Finance Department

POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

RIVERTON CITY CORPORATION - STATE OF UTAH

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Mayor
Bill Applegarth

City Council
Brent Johnson
Alan Leavitt
Sheldon Stewart
Tracy Thaxton
Roy Tingey

City Manager
Lance Blackwood

Finance Director
Lisa Dudley

This is Riverton City's second edition of the Popular Annual Financial Report (or better known as PAFR). The information in this PAFR is taken directly from the Comprehensive Annual Financial Report (also known as CAFR), for FY 2012, and only from selected funds. It is a summary of information contained in the CAFR and is written in accordance with Generally Accepted Accounting Principles, or GAAP. Riverton City's FY 2012 CAFR may be found on the City's website www.rivertoncity.com.

Letter from our Mayor

Dear Citizens of Riverton:

I'm pleased to provide you with our second Popular Annual Financial Report (PAFR). Riverton City routinely provides financial information to many different entities for various purposes. And of course, all of our financial records are readily available to anyone who asks. But this PAFR is a basic report intended to provide important financial information about the City in a readable format so that anyone who is interested in the City's financial health can quickly understand our recent performance, current status, and likely future trends. All of this is being done as a service to our citizens in an effort to maximize the transparency of Riverton City government.

The attached financial reports show that Riverton City continues in a sound financial position. As I mentioned in this space last year, some other cities in our area have greater revenue resources than Riverton, but I can't think of another city whose financial condition I would trade for our own. With the recent completion of our new Public Works Facility (built without the use of any borrowed money), I believe that we will not need to construct any other City buildings to serve Riverton residents during the next 50 years. The significance of this condition for Riverton's long-term financial health cannot be overstated.

We're proud of the progress we've made in constructing major upgrades to Riverton's vital infrastructure. Among these are the improvements made to 13400 South west of Bangerter Highway, a $10 million project (mostly federal funds) which will provide improved traffic flow and increased quality of life. Not only do infrastructure improvements improve our quality of life, they also lay a solid foundation for enhanced economic development, which helps ensure the City's financial strength for many years to come.

Lastly, I'm proud to report that objectively speaking, the quantity and quality of services provided by Riverton City to its residents have never been higher. We've been able to accomplish this without a City property tax this year and without increasing any of our existing fees. We work hard every day to provide our residents with the best possible value for their tax dollars. Our City Council has played a central role in this accomplishment, and I thank them for their principled and effective service.

Thank you,

Bill Applegarth

CITY COUNCIL MEMBERS

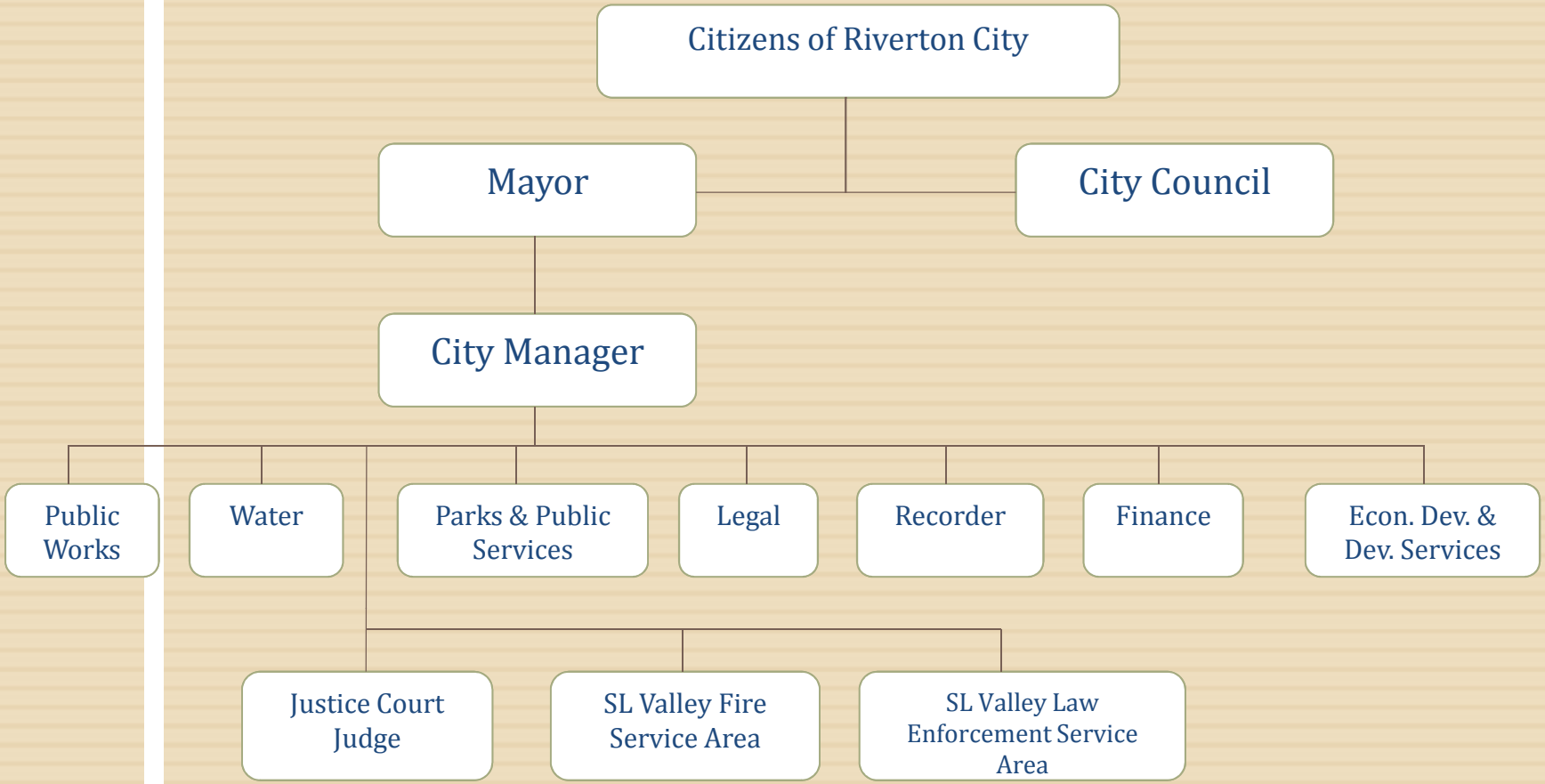
Sheldon Stewart
Council Member
District 1

Roy Tingey
Council Member
District 2

Tracy Thaxton
Council Member
District 3

Alan Leavitt
Council Member
District 4

Brent Johnson
Council Member
District 5



Organizational Chart

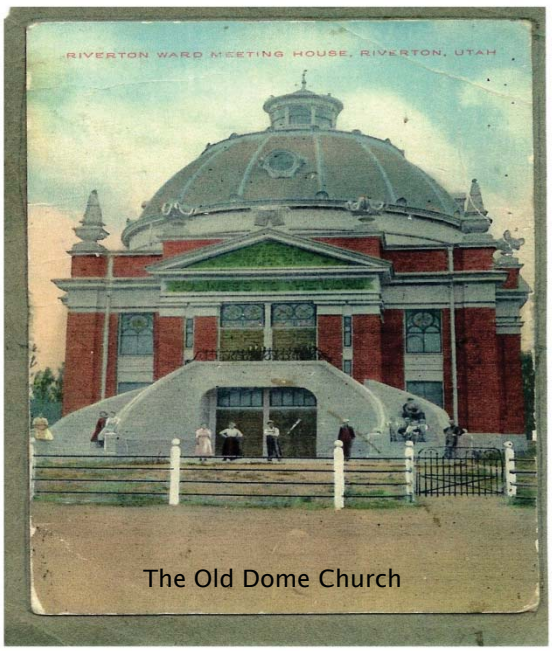
Quick Facts

Number of Employees	89 FTE
Sales Tax/Franchise Rev Bond Rating	Fitch AA
Water Revenue Bond Rating	S&P AA

History of Riverton

The first people that lived in the area that is now Riverton settled in the 1850s. They lived in crude, widely scattered, dugout homes along the river bottoms. Archibald Gardner was the largest landowner, and he might have been the first to live on Riverton land, though early accounts disagree. Because of this, the land along the Jordan River and surrounding area was called Gardnerville. Due to the lack of irrigation water, initial growth was slow. However, the town began to grow as settlers developed a cooperative to build a ditch which later resulted in a canal that opened cultivation which attracted new residents. Riverton later became incorporated into a town in 1948 and a city of the third class July 3, 1967.

By 1914, Riverton began to prosper as an agricultural community, due to additional water and people. Riverton's business district also thrived. In 1879, a judicial precinct was established and the settlement's name was officially changed from Gardnerville to Riverton by Judge Charles Smith. The first meetinghouse was constructed in 1879 which served as a church, a schoolhouse, and a community meeting place. A new meetinghouse was planned and the architect selected was Richard Kletting who also designed the Utah State Capitol. The entire community worked to haul material, by wagons, including granite from Little Cottonwood Canyon. The Old Dome Church, which it became to be known, continued to be used by the residents until it was torn down in 1940.



The Old Dome Church

Before the turn-of-the-century, Riverton farmers gradually changed from self-sufficient to commercial farming. They specialized in alfalfa, wheat, sugar beets, tomatoes, poultry, sheep, and dairy cows. At this time, the LDS Church began to store tithed produce and livestock on land located at 1150 West 12400 South. This area is now known as Tithing Hill. In 1912, electricity first came to Riverton and in 1913 the Salt Lake and Utah Railroad (Orem Line) was started and went through Riverton west of Redwood Road. It stretched from Salt Lake to Payson and was used as a commuter and freight line. Riverton had its own train depot and trains used this line from 1914 to 1945 after which the rails and ties, along with the depot, were torn down.

General Fund

The General Fund 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 other funds.

The principal sources of revenue for this fund are:

- Property and sales tax
- Licenses and permits
- Charges for services
- Fines and forfeitures
- Intergovernmental revenues

The primary expenses in this fund are:

- Administrative services
- Building maintenance
- Community development
- Parks and recreation

Quick Facts

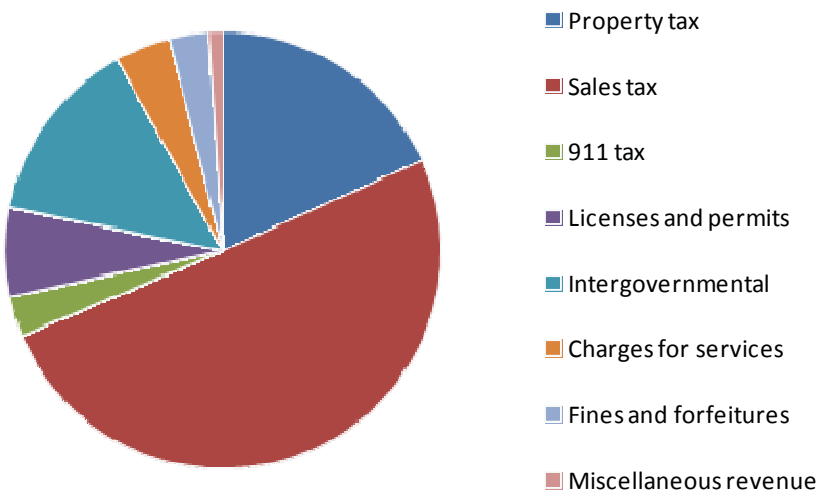
Elevation	4,439 feet
Population	39,489
Area	12.6 square miles
Total Households	10,093
Median Household Income	$80,939

General Fund Revenues

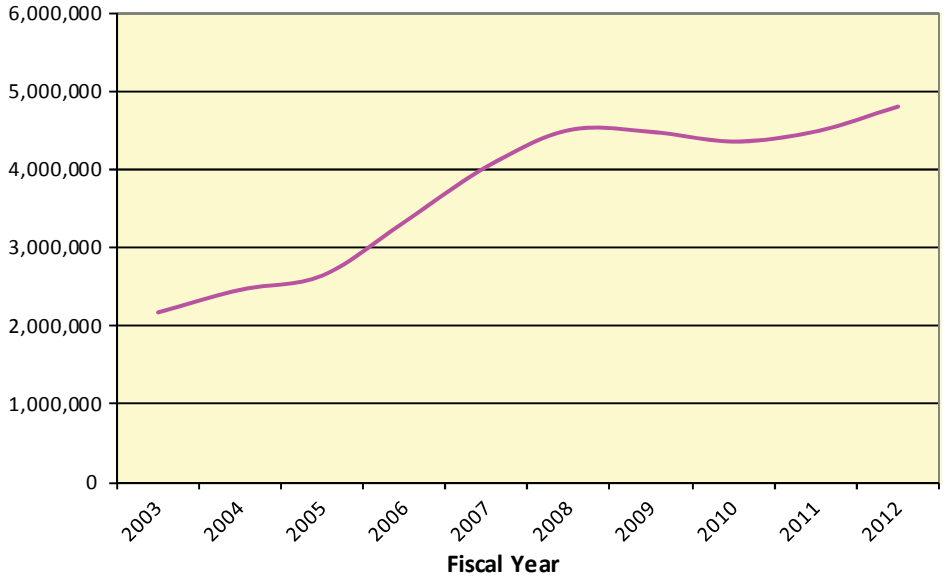
RIVERTON CITY
2011 - 2012 General Fund Revenues*

Category Name		Amount	Percent
Property tax		1,733,904	18%
Sales tax		4,795,401	50%
911 tax		284,961	3%
Licenses and permits		624,390	7%
Intergovernmental		1,312,504	14%
Charges for services		389,358	4%
Fines and forfeitures		277,642	3%
Miscellaneous revenue		95,210	1%
TOTAL	**$**	**9,513,370**	**100%**

**Interfund transfers excluded*



Sales Tax Revenue



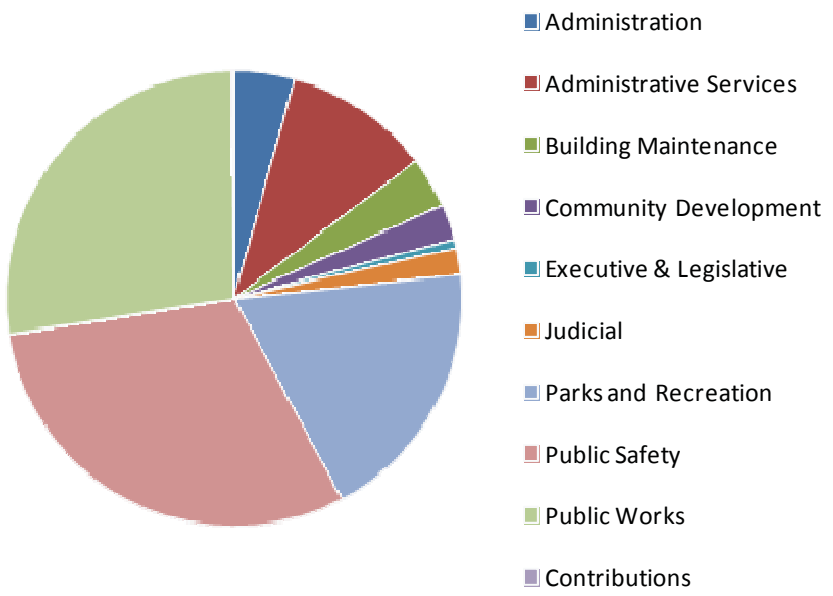
Because of its prime location between major transportation systems, Riverton City continues to attract the attention of retailers and commercial businesses resulting in a strong and growing sales tax base. Although Riverton's sales tax base is anchored mostly in the general retail and grocery sectors, it also has strong and growing contributions from restaurants located within the City limits. Several new restaurants have recently opened and the City is pleased to announce that Texas Roadhouse and Einstein Bagels will open soon.

General Fund Expenditures

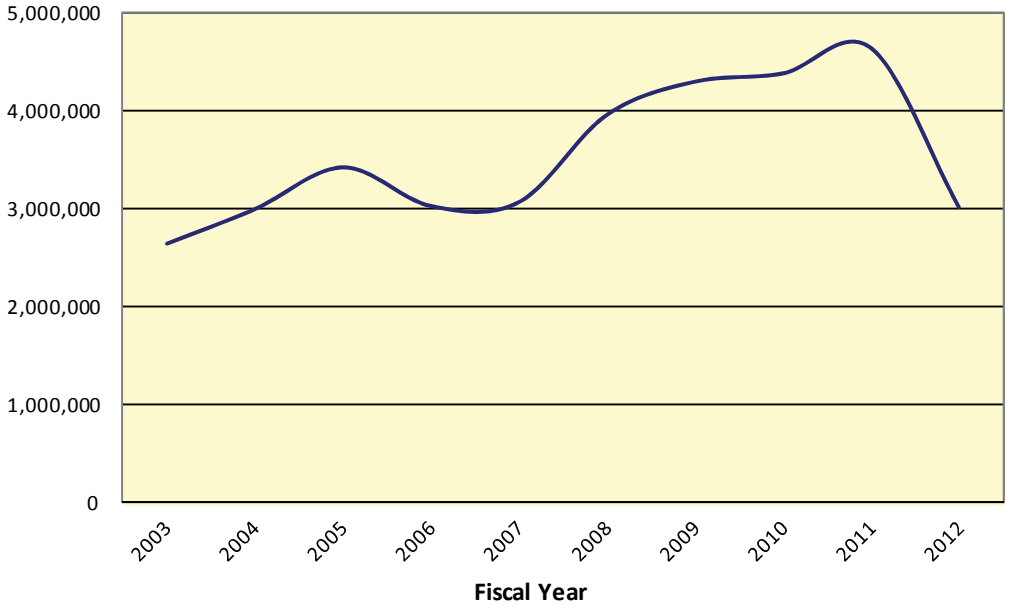
RIVERTON CITY
2011-2012 General Fund Expenditures*

Category Name		Amount	Percent
Administration		428,063	4%
Administrative Services		1,035,056	10%
Building Maintenance		357,863	4%
Community Development		249,524	3%
Executive & Legislative		60,607	1%
Judicial		189,709	2%
Parks and Recreation		1,872,059	19%
Public Safety		3,016,033	30%
Public Works		2,721,543	27%
Contributions		13,373	0%
TOTAL	**$**	**9,943,830**	**100%**

**Interfund transfers excluded*



Cost of Public Safety



Historically, Riverton City's cost for public safety included fire and police protection, animal services, crossing guards, code enforcement, and building inspection.

As the graph depicts, the cost of public safety has steadily risen over the past decade. The dip in the trend line for 2006 corresponds to the City's annexation into the Salt Lake Valley Fire Service Area. While the service for fire protection was still provided to the residents and businesses of Riverton City, the cost for fire protection was, from that time forward, no longer part of the City's annual budget.

Similarly, the dramatic drop in 2012 is the result of the City's annexation to the Salt Lake Valley Law Enforcement Service Area (SLVLSA), which provides police protection as well as crossing guard services for the City. Police protection will continue to be provided to the City by the Unified Police Department of Greater Salt Lake, however, the cost for police and crossing guards is no longer a part of the City's budget.

Changes to Street Lighting & Sanitation Services

With the annexation to the Salt Lake Valley Law Enforcement Service Area, the Riverton City Council reduced municipal fees for street lighting and solid waste services. The total reduction in utility fees for a single family home is $16.91 a month or $202.92 a year.

In previous years, Riverton City provided street lighting services through an enterprise, or business-type fund. Starting in January 2012, the fee for street lighting for a single family residence was reduced from $5.41 to $0.00 each month. With the elimination of the monthly fee, street lighting will now be a service provided by general governmental revenues in the General Fund.

Solid waste and recycling collection will continue to be accounted for in an enterprise fund even though the monthly fee for the first garbage tote was reduced from $12.50 to $1.00 each month. Utility customers now pay the reduced fee for the first garbage tote and continue to pay $5.00 a month for each additional tote. Curbside recycling is still offered to Riverton residents at no charge.

Water Funds

Culinary Water

The City currently owns and operates culinary water facilities which provide culinary water services to the residents of the City. The culinary water facilities are comprised of approximately 167 miles of water transmission and distribution lines which have an estimated remaining useful life of at least 35 years. These facilities service all of the 12.6 square mile area within the boundaries of the City, except for homes on the western boundary of the City which are currently serviced directly by the Jordan Valley Water Conservancy District, an outside water supplier.

Roughly 83% of the City's culinary water is generated from five City-owned deep wells. The remaining 17% is supplied by the Conservancy District. City wells are typically drilled to a depth of approximately 500 feet. Water is generated from water-bearing strata located between 200 to 500 feet deep. Water generated from these wells meets or exceeds all local, state, and federal quality standards. The City owns three above ground storage reservoirs with a storage capacity of approximately 6.5 million gallons and is currently operating a radio based control and data acquisition system to control and gather operational data for its culinary water facilities.

Secondary Water

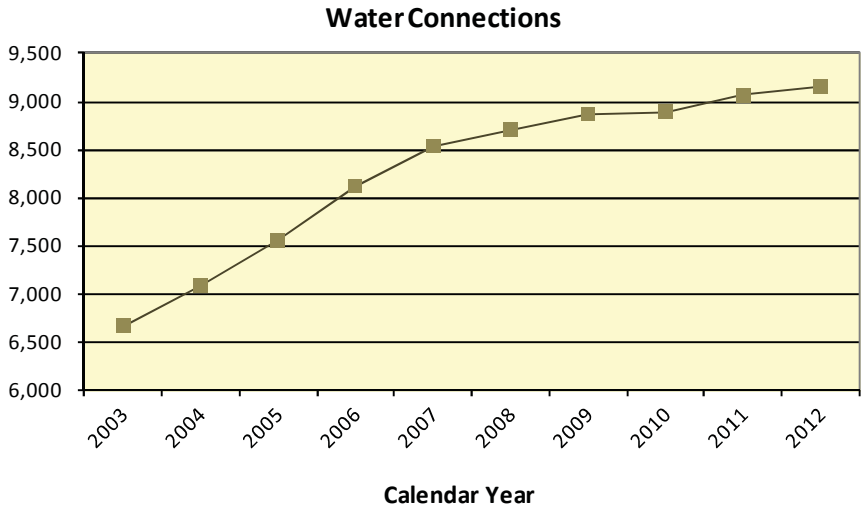
The secondary water facilities capture ground water return flows from the shallow groundwater aquifer. The City has purchased water shares from the Jordan River and uses these water shares to pump groundwater using shallow wells. The pipes, reservoirs, pump stations, valves, controls and other improvements making up the secondary water facilities are constructed upon land owned by the City or in public rights-of-way. The facilities included in the secondary water facilities are anticipated to provide adequate water resources for additional growth through build out. The acquisition and construction of the secondary water facilities were completed in 2009 and include:

- Two deep wells, three shallow wells and approximately 171 miles of pipeline
- The acquisition of non-potable water sources
- The acquisition of land necessary to complete the secondary water facilities
- The acquisition, creation and design of wetland areas

The secondary water facilities presently service all residents of the City. The secondary water facilities use lower-grade, non-potable water sources to meet outdoor water needs, thereby decreasing demand upon the City's culinary water facilities, resulting in an anticipated increase to the Culinary Water System's useful life to meet the growing culinary water needs of the City.

Water Systems

Presently, the water system has 9,132 culinary water connections and 9,155 secondary water connections. Approximately 97% of all connections are residential connections and the remainder are commercial, schools, churches, City and county government facilities.



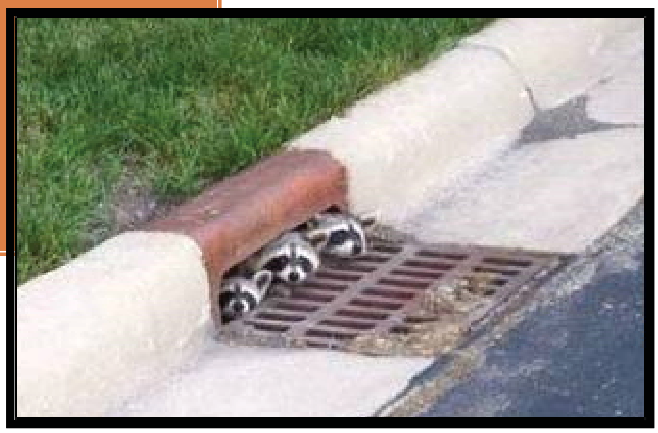
Storm Water

The Riverton City Storm Water Utility was created July 1, 2010, to finance the requirements set by The Utah Water Quality Act. The law requires cities to protect streams, rivers, and lakes in their jurisdictions from polluted storm water. Cities are required to implement programs that satisfy the following six requirements:

1. Public Education Outreach
2. Public Involvement/Participation
3. Illicit Discharge Detection and Elimination
4. Construction Site Storm Water Runoff Control
5. Post-Construction Storm Water Management in New Development and Redevelopment
6. Pollution Prevention/Good Housekeeping for Municipal Operations

Satisfying these requirements necessitates dedicated personnel and equipment. The Federal Government and our State Government do not provide funding, therefore, storm water requirements are unfunded mandates.

Many cities in Utah and across the nation have implemented a storm water utility fee to finance the costs necessary to run these storm water programs. Riverton City has also found it necessary to implement a utility fee in order to meet the demands of the Utah Clean Water Act as required by the Federal Clean Water Act.



Quick Facts	
Elementary schools	6
Middle schools	2
High schools	1
Private schools	3
Special Needs schools	1

Parks and Recreation

Parks, open space, and recreational areas continue to be a top priority for the citizens and elected officials of Riverton City. As the City's population increases, City staff and elected officials work hard to plan and budget for improvements, upgrades, and construction of new parks and open space. The design phase of the expansion of the Main City Park has begun, which will include a water feature, an indoor pavilion, a new large main pavilion, and an expanded rodeo arena. Phase I is scheduled to be completed in 2015 and the final phase in 2017.

During the past few years, residents have enjoyed a number of new parks including the C.R. Hamilton Sports Park. This 30-acre park is a state-of-the-art facility and is utilized by youth baseball, football, and flag football teams. The C.R. Hamilton Sports Park also includes a running path and an indoor pavilion which is a popular venue for wedding receptions, family parties, and reunions.

Riverton City also hosts numerous recreation and special events throughout the year. Residents can participate in a wide variety of programs, events, and classes for citizens of all ages. Events such as the Riverton Arts Festival, Movies in the Park, and the annual Town Days Celebrations just to name a few. Riverton City also hosts several running races and walks.

18 City Parks

Parks	31
Acreage	216
Trees	3,328
Pavilions	20
Restrooms	13
Playgrounds	28
Baseball/softball diamonds	20
Soccer/football fields	23