u>\$ 5,370,164</u>	<u>\$ 5,447,665</u>	<u>\$ -</u>
Total liabilities.....	<u>\$ 1,988,277</u>	<u>\$ 6,592,018</u>	<u>\$ 8,580,294</u>	<u>\$ 1,682</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferred inflows.....	\$ 3,949	\$ 1,248	\$ 5,197	\$ -
NET POSITION				
Invested in capital assets, net of related debt	\$ 12,565,874	\$ 10,750,729	\$ 23,316,603	\$ -
Restricted for:				
Capital projects.....	3,438,981	-	3,438,981	-
Debt service.....	-	3,568,289	3,568,289	-
Community development and improvement projects.....	632,614	-	632,614	-
Unrestricted	7,987,059	3,664,630	11,651,689	1,021,572
Total net position.....	<u>\$ 24,624,528</u>	<u>\$ 17,983,648</u>	<u>\$ 42,608,176</u>	<u>\$ 1,021,572</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, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total	
		Fees, Fines, & Charges for Services	Operating Grants and Contributions				
Governmental activities:							
General government.....	\$ 1,144,289	\$ 46,255	\$ 500	\$ (1,097,534)	\$ (1,097,534)	\$	\$ -
Public safety.....	813,072	50,560	-	(762,512)	(762,512)		-
Public works.....	326,565	540,810	185,761	4,101,197	4,101,197		-
Parks and recreation.....	235,959	104,110	-	(131,849)	(131,849)		-
Cultural.....	204,708	11,197	5,937	(187,574)	(187,574)		-
Interest on long term debt.....	-	-	-	-	-		-
Internal Service charges.....	42,589	-	-	(42,589)	(42,589)		-
Total governmental activities.....	\$ 2,767,182	\$ 752,932	\$ 192,198	\$ 1,879,139	\$ 1,879,139	\$	\$ -
Business-type activities:							
Water fund.....	\$ 569,948	\$ 1,066,481	-	-	\$ 496,533	\$ 496,533	\$ -
Sanitation fund.....	307,952	322,337	-	-	14,385	14,385	-
Sewer fund.....	1,243,039	2,683,824	-	-	1,440,785	1,440,785	-
Internal Service charges.....	72,793	-	-	(72,793)	(72,793)		-
Total business-type activities.....	\$ 2,193,732	\$ 4,072,642	\$ -	\$ 1,878,910	\$ 1,878,910	\$	\$ -
Total primary government.....	\$ 4,960,914	\$ 4,825,574	\$ 192,198	\$ 1,879,139	\$ 3,758,049	\$	\$ -
Component unit.....	\$ 88,027	\$ -	\$ -	\$ -	\$ -	\$	\$ (88,027)
General revenues:							
Taxes:							
Property taxes, levied for general purposes			\$ 1,007,806	\$	\$	\$ 1,007,806	\$ 446,165
Property taxes, levied for library			159,832	-	-	159,832	-
Property taxes, levied for park and recreation fund			136,443	-	-	136,443	-
Property taxes, levied for public works			258,338	-	-	258,338	-
Property taxes, levied for capital projects			89,062	-	-	89,062	-
State sales taxes			126,553	-	-	126,553	-
State revenue sharing			508,684	-	-	508,684	-
State liquor allocation			92,367	-	-	92,367	-
Earnings on investments			(234,437)	(273,469)	(273,469)	(508,306)	3,560
Miscellaneous			608,558	(122,506)	(122,506)	486,052	-
Internal Service Charges			57,903	79,961	79,961	137,864	-
Transfers			3,128,250	(3,128,250)	(3,128,250)	-	-
Net pension revenue (expense)			(159,649)	(41,253)	(41,253)	(200,902)	-
Total general revenues and transfers			\$ 5,779,310	\$ (3,485,517)	\$ 2,293,793	\$ 2,293,793	\$ 449,725
Changes in net assets			\$ 7,658,449	\$ (1,606,607)	\$ 6,051,842	\$ 6,051,842	\$ 361,698
Net position--beginning			16,966,079	19,590,255	36,556,334	36,556,334	659,874
Net assets--ending			\$ 24,624,528	\$ 17,983,648	\$ 42,608,176	\$ 42,608,176	\$ 1,021,572

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

CITY OF RIGBY
Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Road Fund	Capital Improvement	WWTP Improvement Fund	Non Major Funds	Total Governmental Funds
ASSETS						
Cash.....	\$ 803,996	\$ 1,033,666	\$ 1,439,185	\$ (300,848)	\$ 1,846,582	\$ 4,822,581
Investments.....	1,940,191	174,680	1,720,673	-	1,298,608	5,134,152
Taxes receivable.....	16,926	4,252	1,402	-	4,961	27,541
Other receivables.....	216,657	162,896	1,156	2,444,174	227,644	3,052,527
Interfund receivable.....	-	-	227,644	-	-	227,644
Prepaid expenses.....	23,307	-	-	-	-	23,307
Total assets.....	\$ 3,001,077	\$ 1,375,494	\$ 3,390,060	\$ 2,143,326	\$ 3,377,795	\$ 13,287,752
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
CURRENT LIABILITIES						
Accounts payable.....	\$ 89,859	\$ 28,553	\$ 21,120	\$ 393,690	\$ 52,361	\$ 585,583
Due to other government.....	-	-	-	-	1,932	1,932
Interfund payable.....	-	-	-	-	227,644	227,644
Payroll liabilities.....	35,626	6,863	-	-	7,958	50,447
Construction cash bond.....	-	356,383	-	-	-	356,383
Deferred revenue.....	15,277	3,834	1,152,095	-	4,478	1,175,684
Total current liabilities.....	\$ 140,762	\$ 395,633	\$ 1,173,215	\$ 393,690	\$ 294,373	\$ 2,397,673
FUND BALANCE						
Restricted.....	\$ -	\$ 979,861	\$ 2,216,845	\$ 1,749,636	\$ 2,416,349	\$ 7,362,691
Committed.....	-	-	-	-	38,937	38,937
Assigned.....	-	-	-	-	628,136	628,136
Unassigned.....	2,860,315	-	-	-	-	2,860,315
Total fund balance.....	\$ 2,860,315	\$ 979,861	\$ 2,216,845	\$ 1,749,636	\$ 3,083,422	\$ 10,890,079
Total liabilities and fund balance.....	\$ 3,001,077	\$ 1,375,494	\$ 3,390,060	\$ 2,143,326	\$ 3,377,795	\$ 13,287,752

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, 2022

Total fund balances - governmental funds \$ 10,890,079

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	17,606,374	
Depreciation expense to date	<u>(4,619,878)</u>	12,986,496

Property taxes and assessments that are not available to pay for current period expenditures are deferred in the funds.		1,175,684
---	--	-----------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Capital leases	(64,239)	
Compensated absences	<u>(40,715)</u>	(104,954)

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

Net pension liability	(885,155)	
Deferred outflows of resources	471,758	
Deferred inflows of resources	<u>(3,949)</u>	(417,346)

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.

94,569

Total net assets for governmental activities \$ 24,624,528

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

CITY OF RIGBY
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
September 30, 2022

	General Fund	Road Fund	Capital Improvement	WWTP Improvement Fund	Non Major Funds	Total Governmental Funds
REVENUES						
Local Revenue:						
Property taxes.....	\$ 1,013,826	\$ 259,617	\$ 89,311	\$ -	\$ 298,060	\$ 1,660,814
Earnings on investments.....	(127,388)	11,558	(67,298)	-	(51,709)	(234,837)
Fees and fines.....	70,937	-	-	-	-	70,937
Charges for services.....	50,560	124,823	-	-	402,817	578,200
Miscellaneous and other revenue.....	13,308	5,450	32,822	-	163,740	215,320
State revenues.....	550,323	248,729	9,030	-	85,931	894,013
Grants.....	64,624	-	14,918	3,117,504	5,937	3,202,983
Total revenue.....	<u>\$ 1,636,190</u>	<u>\$ 650,177</u>	<u>\$ 78,783</u>	<u>\$ 3,117,504</u>	<u>\$ 904,776</u>	<u>\$ 6,387,430</u>
EXPENDITURES						
General government.....	\$ 543,410	\$ -	\$ -	\$ -	\$ 53,620	\$ 597,030
Public safety.....	755,507	-	-	-	-	755,507
Street and public improvement.....	-	528,907	-	-	170,233	699,140
Parks and recreation.....	-	-	-	-	188,114	188,114
Cultural.....	15,366	-	-	-	161,057	176,423
Capital outlay.....	13,092	43,958	86,448	2,031,124	833,874	3,008,496
Total expenditures.....	<u>\$ 1,327,375</u>	<u>\$ 572,865</u>	<u>\$ 86,448</u>	<u>\$ 2,031,124</u>	<u>\$ 1,406,898</u>	<u>\$ 5,424,710</u>
Excess (deficiency) of revenue over expenditures.....	\$ 308,815	\$ 77,312	\$ (7,665)	\$ 1,086,380	\$ (502,122)	\$ 962,720
OTHER FINANCING SOURCES (USES)						
Other Financing Source.....	-	-	-	-	-	-
Transfers.....	(49,750)	(123,000)	1,034,528	1,010,000	1,256,472	3,128,250
Net change in fund balances.....	\$ 259,065	\$ (45,688)	\$ 1,026,863	\$ 2,096,380	\$ 754,350	\$ 4,090,970
Fund Balance - Beginning.....	2,601,250	1,025,549	1,189,982	(346,744)	2,329,072	6,799,109
Fund Balance - Ending.....	<u>\$ 2,860,315</u>	<u>\$ 979,861</u>	<u>\$ 2,216,845</u>	<u>\$ 1,749,636</u>	<u>\$ 3,083,422</u>	<u>\$ 10,890,079</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, 2022

Net Change in fund balances-total governmental funds		\$ 4,090,970
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense over the life of the asset. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capitalized assets	3,776,769	
Depreciation expense	<u>(484,570)</u>	3,292,199
<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 2022	(64,239)	
Capital lease payable 2021	<u>82,359</u>	18,120
<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 - 2022	1,175,684	
Deferred revenue - 2021	<u>(777,949)</u>	397,735
<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 - 2022	(40,715)	
Compensated absences - 2021	<u>44,475</u>	3,760
<p>GASB 68 requires the calculation of net pension revenue (expense), and the deferral of current contributions.</p>		
Current contributions	26,453	
Net pension revenue (expense)	<u>(186,102)</u>	(159,649)
<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>15,314</u>
Change in Net Position of Governmental Activities		<u>\$ 7,658,449</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, 2022

	Water Fund	Sanitation	Sewer Fund	Total	Internal Service Funds
ASSETS					
Cash.....	\$ 1,214,867	123,666	\$ 1,138,641	\$ 2,477,174	\$ 159,034
Cash - restricted for bond.....	-	-	606,551	606,551	-
Investments.....	1,142,718	752,697	2,443,602	4,339,017	-
Receivables.....	70,478	29,380	242,321	342,179	-
Capital assets, net of depreciation.....	3,209,997	-	13,028,151	16,238,148	5,698
Capital assets, non-depreciable.....	124,277	-	234,251	358,528	-
Prepaid expenses.....	-	-	-	-	-
Total assets.....	<u>\$ 5,762,337</u>	<u>\$ 905,743</u>	<u>\$ 17,693,517</u>	<u>\$ 24,361,597</u>	<u>\$ 164,732</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferred outflows.....	\$ 49,659	\$ 6,207	\$ 93,110	\$ 148,976	\$ -
Total deferred outflows of resources.....	<u>\$ 49,659</u>	<u>\$ 6,207</u>	<u>\$ 93,110</u>	<u>\$ 148,976</u>	<u>\$ -</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,811,996</u>	<u>\$ 911,950</u>	<u>\$ 17,786,627</u>	<u>\$ 24,510,573</u>	<u>\$ 164,732</u>
LIABILITIES					
Current liabilities:					
Accounts payable.....	\$ 49,076	\$ 20,387	\$ 253,580	\$ 323,043	\$ 7,645
Other payable.....	-	-	26,089	26,089	-
Water deposits.....	71,839	-	-	71,839	-
Salaries payable & payroll liabilities.....	3,312	2,242	8,181	13,735	-
Net pension liability.....	93,174	11,647	174,702	279,523	-
Current portion of long term debt.....	-	-	503,802	503,802	-
Total current liabilities.....	<u>\$ 217,401</u>	<u>\$ 34,276</u>	<u>\$ 966,354</u>	<u>\$ 1,218,031</u>	<u>7,645</u>
Noncurrent liabilities:					
Bond payable - long term.....	\$ -	\$ -	\$ 5,347,843	\$ 5,347,843	\$ -
Interim DEQ financing.....	-	-	-	-	-
Compensated absences payable.....	1,380	1,341	19,600	22,321	-
Total liabilities.....	<u>\$ 218,781</u>	<u>\$ 35,617</u>	<u>\$ 6,333,797</u>	<u>\$ 6,588,195</u>	<u>\$ 7,645</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferred inflows.....	\$ 416	\$ 52	\$ 780	\$ 1,248	\$ -
Total deferred inflows of resources.....	<u>\$ 416</u>	<u>\$ 52</u>	<u>\$ 780</u>	<u>\$ 1,248</u>	<u>\$ -</u>
NET POSITION					
Invested in capital assets, net of related debt.....	\$ 3,334,274	\$ -	\$ 7,410,757	\$ 10,745,031	\$ 5,698
Restricted for debt service.....	-	-	3,568,289	3,568,289	-
Net assets - unrestricted.....	2,258,525	876,281	473,004	3,607,810	151,389
Total net position.....	<u>\$ 5,592,799</u>	<u>\$ 876,281</u>	<u>\$ 11,452,050</u>	<u>\$ 17,921,130</u>	<u>\$ 157,087</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.

	62,518
Net position of business-type activities	<u>\$ 17,983,648</u>

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

CITY OF RIGBY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
September 30, 2022

	Water Fund	Sanitation	Sewer Fund	Total	Internal Service Funds
OPERATING REVENUE					
Consumer charges.....	\$ 1,066,481	\$ 322,337	\$ 2,683,824	\$ 4,072,642	\$ -
Other revenue.....	154	(124,247)	1,587	(122,506)	-
Other services.....	-	-	-	-	137,864
Total operating revenue.....	<u>\$ 1,066,635</u>	<u>\$ 198,090</u>	<u>\$ 2,685,411</u>	<u>\$ 3,950,136</u>	<u>\$ 137,864</u>
OPERATING EXPENSES					
Salaries.....	\$ 99,425	\$ 15,632	\$ 190,418	\$ 305,475	\$ 15,977
Payroll taxes.....	8,176	1,315	14,473	23,964	1,267
Insurance - employee.....	17,228	2,250	33,488	52,966	3,201
Retirement - employee.....	11,593	1,577	20,494	33,664	2,145
Legal fees.....	-	-	-	-	-
Municipal shop building	18,496	1,539	20,608	40,643	14,143
Utilities.....	693	-	78,431	79,124	-
Office supplies and postage.....	6,618	6,323	4,891	17,832	-
Maintenance and repairs.....	216,739	74	91,070	307,883	20,172
Training and travel.....	50	-	1,124	1,174	-
Supplies.....	-	573	40,086	40,659	30,481
Fuel.....	-	-	4,102	4,102	13,020
Depreciation.....	128,178	42,597	549,745	720,520	13,980
Miscellaneous expense.....	59,200	236,072	185,867	481,139	996
Irrigation assessments.....	3,552	-	-	3,552	-
Total operating expense.....	<u>\$ 569,948</u>	<u>\$ 307,952</u>	<u>\$ 1,234,797</u>	<u>\$ 2,112,697</u>	<u>\$ 115,382</u>
Operating income (loss).....	<u>\$ 496,687</u>	<u>\$ (109,862)</u>	<u>\$ 1,450,614</u>	<u>\$ 1,837,439</u>	<u>\$ 22,482</u>
NONOPERATING REVENUE (EXPENSE)					
Wastewater project grant income.....	\$ -	\$ -	\$ -	\$ -	\$ -
Water project grant income.....	-	-	-	-	-
Interest income.....	(68,379)	(39,256)	(165,834)	(273,469)	-
Interest expense.....	-	-	(8,242)	(8,242)	-
Reserve for debt service.....	-	-	-	-	-
Gain (loss) on investments.....	-	-	-	-	-
Net pension revenue/expense	(12,172)	4,538	(33,619)	(41,253)	-
Operating transfers.....	<u>(406,750)</u>	<u>(268,750)</u>	<u>(2,377,750)</u>	<u>(3,053,250)</u>	<u>(75,000)</u>
Changes in net position.....	<u>\$ 9,386</u>	<u>\$ (413,330)</u>	<u>\$ (1,134,831)</u>	<u>\$ (1,538,775)</u>	<u>\$ (52,518)</u>
NET POSITION					
Total net position - beginning.....	5,583,413	1,289,611	12,586,881		209,605
Total net position - ending.....	<u>\$ 5,592,799</u>	<u>\$ 876,281</u>	<u>\$ 11,452,050</u>		<u>\$ 157,087</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.

(67,832)

Change in net position of business-type activities \$ (1,606,607)

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

CITY OF RIGBY
Statement of Cash Flows
Proprietary Funds
September 30, 2022

	Water Fund	Sanitation	Sewer Fund	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers.....	\$ 1,129,645	\$ 630,674	\$ 2,781,290	\$ 4,541,609	\$ 137,864
Payments to suppliers and employees.....	(452,033)	(267,187)	(937,352)	(1,656,572)	(101,403)
Cash provided by customer deposits.....	18,279	-	-	18,279	-
Net cash provided (used) by operating activities.....	<u>\$ 695,891</u>	<u>\$ 363,487</u>	<u>\$ 1,843,938</u>	<u>\$ 2,903,316</u>	<u>\$ 36,461</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds.....	\$ (406,750)	\$ (268,750)	\$ (2,377,750)	\$ (3,053,250)	\$ (75,000)
Net cash provided (used) by noncapital financing activities.....	<u>\$ (406,750)</u>	<u>\$ (268,750)</u>	<u>\$ (2,377,750)</u>	<u>\$ (3,053,250)</u>	<u>\$ (75,000)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Cash paid for capital assets.....	\$ (88,786)	\$ -	\$ (15,134)	\$ (103,920)	\$ -
Cash from capital grants.....	-	-	-	-	-
Principle payments.....	-	-	(551,857)	(551,857)	-
Interest paid on long-term obligations.....	-	-	8,806	8,806	-
Net cash provided (used) by capital and related financing activities.....	<u>\$ (88,786)</u>	<u>\$ -</u>	<u>\$ (558,185)</u>	<u>\$ (646,971)</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income.....	\$ 154	\$ 121	\$ 740	\$ 1,015	\$ 1,881
Purchase of investments.....	(35,557)	(616,604)	2,075,217	1,423,056	-
Net cash provided (used) from investing activities.....	<u>\$ (35,403)</u>	<u>\$ (616,483)</u>	<u>\$ 2,075,957</u>	<u>\$ 1,424,071</u>	<u>\$ 1,881</u>
Net increase (decrease) in cash.....	\$ 164,952	\$ (521,746)	\$ 983,960	\$ 627,166	\$ (36,658)
Cash and cash equivalents-beginning of year.....	1,049,915	645,412	761,232	2,456,559	195,692
Cash and cash equivalents-end of year.....	<u>\$ 1,214,867</u>	<u>\$ 123,666</u>	<u>\$ 1,745,192</u>	<u>\$ 3,083,725</u>	<u>\$ 159,034</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income.....	\$ 496,687	\$ (109,862)	\$ 1,450,614	\$ 1,837,439	\$ 22,482
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation.....	128,178	42,597	549,745	720,520	13,980
(Increase) decrease in accounts receivable.....	63,010	(949)	95,879	157,940	-
Net pension revenue/(expense).....	-	144,992	-	144,992	-
Increase (decrease) in customer deposits.....	18,279	-	-	18,279	-
(Increase) decrease in customer prepaids.....	-	-	-	-	55
Increase (decrease) in accounts payable.....	(10,263)	(1,832)	(252,300)	(264,395)	380
Net cash provided by operating activities.....	<u>\$ 695,891</u>	<u>\$ 74,946</u>	<u>\$ 1,843,938</u>	<u>\$ 2,614,775</u>	<u>\$ 36,897</u>

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

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2022

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, 2022

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, 2022

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, 2022 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, 2022**

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, 2022 are classified as deferred revenue.

Inventories and Prepaid Items

The City does not have any inventory items at September 30, 2022.

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	\$ 23,307
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The balance represents SUTA overpayments in the amount of \$23,307.

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, 2022

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, 2022, the City had fund balances which were restricted, committed, assigned, and unassigned of \$7,362,691, \$38,937, \$628,136 and \$2,860,315 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, 2022:

	Pooled Cash and Investments
Demand Deposits	\$ 2,545,121
State Investment Pool	4,913,668
Investments	9,473,169
Money Market	<u>606,551</u>
Total	<u>\$ 17,538,509</u>

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2022

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, 2022. 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	\$ 3,102,679	\$3,098,442	\$ 250,000	\$ 63,761	\$ 2,788,918
Xpress Deposit	34,592	36,083	-	-	34,592
Wells Fargo	10,476	10,476	10,476	-	-
US Bank	6,333	6,333	6,333	-	-
State Invest. Pool	4,913,639	4,913,668	-	-	4,913,639
Petty Cash		338	-	-	338
Investment Accts:					
Idaho Central	1,187,487	1,187,487	250,000	-	937,487
Westmark	467,204	467,204	250,000	-	217,204
Mass Mutual	1,829,348	1,829,348	-	-	1,829,348
TVI Investment	1,863,867	1,863,866	-	-	1,863,867
RBC Wealth	1,006,198	1,006,197	-	-	1,006,198
Edward Jones	382,666	382,667	-	-	382,666
US Bank	1,116,133	1,116,133	250,000	-	866,133
Wells Fargo	359,988	359,988	250,000	-	109,988
Zions	1,260,279	1,260,279	250,000	-	1,010,279
Total	\$17,540,891	\$17,538,509	\$1,516,809	\$ 63,761	\$ 15,960,457

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, 2022, \$15,960,457 of the government's cash and investments bank balance of \$17,540,891 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, 2022, 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	1,781,198
Total Investments		\$ 9,473,169

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, 2022

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</u> <u>Fund</u>	<u>Street</u> <u>and Road</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Enterprise Funds</u>			<u>Sewer</u> <u>Collection</u>
				<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	
Local Sources							
Property Taxes	\$ 16,926	\$ 4,252	\$ 6,363	\$ -	\$ -	\$ -	\$ -
Consumer Fees	-	-	-	70,478	242,321	29,380	-
Other	-	89,130	-	-	-	-	-
Total Local	<u>\$ 16,926</u>	<u>\$ 93,382</u>	<u>\$ 6,363</u>	<u>\$ 70,478</u>	<u>\$ 242,321</u>	<u>\$ 29,380</u>	<u>\$ -</u>
Federal Sources							
Other Fed Sources	\$ -	\$ -	\$ 2,444,174				
Total Federal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,444,174</u>				
State Sources							
Other State Revenue	\$216,657	\$ 73,766	\$ 228,800				
Total Receivable	<u>\$233,583</u>	<u>\$ 167,148</u>	<u>\$ 2,679,337</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, 2022 the LID#8 and LID #9 funds owed the Capital Improvement fund \$227,644 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, 2022

NOTE 4 INTERFUND TRANSACTIONS, Continued

<u>Major Funds</u>	<u>Transfers To</u>	<u>Transfers From</u>
General	\$ 56,250	\$ 106,000
Capital Improvement	1,054,528	20,000
WWTP Improvement	1,010,000	-
Roads	-	103,000
Water	-	406,750
Sanitation	-	268,750
Sewer	-	2,377,750
Non-Major	1,311,000	149,528

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, 2022 is \$64,239.

Cash Bond Agreement

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

Sewer Revenue Bond Issue

As of September 30, 2022 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, 2022 was \$897,273.

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, 2022, the loan balance payable to the DEQ was \$4,954,372 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, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
Governmental-type activities				
Compensated absences	\$ 44,475	\$ -	\$ 3,760	\$ 40,715
Kartchner Land Management	356,383	-	-	356,383
Bancorp Bank	82,359	-	18,120	64,239
<i>Total governmental-type</i>	<u>\$ 483,217</u>	<u>\$ -</u>	<u>\$ 21,880</u>	<u>\$ 461,337</u>
Business-type activities				
Waste Water Project DEQ Loan	\$ 5,350,722	\$ -	\$ 396,350	\$ 4,954,372
Sewer USDA Loan	1,052,780	-	155,507	897,273
Compensated absences	11,473	10,848	-	22,321
<i>Total business-type activities</i>	<u>\$ 6,414,975</u>	<u>\$ 10,848</u>	<u>\$ 551,857</u>	<u>\$ 5,873,966</u>

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2022

Maturities of long-term obligations are as follows:

2022	\$ 530,972
2023	536,020
2024	541,258
2025	546,692
2026	552,330
2027-2031	1,757,150
2032-2036	<u>1,387,224</u>
Total	<u>\$ 5,851,646</u>

NOTE 6

CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022, 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	\$ 1,861,771	\$ 3,260,756	\$ -	\$ 5,122,527
Land	688,866	-	-	688,866
Depreciable Assets:				
Buildings/Sites	\$ 4,509,200	\$ -	\$ -	\$ 4,509,200
Equipment	1,919,043	2,995	80,780	1,841,258
Infrastructure	<u>4,930,280</u>	<u>514,243</u>	<u>-</u>	<u>5,444,523</u>
<i>Total capital assets</i>	\$13,909,160	\$ 3,777,994	\$ 80,780	\$17,667,544
Less: accumulated depreciation	<u>(4,214,863)</u>	<u>(484,570)</u>	<u>79,555</u>	<u>(4,621,280)</u>
<i>Governmental activity capital assets, net</i>	<u>\$ 9,694,296</u>	<u>\$ 3,292,199</u>	<u>\$ 1,225</u>	<u>\$12,986,496</u>
Business-type Activities				
Non-depreciable Assets:				
Work-in-progress	\$ 302,842	\$ 39,844	\$ -	\$ 302,842
Land	75,031	-	-	75,031
Depreciable Assets:				
Water Fund				
Buildings & equipment	\$ 4,719,777	\$ 64,076	\$ -	\$ 4,783,853
Less: accumulated depreciation	<u>(1,445,680)</u>	<u>(128,176)</u>	<u>-</u>	<u>(1,573,856)</u>
<i>Water capital assets, net</i>	<u>3,274,097</u>	<u>(64,100)</u>	<u>-</u>	<u>3,209,997</u>
Sanitation Fund				
Buildings & equipment	559,671	-	559,671	-
Less: accumulated depreciation	<u>(392,827)</u>	<u>(42,597)</u>	<u>435,424</u>	<u>-</u>
<i>Sanitation capital assets, net</i>	<u>166,844</u>	<u>(42,597)</u>	<u>124,247</u>	<u>-</u>
Sewer				
Buildings & equipment	18,985,577	-	-	18,985,577
Less: accumulated depreciation	<u>(5,466,870)</u>	<u>(549,745)</u>	<u>-</u>	<u>(6,016,615)</u>
<i>Sewer capital assets, net</i>	<u>13,518,707</u>	<u>(549,745)</u>	<u>-</u>	<u>12,968,962</u>
<i>Business-type activities capital assets, net</i>	<u>\$17,337,523</u>	<u>\$ (616,598)</u>	<u>\$ -</u>	<u>\$16,596,677</u>
Internal Service Fund				
Buildings & equipment	\$ 517,039	\$ -	\$ -	\$ 517,039
Less: accumulated depreciation	<u>(497,361)</u>	<u>(13,980)</u>	<u>-</u>	<u>(511,341)</u>
<i>Internal Service capital assets, net</i>	<u>\$ 19,678</u>	<u>\$ (13,980)</u>	<u>\$ -</u>	<u>\$ 5,698</u>

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2022

NOTE 6 CAPITAL ASSETS, Continued

Depreciation expense was charged to functions as follows:

General government	\$ 484,570
Water fund	128,176
Sanitation fund	42,597
Sewer fund	549,745
Internal Service	<u>13,980</u>
	<u>\$ 1,224,068</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 March 2, 2023, 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, 2022

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, 2022

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, 2022 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, 2022.

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

At September 30, 2022, 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, 2022, 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, 2022, the City of Rigby’s proportion was .02956968 percent.

For the year ended September 30, 2022, the City of Rigby’s recognized pension expense of \$159,649. At September 30, 2022 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	\$ 128,072	\$ 5,198
Changes in assumptions or other inputs	187,877	-
Net difference between projected and actual earnings on pension plan investments	267,979	-
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>34,807</u>	<u>-</u>
TOTAL	\$ 618,735	\$ 5,198

CITY OF RIGBY

Notes to the Financial Statements
September 30, 2022

NOTE 10 PENSION ACTIVITY—EMPLOYER REPORTING – CONTINUED

\$34,807 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, 2022.

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, 2021 the beginning of the measurement period ended June 30, 2022 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, 2022:	
2023	\$ 138,874
2024	\$ 150,761
2025	\$ 69,727
2026	\$ 221,369

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, 2022 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, 2022

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, 2022 is based on the results of an actuarial valuation date of July 1, 2021.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2022.

2022

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, 2022

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)	2,055,543	1,164,678	435,528

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, 2022

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)	\$ 329,684
Cash – State Investment Pool	<u>686,274</u>
Total	<u>\$1,015,958</u>

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

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

- C. Receivables at year end consist of the following:

Property Taxes	\$ 7,296
----------------	----------

- D. Payables at year end consist of the following:

Accounts Payable	\$ 1,682
------------------	----------

NOTE 13 DEFERRED REVENUE

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIGBY
Budget to Actual Comparison Schedule
General Fund
September 30, 2022

	<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.....	\$ 988,800	\$ 988,800	\$ 1,013,826	\$ 25,026
Earnings on investments.....	12,000	12,000	(127,388)	(139,388)
Fees and fines.....	111,000	111,000	70,937	(40,063)
Charges for services.....	42,000	42,000	50,560	8,560
Miscellaneous and other revenue.....	5,000	5,000	13,308	8,308
State revenues.....	377,500	377,500	550,323	172,823
Grants.....	20,000	20,000	64,624	44,624
Total revenue.....	<u>\$ 1,556,300</u>	<u>\$ 1,556,300</u>	<u>\$ 1,636,190</u>	<u>\$ 79,890</u>
EXPENDITURES				
General government.....	\$ 725,800	\$ 725,800	\$ 543,410	\$ 182,390
Public safety.....	759,500	759,500	755,507	3,993
Cultural.....	16,000	16,000	15,366	634
Capital outlay.....	24,000	24,000	13,092	10,908
Total expenditures.....	<u>\$ 1,525,300</u>	<u>\$ 1,525,300</u>	<u>\$ 1,327,375</u>	<u>\$ 197,925</u>
Excess (deficiency) of revenue over expenditures.....	\$ 31,000	\$ 31,000	\$ 308,815	\$ 277,815
OTHER FINANCING SOURCES (USES)				
Other Financing Source.....	-	-	-	-
Transfers.....	(31,000)	(31,000)	(49,750)	(18,750)
Net change in fund balances.....	\$ -	\$ -	\$ 259,065	\$ 259,065
Fund Balance - Beginning.....	2,601,250	2,601,250	2,601,250	-
Fund Balance - Ending.....	<u>\$ 2,601,250</u>	<u>\$ 2,601,250</u>	<u>\$ 2,860,315</u>	<u>\$ 259,065</u>

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

CITY OF RIGBY
Budget to Actual Comparison Schedule
Road Fund
September 30, 2022

	<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.....	\$ 246,950	\$ 246,950	\$ 259,617	\$ 12,667
Earnings on investments.....	6,000	6,000	11,558	5,558
Charges for services.....	-	-	-	-
Miscellaneous and other revenue.....	100,000	100,000	124,823	24,823
State revenues.....	243,515	243,515	254,179	10,664
Total revenue.....	<u>\$ 596,465</u>	<u>\$ 596,465</u>	<u>\$ 650,177</u>	<u>\$ 53,712</u>
EXPENDITURES				
Street and public improvement.....	\$ 524,850	\$ 524,850	\$ 528,907	\$ (4,057)
Capital outlay.....	310,000	310,000	43,958	266,042
Total expenditures.....	<u>\$ 834,850</u>	<u>\$ 834,850</u>	<u>\$ 572,865</u>	<u>\$ 261,985</u>
Excess (deficiency) of revenue over expenditures.....	\$ (238,385)	\$ (238,385)	\$ 77,312	\$ 315,697
OTHER FINANCING SOURCES (USES)				
Transfers.....	<u>(123,000)</u>	<u>(123,000)</u>	<u>(123,000)</u>	-
Net change in fund balances.....	\$ (361,385)	\$ (361,385)	\$ (45,688)	\$ 315,697
FUND BALANCES				
Beginning of the year.....	1,025,549	1,025,549	1,025,549	-
End of the year.....	<u>\$ 664,164</u>	<u>\$ 664,164</u>	<u>\$ 979,861</u>	<u>\$ 315,697</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, 2022

	<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.....	-	-	3,117,504	3,117,504
Total revenue.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,117,504</u>	<u>\$ 3,117,504</u>
EXPENDITURES				
Capital outlay.....	\$ 500,000	\$ 500,000	\$ 2,031,124	\$ (1,531,124)
Total expenditures.....	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 2,031,124</u>	<u>\$ (1,531,124)</u>
Excess (deficiency) of revenue over expenditures.....	\$ (500,000)	\$ (500,000)	\$ 1,086,380	\$ 1,586,380
OTHER FINANCING SOURCES (USES)				
Transfers.....	123,000	123,000	1,010,000	887,000
Net change in fund balances.....	\$ (377,000)	\$ (377,000)	\$ 2,096,380	\$ 2,473,380
FUND BALANCES				
Beginning of the year.....	(346,744)	(346,744)	(346,744)	-
End of the year.....	<u>\$ (723,744)</u>	<u>\$ (723,744)</u>	<u>\$ 1,749,636</u>	<u>\$ 2,473,380</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, 2022

	<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.....	\$ 85,650	\$ 85,650	\$ 89,311	\$ 3,661
Earnings on investments.....	5,000	5,000	(67,298)	(72,298)
Miscellaneous and other revenue.....	-	-	32,822	32,822
State revenues.....	8,575	8,575	9,030	455
Grants.....	20,000	20,000	14,918	(5,082)
Total revenue.....	<u>\$ 119,225</u>	<u>\$ 119,225</u>	<u>\$ 78,783</u>	<u>\$ (40,442)</u>
EXPENDITURES				
Capital outlay.....	<u>\$ 442,771</u>	<u>\$ 442,771</u>	<u>\$ 86,448</u>	<u>\$ 356,323</u>
Total expenditures.....	<u>\$ 442,771</u>	<u>\$ 442,771</u>	<u>\$ 86,448</u>	<u>\$ 356,323</u>
Excess (deficiency) of revenue over expenditures.....	\$ (323,546)	\$ (323,546)	\$ (7,665)	\$ 315,881
OTHER FINANCING SOURCES (USES)				
Other Financing Source.....	-	-	-	-
Transfers.....	<u>1,008,000</u>	<u>1,008,000</u>	<u>1,034,528</u>	<u>26,528</u>
Net change in fund balances.....	\$ 684,454	\$ 684,454	\$ 1,026,863	\$ 342,409
Fund Balance - Beginning.....	<u>1,189,982</u>	<u>1,189,982</u>	<u>1,189,982</u>	<u>-</u>
Fund Balance - Ending.....	<u>\$ 1,874,436</u>	<u>\$ 1,874,436</u>	<u>\$ 2,216,845</u>	<u>\$ 342,409</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*

	2018	2019	2020	2021	2022
City of Rigby's portion of the net pension liability	0.0248565%	0.0244692%	0.0260487%	0.0270411%	0.0295697%
City of Rigby's proportionate share of the net pension liability	\$ 366,638	\$ 279,309	\$ 604,885	\$ (21,357)	\$ 1,164,678
City of Rigby's covered-employee payroll	\$ 824,446	\$ 897,811	\$ 930,328	\$ 1,095,626	\$ 1,299,083
City of Rigby's proportional share of the net pension liability as a percentage of its covered-employee payroll	44.47%	31.11%	65.02%	-1.95%	89.65%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	93.79%	88.22%	100.36%	83.09%

	2017	2016	2015
City of Rigby's portion of the net pension liability	0.0259108%	0.0281754%	0.0299508%
City of Rigby's proportionate share of the net pension liability	\$ 407,273	\$ 571,159	\$ 394,403
City of Rigby's covered-employee payroll	\$ 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	48.58%	69.82%	48.72%
Plan fiduciary net position as a percentage of the total pension liability	90.68%	87.26%	91.38%

- Data reported is measured as of June 30, 2022

* 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*

	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 96,528	\$ 93,629	\$ 102,200	\$ 106,766	\$ 136,927
Contributions in relation to the statutorily required contribution	\$ 91,755	\$ 95,450	\$ 112,176	\$ 121,942	\$ 140,875
Contribution (deficiency) excess	\$ (4,773)	\$ 1,821	\$ 9,976	\$ 15,176	\$ 3,948
Employer's covered-employee payroll	\$ 795,506	\$ 827,561	\$ 923,696	\$ 1,005,044	\$ 1,161,065
Contributions as a percentage of covered-employee payroll	11.53%	11.53%	12.14%	12.13%	12.13%

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

- Data reported is measured as of June 30, 2022

* 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, 2022**

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 2022.

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, 2022, 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, 2022

	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.....	\$ 230,726	\$ (3,494)	\$ 418,647	\$ 10,476	\$ 33,961	\$ 200	\$ 6,769	\$ 968,096	\$ -	\$ -	\$ 179,269	\$ 1,932	\$ 1,846,582	
Investments.....	-	42,431	-	-	-	-	-	1,256,177	-	-	-	-	1,298,608	
Taxes receivable.....	2,757	-	2,204	-	-	-	-	-	31,023	196,621	-	-	4,961	
Other receivables.....	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interfund receivable.....	-	-	-	-	-	-	-	-	-	-	-	-	227,644	
Prepaid expenses.....	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets.....	\$ 233,483	\$ 38,937	\$ 420,851	\$ 10,476	\$ 33,961	\$ 200	\$ 6,769	\$ 2,224,273	\$ 31,023	\$ 196,621	\$ 179,269	\$ 1,932	\$ 3,377,795	
LIABILITIES AND FUND BALANCE														
LIABILITIES:														
Accounts payable.....	\$ 4,816	\$ -	\$ 8,946	\$ -	\$ -	\$ -	\$ -	\$ 5,180	\$ -	\$ -	\$ 33,419	\$ -	\$ 52,361	
Due to other government.....	-	-	-	-	-	-	-	-	-	-	-	1,932	1,932	
Interfund payable.....	-	-	-	-	-	-	-	-	31,023	196,621	-	-	227,644	
Payroll liabilities.....	3,398	-	4,560	-	-	-	-	-	-	-	-	-	7,958	
Deferred revenue.....	2,494	-	1,984	-	-	-	-	-	-	-	-	-	4,478	
Total liabilities.....	\$ 10,708	\$ -	\$ 15,490	\$ -	\$ -	\$ -	\$ -	\$ 5,180	\$ 31,023	\$ 196,621	\$ 33,419	\$ 1,932	\$ 294,373	
FUND BALANCE:														
Restricted.....	\$ -	\$ -	\$ -	\$ 10,476	\$ 33,961	\$ 200	\$ 6,769	\$ 2,219,093	\$ -	\$ -	\$ 145,850	\$ -	\$ 2,416,349	
Committed.....	-	38,937	-	-	-	-	-	-	-	-	-	-	38,937	
Assigned.....	222,775	-	405,361	-	-	-	-	-	-	-	-	-	628,136	
Total fund balance.....	\$ 222,775	\$ 38,937	\$ 405,361	\$ 10,476	\$ 33,961	\$ 200	\$ 6,769	\$ 2,219,093	\$ -	\$ -	\$ 145,850	\$ -	\$ 3,083,422	
Total liabilities and fund balance.....	\$ 233,483	\$ 38,937	\$ 420,851	\$ 10,476	\$ 33,961	\$ 200	\$ 6,769	\$ 2,224,273	\$ 31,023	\$ 196,621	\$ 179,269	\$ 1,932	\$ 3,377,795	

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, 2022

	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.....	\$ 161,073	\$ -	\$ 136,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298,060
Earnings on investments.....	1,117	19,795	1,385	1	-	-	(1,327)	(72,680)	-	-	-	-	-	-	(51,709)
Charges for services.....	11,512	-	-	-	19,305	-	-	372,000	-	-	-	-	-	-	402,817
Miscellaneous and other revenue.....	1,054	-	104,110	-	4,048	-	-	-	10,778	43,750	-	-	-	-	163,740
Special assessments.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State revenues.....	16,849	-	69,082	-	-	-	-	-	-	-	-	-	-	-	85,931
Grants.....	5,937	-	-	-	-	-	-	-	-	-	-	-	-	-	5,937
Total revenue.....	\$ 197,542	\$ 19,795	\$ 311,564	\$ 1	\$ 23,353	\$ -	\$ (1,327)	\$ 299,320	\$ 10,778	\$ 43,750	\$ -	\$ -	\$ -	\$ -	\$ 904,776
EXPENDITURES															
General government.....	\$ -	\$ -	\$ -	\$ -	\$ 53,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,620
Street and public improvement.....	-	-	-	-	-	-	-	170,233	-	-	-	-	-	-	170,233
Public safety.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation.....	-	-	188,114	-	-	-	-	-	-	-	-	-	-	-	188,114
Culture.....	161,057	-	-	-	-	-	-	-	-	-	-	-	-	-	161,057
Capital outlay.....	4,738	53,500	-	-	-	-	15,488	281,709	-	-	-	-	-	478,439	833,874
Total expenditures.....	\$ 165,795	\$ 53,500	\$ 188,114	\$ -	\$ 53,620	\$ -	\$ 15,488	\$ 451,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478,439	\$ 1,406,898
Excess (deficiency) of revenue over expenditures.....	\$ 31,747	(33,705)	\$ 123,450	\$ 1	(30,267)	\$ -	\$ (16,815)	(152,622)	\$ 10,778	\$ 43,750	\$ (478,439)	\$ -	\$ (502,122)	\$ -	\$ (502,122)
OTHER FINANCING SOURCES (USES)															
Transfers.....	-	-	-	-	26,000	-	-	-	(10,778)	(43,750)	1,285,000	-	-	-	1,256,472
Other financing sources.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances.....	\$ 31,747	\$ (33,705)	\$ 123,450	\$ 1	\$ (4,267)	\$ -	\$ (16,815)	(152,622)	\$ -	\$ -	\$ 806,561	\$ -	\$ (502,122)	\$ -	\$ 754,350
FUND BALANCES															
Beginning of the year.....	191,028	72,642	281,911	10,475	38,228	200	23,584	2,371,715	-	-	(660,711)	-	-	-	2,329,072
End of the year.....	\$ 222,775	\$ 38,937	\$ 405,361	\$ 10,476	\$ 33,961	\$ 200	\$ 6,769	\$ 2,219,093	\$ -	\$ -	\$ 145,850	\$ -	\$ -	\$ -	\$ 3,083,422

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

CITY OF RIGBY
Schedule of Expenditures
General Fund
September 30, 2022

		<u>Total Expenditures</u>
GENERAL GOVERNMENT		
Mayor & Council		
Payroll related expenditures	\$ 40,215	
Public relations	1,850	
Other	5,645	
Total Mayor & Council		<u>\$ 47,710</u>
City Hall		
Payroll related expenditures	\$ 66	
Utilities & telephone	10,003	
Maintenance	4,917	
Total City Hall		<u>\$ 14,986</u>
Administration		
Payroll related expenditures	\$ 158,195	
Office expenditures	29,904	
Bank fees	35,240	
Other	2,600	
Total Administration		<u>\$ 225,939</u>
Non-departmental		
Payroll related expenditures	\$ 19,669	
Legal & professional	58,995	
Bonds & insurance	46,526	
Other	48,124	
Total Non-departmental		<u>\$ 173,314</u>
Planning & Zoning		
Payroll related expenditures	\$ 60,931	
Office expenditures	4,680	
Engineering fees	-	
Other	2,370	
Total Planning & Zoning		<u>\$ 67,981</u>
TOTAL GENERAL GOVERNMENT EXPENDITURES		<u>\$ 529,930</u>
PUBLIC SAFETY		
Payroll related expenditures	\$ 621,480	
Office expenditures	16,087	
Utilities & telephone	16,527	
Police expenditures	89,537	
Maintenance & repairs	20,138	
TOTAL PUBLIC SAFETY		<u>\$ 763,769</u>
CULTURAL		
Museum, rodeo, & discretionary cultural expenditures		<u>\$ 15,366</u>
CAPITAL OUTLAY		
City Hall	\$ 5,218	
Administration	2,050	
Police	11,042	
TOTAL CAPITAL OUTLAY		<u>\$ 18,310</u>
TOTAL GOVERNMENTAL EXPENDITURES		<u>\$ 1,327,375</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

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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, 2022, 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 March 2, 2023.

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
March 2, 2023

JENSEN POULSEN & COMPANY, PLLC

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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, 2022. 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, 2022.

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
March 2, 2023

CITY OF RIGBY

Schedule of Findings and Questioned Costs
September 30, 2022

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, 2022**

	<u>Federal CFDA No.</u>	<u>Accrued Grant and Loan Disbursements</u>
<u>Department of Transportation</u>		
State and Community Highway Safety	20.600	\$ 13,837
National Priority Safety Program	20.616	<u>6,740</u>
		<u>\$ 20,577</u>
<u>Department of Defense</u>		
Collaborative Research and Development	12.114	<u>\$ 658,290</u>
<u>Department of the Treasury</u>		
Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>\$ 1,134,025</u>
Total Expenditures		<u>\$ 1,812,892</u>

NOTES TO 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, 2022. 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.