Finance Department

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

RIVERTON CITY CORPORATION - STATE OF UTAH

RIVERTON CITY CORPORATION
STATE OF UTAH

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by:

RIVERTON CITY FINANCE DEPARTMENT

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Introductory Section

Finance Department

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Riverton City Corporation
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

LETTER OF TRANSMITTAL

Mayor
Bill Applegarth
City Council
Brent Johnson
Alan Leavitt
Sheldon Stewart
Tracy Thaxton
Roy Tingey
City Manager
Lance Blackwood

Finance Department

November 21, 2012

To the Mayor, City Council, and Residents of the City of Riverton,

The Comprehensive Annual Financial Report (CAFR) of the City of Riverton for the fiscal year ended June 30, 2012, is hereby submitted. State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This CAFR has been prepared by the City's Finance Department. Management assumes full responsibility for the completeness and accuracy of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Riverton has established a comprehensive internal control framework that is designed both to protect the government's assets and to compile accurate and reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Finance Department asserts, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

Hansen, Bradshaw, Malmrose, & Erickson, P.C., a firm of certified public accountants, has audited Riverton City's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements, for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors conclude, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is included as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

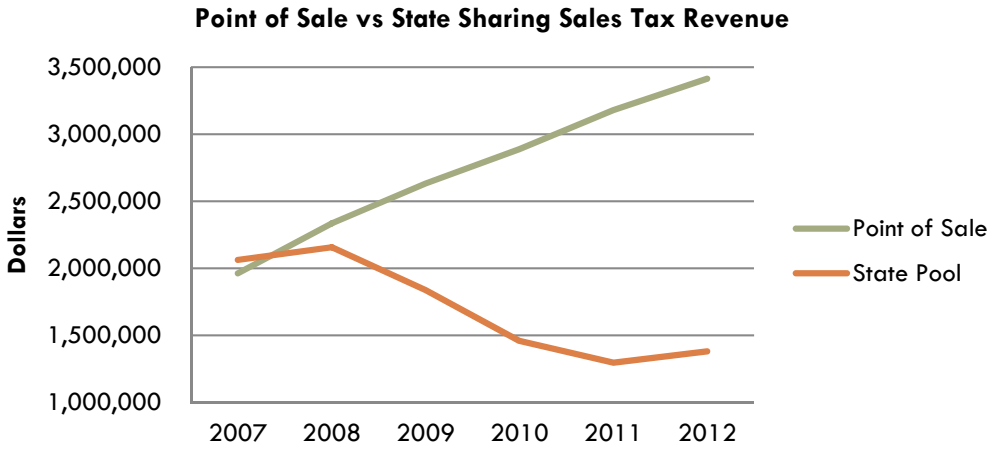
Government Profile

Riverton was incorporated as a City of the Third Class on July 3, 1967. The City is governed using a Six-Member Council form of government with City Manager by ordinance. Legislative powers are vested in the five-member Council, while executive powers lie with the Mayor. The Mayor is elected to serve the citizens at large; the Council Members are elected by voting districts. All elected officials serve four-year terms which are staggered every two years (three Council seats in one election, two Council seats and the Mayor in the next election). The City Manager is responsible for the day-to-day operations and is responsible for the employees of the City. The City Manager and Department Heads comprise the senior staff team which recommends priorities to the Mayor and Council.

The City provides a full range of services to its residents and businesses. General governmental services provided by the City include building inspection, construction and maintenance of roadways and parks, as well as recreation and cultural events. The City also provides utility services for culinary water, secondary water, sanitation, street lighting, and storm water. The boundaries of the City cover 12.6 square miles with a population of approximately 39,500 with a potential for approximately 53,000 at build-out.

Factors Affecting Financial Condition

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. In Utah, sales tax revenue is distributed on a two-part formula; direct point-of-sale and a state-wide pool, which is distributed based on population. Economic conditions in Riverton appear to be better than they are in Utah as a whole, as is illustrated through an analysis of sales tax revenue recognized by Riverton City for fiscal year 2012. Riverton's direct point-of-sale sales tax revenue increased by 6.2% over the prior year, while sales tax revenue distributed from the state-wide pool increased by only 4.7%.



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 in Riverton and the City is pleased to announce that Texas Roadhouse and Einstein Bagels will open in December of 2012.

During the past year, building permit activity was slightly below the previous year. This is consistent with general economic conditions. However, there are many bright spots that support an optimistic view of the future. One of the most noticeable changes to the City is in the Downtown RDA project area on 1830 West. Land is now cleared where several homes once stood, and a new 109-unit condominium development will be soon underway. It is expected that the first permits will be pulled in the spring of 2013.

The City continues to improve and upgrade infrastructure including roadways, culinary water, secondary water, and storm water systems as well as making improvements to parks and open space. Good infrastructure is always a key foundation for a bright economic future.

Long-Term Financial Planning

The City has adopted long-term financial plans for all infrastructure systems including roadways, storm water, and parks. These plans are reviewed annually and updated as needed. Besides infrastructure plans, at the beginning of each calendar year, the City Council holds a strategic planning session as a kick-off to the budget season for the ensuing fiscal year. The strategic plan is based on six priorities – some are long-term, others can be completed within one budget year.

The priorities of the Council, communicated through the strategic plan, become the catalyst for capital projects and other expenditures for the upcoming budget. The strategic plan is truly a performance-based approach to budgeting and long-term planning. City staff is charged with the duty to report back to the Council and citizens at the end of the year on which items have been completed or need to be moved forward to future budget years.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Riverton City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Riverton City was also awarded the Award for Outstanding Achievement in Popular Annual Financial Reporting for its popular annual financial report (PAFR) for the fiscal year ended June 30, 2011. The PAFR is designed to meet the needs of interested parties who may be unable or unwilling to use traditional financial reports. The City believes its CAFR and PAFR continue to meet the Certificate of Achievement Program requirements and will submit both reports for the current year to the GFOA.

The preparation of these reports on a timely basis could not have been accomplished without the efficient and dedicated service of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of these reports. In closing, we express our sincere thanks and appreciation to members of the City Council, our Mayor, Bill Applegarth, and City Manager, Lance Blackwood, for their dedication to the City of Riverton and their leadership and support of City Staff.

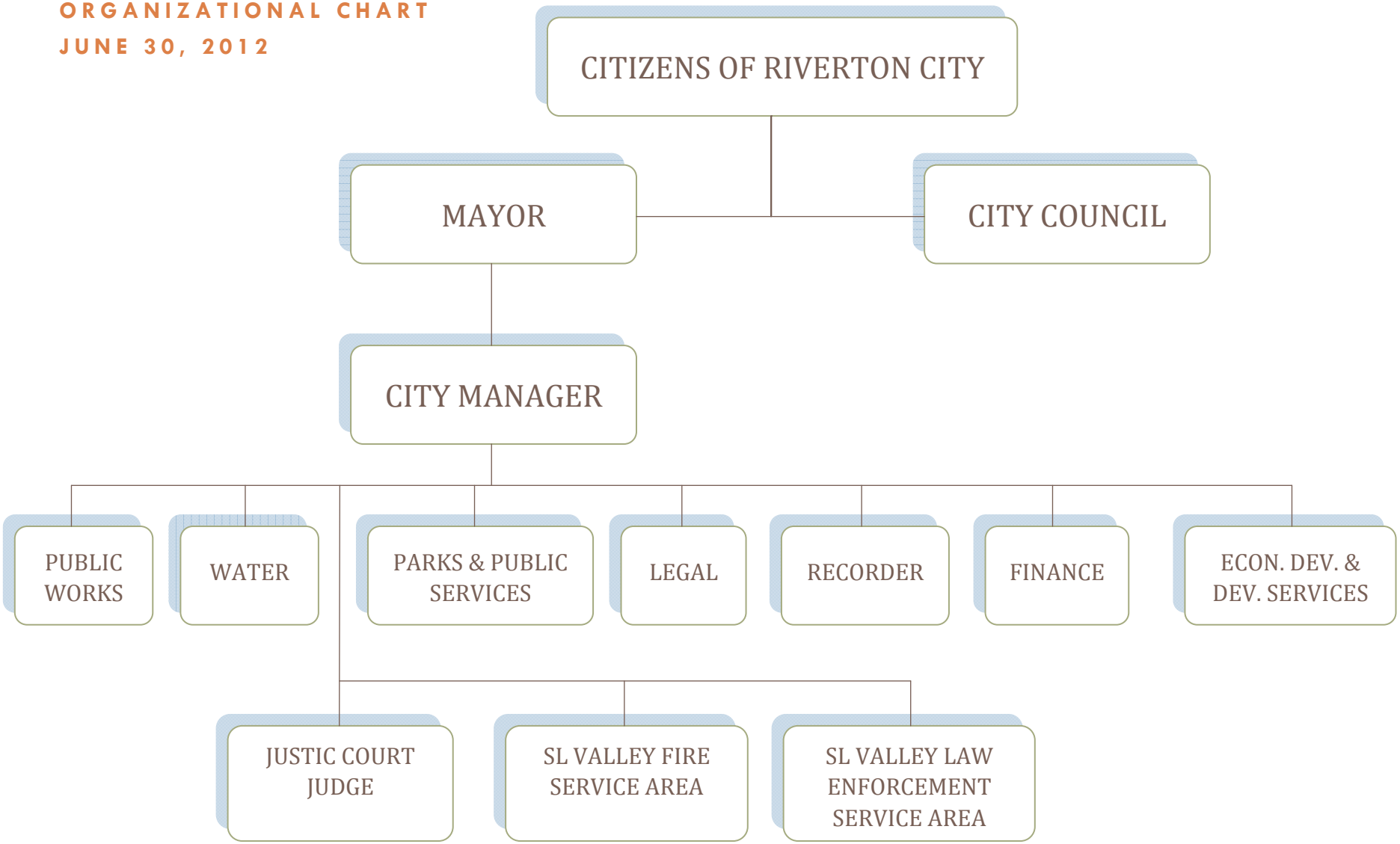
Sincerely,

Lisa Dudley
Finance Director

Kevin Hicks
Accounting Services Manager

Riverton City Corporation

ORGANIZATIONAL CHART
JUNE 30, 2012



Riverton City Corporation

LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2012

Elected Officials

Mayor ----------Bill Applegarth

District 1 Council Member ---------- Sheldon Stewart

District 2 Council Member ----------Roy Tingey

District 3 Council Member ---------- Tracy Thaxton

District 4 Council Member ---------- Alan Leavitt

District 5 Council Member ---------- Brent Johnson

Appointed Officials and Department Heads

City Manager ---------- Lance Blackwood

Assistant City Manager / Economic Development ----------Jeff Hawker

City Attorney ----------Ryan Carter

City Engineer / Public Works ----------Trace Robinson

Finance Director ---------- Lisa Dudley

City Recorder ---------- Virginia Loader

Parks & Public Services---------- Sheril Garn

Water Director ----------D. Scott Hill

City Treasurer ----------Steve Elms

Justice Court Judge---------- Greg Bown

Financial Section

Finance Department

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Members of the American Institute of Certified Public Accountants

Members of the Private Company Practice Section

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
Riverton City Corporation, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation, Utah (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverton City Corporation, Utah, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 19, 2012

RIVERTON CITY CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

As management of Riverton City Corporation (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2012 by $254.1 million. Of this amount, unrestricted net assets of $18.1 million may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's governmental activities revenue decreased from $15.5 million in fiscal year 2011 to $12.9 million in fiscal year 2012. The reduction in revenue is due to transactions in fiscal year 2011 which included receipt of legislative appropriation funding for road projects and the gain on disposition of assets for land sale. During the same period expenses decreased from $15.0 million to $13.5 million. The largest factor in the decrease in expenses in fiscal year 2012 is in direct relation to the City's annexation to the Salt Lake Valley Law Enforcement Service Area, which is described in greater detail in the General Fund Budgetary Highlight section of MD&A.
- In fiscal year 2012, the City's net assets from governmental activities decreased by $3.9 million compared to a $20.7 million decrease during fiscal year 2011. Net assets increased in Business Activities by $1.6 million compared to $22.5 million during fiscal year 2011. The large variance from the prior year is due to a transfer of assets in fiscal year 2011 to meet EPA requirements regarding the responsible discharge of storm water. During the prior year, the City's storm water infrastructure assets were transferred from general governmental assets to the newly established Storm Water enterprise fund.
- At June 30, 2012, the total fund balance for the City's General Fund was $3.1 million. Total fund balance is divided into three categories: nonspendable fund balance of $45 thousand for prepaid expenditures, restricted fund balance of $1.7 million for Class "C" Roads, and unassigned fund balance of $1.4 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which 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 statements themselves, which will help the reader to gain a more in-depth understanding of the City.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's financial position and changes in financial position, similar to consolidated financial statements in a private sector business. The statements consist of the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all of Riverton City's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases over time in net assets gives an indicator as to whether the financial condition of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City'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 related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and public improvements, and parks and recreation. The business-type activities of the City include culinary water, secondary water, sanitation, street lighting, and storm water.

The government-wide financial statements include not only the City (the primary government), but also a legally separate component unit, the Redevelopment Agency of Riverton City, for which the City is financially accountable. Financial information for this blended component unit is presented with the financial statements for the City.

The government-wide financial statements are found immediately following this discussion and analysis.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the City's funds can be divided into two categories: governmental Funds and Proprietary Funds.

GOVERNMENTAL FUNDS

Most of the City's basic services are reported in governmental funds, which focus on how money flows through those funds and the balances left at year-end. The funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of cash, the governmental funds operations and the basic services they provide. Governmental funds information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental Activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in reconciliations after the fund financial statements.

The City maintains six individual governmental funds. Information is presented separately in the governmental funds statements for the General Fund and the other major governmental funds. The nonmajor funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

Major governmental funds:

- General fund
- Capital projects fund - capital improvements
- Capital projects fund - Riverton Economic Development Infrastructure and Investment Fund (REDIIF)

Nonmajor governmental funds:

- Capital projects fund – community impact parks
- Capital projects fund – community impact roads
- Special revenue fund – Redevelopment Agency of Riverton City

PROPRIETARY FUNDS

The City maintains only one type of proprietary fund, namely enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains five individual enterprise funds. Information is presented separately in the proprietary funds Statement of Net Assets and the proprietary funds statement of revenues, expenses and changes in fund net assets for the major proprietary funds. The City has only one nonmajor proprietary fund, which is provided in a single presentation.

Major proprietary funds:

- Culinary water
- Secondary water
- Sanitation
- Storm water

Nonmajor proprietary fund:

- Street lighting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the statements for major funds.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information. The combining statements, mentioned earlier, in connection with nonmajor funds are presented immediately after the notes to the financial statements. Also included are budget comparisons for governmental funds other than the General Fund.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Riverton City, assets exceeded liabilities by $254.1 million at the close of 2012.

By far, the largest portion of the City's net assets ($224.8 million or 88.5%) reflects its investment in capital assets net of related debt. The City uses these capital assets to provide services to residents; these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets ($11.3 million or 4.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of ($18.1 million or 7.1%) may be used to meet the City's ongoing obligations to its residents and creditors.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 19,649,215	$ 27,361,889	$ 14,141,646	$ 13,583,895	$ 33,790,861	$ 40,945,784
Capital assets	161,460,390	160,312,317	95,682,206	95,060,441	257,142,596	255,372,758
Total Assets	181,109,605	187,674,206	109,823,852	108,644,336	290,933,457	296,318,542
Current and other liabilities	3,359,840	5,365,961	2,661,727	1,840,310	6,021,567	7,206,271
Long-term liabilities	18,366,937	19,035,398	12,426,283	13,634,220	30,793,220	32,669,618
Total Liabilities	21,726,777	24,401,359	15,088,010	15,474,530	36,814,787	39,875,889
Net assets:						
Invested in capital assets, net of related debt	142,564,907	140,084,036	82,185,249	80,205,667	224,750,156	220,289,703
Restricted	6,882,738	9,547,218	4,385,029	5,456,454	11,267,767	15,003,672
Unrestricted	9,935,183	13,641,593	8,165,564	7,507,685	18,100,747	21,149,278
Total Net Assets	$ 159,382,828	$ 163,272,847	$ 94,735,842	$ 93,169,806	$ 254,118,670	$ 256,442,653

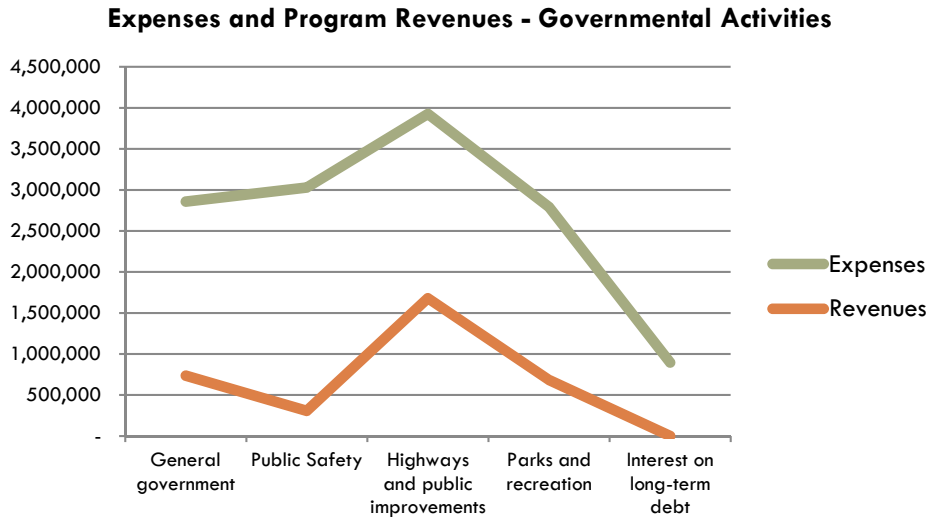
The City's 2012 revenues of $23.165 million were equal to its expenses of $23.249 million. The decrease in net assets before transfers and special items was $84.6 thousand. A special item, reporting the transfer of two fire stations to another governmental agency, of $2.2 million contributed to the overall decrease in net assets of $2.3 million. Note #17 addresses this special item in greater detail.

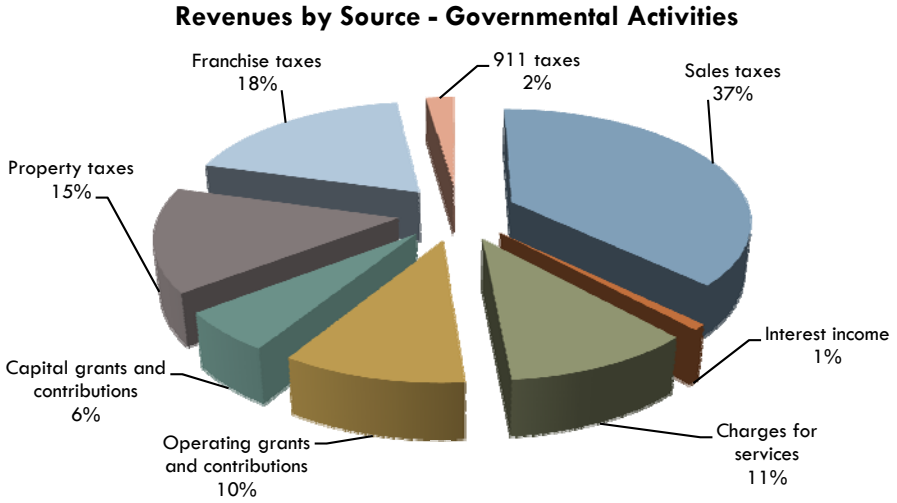
	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 1,360,594	$ 1,454,538	$ 9,781,482	$ 9,268,598	$ 11,142,076	$ 10,723,136
Operating grants and contributions	1,315,019	1,296,943	-	-	1,315,019	1,296,943
Capital grants and contributions	730,216	2,425,972	424,284	1,160,567	1,154,500	3,586,539
General revenues:					-	-
Property taxes	1,902,971	2,036,794	-	-	1,902,971	2,036,794
Sales taxes	4,795,401	4,475,524	-	-	4,795,401	4,475,524
Franchise taxes	2,371,970	2,329,280	-	-	2,371,970	2,329,280
911 taxes	284,961	263,243	-	-	284,961	263,243
Interest income	105,858	102,138	67,046	50,564	172,904	152,702
Gain (loss) on disposition of assets	-	1,145,981	-	-	-	1,145,981
Equity investment income (loss)	-	-	25,304	(4,210)	25,304	(4,210)
Total Revenues	12,866,990	15,530,413	10,298,116	10,475,519	23,165,106	26,005,932
Expenses:						
General government	2,857,189	2,482,451	-	-	2,857,189	2,482,451
Public safety	3,030,295	5,245,047	-	-	3,030,295	5,245,047
Highways and public improvements	3,926,796	4,152,657	-	-	3,926,796	4,152,657
Parks and recreation	2,791,422	2,162,656	-	-	2,791,422	2,162,656
Interest on long-term debt	896,095	922,051	-	-	896,095	922,051
Culinary water	-	-	3,426,073	3,169,527	3,426,073	3,169,527
Secondary water	-	-	2,675,231	2,692,333	2,675,231	2,692,333
Sanitation	-	-	1,552,880	1,440,384	1,552,880	1,440,384
Street lighting	-	-	827,364	836,048	827,364	836,048
Storm water	-	-	1,266,322	1,083,310	1,266,322	1,083,310
Total Expenses	13,501,797	14,964,862	9,747,870	9,221,602	23,249,667	24,186,464
Increase (decrease) in net assets before transfers and special item	(634,807)	565,551	550,246	1,253,917	(84,561)	1,819,468
Special item - transfer of fire station assets to other government	(2,239,422)	-	-	-	(2,239,422)	-
Transfers	(1,015,790)	(21,228,529)	1,015,790	21,228,529	-	-
Increase (decrease) in net assets	(3,890,019)	(20,662,978)	1,566,036	22,482,446	(2,323,983)	1,819,468
Net Assets - Beginning	163,272,847	183,935,825	93,169,806	70,687,360	256,442,653	254,623,185
Net Assets - Ending	$ 159,382,828	$ 163,272,847	$ 94,735,842	$ 93,169,806	$ 254,118,670	$ 256,442,653

Governmental Activities

Before transfers and special items, governmental activities decreased the City's net assets by $635 thousand, while last year the governmental activities reported an increase of $566 thousand. The decrease in net assets is due to construction related expenditures for City transportation projects. Capital grants for roadway improvements received in fiscal year 2011 were used towards projects in fiscal year 2012. The City also recognized one-time revenue of $1.1 million from the sale of real property in 2011. As mentioned in the Financial Highlights section of MD&A, the largest factor in the decrease in expenses in fiscal year 2012 is in direct relation to the City's annexation to the Salt Lake Valley Law Enforcement Service Area, which is described in greater detail in the General Fund Budgetary Highlight section of MD&A.

The graph below depicts the City's 2012 program revenues and expenses for governmental activities found on the Statement of Activities. Because program expenses far exceed program revenues, general revenues (i.e. property taxes, sales taxes, interest income, etc.) are also utilized to provide services from governmental activities.

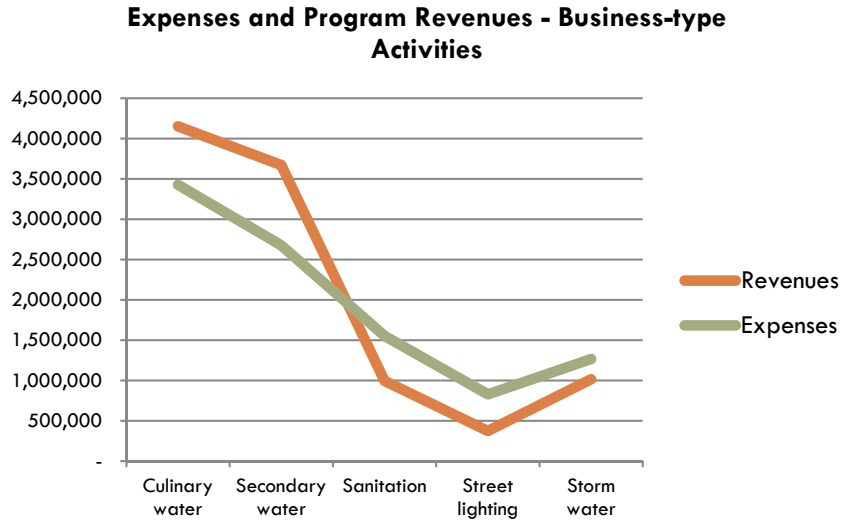


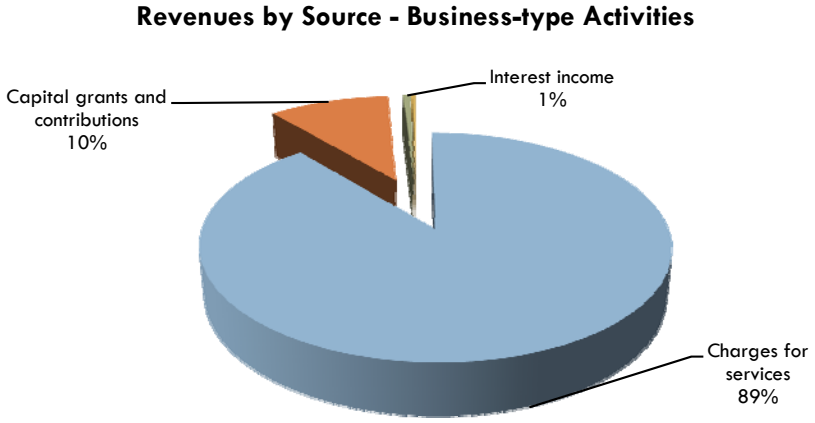


Business-type Activities

The business-type activities had an increase in net assets in fiscal year 2012 of $ 1.6 million compared to an increase of $22.5 in fiscal year 2011. In the prior year, storm water assets totaling $21.2 million were transferred from the general fixed asset group to the storm water enterprise, which is part of the business-type activities. The unusually large difference between the prior year's increase in net assets and this year's increase in net assets is due to the transfer of assets between governmental and business-type activities.

The graph below portrays the City's 2012 program revenues and expenses for business-type activities found on the Statement of Activities. The City annexed into the Salt Lake Valley Law Enforcement Service Area (SLVLESA) on January 1, 2012. Knowing that the property taxes, which would be imposed by SLVLESA would increase the tax burden on residents, the City Council approved a monthly reduction of utility fees for solid waste collection from $12.50 to $1.00 each month and an elimination of the monthly fee for street lighting. This is illustrated by the revenue trend line below. Program expenses for sanitation and street lighting exceed the related program revenue. The General Fund now subsidizes the loss of revenue for those two business-type activities. The Statement of Activities shows the corresponding transfer between governmental and business-type activities to subsidize the lost revenue to each of those programs.





Financial Analysis of the Government's Funds

GOVERNMENTAL FUNDS

The purpose of these funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Because fund balance is only an approximate measure of liquidity, GASB Statement No. 54 requires that governmental fund balances be divided into five categories: nonspendable, restricted, committed, assigned, and unassigned. The total fund balance is a measure of available resources at June 30, 2012. All except the fund balance that is in nonspendable form is a measure of the available resources.

As the City completed the year, its governmental funds reported a combined fund balance of $16.7 million. Of the combined fund balance, $4.2 million is nonspendable, this amount is either prepaid expenditures or land held for resale; $6.9 million is restricted, this is the amount which is regulated by external agencies; $4.6 million is committed, City Council has set self-imposed limitations on these funds; $601 thousand is assigned, this money has an intended use determined by the City Council through its capital improvements plan; the remaining amount of $408 thousand is unassigned.

MAJOR GOVERNMENTAL FUNDS

The General Fund accounts for all of the general services provided by Riverton City. At June 30, 2012, the fund balance in the General Fund is categorized in the following ways: Nonspendable for prepaid expenditures; Restricted for Class "C" Roads; and Unassigned for the remainder. The City's unassigned fund balance in the General Fund at the end of fiscal year 2012 is at 17.58% of the ensuing fiscal year's budgeted revenue, which is limited by State law to 18%. This demonstrates the General Fund is in a strong and healthy financial position.

The net change in fund balance in the General Fund was a decrease of $1.0 million. The decline in fund balance is primarily owing to the City Council's decision to annex into the SLVLESA on January 1, 2012. As discussed earlier in MD&A, the General Fund now subsidizes the sanitation and street lighting enterprise funds for lost revenue from reduced utility rates. The total transferred to these two proprietary funds was $1.0 million.

The REDIIF capital projects fund has a total fund balance of $4.6 million at June 30, 2012, all of which is assigned for economic development projects including infrastructure improvements. REDIIF recognized a decrease in fund balance in fiscal year 2012 due to construction of the approved projects.

The capital improvement fund has an ending fund balance of $601 thousand. This fund is established for construction and purchase of capital assets. In fiscal year 2012, the capital improvements fund had a decrease in fund balance of $2.1 million. The decrease is due to construction of approved projects.

General Fund Budgetary Highlights

Differences between the original and final amended budgets amount to a total decrease in appropriations of $1.7 million. The budget is closely monitored and adjusted as needed during the year. During fiscal year 2012, the Council amended the budget when necessary adjusting budgets to both revenues and expenditures. The most sizeable budget amendment for fiscal year 2012 relates to the recent annexation to the SLVLESA. The original budget included allocation for a full year of contracted law enforcement. The annexation to SLVLESA eliminated the need for the law enforcement contract for six months of the year. The budget reduction for law enforcement was $1.8 million. Budgeted transfers to both the sanitation and street lighting funds were also amended mid-year in relation to the annexation.

The actual revenues in the General Fund received were 101.1% of the final budgeted revenues. The final budget included budgeted expenditures for the General Fund of $10.7 million. Actual expenditures totaled $9.9 million. The actual expenditures in the General Fund were 93.3% of allocated amounts.

All recommended amendments for budget changes came through the Finance Department to the City Council via resolution as required by State statute. The statute requires a public hearing. With the Mayor's approval and according to State law, the City does allow small intra-departmental budget changes without the approval of the City Council.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental and business-type activities combined totaled $224.8 million net of combined depreciation, amortization, and related debt at June 30, 2012. Types of assets included in this category are land, buildings, machinery and equipment, improvements other than buildings, and infrastructure. Note #7 addresses the City's investments in capital assets.

The basic financial statements, along with note #10, provide a summary of the City's long-term debt.

At June 30, 2012, Riverton City's bonded debt amounted to $32.4 million. All of the City's bonded debt is known as revenue bonds and is secured by specific revenue sources. Riverton City has $18.9 million of franchise and sales tax revenue bonds and $13.5 million of water revenue bonds.

Riverton City's Capital Assets *(Net of depreciation)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land and right of ways	$ 92,597,495	$ 91,531,132	$ 2,241,910	$ 1,928,369	$ 94,839,405	$ 93,459,501
Water shares	-	-	10,929,007	10,828,159	10,929,007	10,828,159
Infrastructure	41,559,378	42,276,843	75,846,672	77,064,757	117,406,050	119,341,600
Buildings	9,066,596	11,182,879	4,168,843	4,284,660	13,235,439	15,467,539
Improvements other than buildings	12,862,461	13,551,451	-	-	12,862,461	13,551,451
Machinery and equipment	1,244,499	1,312,021	727,644	659,968	1,972,143	1,971,989
Construction in progress	4,129,961	457,991	1,768,130	141,663	5,898,091	599,654
Total Capital Assets	$ 161,460,390	$ 160,312,317	$ 95,682,206	$ 94,907,576	$ 257,142,596	$ 255,219,893

Riverton City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Bonds payable	$ 18,895,483	$ 20,228,281	$ 13,496,957	$ 14,701,912	$ 32,392,440	$ 34,930,193
Total	$ 18,895,483	$ 20,228,281	$ 13,496,957	$ 14,701,912	$ 32,392,440	$ 34,930,193

Economic Factors

- Riverton City continues to attract the attention of retailers and commercial businesses resulting in a strong and growing sales tax base because of its choice location in regard to major transportation systems. Riverton City's point of sale portion of sales tax revenue continues to increase.
- The December 2012 opening of two new restaurants will boost the City's point of sale portion of sales tax revenue.
- Development in the region as a whole has been sluggish for the past few years; however, with a recent zoning change and plans for a 109-unit condominium development in the downtown area, the City looks forward to new residential construction activity and a feeling of revitalization in the near future.
- With the annexation to the SLVLESA, the City will no longer budget for nor realize property tax revenue. In correlation with the reduction in property tax revenue, the City's General Fund budget will no longer include what has historically been its largest expenditure item, law enforcement.

These factors and many others were taken into consideration in preparation of the fiscal year 2013 budget. The City will continue to improve and upgrade infrastructure including roadways, culinary water, secondary water, and storm water systems as well as making improvements to parks and open space. Improvements to infrastructure will contribute to positive economic factors in the future.

Request for Information

This financial report is designed to provide our residents, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City's Finance Department at Riverton City, 12830 S 1700 W, Riverton, UT 84065.

BASIC FINANCIAL STATEMENTS

Finance Department

Government-wide Financial Statements

RIVERTON CITY CORPORATION, UTAH

Statement of Net Assets

June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 5,471,868	$ 5,504,190	$ 10,976,058
Receivables:			
Accounts	612,107	984,425	1,596,532
Taxes	1,410,451	-	1,410,451
Intergovernmental	412,902	-	412,902
Restricted cash and cash equivalents	7,185,760	5,166,708	12,352,468
Inventories	-	229,532	229,532
Prepaids	45,370	3,564	48,934
Land held for resale	4,168,739	152,865	4,321,604
Deferred charges	342,018	227,089	569,107
Investments in joint ventures	-	1,873,273	1,873,273
Capital assets, not being depreciated:			
Land and right of ways	92,597,495	2,241,910	94,839,405
Construction in progress	4,129,961	1,768,130	5,898,091
Water shares	-	10,929,007	10,929,007
Capital assets, net of accumulated depreciation:			
Buildings and improvements	9,066,596	4,168,843	13,235,439
Improvements other than buildings	12,862,461	-	12,862,461
Machinery and equipment	1,244,499	727,644	1,972,143
Infrastructure	41,559,378	75,846,672	117,406,050
Total assets	**181,109,605**	**109,823,852**	**290,933,457**
LIABILITIES			
Accounts payable	1,851,758	1,217,016	3,068,774
Accrued liabilities	92,698	38,913	131,611
Accrued interest payable	68,426	154,173	222,599
Developer and customer deposits	345,269	60,568	405,837
Unearned revenue	287,208	2,653	289,861
Noncurrent liabilities:			
Due within one year	714,481	1,188,404	1,902,885
Due in more than one year	18,366,937	12,426,283	30,793,220
Total liabilities	**21,726,777**	**15,088,010**	**36,814,787**
NET ASSETS			
Invested in capital assets, net of related debt	142,564,907	82,185,249	224,750,156
Restricted for:			
Debt service	-	1,078,336	1,078,336
Future development	1,690,615	-	1,690,615
Impact fees	5,192,123	3,306,693	8,498,816
Unrestricted	9,935,183	8,165,564	18,100,747
Total net assets	**$ 159,382,828**	**$ 94,735,842**	**$ 254,118,670**

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Activities

June 30, 2012

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	$ 2,857,189	$ 694,076	$ 42,284	$ -	$ (2,120,829)		$ (2,120,829)
Public safety	3,030,295	277,642	29,797	-	(2,722,856)		(2,722,856)
Highways and public improvements	3,926,796	941	1,242,938	435,931	(2,246,986)		(2,246,986)
Parks and recreation	2,791,422	387,935	-	294,285	(2,109,202)		(2,109,202)
Interest on long-term debt	896,095	-	-	-	(896,095)		(896,095)
Total governmental activities	13,501,797	1,360,594	1,315,019	730,216	(10,095,968)		(10,095,968)
Business-type activities							
Culinary water	3,426,073	4,029,581	-	121,643		$ 725,151	725,151
Secondary water	2,675,231	3,557,114	-	115,271		997,154	997,154
Sanitation	1,552,880	994,156	-	-		(558,724)	(558,724)
Storm water	1,266,322	860,762	-	153,343		(252,217)	(252,217)
Street lighting	827,364	339,869	-	34,027		(453,468)	(453,468)
Total business-type activities	9,747,870	9,781,482	-	424,284		457,896	457,896
	General Revenues:						
	Taxes						
	Property				1,902,971	-	1,902,971
	Sales				4,795,401	-	4,795,401
	Franchise				2,371,970	-	2,371,970
	911				284,961	-	284,961
	Interest income				105,858	67,046	172,904
	Equity investment income				-	25,304	25,304
	Special item - transfer of fire stations to other government				(2,239,422)	-	(2,239,422)
	Transfers - net				(1,015,790)	1,015,790	-
	Total general revenue and transfers				6,205,949	1,108,140	7,314,089
	Change in net assets				(3,890,019)	1,566,036	(2,323,983)
	Net assets - beginning				163,272,847	93,169,806	256,442,653
	Net assets - ending				$ 159,382,828	$ 94,735,842	$ 254,118,670

The accompanying notes are an integral part of this financial statement.

Governmental Funds Financial Statements

General Governmental Funds

The General Fund is the City's primary operating fund. Taxes, licenses, permits, and fees for services are the financing sources for this fund.

Capital Improvement Funds

Impact Fee Funds are used to track revenue and expenditures relating to capital improvements to infrastructure which are attributable to growth from new development within the City. The Capital Improvements Fund (CIF) is used to account for capital projects which are ineligible to be financed with impact fees. Riverton Economic Development Infrastructure and Investment Fund (REDIIF) is funded by franchise fees and committed for economic development throughout Riverton City.

Special Revenue Fund

The Redevelopment Agency of Riverton City is accounted for as a special revenue fund. The RDA project area generates tax increment which is used to finance infrastructure and other improvements within the project area.

RIVERTON CITY CORPORATION, UTAH

Balance Sheet – Governmental Funds

June 30, 2012

	Governmental Funds				
	General Fund	Capital Projects Fund REDIIF	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,248,767	$ 2,364,706	$ 791,199	$ 1,067,196	$ 5,471,868
Restricted cash and cash equivalents	1,981,261	73	-	5,204,426	7,185,760
Receivables:					
Accounts	49,546	562,088	-	473	612,107
Property and sales taxes	900,435	-	-	210,000	1,110,435
Franchise taxes	-	253,591	-	-	253,591
911 taxes	46,425	-	-	-	46,425
Intergovernmental	239,986	172,916	-	-	412,902
Due from other funds	-	2,063,741	-	-	2,063,741
Prepaids	45,370	-	-	-	45,370
Land held for resale	-	-	-	4,168,739	4,168,739
Total assets	$ 4,511,790	$ 5,417,115	$ 791,199	$ 10,650,834	$ 21,370,938
LIABILITIES					
Accounts payable	$ 989,936	$ 706,522	$ 145,651	$ 9,649	$ 1,851,758
Accrued liabilities	91,313	1,385	-	-	92,698
Developer and customer deposits	211,783	84,434	44,364	4,688	345,269
Due to other funds	-	-	-	2,063,741	2,063,741
Deferred revenue	77,208	-	-	210,000	287,208
Total liabilities	1,370,240	792,341	190,015	2,288,078	4,640,674
FUND BALANCES					
Nonspendable:					
Prepaids	45,370	-	-	-	45,370
Land held for resale	-	-	-	4,168,739	4,168,739
Restricted:					
Road projects and right of way acquisitions	-	73	-	-	73
Impact fees	-	-	-	5,192,123	5,192,123
Class C roads	1,690,542	-	-	-	1,690,542
Committed:					
Economic development	-	4,624,701	-	-	4,624,701
Assigned:					
Capital projects	-	-	601,184	-	601,184
Unassigned	1,405,638	-	-	(998,106)	407,532
Total fund balances	3,141,550	4,624,774	601,184	8,362,756	16,730,264
Total liabilities and fund balances	$ 4,511,790	$ 5,417,115	$ 791,199	$ 10,650,834	$ 21,370,938

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

For the Year Ended June 30, 2012

Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Total fund balances for governmental funds (page 31)	$ 16,730,264
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	161,460,390
Other long-term assets not available for current period expenditures and are therefore deferred in the funds balance sheet.	342,018
Interest expense not due and payable in the current period and therefore, is not recorded in the funds.	(68,426)
Long-term liabilities, including bonds payable, not due and payable in the current period and, therefore, not reported in the funds.	(19,081,418)
Net assets for governmental activities (page 26)	$ 159,382,828

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the Year Ended June 30, 2012

	Governmental Funds				
	General Fund	Capital Projects Fund REDIIF	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 1,733,904	$ -	$ -	$ 169,067	$ 1,902,971
Sales	4,795,401	-	-	-	4,795,401
Franchise	-	2,371,970	-	-	2,371,970
911	284,961	-	-	-	284,961
Licenses and permits	624,390	-	-	-	624,390
Intergovernmental	1,312,504	227,795	-	-	1,540,299
Charges for services	389,358	-	-	-	389,358
Impact fees	-	-	-	475,146	475,146
Fines and forfeitures	277,642	-	-	-	277,642
Interest	26,015	29,193	9,697	40,953	105,858
Miscellaneous	69,195	2,515	9	-	71,719
Total revenues	9,513,370	2,631,473	9,706	685,166	12,839,715
EXPENDITURES					
Current:					
General government	2,334,195	270,919	-	4,698	2,609,812
Public safety	3,016,033	-	-	-	3,016,033
Highways and public improvements	2,721,543	154,280	-	430	2,876,253
Parks and recreation	1,872,059	-	-	-	1,872,059
Capital outlay	-	2,941,307	2,725,160	429,295	6,095,762
Debt service:					
Principal	-	1,300,000	-	-	1,300,000
Interest	-	863,972	-	-	863,972
Total expenditures	9,943,830	5,530,478	2,725,160	434,423	18,633,891
Excess (deficiency) of revenues over (under) expenditures	(430,460)	(2,899,005)	(2,715,454)	250,743	(5,794,176)
OTHER FINANCING SOURCES (USES)					
Transfers in	285,000	1,131,100	552,948	-	1,969,048
Transfers out	(852,196)	(475,000)	-	(1,141,100)	(2,468,296)
Total other financing sources (uses)	(567,196)	656,100	552,948	(1,141,100)	(499,248)
Net change in fund balances	(997,656)	(2,242,905)	(2,162,506)	(890,357)	(6,293,424)
Fund balances, beginning of year	4,139,206	6,867,679	2,763,690	9,253,113	23,023,688
Fund balances, end of year	$ 3,141,550	$ 4,624,774	$ 601,184	$ 8,362,756	$ 16,730,264

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2012

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances for governmental funds (page 31)	$ (6,293,424)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	6,738,955
Depreciation expense	(2,862,193)
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	
Asset deletions	(2,787,423)
Asset transfers	(516,542)
Depreciation deletions	548,001
Contributed assets are not recorded in governmental funds because current resources are not expended for acquisition. The Statement of Activities records these contributed assets at their estimated fair value on the date of contribution.	27,275
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.	
Principal payments recorded as a reduction of long-term liability	1,300,000
Amortization of deferred charges	(69,297)
Amortization of bond premiums	52,572
Amortization of deferred amounts on refunding	(19,774)
Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due. These adjustments reflect the changes due to accrued interest on bonds payable and compensated absences.	
Accrued interest	4,376
Compensated absences	(12,545)
Change in net assets of governmental activities (page 27)	$ (3,890,019)

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ 1,849,639	$ 1,767,389	$ 1,733,904	$ (33,485)
Sales	4,635,000	4,635,000	4,795,401	160,401
911	254,000	254,000	284,961	30,961
Licenses and permits	518,750	552,850	624,390	71,540
Intergovernmental	1,356,379	1,356,379	1,312,504	(43,875)
Charges for services	412,550	494,650	389,358	(105,292)
Fines and forfeitures	283,000	293,000	277,642	(15,358)
Interest	5,000	5,000	26,015	21,015
Miscellaneous	47,000	47,000	69,195	22,195
Total revenues	9,361,318	9,405,268	9,513,370	108,102
EXPENDITURES				
General government:				
Legislative	1,350	1,350	338	1,012
Executive	1,700	1,700	650	1,050
Judicial	50,050	59,635	37,160	22,475
Administrative	30,050	30,050	22,778	7,272
Recorder	10,900	10,900	7,495	3,405
Contract services	29,050	29,050	22,797	6,253
Utilities and taxes	267,550	267,550	231,721	35,829
Central purchasing	23,000	23,000	18,844	4,156
Finance	20,050	20,050	16,349	3,701
Planning and zoning	135,429	135,429	28,994	106,435
Insurance	150,400	178,400	156,797	21,603
Computer/IT	154,650	176,415	175,653	762
Building maintenance and repair	72,000	72,000	71,518	482
City committees and boards	13,800	13,800	13,373	427
Attorney's office	39,150	20,650	7,754	12,896
Elections	45,500	32,500	31,965	535
Total general government	1,044,629	1,072,479	844,186	228,293
Public safety:				
Law enforcement	4,302,000	2,484,850	2,509,979	(25,129)
Building inspection	8,650	8,650	7,158	1,492
Code enforcement	33,300	33,300	13,784	19,516
Emergency preparedness	3,000	3,000	2,568	432
Total public safety	4,346,950	2,529,800	2,533,489	(3,689)

(Continued)

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund (continued)

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Highways and public improvements:				
Engineering	$ 21,075	$ 21,075	$ 15,473	$ 5,602
Streets	1,538,240	1,539,440	1,372,765	166,675
Fleet maintenance	134,275	134,275	115,174	19,101
Total highways and public improvements	1,693,590	1,694,790	1,503,412	191,378
Parks and recreation:				
Parks	790,300	924,400	859,548	64,852
Recreation	276,300	276,300	178,652	97,648
Youth city council	300	300	300	-
Cemetery	11,200	11,200	4,878	6,322
Celebration	121,050	123,150	122,838	312
Total parks and recreation	1,199,150	1,335,350	1,166,216	169,134
Wages and benefits	4,023,300	4,023,300	3,896,527	126,773
Total expenditures	12,307,619	10,655,719	9,943,830	711,889
Excess (deficiency) of revenues over (under) expenditures	(2,946,301)	(1,250,451)	(430,460)	819,991
OTHER FINANCING SOURCES (USES)				
Transfers in	1,620,411	1,065,695	285,000	(780,695)
Transfers out	(45,000)	(1,294,334)	(852,196)	442,138
Net other financing sources (uses)	1,575,411	(228,639)	(567,196)	(338,557)
Net change in fund balance	$ (1,370,890)	$ (1,479,090)	(997,656)	$ 481,434
Fund balances, beginning of year			4,139,206	
Fund balances, end of year			$ 3,141,550	

The accompanying notes are an integral part of this financial statement.

Proprietary Funds Financial Statements

Culinary Water Fund

This fund accounts for activities of the City's culinary water system operations.

Secondary Water Fund

This fund accounts for activities of the City's secondary water system operations.

Sanitation Fund

This fund accounts for activities of the City's solid waste collection system operations.

Street Light Fund

This fund accounts for activities of the City's street lighting operations.

Storm Water Fund

This fund accounts for activities of the City's storm water operations.

RIVERTON CITY CORPORATION, UTAH

Statement of Net Assets – Proprietary Funds

June 30, 2012

	Enterprise Funds					
	Culinary Water	Secondary Water	Sanitation	Storm Water	Nonmajor Street Lighting	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 5,150,841	$ 57,570	$ 104,937	$ 91,648	$ 99,194	$ 5,504,190
Restricted cash and cash equivalents	2,365,916	1,893,710	-	907,082	-	5,166,708
Accounts receivable, net	471,822	398,746	30,201	83,256	400	984,425
Due from other funds	1,553,836	-	-	-	-	1,553,836
Prepaids	1,910	1,140	-	376	138	3,564
Inventories	160,672	68,860	-	-	-	229,532
Deferred charges	-	33,986	-	-	-	33,986
Land held for resale	-	152,865	-	-	-	152,865
Total current assets	9,704,997	2,606,877	135,138	1,082,362	99,732	13,629,106
Noncurrent assets:						
Capital assets:						
Land	545,628	1,348,241	-	316,041	32,000	2,241,910
Water shares	-	10,929,007	-	-	-	10,929,007
Construction in progress	797,334	611,636	-	59,160	300,000	1,768,130
Buildings	2,970,221	2,336,286	-	-	-	5,306,507
Infrastructure	31,696,444	37,540,843	-	31,921,535	9,627,226	110,786,048
Machinery and equipment	751,775	318,731	-	75,000	161,157	1,306,663
Accumulated depreciation	(11,634,842)	(9,352,690)	-	(11,505,222)	(4,163,305)	(36,656,059)
Net capital assets	25,126,560	43,732,054	-	20,866,514	5,957,078	95,682,206
Other assets:						
Deferred charges	-	193,103	-	-	-	193,103
Equity investment in joint venture	-	-	1,873,273	-	-	1,873,273
Total other assets	-	193,103	1,873,273	-	-	2,066,376
Total noncurrent assets	25,126,560	43,925,157	1,873,273	20,866,514	5,957,078	97,748,582
Total assets	$ 34,831,557	$ 46,532,034	$ 2,008,411	$ 21,948,876	$ 6,056,810	$ 111,377,688

(Continued)

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Net Assets – Proprietary Funds (continued)

June 30, 2012

	Enterprise Funds					
	Culinary Water	Secondary Water	Sanitation	Storm Water	Nonmajor Street Lighting	Total
LIABILITIES						
Current liabilities:						
Accounts payable	$ 862,357	$ 79,865	$ 132,060	$ 63,993	$ 78,741	$ 1,217,016
Accrued liabilities	18,150	11,074	1,112	6,331	2,246	38,913
Deposits	43,015	-	-	7,937	9,616	60,568
Due to other funds	-	1,553,836	-	-	-	1,553,836
Accrued interest payable	-	154,173	-	-	-	154,173
Deferred revenue	2,653	-	-	-	-	2,653
Compensated absences	10,907	6,843	796	3,242	1,758	23,546
Bonds payable	-	1,164,858	-	-	-	1,164,858
Total current liabilities	937,082	2,970,649	133,968	81,503	92,361	4,215,563
Noncurrent liabilities:						
Compensated absences	43,626	27,370	3,186	12,970	7,032	94,184
Bonds payable	-	12,332,099	-	-	-	12,332,099
Total noncurrent liabilities	43,626	12,359,469	3,186	12,970	7,032	12,426,283
Total liabilities	980,708	15,330,118	137,154	94,473	99,393	16,641,846
NET ASSETS						
Invested in capital assets, net of related debt	25,126,560	30,235,097	-	20,866,514	5,957,078	82,185,249
Restricted for impact fees	1,643,547	815,374	-	847,772	-	3,306,693
Restricted for debt service	-	1,078,336	-	-	-	1,078,336
Unrestricted	7,080,742	(926,891)	1,871,257	140,117	339	8,165,564
Total net assets	33,850,849	31,201,916	1,871,257	21,854,403	5,957,417	94,735,842
Total liabilities and net assets	$ 34,831,557	$ 46,532,034	$ 2,008,411	$ 21,948,876	$ 6,056,810	$ 111,377,688

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds

For the Year Ended June 30, 2012

	Enterprise Funds					
	Culinary Water	Secondary Water	Sanitation	Storm Water	Nonmajor Street Lighting	Total
OPERATING REVENUES						
Sales and charges for services	$ 3,935,628	$ 3,550,285	$ 975,569	$ 860,734	$ 325,564	$ 9,647,780
Connection fees	53,513	-	-	-	-	53,513
Other revenue	40,440	6,829	18,587	28	14,305	80,189
Total operating revenues	4,029,581	3,557,114	994,156	860,762	339,869	9,781,482
OPERATING EXPENSES						
Wages and benefits	1,283,550	786,893	79,857	425,666	214,911	2,790,877
Utilities	275,727	284,819	-	-	120,483	681,029
Water charges	327,998	145,145	-	-	-	473,143
Landfill fees	-	-	386,746	-	-	386,746
Sanitation charges	-	-	1,057,212	-	-	1,057,212
Supplies and maintenance	72,242	55,339	346	40,328	20,650	188,905
Repairs and maintenance	709,244	77,022	-	-	136,030	922,296
Administrative	145,021	87,394	28,719	3,796	2,496	267,426
Depreciation	612,291	707,872	-	796,532	332,794	2,449,489
Total operating expenses	3,426,073	2,144,484	1,552,880	1,266,322	827,364	9,217,123
Operating income (loss)	603,508	1,412,630	(558,724)	(405,560)	(487,495)	564,359
NONOPERATING REVENUES (EXPENSES)						
Equity in income of joint venture	-	-	25,304	-	-	25,304
Interest income	44,253	9,573	2,405	8,315	2,500	67,046
Interest expense	-	(530,747)	-	-	-	(530,747)
Total nonoperating revenues (expenses)	44,253	(521,174)	27,709	8,315	2,500	(438,397)
Income (loss) before contributions and transfers	647,761	891,456	(531,015)	(397,245)	(484,995)	125,962
Capital contributions	121,643	631,813	-	153,343	34,027	940,826
Transfers in	-	-	390,000	-	133,862	523,862
Transfers out	-	-	-	(24,614)	-	(24,614)
Change in net assets	769,404	1,523,269	(141,015)	(268,516)	(317,106)	1,566,036
Total net assets, beginning	33,081,445	29,678,647	2,012,272	22,122,919	6,274,523	93,169,806
Total net assets, ending	$ 33,850,849	$ 31,201,916	$ 1,871,257	$ 21,854,403	$ 5,957,417	$ 94,735,842

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Cash Flows – Proprietary Funds

For the Year Ended June 30, 2012

	Enterprise Funds					
	Culinary Water	Secondary Water	Sanitation	Storm Water	Nonmajor Street Lighting	Total
Cash flows from operating activities						
Receipts from customers and users	$ 3,942,552	$ 3,524,899	$ 1,140,504	$ 828,243	$ 430,026	$ 9,866,224
Payments to suppliers	(942,484)	(736,600)	(1,529,307)	(5,766)	(229,560)	(3,443,717)
Payments to employees	(1,272,607)	(779,628)	(78,005)	(415,146)	(212,223)	(2,757,609)
Net cash provided (used) by operating activities	1,727,461	2,008,671	(466,808)	407,331	(11,757)	3,664,898
Cash flows from noncapital financing activities						
Transfers from other funds	-	-	390,000	-	133,862	523,862
Transfers to other funds	-	-	-	(24,614)	-	(24,614)
Advances to other funds	-	-	(453,334)	-	-	(453,334)
Net cash provided (used) by noncapital financing activities	-	-	(63,334)	(24,614)	133,862	45,914
Cash flows from capital and related financing activities						
Aquisition of capital assets	(857,640)	(78,908)	-	(942,364)	(404,378)	(2,283,290)
Proceeds from sale of assets	-	-	-	-	-	-
Proceeds from issuance of debt	-	4,743,615	-	-	-	4,743,615
Bond issuance costs paid	-	(373,312)	-	-	-	(373,312)
Principal paid on capital debt	-	(5,643,000)	-	-	-	(5,643,000)
Interest paid on capital debt		(492,692)		-		(492,692)
Net cash provided (used) by capital and related financing activities	(857,640)	(1,844,297)	-	(942,364)	(404,378)	(4,048,679)
Cash flows from investing activities						
Interest received	44,253	9,573	2,405	8,315	2,500	67,046
Net cash provided by investing activities	44,253	9,573	2,405	8,315	2,500	67,046
Net increase (decrease) in cash and cash equivalents	914,074	173,947	(527,737)	(551,332)	(279,773)	(270,821)
Cash and cash equivalents, beginning of year	6,602,683	1,777,333	632,674	1,550,062	378,967	10,941,719
Cash and cash equivalents, end of year	$ 7,516,757	$ 1,951,280	$ 104,937	$ 998,730	$ 99,194	$ 10,670,898
Unrestricted cash	$ 5,150,841	$ 57,570	$ 104,937	$ 91,648	$ 99,194	$ 5,504,190
Restricted cash	2,365,916	1,893,710	-	907,082	-	5,166,708
Total Cash	$ 7,516,757	$ 1,951,280	$ 104,937	$ 998,730	$ 99,194	$ 10,670,898

(Continued)

The accompanying notes are an integral part of this financial statement.

RIVERTON CITY CORPORATION, UTAH

Statement of Cash Flows – Proprietary Funds (continued)

For the Year Ended June 30, 2012

	Enterprise Funds					
	Culinary Water	Secondary Water	Sanitation	Storm Water	Nonmajor Street Lighting	Total
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income (loss)	$ 603,508	$ 1,412,630	$ (558,724)	$ (405,560)	$ (487,495)	$ 564,359
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	612,291	707,872	-	796,532	332,794	2,449,489
Investment in joint ventures	-	-	(39,831)	-	-	(39,831)
Changes in assets and liabilities:						
Accounts receivable	(91,248)	(32,215)	146,348	(40,456)	80,541	62,970
Prepaids	(1,910)	(1,140)	-	2,362	(138)	(826)
Inventories	(160,672)	(68,860)	-	-	-	(229,532)
Accounts payable	750,330	(16,881)	(16,453)	35,996	50,237	803,229
Accrued liabilities	4,447	2,819	481	1,427	(427)	8,747
Deposits	4,124	-	-	7,937	9,616	21,677
Deferred revenue	95	-	-	-	-	95
Compensated absences	6,496	4,446	1,371	9,093	3,115	24,521
Net cash provided (used) by operating activities	$ 1,727,461	$ 2,008,671	$ (466,808)	$ 407,331	$ (11,757)	$ 3,664,898
Noncash investing, capital and financing activities						
Capital contributions - developers	$ 121,643	$ 631,813	$ -	$ 153,343	$ 34,027	$ 940,826

The accompanying notes are an integral part of this financial statement.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Riverton City Corporation (the City) was incorporated on July 3, 1967, as a third class city under the provisions of the State of Utah and operates under a Six-Member Council form of government with City Manager by ordinance. The governing body consists of five elected Council Members and a Mayor. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager. The City provides the following services as authorized by its charter: general administrative services, public safety, highway and streets, utilities (culinary water, secondary water, street lighting, and storm water), sanitation, recreation and parks, public improvements, and planning and zoning.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, and the City has chosen to do so. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB 14 pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency and accountability. Other expressions of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

The Redevelopment Agency of Riverton City (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board composed of the members of the City Council and the Mayor. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

to impose its will upon the operations of the RDA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA is included in these financial statements as a special revenue fund. Separate financial statements are not issued for the RDA.

The City is not a component unit of any other entity. The City's basic financial statements include all City operations.

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety, parks and recreation and highways and public improvements are classified as governmental activities. The City's culinary water, secondary water, sanitation, street lighting, and storm water services are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those which are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The street lighting fund is the only nonmajor business-type activity and is included as a separate column in the statements for the proprietary funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. The City's policy for revenues to be considered available is if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absence, claims, and judgments are recorded only when payment is due.

Sales tax, franchise tax, licenses, interest, and earned but unreimbursed state and federal grants are considered to be susceptible to accrual and have been so recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

- *The Riverton Economic Development Infrastructure and Investment Fund (REDIIF) - Capital Projects Fund* accounts for the financial resources to finance economic development including the acquisition or construction of major road projects of the City.

- The *Capital Improvements Fund - Capital Projects Fund* is used to account for capital projects which must be funded by monies other than impact fees.

The City reports the following major proprietary funds:

- The *Culinary Water Fund* accounts for the activities of the City's culinary water distribution system.

- The *Secondary Water Fund* accounts for the activities of the City's secondary water distribution system.

- The *Sanitation Fund* accounts for the activities of the City's solid waste collection system.

- The *Storm Water Fund* accounts for the activities of the City's storm water collection system.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources before unrestricted resources.

Assets, Liabilities, and Net Assets or Equity

CASH, CASH EQUIVALENTS AND INVESTMENTS Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund (UPTIF) and other investments allowed by the State of Utah's Money Management Act. Investments are reported at cost, which approximates fair value. The UPTIF operates in accordance with state laws and regulations. The reported value of the investment fund is approximately the same as the fair value of its shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

RECEIVABLES AND PAYABLES Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to or due from other funds." Advances between funds as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Other receivables at June 30, 2012, consisted of property tax, sales tax, franchise tax, grants, and utility billings. The utility billings for charged services are billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2012, were estimated based on July billings and are included in the operating revenues and accounts receivable at year end. Taxes, grants, and utility charges are deemed collectible in full, so no allowance for uncollectable is recorded.

RESTRICTED ASSETS Certain assets are classified as restricted because their use is limited by an independent third party, enabling legislation, or other laws and statutes. These restrictions may include future debt service payments, unexpended portions of bonds issued for capital construction, and other agreements with third parties.

INVENTORIES AND PREPAID ITEMS Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the distribution and collection systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

EQUITY INVESTMENT IN JOINT VENTURE The investment in Trans-Jordan Cities Landfill, a 9.59% owned joint venture, is accounted for by the equity method of accounting. Under this method, the Sanitation Fund (enterprise fund) records its share of the joint venture's net income or loss for each period.

CAPITAL ASSETS Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

CAPITAL ASSETS (CONTINUED) Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 40
Building improvements	20
Improvements other than buildings	20 - 40
Vehicles	10
Machinery and equipment	10 - 15
Furniture and equipment	10
Water distribution systems	60
Street lights	30
Streets	30 - 40
Curb, gutter and sidewalk	40
Storm water	40
Bridges	40

UNEARNED REVENUE Unearned revenue arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the revenue is recognized.

COMPENSATED ABSENCES For governmental funds, amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide Statement of Net Assets and as expenses in the government-wide Statement of Activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. The maximum annual carry forward of accrued vacation is 160 hours. Compensation time is earned based on Fair Labor Standards Act (FLSA) overtime rules and is fully vested when earned. The maximum number of compensation time an employee can carry is 80 hours. When an employee leaves or is terminated, his or her accumulated vacation and compensation hours are paid out at the current hourly rate.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

LONG-TERM OBLIGATIONS In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures and other similar assets not in a spendable form or that are contractually required to be maintained intact are classified as nonspendable fund balance.

Restricted Fund Balance – Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts formally designated by City Council through ordinance or resolution for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

Assigned Fund Balance – Amounts constrained by City Council or for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent funds are by their nature assigned to the purpose for which the resources are collected.

Unassigned Fund Balance – Amounts that may be used for any governmental purpose.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The City has not adopted a formal policy on minimum fund balance. However, state statute requires the City to maintain a minimum fund balance in the General Fund of at least 5% of the ensuing year's budgeted revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

ESTIMATES The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, special revenue funds and enterprise funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the City Manager and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed general fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 18% of the ensuing year's budgeted revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance, in which case a public hearing must be held. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Annual budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Encumbrance accounting is not used by the City. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

Expenditures in the Capital Projects Funds are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Tax Revenues

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Salt Lake County. Taxes are levied as of January 1 and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. Tax liens are placed on a property on January 1 following the due date of unpaid taxes. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis. An accrual of delinquent current and prior year's property taxes beyond that which was received within 45 days after fiscal year end has not been made, as the amounts are not deemed to be material.

Sales tax, 911 tax, and telecom tax are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30 and thus due and payable to the City.

Franchise taxes are collected by natural gas, electric utilities, and cable television companies and remitted to the City periodically. An accrual has been made for fees due and payable to the City at June 30.

For the year ended June 30, 2012, expenditures exceeded appropriations in the law enforcement department of the General Fund by $25,129. These over expenditures were funded by greater than anticipated revenues related to the 911 taxes that are passed through to Salt Lake Valley Emergency Communications Center (VECC).

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds. The Utah Money Management Act (the Act) established the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for state and local entities. The City has complied with the Utah Money Management Act and rules of the Money Management Council with regard to deposits and investments.

The City's deposit and investment policy is to follow the Utah Money Management Act; however, the City does not have a separate deposit and investment policy that addresses specific types of deposit and investment risks to which the City is exposed.

As of June 30, 2012, the City's demand deposits and cash on hand amounted to $2,086,579.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

CUSTODIAL CREDIT RISK - DEPOSITS This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2012, $3,324,453 of the City's $3,574,453 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. The Utah Money Management Act does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. The Act requires that the City keep deposits in a qualified depository, which the City has done.

CUSTODIAL CREDIT RISK - INVESTMENTS This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City has no formal policy regarding custodial credit risk for investments. Money invested in the Utah Public Treasurer's Investment Fund (UPTIF) is pooled with many other state and local entities, and is managed by the Utah State Treasurer. The Fund is not categorized as to custodial credit risk.

INTEREST RATE RISK This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss from changes in interest rates is to follow the Utah Money Management Act and only invest in instruments in which the remaining term to maturity may not exceed the period of availability of the funds to be invested. Investments within the UPTIF have a weighted average maturity of less than 90 days.

CREDIT RISK This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City policy is consistent with and complies with the Utah State Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poors; banker acceptance obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined by the Act. The City only invested in the UPTIF during the year. The UPTIF is not registered with the SEC as an investment company and it is also unrated.

CONCENTRATION OF CREDIT RISK This is the risk of loss attributed to the magnitude of a City's investment in a single issuer. City policy requires diversification and limits the amount that may be invested in the same company. The UPTIF is highly diversified and must comply with various rules of the Utah State Money Management Act and Money Management Council.

As of June 30, 2012, the City has investments in the UPTIF of $20,163,384. The UPTIF is authorized and regulated by the Money Management Act (*Utah Code* Title 51, Chapter 7). Deposits in the UPTIF are not insured nor guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The UPTIF values investments at fair market value at June 30 and December 31 each year in accordance with GASB 31. However, the UPTIF reports to participants on an amortized cost basis, which approximates the fair value at year end.

4. RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted to use as follows as of June 30, 2012:

	Amount
Governmental activities	
Restricted for "C" road funds	$ 1,981,261
Restricted for unspent bond proceeds	73
Restricted for impact fees	5,204,426
Total governmental activities	7,185,760
Business-type activities	
Restricted for debt service	1,078,336
Restricted for impact fees	4,088,372
Total business-type activities	5,166,708
Total restricted cash and cash equivalents	$ 12,352,468

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due To	Due From	Amount
REDIIF	Nonmajor governmental funds	$ 2,063,741
Culinary water	Secondary water	1,553,836
		$ 3,617,577

The due to/from other funds are the result of individual fund's cash flow needs. These accounts at the fund financial statement level have been eliminated at the government-wide financial statement level (Statement of Net Assets). Balances are not expected to be retired within one year.

In addition to the above amounts which will be repaid by the respective funds, transfers were made which will not be repaid. The purpose of the transfers was to provide cash flows and pay operating expenses. Such amounts for the fiscal year ended June 30, 2012, were as follows:

	In	Out
General	$ 285,000	$ 852,196
REDIIF	1,131,100	475,000
Capital improvement	552,948	-
Nonmajor govermental funds	-	1,141,100
Sanitation	390,000	-
Nonmajor street lighting	133,862	-
Storm water	-	24,614
	$ 2,492,910	$ 2,492,910

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The City also transferred various capital assets between funds. These transfers consisted of a secondary water line and a pump station transferred from the general fixed asset group to the Secondary Water Fund for $516,542. The $516,542 is reported as a capital contribution in the fund statements and reclassified as a transfer in the entity-wide statements.

6. EQUITY INVESTMENT IN JOINT VENTURE

Trans-Jordan Cities Landfill

The Sanitation Fund has a 9.59% ownership in the Trans-Jordan Cities Landfill (Trans-Jordan), which is accounted for using the equity method. In addition to the City, Trans-Jordan is owned by the cities of Midvale, Murray, Sandy, Draper, South Jordan, and West Jordan which own 5.36%, 8.62%, 30.53%, 9.31%, 12.18% and 24.41% of the landfill, respectively. Trans-Jordan is a separate legal entity and political subdivision of the State of Utah and was formed pursuant to the provisions of the Interlocal Cooperation Act. After July 1, 2012, the City has no firm commitment to make additional equity investments in Trans-Jordan.

Trans-Jordan was formed to construct, operate, and maintain a refuse dumping facility. Trans-Jordan is governed by its Board of Directors. Under the organization agreement, the Board of Directors is appointed by the members. The management is under the Board of Directors, which elects officers and appoints management staff.

The City purchased an equity investment in Trans-Jordan on July 1, 1997. The City agreed to pay a total of $26,4 million for an interest in the landfill. In addition to the equity investment, the City will pay the applicable non-member tipping fee for all municipal waste deposited at the landfill. The difference between the member rate and the non-member rate shall serve as a credit towards the retirement of the purchase amount. Such credits commenced on July 1, 1997. If at the end of the 15 years from July 1, 1997, the credits have not retired the principal sum, the balance of the purchase price shall be forgiven. When the purchase price is paid in full or forgiven, the City will pay the applicable member rate.

The complete financial statements for Trans-Jordan Cities Landfill for the year ended June 30, 2012, can be obtained from Trans-Jordan Cities, 10873 South 7200 West, South Jordan, Utah 84095.

7. CAPTIAL ASSETS

Capital asset activity for the year ended June 30, 2012, was as follows:

	07/01/11	Increases	Decreases	06/30/12
Governmental activities				
Capital assets, not being depreciated:				
Land and right of ways	$ 91,531,132	$ 1,508,198	$ (441,835)	$ 92,597,495
Construction in progress	457,991	4,570,568	(898,598)	4,129,961
Total capital assets, not being depreciated	91,989,123	6,078,766	(1,340,433)	96,727,456
Capital assets, being depreciated:				
Buildings	11,798,062	-	(2,299,282)	9,498,780
Building improvements	2,539,505	21,677	(14,048)	2,547,134
Improvements other than buildings	17,279,003	165,633	(18,755)	17,425,881
Machinery and equipment	906,788	15,250	-	922,038
Office furniture and equipment	597,286	75,175	-	672,461
Vehicles	1,771,269	69,424	(19,758)	1,820,935
Infrastructure: roadways	58,284,662	702,928	-	58,987,590
Infrastructure: sidewalks	10,768,179	-	-	10,768,179
Infrastructure: curb and gutter	16,253,264	25,688	-	16,278,952
Infrastructure: bridges	1,152,507	-	-	1,152,507
Total capital assets, being depreciated	121,350,525	1,075,775	(2,351,843)	120,074,457
Accumulated depreciation:				
Buildings	(2,318,122)	(236,054)	524,371	(2,029,805)
Building improvements	(836,566)	(125,710)	12,763	(949,513)
Improvements other than buildings	(3,727,552)	(835,868)	-	(4,563,420)
Machinery and equipment	(526,112)	(48,740)	-	(574,852)
Office furniture and equipment	(359,190)	(57,153)	-	(416,343)
Vehicles	(1,078,020)	(112,587)	10,867	(1,179,740)
Infrastructure: roadways	(32,203,905)	(741,411)	-	(32,945,316)
Infrastructure: sidewalks	(6,174,117)	(269,204)	-	(6,443,321)
Infrastructure: curb and gutter	(5,647,592)	(406,653)	-	(6,054,245)
Infrastructure: bridges	(156,155)	(28,813)	-	(184,968)
Total accumulated depreciation	(53,027,331)	(2,862,193)	548,001	(55,341,523)
Total capital assets, net of accumulated depreciation	68,323,194	(1,786,418)	(1,803,842)	64,732,934
Governmental capital assets, net	$ 160,312,317	$ 4,292,348	$ (3,144,275)	$ 161,460,390

7. CAPITAL ASSETS (CONTINUED)

	07/01/11	Increases	Decreases	06/30/12
Business-type activtities				
Capital assets, not being depreciated:				
Land	$ 1,928,369	$ 316,041	$ (2,500)	$ 2,241,910
Water shares	10,828,159	100,848	-	10,929,007
Construction in progress	141,663	1,626,467	-	1,768,130
Total capital assets, not being depreciated	12,898,191	2,043,356	(2,500)	14,939,047
Capital assets, being depreciated:				
Buildings	5,287,538	18,969	-	5,306,507
Vehicles	626,158	32,193	-	658,351
Machinery and equipment	460,854	58,034	-	518,888
Office furniture and equipment	68,668	60,756	-	129,424
Culinary water system	31,554,949	141,495	-	31,696,444
Secondary water system	37,495,748	45,095	-	37,540,843
Storm water system	31,201,029	720,506	-	31,921,535
Street lights	9,521,011	106,215	-	9,627,226
Total capital assets, depreciated	116,215,955	1,183,263	-	117,399,218
Accumulated depreciation:				
Buildings	(1,002,878)	(134,786)	-	(1,137,664)
Vehicles	(309,556)	(47,852)	-	(357,408)
Machinery and equipment	(163,601)	(26,375)	-	(189,976)
Office furniture and equipment	(22,555)	(9,080)	-	(31,635)
Culinary water system	(10,116,106)	(497,427)	-	(10,613,533)
Secondary water system	(8,073,316)	(625,800)	-	(8,699,116)
Storm water system	(10,704,941)	(789,032)	-	(11,493,973)
Street lights	(3,813,617)	(319,137)	-	(4,132,754)
Total accumulated depreciation	(34,206,570)	(2,449,489)	-	(36,656,059)
Total capital assets, net of accumulated depreciation	82,009,385	(1,266,226)	-	80,743,159
Business-type capital assets, net	$ 94,907,576	$ 777,130	$ (2,500)	$ 95,682,206

7. CAPITAL ASSETS (CONTINUED)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	$ 360,037
Public safety	10,460
Highways and public improvements	1,564,631
Parks and recreation	927,065
Total depreciation expense - governmental activities	$ 2,862,193
Business-type activities:	
Culinary water	$ 612,291
Secondary water	707,872
Storm water system	796,532
Street lighting	332,794
Total depreciation expense - business-type activities	$ 2,449,489

8. GRANTS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the City's independent auditors and other governmental auditors. Any disallowed claims resulting from such an audit could become a liability of the General Fund or other applicable funds. Based on prior experience, City administration believes such disallowance, if any, would be immaterial.

9. DEVELOPER AND CUSTOMER DEPOSITS

Developer and customer deposits are principally deposits from customers that are held by the City for construction projects until such time that refund or forfeiture is warranted.

10. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term debt activity for the year ended June 30, 2012, was as follows:

	07/01/11	Increases	Decreases	06/30/12	Due in One Year
Governmental activities					
Bonds payable:					
Tax revenue bonds	$ 19,550,000	$ -	$ (1,300,000)	$ 18,250,000	$ 645,000
Plus: unamortized premiums	895,795	-	(52,572)	843,223	52,068
Less: deferred amounts on refunding	(217,514)	-	19,774	(197,740)	(19,774)
Total bonds payable	20,228,281	-	(1,332,798)	18,895,483	677,294
Compensated absences	173,390	157,285	(144,740)	185,935	37,187
Governmental activities, long-term liabilities	$ 20,401,671	$ 157,285	$ (1,477,538)	$ 19,081,418	$ 714,481
Business-type activities					
Bonds payable:					
Water revenue bonds	$ 15,027,000	$ 4,615,000	$ (5,643,000)	$ 13,999,000	$ 1,228,000
Plus: unamortized premiums	144,029	128,615	(21,585)	251,059	27,433
Less: unamortized discounts and deferred amounts on refunding	(469,117)	(367,814)	83,829	(753,102)	(90,575)
Total bonds payable	14,701,912	4,375,801	(5,580,756)	13,496,957	1,164,858
Compensated absences	93,209	92,314	(67,793)	117,730	23,546
Business-type activities, long-term liabilities	$ 14,795,121	$ 4,468,115	$ (5,648,549)	$ 13,614,687	$ 1,188,404

10. LONG-TERM DEBT (CONTINUED)

Revenue Bonds

GOVERNMENTAL ACTIVITIES:

Series 2004A Franchise and Sales Tax Revenue Bonds, original issue of $4,080,000, principal due in annual installments beginning December 2005, interest at 2.00% to 4.40% due in semi-annual installments beginning December 2004, with the final payment due December 2024. The bonds were issued to finance the costs of the new city hall and civic center.	$ 2,965,000
Series 2007 Franchise and Sales Tax Revenue Bonds, original issue of $15,360,000, principal due in annual installments beginning June 2008, interest at 4.00% to 5.00% due in semi-annual installments beginning December 2007, with the final payment due June 2031. The bonds were issued to finance the costs of road construction.	11,690,000
Series 2010 Franchise and Sales Tax Refunding Revenue Bonds, original issue of $3,665,000, principal due in annual installments beginning December 2010, interest at 2.25% to 4.00% due in semi-annual installments beginning December 2010, with the final payment due December 2021. The bonds were issued to finance the refunding of the series 2001 Franchise and Sales Tax Revenue Bonds and paying the costs of issuance of the Series 2010 Bonds.	3,595,000
Total Tax Revenue Bonds - Governmental Activities	$ 18,250,000

10. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

BUSINESS-TYPE ACTIVITIES:

Series 2000A Taxable Water Revenue Bonds, original issue of $1,500,000, principal due in annual installments beginning March 2001, no interest is charged on the bond, with the final payment due March 2020. The bonds were issued to finance the cost of construction and implementation of the City's secondary water system.	$ 624,000
Series 2003 Water Revenue Bonds, original issue of $7,500,000, principal is due in annual installments beginning September 2003, interest at 2.50% to 4.60% due in semi-annual installments beginning September 2003, with the final payment due September 2013. The bonds were issued to finance the cost of construction and implementation of the City's secondary water system. A portion of these bonds, $4,460,000, was refunded in 2011 with the issuance of the Series 2011 Water Revenue Refunding Bonds described below.	355,000
Series 2004 Water Revenue Refunding Bonds, original issue of $5,900,000, principal due in annual installments beginning September 2004, interest at 2.25% to 3.80% due in semi-annual installments beginning September 2004, with the final payment due September 2018. The bonds were issued to refund a portion of the series 2000B Water Revenue Bonds.	5,420,000
Series 2005 Water Revenue Refunding Bonds, original issue of $3,800,000, principal due in annual installments beginning September 2005, interest at 3.00% to 5.00% due in semi-annual installments beginning September 2005, with the final payment due September 2020. The bonds were issued to refund a portion of the series 2000B Water Revenue Bonds.	2,985,000
Series 2011 Water Revenue Refunding Bonds, original issue of $4,615,000, principal due in annual installments beginning September 2013, interest at 2.00% to 3.00% due in semi-annual installments beginning March 2012, with the final payment due September 2022. The bonds were issued to refund a portion of the series 2003 Water Revenue Bonds.	4,615,000
Total Revenue Bonds - Business-type Activities	$ 13,999,000

All of the City's Water Revenue and Franchise and Sales Tax Revenue Bonds are payable solely by a pledge and assignment of their associated revenue sources. The current revenue recognized during the period for pledged Water Revenue Bonds was $7,586,695 compared to the principal and interest of $1,635,854. The current revenue recognized during the period for pledged Franchise and Sales Tax Revenue Bonds was $7,167,371 compared to the principal and interest of $2,163,972.

10. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

The debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities Franchise and Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2013	$ 645,000	$ 814,592	$ 1,459,592
2014	675,000	790,049	1,465,049
2015	700,000	763,367	1,463,367
2016	730,000	734,055	1,464,055
2017	755,000	705,112	1,460,112
2018-2022	4,270,000	3,044,222	7,314,222
2023-2027	5,260,000	2,089,145	7,349,145
2028-2031	5,215,000	667,750	5,882,750
	$ 18,250,000	$ 9,608,292	$ 27,858,292

Year Ending June 30,	Business-type Activities Water Revenue Bonds		
	Principal	Interest	Totals
2013	$ 1,228,000	439,277	$ 1,667,277
2014	1,328,000	397,024	1,725,024
2015	1,353,000	359,383	1,712,383
2016	1,403,000	320,830	1,723,830
2017	1,443,000	279,895	1,722,895
2018-2022	6,724,000	647,043	7,371,043
2023	520,000	7,800	527,800
	$ 13,999,000	$ 2,451,252	$ 16,450,252

Current Refunding

In December 2011, the City issued $4,615,000 of Water Revenue Refunding Bonds Series 2011. The net proceeds of $4,737,597 (after issuance costs of $99,745, premium of $128,615, and debt service escrow funds of $93,727) were used for a current refunding of $4,460,000 of Water Revenue Bonds Series 2003. The bonds were defeased by placing the net proceeds from the Series 2011 issuance in an irrevocable trust to provide for future debt service payments on the defeased bonds. Accordingly, the trust assets and the liability for the defeased bonds are not included on the City's financial statements. The refunding was done to reduce total future debt service payments. The refunding decreased the City's total debt service payments by $401,667 and resulted in an economic gain of $268,640.

11. CONDUIT DEBT OBLIGATIONS

In March 2007, the City issued Hospital Revenue Bonds Series 2007 to provide financial assistance to a private-sector entity for the acquisition, construction, improvement, and equipment of certain health care facilities deemed to be in the public interest. The bonds are payable solely and exclusively from the revenues arising from the pledge of a note which the private company has given as security for the bonds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2012, the outstanding amount of this obligation is $200 million.

In October 2009, the City issued additional conduit debt for Hospital Revenue Bonds Series 2009 of $250 million. The bonds are payable solely and exclusively from the revenues arising from the pledge of a note which the private company has given as security for the bonds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2012, the outstanding amount of this obligation is $250 million.

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City is a member of an insurance risk pool known as the Utah Local Governments Trust (Trust). This insurance covers all of these risks except natural disasters. Under the terms of Riverton City's relationship with the Trust, the City's liabilities are covered under a general liability insurance policy, featuring a $0 deductible and a policy limit of $2 million for each claim. Claims against the City did not exceed insurance coverage in any of the past three years.

13. RETIREMENT PLANS

Employee Retirement Systems and Pension Plans

The City contributes to the Local Government Contributory Retirement System and Local Government Noncontributory Retirement System, (hereafter referred to cumulatively as the Systems), which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). The Systems provide retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statute.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. URS issues a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

13. RETIREMENT PLANS (CONTINUED)

FUNDING POLICY: Plan members in the contributory system are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 3.82% of the members' required contribution. In addition, the City is required to contribute a percent of members' annual covered salary to the respective systems; 9.76% for Tier 1 and 10.33% for Tier 2 to the Local Government Contributory Retirement System and 13.77% to the related Noncontributory Retirement System. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City's contributions in dollars to each of the Systems for the years ending June 30, 2012, 2011, and 2010, were equal to the required contributions for each year. The contribution amounts are as follows:

	2012	2011	2010
Local Government Contributory Retirement System	$ 10,236	$ 4,515	$ 4,369
Local Government Noncontributory Retirement System	587,320	506,205	427,039

DEFINED CONTRIBUTION PLANS: The 401(k) plan provided by URS is a multiple-employer defined contribution plan. All employees of the City who participate in the URS contributory or noncontributory system are eligible to participate in the 401(k) plan. Employees are immediately 100 percent vested in their contributions to the plan. Employee contributions to the 401(k) plan and the Deferred Compensation Plan are voluntary. Employer contributions are intended to standardize the contribution rates for all full time employees participating in URS. The City's contributions to the 401(k) plan for the years ended June 30, 2012, 2011 and 2010, were $19,282, $16,642, and $21,232, respectively.

In addition to the URS 401(k) plan, the City also participates in a 401(a) plan provided by International City Management Association (ICMA-RC), a multiple-employer defined contribution plan. Employees are fully vested upon contribution to the 401(a) plan, into which the City contributes 8.29% of eligible employees' gross earnings. These funds are the property of each employee and as such, the City has no claims on these funds. The City contributions to the plan for fiscal years ended June 30, 2012, 2011 and 2010, were $371,978, $337,693, and $375,546, respectively.

DEFERRED COMPENSATION PLAN: The City offers its employees a Deferred Compensation Plan with both URS and ICMA-RC (457 plan) in accordance with Internal Revenue Code Section 457. The 457 plan is available to all City employees and permits employees to defer a portion of their salaries until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participation. The payment of deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

The City also contributes to the URS 457 plan for its seasonal and temporary employees. Employer paid contributions into URS 457 for the years ended June 30, 2012, 2011 and 2010 were $11,602, $12,651, and $12,030, respectively.

14. REDEVELOPMENT AGENCY OF RIVERTON CITY

In accordance with Utah State law, the City makes the following disclosures relative to the Redevelopment Agency of Riverton City (RDA). The RDA collected $169,067 of incremental tax revenues for its project areas of which $0 was paid to developers of the projects. During 2012, the RDA expended $1,937,142 for property acquisitions and site improvements which is classified as land held for resale, $4,698 for administrative costs, and $691,100 for bond payments for an economic development project area.

The RDA had $0 of outstanding construction commitments at June 30, 2012.

15. CONTINGENT LIABILITIES

The City is a defendant in various claims and lawsuits arising from the ordinary course of business. The City has an insurance policy, which covers any adverse judgment as it applies to lawsuits up to $2 million per claim. In the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City and any adverse judgment claimed has been accepted by the insurance carrier. There has been no significant change in insurance coverage during the year ended June 30, 2012, nor during the past three fiscal years have the amounts of settlements exceeded insurance coverage.

16. COMMITMENTS AND AGREEMENTS

The City has entered into an agreement with Jordan Valley Water Conservancy to purchase a minimum amount of water for the next several years.

The City has construction commitments outstanding at year end for projects which have been awarded and construction has begun, but which were not completed at year end. Total uncompleted construction commitments at June 30, 2012, were $1,475,872.

17. SPECIAL ITEMS

In the current year, the City transferred the ownership of its two fire stations to the Salt Lake Valley Fire Service Area (SLVFSA).

The City annexed into the fire service area on January 1, 2006. However, the transfer of the real property did not occur at the time of the annexation. The transfer of the assets was delayed pending negotiations between legal counsel for both the City and SLVFSA. When those negotiations were completed, the City then transferred its ownership of the fire stations.

The Statement of Activities includes a special item, of $2.2 million, for the transfer of the book value of the fire stations to SLVFSA.

SUPPLEMENTARY SECTION

RIVERTON CITY CORPORATION, UTAH

Combining Balance Sheet – Nonmajor Governmental Funds

June 30, 2012

	Capital Project Funds			
	Community Impact Parks	Community Impact Roads	Special Revenue Fund Redevelopment Agency	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 1,067,196	$ 1,067,196
Restricted cash and cash equivalents	1,104,455	4,099,971	-	5,204,426
Receivables:				
Accounts	-	-	473	473
Property tax	-	-	210,000	210,000
Land held for resale	-	-	4,168,739	4,168,739
Total assets	$ 1,104,455	$ 4,099,971	$ 5,446,408	$ 10,650,834
LIABILITIES				
Accounts payable	$ 2,676	$ 4,939	$ 2,034	$ 9,649
Developer and customer deposits	-	4,688	-	4,688
Due to other funds	-	-	2,063,741	2,063,741
Deferred revenue	-	-	210,000	210,000
Total liabilities	2,676	9,627	2,275,775	2,288,078
FUND BALANCES				
Nonspendable:				
Land held for resale	-	-	4,168,739	4,168,739
Restricted:				
Impact fees	1,101,779	4,090,344	-	5,192,123
Unassigned	-	-	(998,106)	(998,106)
Total fund balances	1,101,779	4,090,344	3,170,633	8,362,756
Total liabilities and fund balances	$ 1,104,455	$ 4,099,971	$ 5,446,408	$ 10,650,834

RIVERTON CITY CORPORATION, UTAH

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

For the Year Ended June 30, 2012

	Capital Project Funds			
	Community Impact Parks	Community Impact Roads	Special Revenue Fund Redevelopment Agency	Total Nonmajor Governmental Funds
REVENUES				
Property tax	$ -	$ -	$ 169,067	$ 169,067
Impact fees	294,285	180,861	-	475,146
Interest	6,474	25,983	8,496	40,953
Total revenues	300,759	206,844	177,563	685,166
EXPENDITURES				
Current:				
General government	-	-	4,698	4,698
Highways and public improvements	-	430	-	430
Capital outlay	146,878	282,417	-	429,295
Total expenditures	146,878	282,847	4,698	434,423
Excess of revenues over (under) expenditures	153,881	(76,003)	172,865	250,743
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(440,000)	(701,100)	(1,141,100)
Total other financing uses	-	(440,000)	(701,100)	(1,141,100)
Net change in fund balance	153,881	(516,003)	(528,235)	(890,357)
Fund balances, beginning of year	947,898	4,606,347	3,698,868	9,253,113
Fund balances, end of year	$ 1,101,779	$ 4,090,344	$ 3,170,633	$ 8,362,756

RIVERTON CITY CORPORATION, UTAH

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Major Capital Projects Fund - REDIIF – Budget and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Franchise taxes	$ 2,520,000	$ 2,520,000	$ 2,371,970	$ (148,030)
Intergovernmental	291,000	291,000	227,795	(63,205)
Interest	10,000	10,000	29,193	19,193
Miscellaneous	-	-	2,515	2,515
Total revenues	2,821,000	2,821,000	2,631,473	(189,527)
EXPENDITURES				
Current:				
General government:				
Administrative	28,000	28,000	26,390	1,610
Utilities and taxes	1,400	1,400	1,298	102
Economic development	53,000	112,000	100,016	11,984
Highways and public improvements:				
Administrative	101,400	101,400	1,479	99,921
Wages and benefits	330,000	330,000	296,016	33,984
Capital outlay:				
Highways and public improvements	4,190,680	5,722,680	2,941,307	2,781,373
Debt service:				
Principal	1,320,000	1,320,000	1,300,000	20,000
Interest	880,000	880,000	863,972	16,028
Total expenditures	6,904,480	8,495,480	5,530,478	2,965,002
Excess (deficiency) of revenues over (under) expenditures	(4,083,480)	(5,674,480)	(2,899,005)	2,775,475
OTHER FINANCING SOURCES (USES)				
Transfers in	1,331,100	1,331,100	1,131,100	(200,000)
Transfers out	(2,110,411)	(2,202,361)	(475,000)	1,727,361
Total other financing sources (uses)	(779,311)	(871,261)	656,100	1,527,361
Net change in fund balance	$ (4,862,791)	$ (6,545,741)	(2,242,905)	$ 4,302,836
Fund balances, beginning of year			6,867,679	
Fund balances, end of year			$ 4,624,774	

RIVERTON CITY CORPORATION, UTAH

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Major Capital Projects Fund - Capital Improvements – Budget and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Interest	$ -	$ -	$ 9,697	$ 9,697
Miscellaneous	-	-	9	9
Total revenues	-	-	9,706	9,706
EXPENDITURES				
Capital outlay:				
Highways and public improvements	2,300,000	2,360,000	2,082,776	277,224
Parks and recreation	280,000	748,334	642,384	105,950
Total expenditures	2,580,000	3,108,334	2,725,160	383,174
Excess (deficiency) of revenues over (under) expenditures	(2,580,000)	(3,108,334)	(2,715,454)	392,880
OTHER FINANCING SOURCES (USES)				
Transfers in	45,000	528,334	552,948	24,614
Total other financing sources (uses)	45,000	528,334	552,948	24,614
Net change in fund balance	$ (2,535,000)	$ (2,580,000)	(2,162,506)	$ 417,494
Fund balances, beginning of year			2,763,690	
Fund balances, end of year			$ 601,184	

RIVERTON CITY CORPORATION, UTAH

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund - Community Impact Parks – Budget and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ 200,650	$ 200,650	$ 294,285	$ 93,635
Interest	-	-	6,474	6,474
Total revenues	200,650	200,650	300,759	100,109
EXPENDITURES				
Current:				
Parks and recreation	10,000	10,000	-	10,000
Capital outlay:				
Parks and recreation	100,000	225,000	146,878	78,122
Total expenditures	110,000	235,000	146,878	88,122
Net change in fund balance	$ 90,650	$ (34,350)	153,881	$ 188,231
Fund balances, beginning of year			947,898	
Fund balances, end of year			$ 1,101,779	

RIVERTON CITY CORPORATION, UTAH

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund - Community Impact Roads – Budget and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ 96,500	$ 96,500	$ 180,861	$ 84,361
Interest	-	-	25,983	25,983
Total revenues	96,500	96,500	206,844	110,344
EXPENDITURES				
Current:				
Highways and public improvements	110,000	110,000	430	109,570
Capital outlay:				
Highways and public improvements	2,265,900	2,443,000	282,417	2,160,583
Total expenditures	2,375,900	2,553,000	282,847	2,270,153
Excess (deficiency) of revenues over (under) expenditures	(2,279,400)	(2,456,500)	(76,003)	2,380,497
OTHER FINANCING USES				
Transfers out	(440,000)	(440,000)	(440,000)	-
Total other financing uses	(440,000)	(440,000)	(440,000)	-
Net change in fund balance	$ (2,719,400)	$ (2,896,500)	(516,003)	$ 2,380,497
Fund balances, beginning of year			4,606,347	
Fund balances, end of year			$ 4,090,344	

RIVERTON CITY CORPORATION, UTAH

Schedule of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Fund - Redevelopment Agency of Riverton City – Budget and Actual

For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	$ 230,000	$ 230,000	$ 169,067	$ (60,933)
Interest	-	-	8,496	8,496
Miscellaneous	7,200	7,200	-	(7,200)
Total revenues	237,200	237,200	177,563	(59,637)
EXPENDITURES				
Current:				
General government	18,800	18,800	4,698	14,102
Capital outlay:				
Property acquisitions	-	2,900,000	-	2,900,000
Total expenditures	18,800	2,918,800	4,698	2,914,102
Excess (deficiency) of revenues over (under) expenditures	218,400	(2,681,600)	172,865	2,854,465
OTHER FINANCING USES				
Transfers in	-	1,400,000	-	1,400,000
Transfers out	(901,100)	(901,100)	(701,100)	200,000
Total other financing uses	(901,100)	498,900	(701,100)	1,600,000
Net change in fund balance	$ (682,700)	$ (2,182,700)	(528,235)	$ 4,454,465
Fund balances, beginning of year			3,698,868	
Fund balances, end of year			$ 3,170,633	

Statistical Section

Finance Department

This section of Riverton City's Comprehensive Annual Financial Report (CAFR) provides detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

The five divisions of the Statistical Section are as follows:

- **Financial Trends:** Included schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

- **Revenue Capacity:** Included schedules contain information to help the reader assess the City's most significant local revenue sources, property tax, sales tax, and enterprise fund revenues.

- **Debt Capacity:** Included schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

- **Demographic and Economic Information:** Included schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- **Operating Information:** Included schedules contain data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the audited financial statements of Riverton City for the relevant year.

FINANCIAL TRENDS

RIVERTON CITY CORPORATION, UTAH

Net Assets by Component

Last Nine Fiscal Years

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
Invested in capital assets, net of related debt	$ 94,630,619	$ 100,802,036	$ 100,631,734	$ 93,238,756	$ 128,778,154	$ 149,312,803	$ 159,584,624	$ 140,084,036	$ 142,564,907
Restricted	1,390,378	3,069,349	11,607,540	28,403,160	26,566,230	15,591,200	12,445,008	9,546,287	6,882,738
Unrestricted	20,000,775	16,712,925	15,994,613	20,520,058	12,639,614	19,733,764	13,552,517	13,642,524	9,935,183
Total governmental activities net assets	116,021,772	120,584,310	128,233,887	142,161,974	167,983,998	184,637,767	185,582,149	163,272,847	159,382,828
Business-type activities:									
Invested in capital assets, net of related debt	26,979,920	29,199,278	31,877,857	39,322,573	49,976,430	56,739,664	59,052,531	80,205,667	82,185,249
Restricted	-	-	4,276,915	9,246,874	7,414,925	3,904,584	4,661,870	5,456,454	4,385,029
Unrestricted	11,011,941	12,025,996	9,449,214	3,860,400	3,794,224	5,574,572	5,326,635	7,507,685	8,165,564
Total business-type activities net assets	37,991,861	41,225,274	45,603,986	52,429,847	61,185,579	66,218,820	69,041,036	93,169,806	94,735,842
Primary government:									
Invested in capital assets, net of related debt	121,610,539	130,001,314	132,509,591	132,561,329	178,754,584	206,052,467	218,637,155	220,289,703	224,750,156
Restricted	1,390,378	3,069,349	15,884,455	37,650,034	33,981,155	19,495,784	17,106,878	15,002,741	11,267,767
Unrestricted	31,012,716	28,738,921	25,443,827	24,380,458	16,433,838	25,308,336	18,879,152	21,150,209	18,100,747
Total primary government net assets	$ 154,013,633	$ 161,809,584	$ 173,837,873	$ 194,591,821	$ 229,169,577	$ 250,856,587	$ 254,623,185	$ 256,442,653	$ 254,118,670

Note:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

RIVERTON CITY CORPORATION, UTAH

Changes in Net Assets

Last Nine Fiscal Years

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities:									
General government	$ 1,963,359	$ 4,842,522	$ 3,518,599	$ 2,529,625	$ 3,201,495	$ 2,687,324	$ 4,239,853	$ 2,482,451	$ 2,857,189
Public safety	3,029,400	4,044,246	4,629,472	3,146,362	3,865,209	4,412,709	4,399,543	5,245,047	3,030,295
Highways and public improvements	3,541,741	1,346,259	3,831,974	4,802,513	5,203,816	4,382,417	4,831,712	4,152,657	3,926,796
Parks and recreation	1,240,760	1,148,283	2,596,515	1,763,831	1,835,660	1,746,064	1,668,997	2,162,656	2,791,422
Contributions	33,572	-	-	-	-	-	-	-	-
Interest on long-term debt	150,035	676,628	-	563,752	1,114,875	1,034,229	987,158	922,051	896,095
Civic Center	-	-	172,779	-	-	-	-	-	-
Total governmental activities expense	9,958,867	12,057,938	14,749,339	12,806,083	15,221,055	14,262,743	16,127,263	14,964,862	13,501,797
Business-type activities:									
Culinary water	1,906,260	1,935,572	2,252,898	2,396,078	2,668,845	2,993,919	3,438,244	3,169,527	3,426,073
Secondary water	1,446,503	1,717,635	3,409,010	2,628,659	2,833,856	3,173,555	2,689,570	2,692,333	2,675,231
Sanitation	1,050,489	960,287	1,031,948	1,150,013	1,160,043	1,418,117	1,369,812	1,440,384	1,552,880
Street lighting	495,349	601,880	677,791	711,080	694,543	800,997	782,451	836,048	827,364
Storm water								1,083,310	1,266,322
Interest on long-term debt	1,138,362	1,189,145	-	-	-	-	-	-	-
Total business-type activities expenses	6,036,963	6,404,519	7,371,647	6,885,830	7,357,287	8,386,588	8,280,077	9,221,602	9,747,870
Total primary government expenses	15,995,830	18,462,457	22,120,986	19,691,913	22,578,342	22,649,331	24,407,340	24,186,464	23,249,667
Program Revenues									
Governmental activities:									
Charges for service									
General government	1,050,885	808,091	2,224,820	2,486,606	1,508,047	2,883,089	768,308	716,608	694,076
Public safety	917,559	1,327,880	559,355	302,415	256,790	273,959	330,430	278,398	277,642
Highways and public improvements	1,864,817	43,335	-	-	-	-	-	5,198	941
Parks and recreation	1,265,075	104,415	325,541	722,486	463,577	374,144	443,347	454,334	387,935
Operating grants and contributions	1,129,546	875,093	1,081,886	1,258,119	1,442,455	1,245,627	1,379,838	1,296,943	1,315,019
Capital grants and contributions	1,179,734	6,115,555	8,055,973	10,042,525	26,694,033	15,809,748	5,312,501	2,425,972	730,216
Total governmental activities program revenues	7,407,616	9,274,369	12,247,575	14,812,151	30,364,902	20,586,567	8,234,424	5,177,453	3,405,829
Business-type activities:									
Charges for service									
Culinary water	2,956,792	3,098,870	3,484,657	3,799,292	3,606,041	3,559,054	3,730,642	3,470,144	4,029,581
Secondary water	2,191,290	2,825,637	3,192,740	3,325,146	3,025,565	3,066,044	3,362,189	3,166,272	3,557,114
Sanitation	969,699	1,013,233	1,075,859	1,145,815	1,200,058	1,575,828	1,616,244	1,613,319	994,156
Street lighting	450,369	485,330	527,351	586,099	662,226	641,523	645,359	649,903	339,869
Storm water								368,960	860,762
Operating grants and contributions	-	-	42,174	680,954	200,571	-	-	-	-
Capital grants and contributions	-	-	1,341,631	2,905,211	6,911,740	4,479,879	1,593,821	1,160,567	424,284
Total business-type activities program revenues	6,568,150	7,423,070	9,664,412	12,442,517	15,606,201	13,322,328	10,948,255	10,429,165	10,205,766
Total primary government program revenues	13,975,766	16,697,439	21,911,987	27,254,668	45,971,103	33,908,895	19,182,679	15,606,618	13,611,595

RIVERTON CITY CORPORATION, UTAH

Changes in Net Assets (continued)

Last Nine Fiscal Years

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Net (Expense)/Revenue									
Governmental activities	(2,551,251)	(2,783,569)	(2,501,764)	2,006,068	15,143,847	6,323,824	(7,892,839)	(9,787,409)	(10,095,968)
Business-type activities	531,187	1,018,551	2,292,765	5,556,687	8,248,914	4,935,740	2,668,178	1,207,563	457,896
Total primary government net (expense) revenue	(2,020,064)	(1,765,018)	(208,999)	7,562,755	23,392,761	11,259,564	(5,224,661)	(8,579,846)	(9,638,072)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property	2,501,851	2,638,251	2,640,288	1,427,441	1,377,215	2,663,070	2,142,798	2,036,794	1,902,971
Sales	3,699,259	4,160,231	5,003,460	5,964,898	6,580,707	4,470,499	4,347,744	4,475,524	4,795,401
911	-	-	-	-	-	-	-	263,243	284,961
Franchise	1,250,036	1,526,759	1,682,858	1,938,744	2,087,463	2,180,128	2,222,986	2,329,280	2,371,970
Grants and contributions not restricted to specific programs	116,378	-	-	-	-	-	-	-	-
Investment earnings	245,905	258,087	958,211	1,772,675	2,030,169	737,401	187,153	102,138	105,858
Gain (loss) on disposal of assets	30	287,756	3,302,236	788,963	690,086	278,847	45,995	1,145,981	-
Special item - transfer of fire stations to other government	-	-	-	-	-	-	-	-	(2,239,422)
Transfers	-	-	(1,750,000)	296,666	-	-	(109,455)	(21,228,529)	(1,015,790)
Total governmental activities	7,813,459	8,871,084	11,837,053	12,189,387	12,765,640	10,329,945	8,837,221	(10,875,569)	6,205,949
Business-type activities:									
Grants and contributions not restricted to specific programs	-	1,912,101	-	-	-	-	-	-	-
Investment earnings	152,421	233,653	390,627	509,913	433,498	179,645	46,039	50,564	67,046
Gain (loss) on disposal of assets	-	3,200	(68,223)	10,572	(2,940)	1,288	-	-	-
Equity investment income	81,381	65,908	13,543	141,100	76,260	(83,432)	(1,456)	(4,210)	25,304
Transfers	-		1,750,000	(296,666)	-	-	109,455	21,228,529	1,015,790
Total business-type activities	233,802	2,214,862	2,085,947	364,919	506,818	97,501	154,038	21,274,883	1,108,140
Total primary government	8,047,261	11,085,946	13,923,000	12,554,306	13,272,458	10,427,446	8,991,259	10,399,314	7,314,089
Change in Net Assets									
Governmental activities	5,262,208	6,087,515	9,335,289	14,195,455	27,909,487	16,653,769	944,382	(20,662,978)	(3,890,019)
Business-type activities	764,989	3,233,413	4,378,712	5,921,606	8,755,732	5,033,241	2,822,216	22,482,446	1,566,036
Total primary government	$ 6,027,197	$ 9,320,928	$ 13,714,001	$ 20,117,061	$ 36,665,219	$ 21,687,010	$ 3,766,598	$ 1,819,468	$ (2,323,983)

Note:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

The Storm water enterprise fund was created on July 1, 2010

Prior to fiscal year 2011 the 911 surcharge was remitted directly from the State Tax Commission to the Valley Emergency Communications Center

Public safety expenses decreased in fiscal year 2012 due to the City's annexation to SLVLESA on January 1, 2012

RIVERTON CITY CORPORATION, UTAH

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	$ 1,225,993	$ 1,390,378	$ 3,069,349	$ 2,077,899	$ 2,742,728	$ 3,065,964	$ 3,100,319	$ 2,731,982	$ -	$ -
Unreserved	1,555,222	1,215,497	1,315,927	1,621,954	1,796,249	1,177,793	1,488,261	1,578,977	-	-
Nonspendable									128,988	45,370
Restricted									2,463,885	1,690,542
Unassigned									1,546,333	1,405,638
Total general fund	2,781,215	2,605,875	4,385,276	3,699,853	4,538,977	4,243,757	4,588,580	4,310,959	4,139,206	3,141,550
All other governmental funds										
Reserved										
Development	1,603,807	2,174,375	2,629,277	4,427,371	16,567,216	9,142,490	3,369,089	1,844,024	-	-
Impact Fees	2,900,861	6,672,160	7,844,841	9,529,641	13,035,156	12,932,823	8,773,885	7,575,288	-	-
Nonspendable									2,229,585	4,168,739
Restricted for:										
Development									1,528,157	73
Impact fees									5,554,245	5,192,123
Committed for:										
Economic development									5,339,522	4,624,701
Assigned for:										
Redevelopment									1,469,283	
Capital projects									2,763,691	601,184
Unassigned										(998,106)
Unreserved reported in:										
Capital projects funds	4,966,679	8,321,361	3,716,213	9,760,905	12,347,030	10,198,919	13,728,495	7,880,315	-	
Special revenue funds	754,558	1,458,431	1,193,940	396,544	2,156,593	2,319,331	4,644,279	4,223,136	-	
Total all other governmental funds	$ 10,225,905	$ 18,626,327	$ 15,384,271	$ 24,114,461	$ 44,105,995	$ 34,593,563	$ 30,515,748	$ 21,522,763	$ 18,884,483	$ 13,588,714

Note:

The City implemented the requirements of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2011

RIVERTON CITY CORPORATION, UTAH

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes:										
Property	$ 2,301,492	$ 2,574,609	$ 2,638,251	$ 2,640,288	$ 1,427,441	$ 1,377,215	$ 2,663,070	$ 2,142,798	$ 2,036,794	$ 1,902,971
Sales	2,159,925	2,449,223	2,633,472	3,320,602	4,026,154	4,493,245	4,470,499	4,347,744	4,475,524	4,795,401
Franchise	1,086,350	1,250,036	1,526,759	1,682,858	1,938,744	2,087,462	2,180,128	2,222,986	2,329,280	2,371,970
911	-	-	-	-	-	-	-	-	263,243	284,961
Licenses and permits	574,264	662,322	948,660	1,429,422	2,197,309	1,436,909	731,232	722,414	640,499	624,390
Intergovernmental	973,904	1,129,546	887,466	1,069,923	1,251,082	1,442,455	3,725,127	1,591,038	2,796,943	1,540,299
Charges for services	622,392	731,017	954,587	1,290,560	722,486	463,577	390,867	468,396	465,076	389,358
Impact fees	1,841,386	3,073,412	4,422,886	6,254,849	6,246,766	2,116,295	1,467,060	1,260,127	766,697	475,146
Fines and forfeitures	337,608	277,458	315,572	340,460	302,415	256,790	257,485	307,741	269,336	277,642
Interest	224,443	245,905	421,232	958,211	1,772,675	2,030,169	737,401	187,153	102,138	105,858
Miscellaneous	341,836	287,502	52,529	49,273	296,334	71,138	2,151,608	43,533	79,627	71,719
Total Revenues	10,463,600	12,681,030	14,801,414	19,036,446	20,181,406	15,775,255	18,774,477	13,293,930	14,225,157	12,839,715
Expenditures										
General government	2,107,740	1,863,306	1,877,377	2,273,717	2,327,518	2,862,689	2,463,559	4,101,481	2,499,232	2,609,812
Public safety	2,631,456	2,967,174	4,044,246	4,598,977	3,073,685	3,745,735	4,278,916	4,328,421	4,761,404	3,016,033
Highways and public improvments	1,977,236	881,046	1,346,259	3,805,927	2,308,976	1,828,514	1,094,542	2,280,417	2,181,659	2,876,253
Parks and recreation	1,940,096	1,176,727	1,148,283	2,557,109	1,888,506	1,438,159	1,184,223	1,280,687	1,461,085	1,872,059
Capital outlay	-	2,482,911	8,990,338	1,283,611	5,881,508	13,799,497	11,579,100	8,690,870	3,875,279	6,095,762
Debt Service:										
Principal	65,000	205,000	233,705	370,000	375,000	940,000	1,130,000	1,175,000	1,265,000	1,300,000
Interest	261,325	255,925	442,923	420,131	373,881	1,240,668	1,055,976	1,001,966	896,921	863,972
Bond issuance costs	-	-	-	-	295,722	-	-	-	68,037	-
Total Expenditures	$ 8,982,853	$ 9,832,089	$ 18,083,131	$ 15,309,472	$ 16,524,796	$ 25,855,262	$ 22,786,316	$ 22,858,842	$ 17,008,617	$ 18,633,891
Excess of revenues over (under) expenditures	1,480,747	2,848,941	(3,281,717)	3,726,974	3,656,610	(10,080,007)	(4,011,839)	(9,564,912)	(2,783,460)	(5,794,176)
Other Financing Sources (Uses)										
Contributions	8,750	116,378	1,174,000	11,963	-	-	-	-	-	-
Proceeds from debt	-	4,080,000	-	-	-	-	-	-	-	-
Proceeds from capital leases	47,136	-	-	-	-	-	-	-	-	-
Grants	-	1,179,734	355,524	147,672	-	-	-	-	-	-
Lease revenue bonds issued	-	-	-	-	16,216,690	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	3,665,000	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(3,777,288)	-
Premium on bond issued	-	-	-	-	-	-	-	-	185,257	-
Proceeds from sale of assets	438,446	30	287,756	3,775,886	848,151	272,355	278,847	294,306	1,571,395	-
Transfers in	2,438,604	5,395,910	1,381,394	5,363,741	2,608,000	1,746,100	3,012,900	1,815,228	2,177,900	1,969,048
Transfers out	(1,438,604)	(5,395,910)	(1,381,394)	(7,113,741)	(2,311,334)	(1,746,100)	(3,012,900)	(1,815,228)	(2,202,514)	(2,468,296)
Total other financing sources (uses)	1,494,332	5,376,142	1,817,280	2,185,521	17,361,507	272,355	278,847	294,306	1,619,750	(499,248)
Prior period adjustment	54,332	-	-	2,132,272	-	-	-	-	-	-
Net change in fund balances	$ 3,029,411	$ 8,225,083	$ (1,464,437)	$ 8,044,767	$ 21,018,117	$ (9,807,652)	$ (3,732,992)	$ (9,270,606)	$ (1,163,710)	$ (6,293,424)
Debt service as a percentage of noncapital expenditures	4%	6%	7%	6%	10%	18%	20%	15%	17%	17%

REVENUE CAPACITY

RIVERTON CITY CORPORATION, UTAH

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Calendar Years

Tax Year	Primary Residential Property	Secondary or Non-Residential Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percentage of Estimated Actual Value
2002	$ 1,317,981,233	$ 240,716,803	$ 593,091,555	$ 965,606,481	0.001525	$ 1,558,698,036	61.95%
2003	1,386,170,171	244,741,856	623,776,577	1,007,135,450	0.001525	1,630,912,027	61.75%
2004	1,484,337,191	271,027,294	667,951,736	1,087,412,749	0.001502	1,755,364,485	61.95%
2005	1,656,326,373	337,136,886	745,346,868	1,248,116,391	0.001415	1,993,463,259	62.61%
2006	2,006,234,213	429,352,521	902,805,396	1,532,781,338	0.000300	2,435,586,734	62.93%
2007	2,879,446,173	556,289,935	1,295,750,778	2,139,985,330	0.000237	3,435,736,108	62.29%
2008	3,086,409,622	668,099,741	1,388,884,330	2,365,625,033	0.000691	3,754,509,363	63.01%
2009	2,707,998,182	591,332,783	1,218,599,182	2,080,731,783	0.000816	3,299,330,965	63.07%
2010	2,714,892,622	559,795,855	1,221,701,680	2,052,986,797	0.000839	3,274,688,477	62.69%
2011	2,617,289,742	530,724,112	1,177,780,384	1,970,233,470	0.000880	3,148,013,854	62.59%

Note:

Tax exempt property is calculated at 45% of primary residential property that is specifically exempt under the Constitution of the State of Utah, Statute 5-2-103

Sources: Utah State Tax Commission and the Salt Lake County Auditor

RIVERTON CITY CORPORATION, UTAH

Direct and Overlapping Property Tax Rates

Last Ten Calendar Years

	City Direct Rates		Overlapping Rates						
Tax Year	Basic Rate	Total Direct Rate	Jordan School District	Salt Lake County (includes SL County Library)	South Salt Lake Valley Mosquito Abatement District	Jordan Valley Water Conservancy District	South Valley Sewer District	Central Utah Water Conservancy District	Salt Lake Valley Fire Service Area
2002	0.001525	0.001525	0.008154	0.003691	0.000014	0.000392	0.000557	0.000359	0.000000
2003	0.001525	0.001525	0.008366	0.003615	0.000034	0.000397	0.000515	0.000358	0.000000
2004	0.001502	0.001502	0.008856	0.003549	0.000033	0.000392	0.000515	0.000353	0.000000
2005	0.001415	0.001415	0.008655	0.003378	0.000031	0.000400	0.000473	0.000400	0.000000
2006	0.000300	0.000300	0.007347	0.002988	0.000027	0.000353	0.000407	0.000357	0.001616
2007	0.000237	0.000237	0.006617	0.002511	0.000023	0.000400	0.000330	0.000302	0.001377
2008	0.000691	0.000691	0.006150	0.002431	0.000022	0.000384	0.000321	0.000286	0.001566
2009	0.000816	0.000816	0.005980	0.002842	0.000025	0.000400	0.000379	0.000400	0.001972
2010	0.000839	0.000839	0.006485	0.003176	0.000050	0.000410	0.000372	0.000421	0.001972
2011	0.000880	0.000880	0.007319	0.003300	0.000052	0.000424	0.000399	0.000436	0.002028

Note:

Salt Lake County rate includes the Salt Lake County and the Salt Lake County Library

Source: Salt Lake County Auditor

RIVERTON CITY CORPORATION, UTAH

Principal Property Tax Payers

Current and Nine Years Prior

	2012			2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
On Point Properties LLC	$ 31,636,100	1	1.61%	$ 6,421,700	3	0.41%
Wal-Mart Real Estate Business	19,505,900	2	0.99%			
MMA LLC	12,122,550	3	0.62%			
Tanglewood Investors	10,664,400	4	0.54%			
Lowe's HIW, Inc	10,338,000	5	0.52%			
HD Development of Maryland Inc	9,561,200	6	0.49%			
Legacy Spring, LTD	9,466,160	7	0.48%	7,537,750	2	0.48%
CML-UT Riverton LLC	9,217,500	8	0.47%			
Rose Creek Crossing LLC	8,281,840	9	0.42%			
Riverton Plaza LC	7,770,300	10	0.39%			
Intel Corporation				46,749,490	1	3.00%
Green Isle Development				6,338,100	4	0.41%
A.B. Peterson Family				3,323,500	5	0.21%
Bangerter/Redwood, LLC				2,761,300	7	0.18%
Wasatch Land & Improvement				2,912,780	6	0.19%
Perry Development LLC				2,504,600	8	0.16%
Woodbury Amsource Inc				2,115,000	9	0.14%
W. Springs LLC				2,100,815	10	0.13%
Total	$ 128,563,950		6.53%	$ 82,765,035		5.31%

Source: Salt Lake County Assessor

RIVERTON CITY CORPORATION, UTAH

Property Tax Levied and Collections

Last Ten Fiscal Years

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2003	$ 1,470,559	$ 1,318,656	89.67%	71,285	$ 1,389,941	94.52%
2004	1,531,967	1,377,261	89.90%	63,071	1,440,332	94.02%
2005	1,629,449	1,484,487	91.10%	51,481	1,535,968	94.26%
2006	1,760,768	1,595,846	90.63%	12,917	1,608,763	91.37%
2007	459,017	418,296	91.13%	20,781	439,077	95.66%
2008	508,492	480,716	94.54%	24,393	505,109	99.33%
2009	1,634,457	1,533,237	93.81%	85,072	1,618,308	99.01%
2010	1,691,227	1,605,942	94.96%	61,105	1,667,047	98.57%
2011	1,723,273	1,659,232	96.28%	32,263	1,691,495	98.16%
2012	1,731,302	1,677,020	96.86%	-	1,677,020	96.86%

Source: Salt Lake County Treasurer

RIVERTON CITY CORPORATION, UTAH

Point of Sale Sales Tax Revenue by Category

Last Ten Fiscal Years

	Fiscal Year									
Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Retail/grocery		$ 374,436	$ 384,953	$ 423,410	$ 414,992	$ 560,917	$ 1,105,156	$ 1,232,533	$ 1,355,366	$ 1,472,138
Utility/communication		227,707	207,742	250,882	309,729	553,094	433,941	414,715	414,009	425,264
Construction & home improvement		18,115	22,055	283,990	454,737	461,901	370,482	407,110	408,803	501,481
Eating & drinking establishments		109,749	114,722	148,129	222,726	255,255	346,284	348,826	386,725	403,528
Auto sales & supplies		221,530	222,928	272,603	312,604	214,701	199,105	234,507	264,082	290,446
Fuel/service stations		79,563	73,762	118,738	126,062	173,499	108,888	121,093	122,163	117,273
All other outlets		75,000	101,072	128,422	122,278	116,104	68,942	131,109	228,172	204,946
Totals	$ -	$ 1,106,101	$ 1,127,235	$ 1,626,174	$ 1,963,129	$ 2,335,471	$ 2,632,798	$ 2,889,893	$ 3,179,320	$ 3,415,076

Note:

Detailed data was not available for 2003

RIVERTON CITY CORPORATION, UTAH

Total Sales Tax Revenue

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Riverton City point of sale (POS)	$ 917,916	$ 1,106,101	$ 1,127,235	$ 1,626,174	$ 1,963,129	$ 2,335,471	$ 2,632,798	$ 2,889,893	$ 3,179,320	$ 3,415,076
State sharing pool	1,242,010	1,343,122	1,506,237	1,694,428	2,063,025	2,157,774	1,837,701	1,457,851	1,296,204	1,380,325
Totals	$ 2,159,926	$ 2,449,223	$ 2,633,472	$ 3,320,602	$ 4,026,154	$ 4,493,245	$ 4,470,499	$ 4,347,744	$ 4,475,524	$ 4,795,401

Note:

Riverton City receives sales tax revenue from two points; point of sale and a state sharing pool. Fifty percent (50%) of Riverton City's direct sales tax rate (1%) on all taxable sales within the City boundaries is what makes up the point of sale portion, the remaining 50% of Riverton City's direct sales tax rate (1%) on all taxable sales within the City boundary gets put into a State sharing pool which is then redistributed based on population.

RIVERTON CITY CORPORATION, UTAH

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

Fiscal Year ended June 30,	Riverton City Direct Rate	State of Utah	Salt Lake County	County Option Transportation	Mass Transit	Botanical, Cultural, Zoo (County)	Total Sales Tax Rate
2003	1.000%	4.750%	0.250%	0.000%	0.500%	0.100%	6.600%
2004	1.000%	4.750%	0.250%	0.000%	0.500%	0.100%	6.600%
2005	1.000%	4.750%	0.250%	0.000%	0.500%	0.100%	6.600%
2006	1.000%	4.750%	0.250%	0.000%	0.500%	0.100%	6.600%
2007	1.000%	4.750%	0.250%	0.250%	0.500%	0.100%	6.850%
2008	1.000%	4.650%	0.250%	0.250%	0.550%	0.100%	6.800%
2009	1.000%	4.700%	0.250%	0.250%	0.550%	0.100%	6.850%
2010	1.000%	4.700%	0.250%	0.250%	0.550%	0.100%	6.850%
2011	1.000%	4.700%	0.250%	0.250%	0.550%	0.100%	6.850%
2012	1.000%	4.700%	0.250%	0.250%	0.550%	0.100%	6.850%

Source: Utah State Tax Commission – www.tax.utah.gov/sales/rates.html

RIVERTON CITY CORPORATION, UTAH

Sales Tax Revenue by Category

Current Year and Nine Years Prior

	Fiscal Year 2012				Fiscal Year 2003			
Category	Number of Filers	Percentage of Total	Point of Sale Tax	Percentage of Total	Number of Filers	Percentage of Total	Point of Sale Tax	Percentage of Total
Retail/grocery	439	20.62%	$ 1,472,138	43.11%				
Utility/communication	151	7.09%	425,264	12.45%				
Construction & home improvement	180	8.45%	501,481	14.68%				
Eating & drinking establishments	64	3.01%	403,528	11.82%				
Auto sales & supplies	74	3.48%	290,446	8.50%				
Fuel/service stations	34	1.60%	117,273	3.43%				
All other outlets	1187	55.75%	204,946	6.00%				
Total	2129	100.00%	$ 3,415,076	100.00%	$ -	0.00%	$ -	0.00%

Note:

Detailed data was not available for fiscal year 2003

RIVERTON CITY CORPORATION, UTAH

Enterprise Fund Revenues

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Culinary water sales	$ 2,034,461	$ 2,440,438	$ 2,456,394	$ 2,478,884	$ 2,885,094	$ 3,190,177	$ 3,212,350	$ 3,192,320	$ 3,374,949	$ 3,707,317
Secondary water sales	1,340,675	1,711,590	2,099,327	2,306,335	2,541,246	2,768,652	2,843,508	3,026,785	3,165,646	3,273,796
Culinary impact fees	391,094	409,557	484,620	765,568	730,377	310,640	248,444	426,250	270,832	228,311
Secondary impact fees	343,470	479,700	722,800	879,205	783,900	253,500	214,251	335,119	296,807	276,489
Other water revenue	99,146	106,797	161,366	247,405	183,871	108,637	106,545	112,072	95,195	100,782
Sanitation	941,823	969,699	1,013,233	1,075,859	1,145,815	1,200,058	1,575,753	1,605,092	1,599,154	975,569
Street lighting	371,284	450,369	485,330	524,401	581,635	625,274	636,969	645,359	642,461	325,564
Storm water									368,960	746,543
Storm water impact fees									21,257	114,191
Totals	$ 5,521,953	$ 6,568,150	$ 7,423,070	$ 8,277,657	$ 8,851,938	$ 8,456,938	$ 8,837,820	$ 9,342,997	$ 9,835,261	$ 9,748,562

Note:

Other water revenue includes meter set fees, connection fees, and finance charges

Storm water is a new enterprise fund that was created July 1, 2010

Sanitation user fee was reduced from $12.50 to $1.00 a month for each first container as of January 1, 2012

Street lighting user fees were eliminated as of January 1, 2012

DEBT CAPACITY

RIVERTON CITY CORPORATION, UTAH

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Government Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Sales Tax/Franchise Fee Revenue Bonds	Leases	Line of Credit	Water Revenue Bonds	Leases	Line of Credit	Total Primary Government	Percentage of Personal Income	Per Capita
2003	$ -	$ 5,655,000	$ 81,000	$ -	$ 22,041,000	$ 83,000	$ -	$ 27,860,000	5.41%	1,001
2004	-	9,530,000	53,000	-	22,028,000	63,000	-	31,674,000	5.79%	1,092
2005	-	9,320,000	29,000	-	21,260,000	43,000	-	30,652,000	5.26%	1,018
2006	-	8,950,000	13,000	-	20,317,000	22,000	-	29,302,000	4.40%	913
2007	-	23,935,000	-	-	19,339,000	-	-	43,274,000	5.74%	1,236
2008	-	22,995,000	-	-	18,326,000	-	-	41,321,000	4.74%	1,102
2009	-	21,865,000	-	-	17,263,000	-	-	39,128,000	4.60%	984
2010	-	20,690,000	-	-	16,165,000	-	-	36,855,000	4.46%	912
2011	-	19,550,000	-	-	15,027,000	-	-	34,577,000	4.79%	892
2012	-	18,250,000	-	-	13,999,000	-	-	32,249,000	4.32%	817

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements

See 'Demographic and Economic Statistics' for personal income and population data

RIVERTON CITY CORPORATION, UTAH

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Sales Tax/Franchise Fee Revenue Bonds	Total General Bonded Debt	Estimated Actual Value of Property	Percentage of Estimated Actual Value of Property	Population	Per Capita
2003	$ -	$ 9,530,000	$ 9,530,000	$ 1,558,698,036	0.61%	27,819	343
2004	-	9,320,000	9,320,000	1,630,912,027	0.57%	29,006	321
2005	-	8,950,000	8,950,000	1,755,364,485	0.51%	30,118	297
2006	-	23,935,000	23,935,000	1,993,463,259	1.20%	32,089	746
2007	-	22,995,000	22,995,000	2,435,586,734	0.94%	35,000	657
2008	-	21,865,000	21,865,000	3,435,736,108	0.64%	37,500	583
2009	-	20,690,000	20,690,000	3,754,509,363	0.55%	39,751	520
2010	-	20,690,000	20,690,000	3,299,330,965	0.63%	40,420	512
2011	-	19,550,000	19,550,000	3,274,688,477	0.60%	38,753	504
2012	-	18,250,000	18,250,000	3,148,013,854	0.58%	39,489	462

Note:

Actual value of property estimated based on data from Utah State Tax Commission

The population reported for fiscal years 2003 thru 2010 and 2012 are estimates; however, the 2011 population reported is an actual number from the United States Census Bureau

Source: Utah State Tax Commission

RIVERTON CITY CORPORATION, UTAH

Direct and Overlapping Governmental Activities Debt

As of June 30, 2012

Government Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Central Utah Water Cons. District	$ 266,515,000	2.7%	$ 7,225,267
Jordan School District	85,182,300	13.1%	11,124,636
Jordan Valley Water Conservancy District	-		-
Salt Lake County (includes SL County Library)	255,420,000	2.7%	6,924,480
Salt Lake Valley Fire Service Area	-		-
Salt Lake Valley Mosquito Abatement	-		-
South Valley Sewer District	-		-
Subtotal, overlapping general obligation debt			25,274,383
City direct general obligation debt			-
Total direct and overlapping general obligation debt			$ 25,274,383

Note:

Overlapping governments are those that coincide with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of Riverton City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. The estimated percentage applicable is based on Riverton City's taxable assessed values to the total taxable assessed values of overlapping government units.

Source: All individual agencies as listed

RIVERTON CITY CORPORATION, UTAH

Legal Debt Margin Information

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	$ 115,872,778	$ 120,856,254	$ 130,489,530	$ 149,773,967	$ 183,933,761	$ 256,798,240	$ 283,875,004	$ 249,687,814	$ 246,358,416	$ 236,428,016
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 115,872,778	$ 120,856,254	$ 130,489,530	$ 149,773,967	$ 183,933,761	$ 256,798,240	$ 283,875,004	$ 249,687,814	$ 246,358,416	$ 236,428,016
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value	$ 1,970,233,470
Debt limit (12% of assessed value)	236,428,016
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	$ 236,428,016

Note:

Under state finance law general obligation debt for the City should not exceed 12% of total assessed property value. Of this percent, a maximum of 4% may be used for general purpose. The remaining 8% and any unused portion of the 4% is available for general purpose up to a maximum of 12% may be used for water, sewer and electrical projects.

RIVERTON CITY CORPORATION, UTAH

Pledged Revenue Coverage

Last Ten Fiscal Years

	Sales Tax/Franchise Fee Revenue Bonds				Water Revenue Bonds					
		Debt Service						Debt Service		
Fiscal Year	Sales Tax/ Franchise Tax Revenue	Principal	Interest	Coverage	Water Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2003	$ 3,246,275	$ 65,000	$ 258,975	10.02	$ 3,474,302	$ 2,678,950	$ 795,352	$ 468,000	$ 687,393	0.69
2004	3,699,259	205,000	253,575	8.07	5,148,082	1,985,860	3,162,222	753,000	984,197	1.82
2005	4,160,231	210,000	432,278	6.48	5,924,506	2,108,816	3,815,690	883,000	786,623	2.29
2006	5,003,460	370,000	385,781	6.62	6,677,396	2,372,286	4,305,110	943,000	767,355	2.52
2007	5,964,898	375,000	373,881	7.97	7,124,438	2,519,796	4,604,642	978,000	761,781	2.65
2008	6,580,707	940,000	1,240,668	3.02	6,631,606	2,790,841	3,840,765	1,013,000	727,081	2.21
2009	6,650,627	1,130,000	1,049,126	3.05	6,625,098	5,403,830	1,221,268	1,063,000	689,604	0.70
2010	6,570,730	1,175,000	1,001,966	3.02	7,092,546	5,406,561	1,685,985	1,098,000	648,785	0.97
2011	6,804,803	1,265,000	896,921	3.15	7,203,429	5,183,991	2,019,438	1,138,000	604,851	1.16
2012	7,167,371	1,300,000	863,972	3.31	7,586,695	5,570,557	2,016,138	1,183,000	452,854	1.23

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements

Operating expenses do not include interest, depreciation, or amortization costs

DEMOGRAPHIC AND ECONOMIC INFORMATION

RIVERTON CITY CORPORATION, UTAH

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	27,819	$ 514,781,910	$ 18,505	5.9%
2003	29,006	547,014,048	18,859	5.8%
2004	30,118	582,693,097	19,347	5.1%
2005	32,089	665,666,857	20,744	4.1%
2006	35,000	754,332,547	21,552	2.9%
2007	37,500	871,926,242	23,251	2.6%
2008	39,751	851,523,644	21,421	3.6%
2009	40,420	825,962,955	20,435	6.9%
2010	38,753	722,189,375	18,636	6.8%
2011	39,489	746,857,921	18,913	6.0%

Note:

*2011 personal income amount not available; estimated based on average change from previous three years

Unemployment rate is for the Salt Lake City, UT Metropolitan Statistical Area

The population reported for 2002 thru 2009 and 2011 are estimates; however, the 2010 population reported is the actual number from the United States Census Bureau

Sources: Unemployment rate – www.bls.gov; Personal income – www.tax.utah.gov/esu/income

RIVERTON CITY CORPORATION, UTAH

Principal Employers

Current Year and Nine Years Prior

	2012			2003		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
LDS Church	1226	1	15.71%			
Jordan School District	1110	2	14.22%	657	2	26.42%
Riverton IHC Hospital	550	3	7.05%			
Stampin Up	400	4	5.12%			
Wal-Mart	336	5	4.30%			
Home Depot	135	6	1.73%			
Kohl's	112	7	1.43%			
Lowe's	100	8	1.28%			
Peterson's Food Town	95	9	1.22%	130	3	5.23%
Riverton City	89	10	1.14%	70	6	2.81%
Intel Corporation				700	1	28.15%
Fresh Market				128	4	5.15%
Salt Lake County Sheriff				82	5	3.30%
Burger King				48	7	1.93%
Newman Construction				35	8	1.41%
Riverbend Golf Course				29	9	1.17%
Riverton Music				29	10	1.17%

Sources: Various employers as noted above and the Wasatch Front Regional Council

OPERATING INFORMATION

RIVERTON CITY CORPORATION, UTAH

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
General government										
Legislative	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Executive	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Administration	2.000	2.000	3.000	3.000	4.000	3.000	3.000	3.000	3.000	3.000
Facilities maintenance	2.500	2.500	2.000	2.000	2.000	5.000	4.000	5.000	5.000	2.000
Recorder	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Attorney	-	-	-	-	1.000	2.000	2.000	2.000	2.000	3.000
Finance	6.000	6.000	5.500	4.500	5.150	5.625	7.625	7.625	7.000	8.000
Justice court	2.500	2.500	2.500	3.000	3.000	2.750	2.500	2.500	2.500	2.500
Utility billing	3.000	3.000	3.000	3.000	3.000	4.000	3.000	3.000	3.000	3.000
Economic development	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	-
Planning and zoning	4.000	4.000	4.000	4.000	4.000	4.000	4.000	3.000	2.000	2.000
Public safety										
Building inspections	4.000	4.000	4.000	6.000	5.000	6.000	4.000	4.000	3.000	3.000
Ordinance enf./animal control	3.000		3.250			4.000	3.000	3.750	3.500	1.500
Crossing guards	12.000	12.000	12.000	12.000	-	-	-	-	-	-
Parks and recreation										
Parks	8.000	10.000	11.000	11.000	12.000	12.000	2.000	2.000	2.000	6.000
Recreation	2.000	2.000	4.500	5.000	5.000	5.000	4.000	4.000	3.500	4.500
Senior center	0.500	0.500	0.750	0.750	0.750	1.000	1.000	0.750	1.750	1.000
Highways and public improvements										
Engineering	6.000	6.000	6.000	6.500	6.500	10.500	10.000	11.000	11.000	11.000
Fleet	-	-	-	-	1.000	1.000	2.000	1.000	1.000	1.000
Street maintenance	7.000	8.000	9.000	9.000	9.500	9.500	9.500	11.500	9.500	9.500
Street lighting	-	-	-	-	-	-	-	-	2.000	2.000
Storm water	-	-	-	-	-	-	-	-	2.000	4.000
Sanitation	-	-	1.000	1.000	1.000	1.000	-	-	-	-
Water	11.000	13.000	15.000	15.000	15.000	15.000	16.000	16.000	16.000	17.000
Total full-time equivalent employees	**79.500**	**81.500**	**92.500**	**91.750**	**83.900**	**97.375**	**83.625**	**86.125**	**85.750**	**89.000**

Note:

Prior to 2011, street lighting was included with street maintenance; Storm water is a new department for 2011 --- *Source: Riverton City Corporation Human Resources*

RIVERTON CITY CORPORATION, UTAH

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
General government										
Building permits issued	323	538	1,028	730	384	155	115	126	101	90
Public works										
Asphalt overlay contract (square feet)	18,873	47,700	92,182	81,441	86,618	77,606	63,044	65,647	87,370	104,415
Asphalt slurry/chip contract (square feet)					250,441	88,700	204,187	290,660	256,284	190,022
Asphalt replaced for pot holes (square feet)						6,167	17,579	22,297	4,984	17,759
Concrete sidewalk replaced (square feet)						2,275	7,319	10,255	7,915	8,770
Concrete curb replaced (linear feet)						35	925	997	278	192
Trip hazards completed								132	242	250
Street light repairs by city								359	710	680
Signs repaired						13	173	97	161	415
Street miles swept								1,545	2,121	2,293
Catch basins cleaned						-	1,887	4,054	1,851	2,293
Parks and recreation										
Sandra N. Lloyd Community Center reservations									63	65
Community event participants				6,560	10,520	13,180	17,200	18,000	26,000	28,000
Community events held				8	9	10	12	13	13	13
Recreation program and class participants				1,776	3,105	3,090	2,893	3,100	5,200	5,400
Recreation programs held				17	23	23	20	20	38	38
Park pavilion reservations, citizen rentals				123	202	251	304	316	285	331
Park pavilion reservations, volunteer use										275
Park pavilion reservations, city use										32
C.R. Hamilton pavilion (includes volunteer use)									112	199
Pavilions available for reservation				3	6	7	10	11	11	11
Culinary water										
New connections	411	3	422	463	569	416	172	237	96	103
Average daily consumption (gal.)	3,693,919	3,522,524	3,543,056	3,424,329	3,705,524	4,016,177	3,640,358	3,911,348	3,821,953	4,191,038
Average daily consumption per capita (gal.)	127	117	110	98	99	101	90	97	99	106
Annual water usage										
Purchased from JVWCD (gal.)	202,339,809	202,665,638	202,013,980	202,013,980	202,013,980	202,013,980	202,013,980	800,585,000	130,637,000	258,048,000
Water from city wells (gal.)	1,145,940,593	1,083,055,596	1,091,201,321	1,047,866,064	1,150,502,199	1,263,890,691	1,126,716,682	627,057,000	1,264,376,000	1,271,681,000
Percent purchased from JVWCD	15.01%	15.76%	15.62%	16.16%	14.94%	13.78%	15.20%	56.08%	9.36%	16.87%

Notes:

The Parks and recreation program began in 2002; however, the above categories were not tracked until 2006; Sandra N. Lloyd; the Indoor C.R. Hamilton Pavilion opened in July 2010.

Asphalt, concrete, signs and catch basin categories within Public Works began tracking in the last quarter 2008

Asphalt overlays and slurry/chip seal contracts were combined until fiscal year 2007

Trip Hazards, Street Light Repairs and Street Miles Swept were not tracked until 2010

Park pavilion reservations for volunteer use and city use were not tracked until 2012

Source: Riverton City Corporation

RIVERTON CITY CORPORATION, UTAH

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function/Program										
Public Works										
Streets (miles)	111	113	124	124	134	134	137	137	137	137
Streetlight poles							689		2,999	3,016
Traffic signals	2	2	2	3	5	7	9	9	9	9
Parks and recreation										
Parks	16	16	19	22	23	23	27	29	31	31
Acreage	84.81	89.59	103.07	113.74	115.36	115.36	158.27	267.04	215.98	215.98
Trees								3,328	3,328	3,328
Pavilions	14	14	16	18	18	18	19	20	20	20
Restrooms	4	4	5	6	6	9	11	13	13	13
Playgrounds	14	15	18	21	22	24	25	26	28	28
Baseball/softball diamonds	10	10	10	10	10	10	16	21	20	20
Soccer/football fields	11	11	14	16	16	16	19	23	23	23
Water										
Culinary water lines (miles)	110	112	112	130	133	167	167	167	167	167
Culinary storage capacity	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Culinary water connections	6,661	6,664	7,086	7,549	8,118	8,534	8,706	8,943	9,039	9,142
Secondary water lines (miles)	76	76	76	76	128	162	171	171	171	171
Secondary water shares	2,190.0	2,446.0	2,782.0	3,285.0	3,778.5	3,983.5	4,069.5	4,137.5	4,205.5	4,214.5

Note:

Streetlight poles were not tracked until the end of fiscal year 2009; unable to obtain a count for fiscal year 2010

Trees were not inventories and tracked until fiscal year 2010

Sources: Riverton City Corporation and the Utah Department of Transportation