COMPREHENSIVE ANNUAL FINANCIAL REPORT

Riverton City Corporation

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Riverton City Corporation – State of Utah

RIVERTON CITY CORPORATION

State of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY:
RIVERTON CITY FINANCE DEPARTMENT

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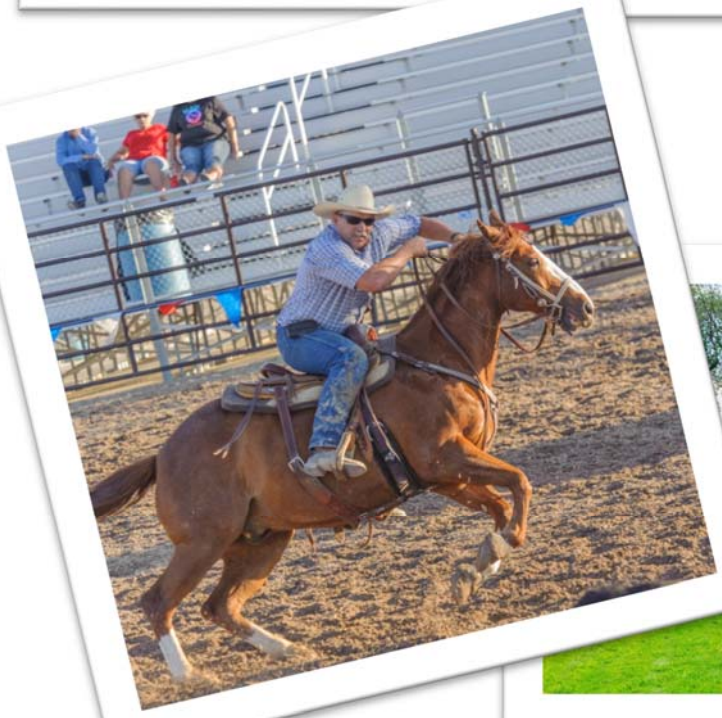
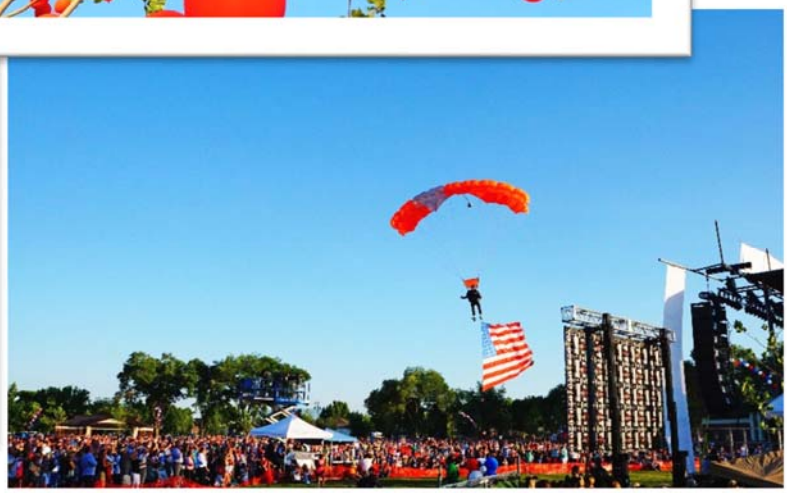


INTRODUCTORY SECTION

Finance Department



Government Finance Officers Association

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, 2015

Executive Director/CEO

LETTER OF TRANSMITTAL

Mayor
Bill Applegarth

City Council
Sheldon Stewart
Tricia Tingey
Paul Wayman
Trent Staggs
Brent Johnson

City Manager
Lance Blackwood

Finance Department

November 11, 2016

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, 2016, is hereby submitted. State law requires that all local governments publish, within 180 days 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 (GAAS) 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, 2016, were 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 concluded, 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, 2016, were fairly presented in conformity with GAAP. The independent auditor's report is included as the first component of the financial section of the CAFR.

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 auditor's report.

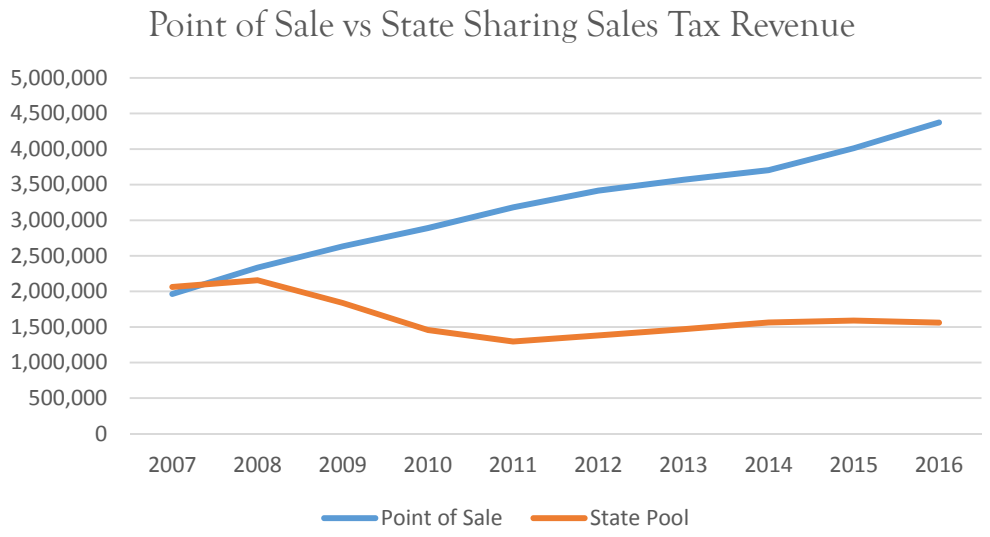
GOVERNMENT PROFILE

Riverton was incorporated as a City of the Third Class on July 3, 1967. The City is governed using a Mayor/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 street lighting, roadways and parks, as well as recreation and cultural events. The City also provides utility services for culinary water, secondary water, sanitation, and storm water. The boundaries of the City cover 12.6 square miles with a population of approximately 41,900 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. Riverton's sales tax base is becoming more diversified, although the City's sales tax revenue is still primarily generated by the general retail sector



During fiscal year 2015, an upscale, mixed-use development was announced and will be built on land between the Bangerter Highway and the Mountain View Corridor on the City's west side. The project, Mountain View Village, will be constructed by CenterCal Properties, LLC and will include a vibrant collection of tenants including grocery stores, restaurants, coffee shops, day care and other retail shops. The mix of uses, design, and aesthetic characteristics will make Mountain View Place a destination for the entire region.

In the City's downtown area, over three hundred residential units have recently been completed or are in the planning phases of development. The growth in residential population, along with new commercial development, continues to

meet the Council's strategic goal to revitalize the City's downtown area. Revitalization efforts have greatly increased the potential for higher sales tax revenue from stores and restaurants in the City's downtown area.

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, culinary and secondary water systems, 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 goals 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 regarding 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, 2015. 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 GAAP 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, 2015. 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 genuine 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 and our Mayor, Bill Applegarth, for their dedication to the City of Riverton and their leadership and support of City Staff.

Sincerely,

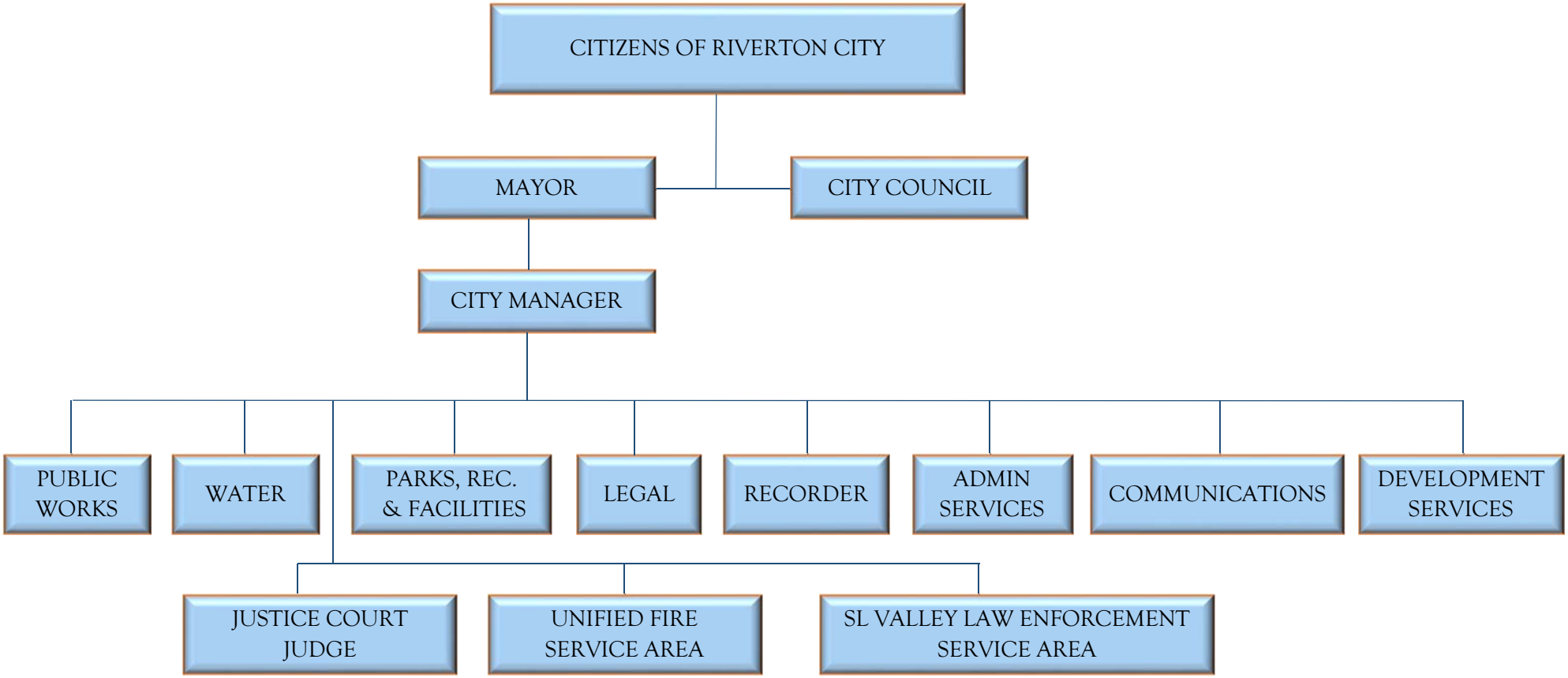
Lance E. Blackwood

Lance Blackwood
City Manager

Lisa Dudley

Lisa Dudley
Administrative Services Director

ORGANIZATIONAL CHART



ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS

Mayor.....Bill Applegarth

District 1 Council Member .....Sheldon Stewart

District 2 Council Member .....Tricia Tingey

District 3 Council Member .....Paul Wayman

District 4 Council Member ..... Trent Staggs

District 5 Council Member .....Brent Johnson

APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager .....Lance Blackwood

City Attorney.....Ryan Carter

City Engineer / Public Works Director ..... Trace Robinson

Administrative Services Director ..... Lisa Dudley

Development Services Director .....Jason Lethbridge

City Recorder .....Virginia Loader

Parks and Public Services Director ..... Sheril Garn

Water Director .....D. Scott Hill

Communications Manager .....Angela Trammell

City Treasurer.....Jiny Proctor

Justice Court Judge.....Greg Bown

FINANCIAL SECTION

Finance Department

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Robert D. Wood, CPA

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Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

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

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue redevelopment agency fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-26 and pension schedules on page 69 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison information, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison

information are fairly stated, in all material respects, in relation to the basic 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 any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2016, on our consideration of the City's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed inp accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

October 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2016. 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 2016 by $263.3 million. Of this amount, unrestricted net position of $15.5 million may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's governmental activities revenue increased from $15.0 million in fiscal year 2015 to $15.7 million in fiscal year 2016. The increase of $700 thousand is largely attributable to increases in development fees and an increase in sales tax.

- The 2016 increase in net position for governmental activities of $382 thousand consisted of net program expenses of $7.8 million, transfers out of $700 thousand, and general revenues of $8.8 million. The 2015 decrease in net position of $1.5 million for governmental activities was the result of net program expenses of $9.0 million, transfers out of $941.5 thousand, and general revenues of $8.4 million.

- Program revenues received in the form of capital grants and contributions decreased $289 thousand from 2015 to 2016. The decrease can be attributed the delay of a large commercial development project in the Western Commercial District (WCD). The subsidy from the General Fund to the Sanitation Fund resulted in a net transfer out for governmental activities of $700 thousand in fiscal year 2016.

- Net position increased in business-type activities by $4.1 million in fiscal year 2016 compared to a $4.3 million increase during fiscal year 2015. The increase of $4.1 million in the current year is the aggregate result of several factors specifically in the culinary water enterprise fund. In May of 2015, the City Council made the decision to switch its culinary water source from City owned wells to purchasing all of the City's culinary needs from Jordan Valley Water Conservancy District (JVWCD). The conversion to JVWCD required a change in the fee schedule for water consumption. The conversion resulted in an increase in culinary water purchases, a business-type expense, and an increase in culinary water sales, a business-type charge for service. In addition, business-type activities reported an operating transfer–in of $700 thousand from the General Fund to the Sanitation Fund.

- At June 30, 2016, the total fund balance for the City's General Fund was $2.0 million. Total fund balance is divided into three categories: nonspendable fund balance of $61 thousand for prepaid expenditures, restricted fund balance of $699 thousand for Class C Roads, and unassigned fund balance of $1.3 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 are comprised of three components: 1) government–wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Immediately following the basic financial statements, required supplementary information (RSI) is included with supporting notes to the RSI. 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 Position and the Statement of Activities.

The Statement of Net Position presents information on all of Riverton City's assets, deferred outflows, liabilities, deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position provide an indication of whether the financial condition of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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, charges for services, 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, 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 of 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 adequate 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 Position and the Statement of Activities) and governmental

activities reported in governmental funds statements 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 –Riverton Economic Development Infrastructure and Investment Fund (REDIIF)
- Special revenue fund – Redevelopment Agency of Riverton City

Nonmajor governmental funds:

- Capital projects fund – community impact parks
- Capital projects fund – community impact roads
- Capital projects fund – capital improvements

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 four individual enterprise funds. Information is presented separately in the proprietary funds Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position. All proprietary funds of the City are major funds.

Major proprietary funds:

- Culinary water
- Secondary water
- Sanitation
- Storm water

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.

REQUIRED SUPPLEMENTARY INFORMATION

The Government Accounting Standards Board (GASB) released Statement No. 68, Accounting and Financial Reporting for Pensions in June of 2012. The scope of this statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. This statement is an amendment of GASB Statement No. 27.

The included Required Supplementary Information details the City's proportionate share of the net pension liability or asset as well as the City's pension contributions in relation to covered employee payroll.

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 and the Redevelopment Agency special revenue fund.

GOVERNMENT–WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. In the case of Riverton City, assets exceeded liabilities by $263.3 million at the close of fiscal 2016. By far, the largest portion of the City's net position ($235.9 million or 89.6%) reflects its net investment in capital assets. The City uses its 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 position ($11.9 million or 4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($15.5 million or 5.9%) may be used to meet the City's ongoing obligations to its residents and creditors.

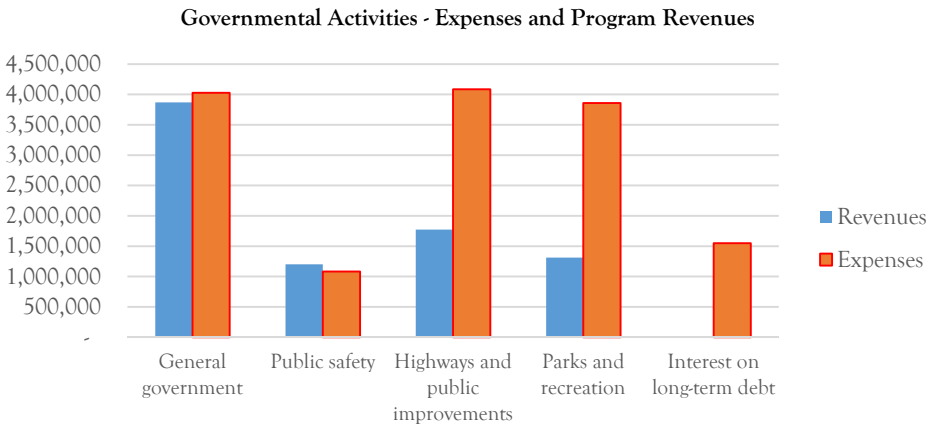
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 13,666,197	$ 11,925,293	$ 19,138,486	$ 16,602,979	$ 32,804,683	$ 28,528,272
Capital assets	185,577,048	187,991,170	93,922,862	93,272,754	279,499,910	281,263,924
Total Assets	199,243,245	199,916,463	113,061,348	109,875,733	312,304,593	309,792,196
Total deferred outflows of resources	1,315,343	510,826	1,038,432	703,712	2,353,775	1,214,538
Current and other liabilities	2,904,392	3,100,142	2,835,220	2,250,206	5,739,612	5,350,348
Long-term liabilities	36,579,481	36,773,069	8,753,793	9,950,057	45,333,274	46,723,126
Total Liabilities	39,483,873	39,873,211	11,589,013	12,200,263	51,072,886	52,073,474
Total deferred inflows of resources	194,125	178,102	128,979	118,734	323,104	296,836
Net position:						
Net investment in capital assets	150,440,957	152,688,514	85,404,222	83,417,451	235,845,179	236,105,965
Restricted	5,270,736	4,572,671	6,617,159	5,436,701	11,887,895	10,009,372
Unrestricted	5,168,897	3,114,791	10,360,407	9,406,296	15,529,304	12,521,087
Total Net Position	$ 160,880,590	$ 160,375,976	$ 102,381,788	$ 98,260,448	$ 263,262,378	$ 258,636,424

Fiscal year 2016 revenues of $29.5 million exceeded expenses of $25.0 million, resulting in an increase in net position of $4.5 million, compared with the fiscal year 2015 increase in net position of $2.8 million. The difference in net position between the two years is primarily due to the increase in water consumption rates that took effect at the end of fiscal year 2015.

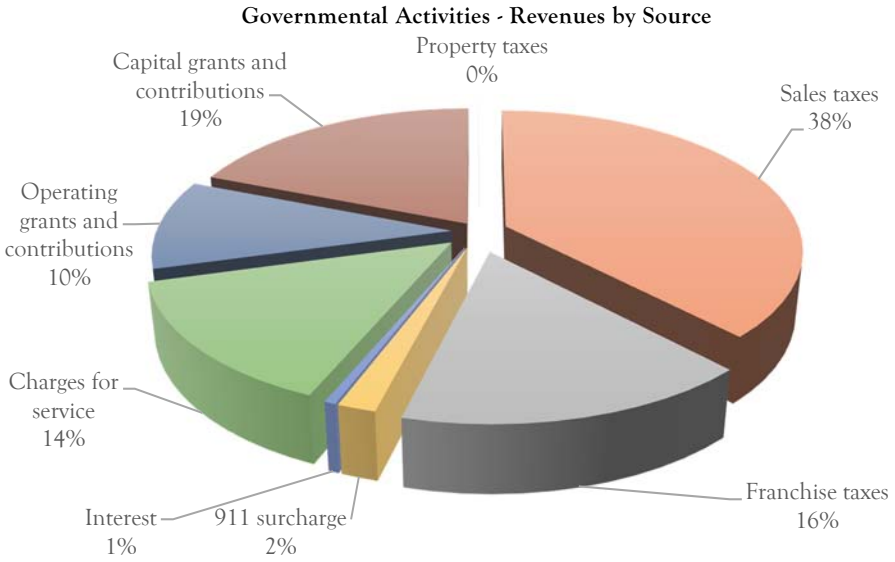
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	$ 2,252,259	$ 1,866,877	$ 12,363,577	$ 9,827,996	$ 14,615,836	$ 11,694,873
Operating grants and contributions	1,616,502	1,532,594	-	-	1,616,502	1,532,594
Capital grants and contributions	2,982,697	3,271,716	1,392,171	2,899,907	4,374,868	6,171,623
General revenues:						
Property taxes	2,566	7,663	-	-	2,566	7,663
Sales taxes	5,935,097	5,601,642	-	-	5,935,097	5,601,642
Franchise taxes	2,538,504	2,436,228	-	-	2,538,504	2,436,228
911 taxes	277,752	257,879	-	-	277,752	257,879
Interest income	81,774	73,397	85,110	49,472	166,884	122,869
Gain (loss) on disposition of assets	-	-	-	3,063	-	3,063
Total Revenues	15,687,151	15,047,996	13,840,858	12,780,438	29,528,009	27,828,434
Expenses:						
General government	4,027,942	4,799,704	-	-	4,027,942	4,799,704
Public safety	1,081,649	935,461	-	-	1,081,649	935,461
Highways and public improvements	4,086,277	4,717,252	-	-	4,086,277	4,717,252
Parks and recreation	3,859,128	3,605,841	-	-	3,859,128	3,605,841
Interest on long-term debt	1,550,342	1,611,560	-	-	1,550,342	1,611,560
Culinary water	-	-	4,700,864	3,862,349	4,700,864	3,862,349
Secondary water	-	-	2,833,363	2,750,892	2,833,363	2,750,892
Sanitation	-	-	1,365,505	1,315,396	1,365,505	1,315,396
Storm water	-	-	1,519,786	1,452,557	1,519,786	1,452,557
Total Expenses	14,605,337	15,669,818	10,419,518	9,381,194	25,024,855	25,051,012
Increase (decrease) in net position before transfers	1,081,814	(621,822)	3,421,340	3,399,244	4,503,154	2,777,422
Transfers	(700,000)	(941,495)	700,000	941,495	-	-
Increase (decrease) in net position	381,814	(1,563,317)	4,121,340	4,340,739	4,503,154	2,777,422
Net position - beginning	160,375,976	161,939,293	98,260,448	93,919,709	258,636,424	255,859,002
Prior period adjustment	122,800	-	-	-	122,800	-
Net position - ending	$ 160,880,590	$ 160,375,976	$ 102,381,788	$ 98,260,448	$ 263,262,378	$ 258,636,424

GOVERNMENTAL ACTIVITIES

The graph to the right depicts the City's 2016 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 tax, franchise taxes, 911 surcharge, interest income, etc.) are also utilized to provide services from governmental activities.



The following pie chart depicts revenues by source for governmental activities. Far greater than 50% of revenues (57%) is generated from two categories; 38% from sales tax and 19% from capital grants and contributions. Other taxes and surcharges accounted for 18% and the majority of the remaining 25% comes from operating grants and contributions and charges for services.



BUSINESS–TYPE ACTIVITIES

Business–type activities generated revenues of $13.8 million in fiscal year 2016 compared to $12.8 million in fiscal year 2015. The $1.0 million increase is largely attributable to an increase in culinary water fees.

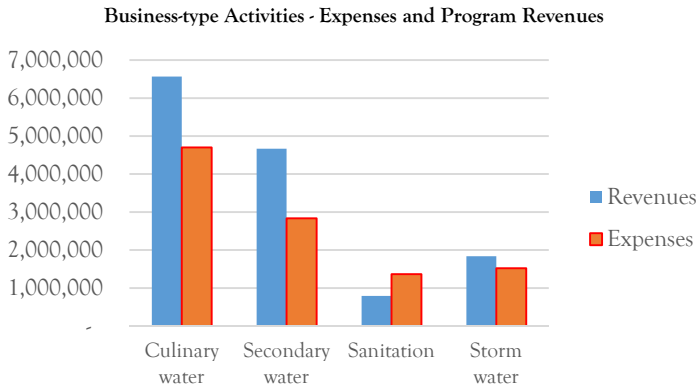
Income from an equity investment in a joint venture decreased from $512 thousand in fiscal year 2015 to $193 thousand in fiscal year 2016. Income from the joint venture is reported as nonoperating income in the proprietary fund financial statements and as a program revenue in the Statement of Activities.

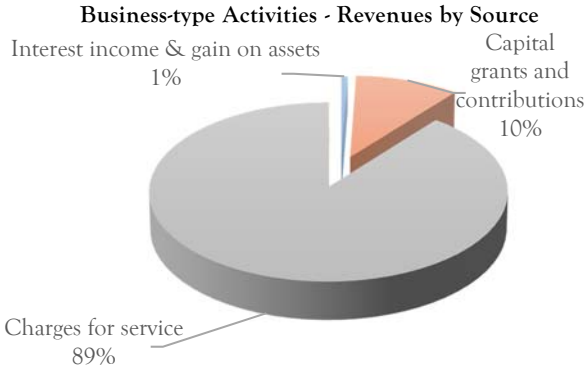
The amount received in capital contributions from development was $1.2 million in fiscal year 2016 compared to $2.5 million in fiscal year 2015, which reflects the timing of specific commercial development projects. Expenses for business–type activities were $1.0 million more in fiscal year 2016 than in the previous year. This increase is due to the conversion to JVWCD as previously discussed.

Interfund transfers are the reciprocal of those described in the governmental activities. Transfers in of $700 thousand in fiscal year 2016 represent the amount of subsidy from the General Fund to the Sanitation Fund compared to transfers in of $941.5 thousand in fiscal year 2015.

The graph to the right portrays the City's 2016 program revenues and expenses for business–type activities found on the Statement of Activities. Visually, it is easy to see that the charges for services for the sanitation program are not adequate to meet the program demands.

The pie chart depicts revenues by source for business–type activities. Nearly all of the revenues (99.0%) come from two categories; 89.0% of the revenue is generated from charges for services while 10.0% was received as capital contributions from development.





FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

GOVERNMENTAL FUNDS

The focus 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, 2016. All categories except the fund balance that is in nonspendable form is a measure of the available resources.

As the close of the fiscal year, governmental funds reported a combined fund balance of $10.0 million. Of the combined fund balance, $61 thousand is nonspendable prepaid expenditures; $123 thousand is nonspendable land held for resale; $5.3 million is restricted, this is the amount which is regulated by external agencies; $4.7 million is committed, City Council has set self–imposed limitations on these funds; $236 thousand is assigned, this money has an intended use determined by City Council through its capital improvements plan; the remaining amount negative $401 thousand is unassigned. This amount cannot be properly reported in any of the other four components discussed thus far. The negative unassigned fund balance is the sum of a positive $1.3 million in the General Fund and a negative $1.7 million in the RDA.

MAJOR GOVERNMENTAL FUNDS

The General Fund is responsible for all of the general services provided by Riverton City. At June 30, 2016, 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 2016 is at 13.1% of the current year's actual revenue, which is required by State law to be a minimum of 5% and a maximum of 25%. Fund balance at 13.1% demonstrates the City's General Fund is in a strong and healthy financial position.

The increase in sales tax and residential building permit fees contributed to the net change in fund balance in the General Fund of $401 thousand.

The REDIIF capital projects fund has a total fund balance of $7.6 million at June 30, 2016, categorized in the following ways: $2.9 million of unspent bond proceeds and legislative appropriations, which are restricted for projects and right of way acquisition and $4.7 million committed by ordinance for economic development.

The net change in fund balance in the REDIIF capital projects fund was an increase of $1.7 million, after transfers. Of the $1.7 million increase, $600 thousand is attributable to additional intergovernmental revenues and approximately a $100 thousand increase in franchise fees.

Another transaction that had a notable effect on the net change in fund balance is the bond premium which was received as part of the issuance of the 2016 franchise and sales tax revenue refunding bonds. This series of refunding bonds was issued to finance the refunding of series 2007 franchise and sales tax revenue bonds.

REDIIF expenditures were higher by $8.5 million in fiscal year 2015 owing to the use of bond proceeds from the 2013 franchise and sales tax revenue bonds, which was used to complete the renovation of a large regional City park. The park renovation project was substantially completed in fiscal year 2015.

REDEVELOPMENT AGENCY

At June 30, 2016, the RDA special revenue fund had a total fund balance of negative $1.6 million. Of the combined fund balance, $123 thousand is nonspendable land held for resale and the remaining amount of negative $1.7 million is unassigned. The $123 thousand in land held for resale is due to a prior period adjustment that is discussed further in Note No. 17.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no substantial budgetary amendments in fiscal year 2016; the cumulative effect of several small budget amendments resulted in an increase of $140 thousand in appropriations. The budget is closely monitored and adjusted as needed throughout the year. During fiscal year 2016, Council amended the budget when necessary adjusting budgeted revenues as well as expenditures.

The actual revenues in the General Fund received were 96.8% of the final budgeted revenues. The final budget, before transfers, included budgeted expenditures for the General Fund of $10.5 million. Actual expenditures totaled $9.1 million. The actual expenditures in the General Fund were 86.4% of appropriated amounts.

All recommended amendments for budgetary changes came through the Administrative Services Department to the City Council via resolution as required by State statute. Public hearings were properly noticed and conducted for formal budget amendments that require the approval of the Council. In accordance with State code, the Mayor approved 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 $235.8 million net of combined depreciation, amortization, and related debt at June 30, 2016. Types of assets included in this category are land, construction in progress, water shares, buildings and other improvements, machinery and equipment, and infrastructure. Note No. 7 addresses the City's investments in capital assets.

CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land and right of ways	$ 95,863,539	$ 95,499,808	$ 2,209,910	$ 2,209,910	$ 98,073,449	$ 97,709,718
Construction in progress	2,285,671	2,426,915	31,173	31,173	2,316,844	2,458,088
Water shares	-	-	12,475,604	12,137,139	12,475,604	12,137,139
Buildings	16,284,930	16,571,046	5,396,904	5,577,248	21,681,834	22,148,294
Improvements other than buildings	21,951,437	22,743,896	-	-	21,951,437	22,743,896
Machinery and equipment	1,992,079	2,102,073	1,449,207	911,522	3,441,286	3,013,595
Infrastructure	47,199,392	48,647,432	72,360,064	72,405,762	119,559,456	121,053,194
Total Capital Assets	$ 185,577,048	$ 187,991,170	$ 93,922,862	$ 93,272,754	$ 279,499,910	$ 281,263,924

OUTSTANDING DEBT

The basic financial statements, along with Note No. 10, provide a summary of the City's long–term debt. At June 30, 2016, Riverton City's bonded debt, including unamortized premiums, amounted to $44.4 million. All of the City's bonded debt is known as revenue bonds and is secured by specific revenue sources. Riverton City has $35.5 million of franchise and sales tax revenue bonds and $8.9 million of water revenue bonds.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Bonds payable	$ 35,495,071	$ 36,048,675	$ 8,920,327	$ 10,348,760	$ 44,415,398	$ 46,397,435
Total	$ 35,495,071	$ 36,048,675	$ 8,920,327	$ 10,348,760	$ 44,415,398	$ 46,397,435

ECONOMIC FACTORS

Sales tax collections for Riverton City continue to increase at an annual rate of approximately six percent, which has been an ongoing indicator of the strength and stability of Riverton City's economy.

Riverton City continues to enjoy significant annual growth in total permit-authorized construction. The value of new construction in Riverton City increased by over 11% during the 2015-2016 fiscal year, with a total value of new construction at $77.3 million in that period. New home prices increased by almost 9% percent in the same period. The reporting period also saw continued development in the Riverton City Redevelopment Agency's projects and expansion of the multi-family residential projects into other properties in the Downtown area.

This ongoing residential development in Riverton City's Downtown area continues to have a significant impact on the revitalization of the Downtown commercial base. Vasa Fitness has built a strong presence in the Downtown, and the Jordan School District's Jordan Applied Technology Center is thriving, as well. Both of these facilities occupy previously vacant space in the Downtown, which, coupled with small business growth and the expansion of existing Downtown businesses, is a strong sign of the effectiveness of revitalization efforts there.

Riverton City's commitment to development of infrastructure as part of its economic strategy has played a significant role in the decision by CenterCal Properties, LLC to select an 85-acre site in Riverton City's Western Commercial District (WCD) for the construction of a commercial/office/lifestyle center. CenterCal's project will include over a million square feet of retail and office space, as well as hotel and residential components. Riverton City's investments in the construction of new roads, in upgrading and maintaining existing roads, and partnerships with Utah Transit Authority and Utah Department of Transportation to explore transit and other transportation alternatives for the WCD and the City as a whole have been effective in managing current growth and planning for future growth in a way that provides a sustainable framework for development projects such as CenterCal's.

The City continues to participate in environmental and feasibility studies for the major capital transit project that would connect the Mid-Jordan TRAX line in Daybreak to the FrontRunner station in Draper. This connection would provide residents of Riverton City and the South Salt Lake Valley with high-quality transit service locally and with connectivity to the Utah Transit Authority's growing passenger rail system along the entire length of the Wasatch Front.

As Riverton City continues to enjoy and effectively manage significant residential and commercial growth, ongoing infrastructure and development projects further enhance the quality of life in Riverton, helping to attract and retain quality retail growth and expanded employment with high-paying jobs.

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, Utah 84065.

Basic Financial Statements

Finance Department

GOVERNMENT–WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION – JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 4,336,574	$ 7,634,133	$ 11,970,707
Receivables:			
Accounts	173,110	1,312,029	1,485,139
Taxes	1,340,194	-	1,340,194
Intergovernmental	293,647	-	293,647
Restricted cash and cash equivalents	5,098,228	6,690,520	11,788,748
Net pension asset	141	165	306
Notes receivable	2,240,610	-	2,240,610
Inventories	-	396,706	396,706
Prepaids	60,893	5,908	66,801
Land held for resale	122,800	152,865	275,665
Investments in joint ventures	-	2,946,160	2,946,160
Capital assets, not being depreciated:			
Land and right of ways	95,863,539	2,209,910	98,073,449
Construction in progress	2,285,671	31,173	2,316,844
Water shares	-	12,475,604	12,475,604
Capital assets, net of accumulated depreciation:			
Buildings and improvements	16,284,930	5,396,904	21,681,834
Improvements other than buildings	21,951,437	-	21,951,437
Machinery and equipment	1,992,079	1,449,207	3,441,286
Infrastructure	47,199,392	72,360,064	119,559,456
Total assets	**199,243,245**	**113,061,348**	**312,304,593**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	332,882	401,687	734,569
Deferred outflows related to pensions	982,461	636,745	1,619,206
Total deferred outflows of resources	**1,315,343**	**1,038,432**	**2,353,775**

(continued)

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

STATEMENT OF NET POSITION (continued) – JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	742,186	1,089,417	1,831,603
Accrued liabilities	185,046	83,398	268,444
Accrued interest payable	127,219	79,199	206,418
Developer and customer deposits	720,577	29,826	750,403
Unearned revenue	133,217	-	133,217
Noncurrent liabilities:			
Due within one year	996,147	1,553,380	2,549,527
Due in more than one year	34,710,710	7,521,676	42,232,386
Net pension liability	1,868,771	1,232,117	3,100,888
Total liabilities	**39,483,873**	**11,589,013**	**51,072,886**
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	194,125	128,979	323,104
Total deferred inflows of resources	**194,125**	**128,979**	**323,104**
NET POSITION			
Net investment in capital assets	150,440,957	85,404,222	235,845,179
Restricted for:			
Debt service	-	1,367,415	1,367,415
Projects and right of way acquisitions	3,614,477	-	3,614,477
Impact fees	1,656,259	5,249,744	6,906,003
Unrestricted	5,168,897	10,360,407	15,529,304
Total net position	**$ 160,880,590**	**$ 102,381,788**	**$ 263,262,378**

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

STATEMENT OF ACTIVITIES – JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	$ 4,027,942	$ 661,632	$ 31,130	$ -	$ (3,335,180)		$ (3,335,180)
Public safety	1,081,649	1,168,182	31,849	-	118,382		118,382
Highways and public improvements	4,086,277	12,412	1,553,523	2,081,115	(439,227)		(439,227)
Parks and recreation	3,859,128	410,033	-	901,582	(2,547,513)		(2,547,513)
Interest on long-term debt	1,550,342	-	-	-	(1,550,342)		(1,550,342)
Total governmental activities	14,605,337	2,252,259	1,616,502	2,982,697	(7,753,879)		(7,753,879)
Business-type activities							
Culinary water	4,700,864	6,042,541	-	522,065		$ 1,863,742	1,863,742
Secondary water	2,833,363	4,147,059	-	518,308		1,832,004	1,832,004
Sanitation	1,365,505	498,190	-	192,549		(674,766)	(674,766)
Storm water	1,519,786	1,675,787	-	159,249		315,250	315,250
Total business-type activities	10,419,518	12,363,577	-	1,392,171		3,336,230	3,336,230
Total primary government	25,024,855	14,615,836	1,616,502	4,374,868	(7,753,879)	3,336,230	(4,417,649)
General Revenues:							
Taxes							
Property					2,566	-	2,566
Sales					5,935,097	-	5,935,097
Franchise					2,538,504	-	2,538,504
911					277,752	-	277,752
Interest income					81,774	85,110	166,884
Transfers - net					(700,000)	700,000	-
Total general revenue and transfers					8,135,693	785,110	8,920,803
Change in net position					381,814	4,121,340	4,503,154
Net position - beginning					160,375,976	98,260,448	258,636,424
Prior period adjustment ***(see Note No. 17)***					122,800	-	122,800
Net position - ending					$ 160,880,590	$ 102,381,788	$ 263,262,378

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

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

GENERAL FUND

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 taxes and committed for economic development throughout Riverton City.

SPECIAL REVENUE FUNDS

The Redevelopment Agency of Riverton City (RDA) 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.

BALANCE SHEET – GOVERNMENTAL FUNDS – JUNE 30, 2016
RIVERTON CITY CORPORATION, UTAH

	Governmental Funds				
	General Fund	Capital Projects Fund REDIIF	Special Revenue Fund RDA	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,498,301	$ 2,242,504	$ 357,241	$ 238,528	$ 4,336,574
Restricted cash and cash equivalents	497,857	2,941,439	-	1,658,932	5,098,228
Receivables:					
Accounts	170,435	-	-	2,675	173,110
Property and sales taxes	1,046,917	-	-	-	1,046,917
Franchise taxes	-	246,389	-	-	246,389
911 surcharge	46,888	-	-	-	46,888
Intergovernmental	293,647	-	-	-	293,647
Notes receivable	-	1,870,000	370,610	-	2,240,610
Due from other funds	-	2,415,666	-	-	2,415,666
Prepaids	60,893	-	-	-	60,893
Land held for resale	-	-	122,800	-	122,800
Total assets	$ 3,614,938	$ 9,715,998	$ 850,651	$ 1,900,135	$ 16,081,722
LIABILITIES					
Accounts payable	$ 532,795	$ 199,042	$ 2,500	$ 7,849	$ 742,186
Accrued liabilities	183,167	1,879	-	-	185,046
Developer and customer deposits	716,716	3,861	-	-	720,577
Due to other funds	-	-	2,415,666	-	2,415,666
Unearned revenue	133,217	-	-	-	133,217
Total liabilities	1,565,895	204,782	2,418,166	7,849	4,196,692
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - notes receivable	-	1,870,000	-	-	1,870,000
Total deferred inflows of resources	-	1,870,000	-	-	1,870,000
FUND BALANCES					
Nonspendable:					
Prepaids	60,893	-	-	-	60,893
Land held for resale	-	-	122,800	-	122,800
Restricted:					
Projects and right of way acquisitions	-	2,941,439	-	-	2,941,439
Impact fees	-	-	-	1,656,259	1,656,259
Class C roads	699,136	-	-	-	699,136
Committed:					
Economic development	-	4,699,777	-	-	4,699,777
Assigned:					
Capital outlays	-	-	-	236,027	236,027
Unassigned	1,289,014	-	(1,690,315)	-	(401,301)
Total fund balances	2,049,043	7,641,216	(1,567,515)	1,892,286	10,015,030
Total liabilities, deferred inflows of resources and fund balances	$ 3,614,938	$ 9,715,998	$ 850,651	$ 1,900,135	$ 16,081,722

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

RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION – JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances for governmental funds (page 32)	$	10,015,030
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		185,577,048
Other long-term assets not available for current period expenditures and are therefore deferred in the funds balance sheet.		
Net pension asset		141
Deferred loss on refunding		332,882
Deferred outflows of resources relating to pensions		982,461
Deferred inflows of resources associated with the REDIIF capital projects fund notes receivable are removed in the Statement of Net Position.		1,870,000
Interest expense not due and payable in the current period and therefore, is not recorded in the funds.		(127,219)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.		(35,706,857)
Other items, including net pension liabilities, are not due and payable in the current period and, therefore, not reported in the funds.		(2,062,896)
Net position of governmental activities (page 29)	$	160,880,590

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS - FOR THE YEAR ENDED JUNE 30, 2016 RIVERTON CITY CORPORATION, UTAH

	Governmental Funds				
	General Fund	Capital Projects Fund REDIIF	Special Revenue Fund RDA	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 2,566	$ -	$ -	$ -	$ 2,566
Sales	5,935,097	-	-	-	5,935,097
Franchise	-	2,538,504	-	-	2,538,504
911	277,752	-	-	-	277,752
Licenses and permits	935,568	-	-	-	935,568
Intergovernmental	1,468,767	1,085,225	202,385	-	2,756,377
Charges for services	883,109	-	-	-	883,109
Rental income	117,309	-	-	-	117,309
Impact fees	-	-	-	1,185,006	1,185,006
Fines and forfeitures	158,929	-	-	-	158,929
Interest	20,198	25,415	19,997	16,164	81,774
Miscellaneous	78,149	100	-	-	78,249
Total revenues	9,877,444	3,649,244	222,382	1,201,170	14,950,240
EXPENDITURES					
Current:					
General government	3,672,237	43,145	28,561	-	3,743,943
Public safety	1,007,410	-	-	-	1,007,410
Highways and public improvements	2,070,934	-	-	-	2,070,934
Parks and recreation	2,259,897	-	-	-	2,259,897
Capital outlay	41,085	600,653	13,447	461,710	1,116,895
Debt service:					
Principal	-	761,000	-	-	761,000
Interest	-	1,532,079	-	-	1,532,079
Bond issuance costs	-	156,869	-	-	156,869
Total expenditures	9,051,563	3,093,746	42,008	461,710	12,649,027
Excess (deficiency) of revenues over (under) expenditures	825,881	555,498	180,374	739,460	2,301,213
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	10,180,000	-	-	10,180,000
Payment to bond escrow agent	-	(11,452,363)	-	-	(11,452,363)
Premium on bonds issued	-	1,471,674	-	-	1,471,674
Sale of capital assets	-	-	-	126,116	126,116
Transfers in	490,000	1,279,176	-	65,000	1,834,176
Transfers out	(915,000)	(340,000)	-	(1,279,176)	(2,534,176)
Total other financing sources (uses)	(425,000)	1,138,487	-	(1,088,060)	(374,573)
Net change in fund balances	400,881	1,693,985	180,374	(348,600)	1,926,640
Fund balances, beginning of year	1,648,162	5,947,231	(1,870,689)	2,240,886	7,965,590
Prior period adjustments ***(see note 17)***	-	-	122,800	-	122,800
Fund balances, end of year	$ 2,049,043	$ 7,641,216	$ (1,567,515)	$ 1,892,286	$ 10,015,030

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances for governmental funds (page 34)	$	1,926,640
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		1,430,056
Depreciation expense		(4,316,386)
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Asset deletions		(425,220)
Depreciation deletions		160,517
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.		736,911
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 position. 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. The amounts are the net effect of the differences in the treatment of long-term debt and related items.		
Issuance of Series 2016 Franchise and Sales Tax Revenue Refunding Bonds		(11,651,674)
Reduction of long-term liability		12,213,363
Amortization of bond premiums		166,790
Amortization of deferred loss		(37,435)
Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expenditure in the statement of activities.		146,013
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		9,251
Compensated absences		22,988
Change in net position of governmental activities (page 30)	$	381,814

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – GENERAL FUND – FOR THE YEAR ENDED JUNE 30, 2016 RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ -	$ -	$ 2,566	$ 2,566
Sales	6,017,700	6,017,700	5,935,097	(82,603)
911	315,000	315,000	277,752	(37,248)
Licenses and permits	951,500	1,001,500	935,568	(65,932)
Intergovernmental	1,683,000	1,700,850	1,468,767	(232,083)
Charges for services	819,800	821,800	883,109	61,309
Rental income	112,850	112,850	117,309	4,459
Fines and forfeitures	167,500	167,500	158,929	(8,571)
Interest	5,000	5,000	20,198	15,198
Miscellaneous	30,000	65,000	78,149	13,149
Total revenues	10,102,350	10,207,200	9,877,444	(329,756)
EXPENDITURES				
General government:				
Legislative	76,800	76,800	61,497	15,303
Executive	17,450	17,450	16,597	853
Judicial	44,750	44,750	35,460	9,290
Administrative	209,250	194,750	145,021	49,729
Recorder	11,000	10,830	8,801	2,029
Contract services	29,500	29,500	27,250	2,250
Utilities and taxes	480,700	490,950	448,212	42,738
Central purchasing	21,000	21,000	20,881	119
Finance	34,000	74,000	60,575	13,425
Elections	46,000	18,500	18,254	246
Planning and zoning	274,700	286,700	90,514	196,186
Attorney's office	15,800	15,800	6,371	9,429
Insurance	199,000	191,500	148,801	42,699
Computer/IT	304,500	309,670	288,479	21,191
Building maintenance and repair	313,500	329,000	331,517	(2,517)
City committees and boards	13,280	13,280	12,280	1,000
Total general government	2,091,230	2,124,480	1,720,510	403,970
Public safety:				
Law enforcement	543,000	543,000	504,132	38,868
Building inspection	48,100	48,100	53,634	(5,534)
Code enforcement	10,800	10,800	891	9,909
Emergency preparedness	3,000	3,000	2,143	857
Total public safety	604,900	604,900	560,800	44,100

(continued)

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – GENERAL FUND (continued) FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Highways and public improvements:				
Fleet maintenance	$ 127,550	$ 127,550	$ 106,588	$ 20,962
Engineering	54,185	78,185	47,344	30,841
Street lighting	114,300	114,050	74,080	39,970
Streets	496,950	558,550	255,053	303,497
Total highways and public improvements	792,985	878,335	483,065	395,270
Parks and recreation:				
Parks	771,300	792,800	601,159	191,641
Recreation	137,570	137,570	135,140	2,430
Cemetery	18,500	18,500	10,500	8,000
Celebration	189,850	189,850	176,467	13,383
Utilities	186,900	186,650	139,521	47,129
Total parks and recreation	1,304,120	1,325,370	1,062,787	262,583
Wages and benefits	5,538,000	5,538,000	5,224,401	313,599
Total expenditures	10,331,235	10,471,085	9,051,563	1,419,522
Excess (deficiency) of revenues over (under) expenditures	(228,885)	(263,885)	825,881	1,089,766
OTHER FINANCING SOURCES (USES)				
Transfers in	731,245	754,795	490,000	(264,795)
Transfers out	(950,000)	(1,015,000)	(915,000)	100,000
Net other financing sources (uses)	(218,755)	(260,205)	(425,000)	(164,795)
Net change in fund balance	$ (447,640)	$ (524,090)	400,881	$ 924,971
Fund balance, beginning of year			1,648,162	
Fund balance, end of year			$ 2,049,043	

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL – REDEVELOPMENT AGENCY OF RIVERTON CITY FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ 240,000	$ 240,000	$ 202,385	$ (37,615)
Interest	-	-	19,997	19,997
Total revenues	240,000	240,000	222,382	(17,618)
EXPENDITURES				
Current:				
General government	53,000	253,508	28,561	224,947
Capital outlay:				
Project expenditures	63,500	63,500	13,447	50,053
Total expenditures	116,500	317,008	42,008	275,000
Excess (deficiency) of revenues over (under) expenditures	123,500	(77,008)	180,374	257,382
OTHER FINANCING SOURCES (USES)				
Transfers in	201,400	201,400	-	(201,400)
Transfers out	(221,500)	(163,745)	-	163,745
Total other financing sources (uses)	(20,100)	37,655	-	(37,655)
Net change in fund balance	$ 103,400	$ (39,353)	180,374	$ 219,727
Fund balance, beginning of year			(1,870,689)	
Prior period adjustments (see note 17)			122,800	
Fund balance, end of year			$ (1,567,515)	

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. The culinary water system is comprised of approximately 167 miles of water transmission and distribution lines providing over 4,000 acre-feet of culinary water to the residents of the City.

SECONDARY WATER FUND

This fund accounts for activities of the City's secondary water system. The secondary water system is comprised of two deep wells, three shallow wells and approximately 171 miles of pipeline. The secondary water system was designed to provide pressurized water for outdoor watering needs, including residential sprinkling system. By using lower-grade, non-potable water sources to meet outdoor water needs, the City is able to extend the useful life of the culinary water system and adds additional capacity to meet the growing culinary water needs of the City.

SANITATION FUND

This fund is used to account for the activities relating to providing solid waste collection services to the residents of the City.

STORM WATER FUND

This fund accounts for activities of the City's storm water system. Created July 1, 2010, the storm water utility fee helps the City finance operations to be in compliance with The Utah Water Quality Act. This law requires cities to protect streams, rivers, and lakes in their jurisdictions from polluted storm water.

STATEMENT OF NET POSITION – PROPRIETARY FUNDS – JUNE 30, 2016
RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 6,470,512	$ 53,077	$ 179,168	$ 931,376	$ 7,634,133
Restricted cash and cash equivalents	2,321,163	3,186,488	-	1,182,869	6,690,520
Accounts receivable, net	604,720	408,457	47,560	251,292	1,312,029
Due from other funds	2,113,275	-	-	-	2,113,275
Prepaids	2,844	2,844	-	220	5,908
Inventories	314,032	82,674	-	-	396,706
Land held for resale	-	152,865	-	-	152,865
Total current assets	11,826,546	3,886,405	226,728	2,365,757	18,305,436
Noncurrent assets:					
Capital assets:					
Land	545,628	1,348,241	-	316,041	2,209,910
Water shares	-	12,475,604	-	-	12,475,604
Construction in progress	31,173	-	-	-	31,173
Buildings	4,051,642	3,132,144	-	-	7,183,786
Infrastructure	36,278,379	39,901,878	-	35,031,739	111,211,996
Machinery and equipment	1,364,349	630,421	-	389,427	2,384,197
Accumulated depreciation	(14,330,018)	(12,350,108)	-	(14,893,678)	(41,573,804)
Net capital assets	27,941,153	45,138,180	-	20,843,529	93,922,862
Other assets:					
Equity investment in joint venture	-	-	2,946,160	-	2,946,160
Net pension asset	103	37	3	22	165
Total other assets	103	37	2,946,163	22	2,946,325
Total noncurrent assets	27,941,256	45,138,217	2,946,163	20,843,551	96,869,187
Total assets	39,767,802	49,024,622	3,172,891	23,209,308	115,174,623
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	401,687	-	-	401,687
Deferred outflows related to pensions	312,905	194,304	16,192	113,344	636,745
Total deferred outflows of resources	312,905	595,991	16,192	113,344	1,038,432

(continued)

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS (continued) – JUNE 30, 2016
RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
LIABILITIES					
Current liabilities:					
Accounts payable	$ 475,812	$ 149,426	$ 195,084	$ 269,095	$ 1,089,417
Accrued liabilities	41,447	25,946	2,276	13,729	83,398
Developer and customer deposits	14,150	-	-	15,676	29,826
Due to other funds	-	2,113,275	-	-	2,113,275
Accrued interest payable	-	79,199	-	-	79,199
Compensated absences	16,145	9,835	828	4,139	30,947
Bonds payable	-	1,522,433	-	-	1,522,433
Total current liabilities	547,554	3,900,114	198,188	302,639	4,948,495
Noncurrent liabilities:					
Compensated absences	64,581	39,338	3,310	16,553	123,782
Net pension liability	611,940	372,107	31,009	217,061	1,232,117
Bonds payable	-	7,397,894	-	-	7,397,894
Total noncurrent liabilities	676,521	7,809,339	34,319	233,614	8,753,793
Total liabilities	1,224,075	11,709,453	232,507	536,253	13,702,288
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	64,358	38,772	3,231	22,618	128,979
Total deferred inflows of resources	64,358	38,772	3,231	22,618	128,979
NET POSITION					
Net investment in capital assets	27,941,153	36,619,540	-	20,843,529	85,404,222
Restricted for impact fees	2,528,402	1,795,826	-	925,516	5,249,744
Restricted for debt service	-	1,367,415	-	-	1,367,415
Unrestricted	8,322,719	(1,910,393)	2,953,345	994,736	10,360,407
Total net position	$ 38,792,274	$ 37,872,388	$ 2,953,345	$ 22,763,781	$ 102,381,788

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
OPERATING REVENUES					
Sales and charges for services	$ 4,739,165	$ 3,572,673	$ 463,828	$ 1,249,078	$ 10,024,744
Impact fees	1,194,097	569,629	-	426,508	2,190,234
Connection fees	91,980	-	-	-	91,980
Other revenue	17,299	4,757	34,362	201	56,619
Total operating revenues	6,042,541	4,147,059	498,190	1,675,787	12,363,577
OPERATING EXPENSES					
Wages and benefits	1,670,637	1,023,862	97,130	542,748	3,334,377
Utilities	165,927	321,095	-	11,775	498,797
Source and supply	1,713,618	129,988	-	-	1,843,606
Landfill fees	-	-	261,344	-	261,344
Sanitation charges	-	-	970,947	-	970,947
Shop and garage	89,536	73,108	-	15,448	178,092
System maintenance	158,149	32,219	-	31,918	222,286
Administrative	158,554	161,519	36,084	13,171	369,328
Depreciation	744,443	786,835	-	902,639	2,433,917
Total operating expenses	4,700,864	2,528,626	1,365,505	1,517,728	10,112,723
Operating income (loss)	1,341,677	1,618,433	(867,315)	158,059	2,250,854
NONOPERATING REVENUES (EXPENSES)					
Equity income of joint venture	-	-	192,549	-	192,549
Interest income	55,275	16,615	1,324	11,896	85,110
Interest expense	-	(304,737)	-	-	(304,737)
Gain/(loss) on disposal of assets	-	-	-	(2,058)	(2,058)
Total nonoperating revenues (expenses)	55,275	(288,122)	193,873	9,838	(29,136)
Income (loss) before contributions and transfers	1,396,952	1,330,311	(673,442)	167,897	2,221,718
Capital contributions	522,065	518,308	-	159,249	1,199,622
Transfers in	6,000	2,250	850,000	-	858,250
Transfers out	(100,000)	(20,000)	-	(38,250)	(158,250)
Change in net position	1,825,017	1,830,869	176,558	288,896	4,121,340
Total net position, beginning	36,967,257	36,041,519	2,776,787	22,474,885	98,260,448
Total net position, ending	$ 38,792,274	$ 37,872,388	$ 2,953,345	$ 22,763,781	$ 102,381,788

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
Cash flows from operating activities					
Receipts from customers and users	$ 5,705,082	$ 4,138,456	$ 495,629	$ 1,701,950	$ 12,041,117
Payments to suppliers	(2,223,965)	(702,876)	(1,263,402)	185,953	(4,004,290)
Payments to employees	(1,700,856)	(1,043,417)	(98,806)	(560,545)	(3,403,624)
Net cash provided (used) by operating activities	1,780,261	2,392,163	(866,579)	1,327,358	4,633,203
Cash flows from noncapital financing activities					
Transfers from other funds	6,000	2,250	850,000	-	858,250
Transfers to other funds	(100,000)	(20,000)	-	(38,250)	(158,250)
Advances to other funds	(250,000)	250,000	-	-	-
Net cash provided (used) by noncapital financing activities	(344,000)	232,250	850,000	(38,250)	700,000
Cash flows from capital and related financing activities					
Acquisition of capital assets	(747,090)	(444,597)	-	(694,774)	(1,886,461)
Principal paid on capital debt	-	(1,401,000)	-	-	(1,401,000)
Interest paid on capital debt		(246,021)		-	(246,021)
Net cash provided (used) by capital and related financing activities	(747,090)	(2,091,618)	-	(694,774)	(3,533,482)
Cash flows from investing activities					
Interest received	55,275	16,615	1,324	11,896	85,110
Net cash provided by investing activities	55,275	16,615	1,324	11,896	85,110
Net increase (decrease) in cash and cash equivalents	744,446	549,410	(15,255)	606,230	1,884,831
Cash and cash equivalents, beginning of year	8,047,229	2,690,155	194,423	1,508,015	12,439,822
Cash and cash equivalents, end of year	$ 8,791,675	$ 3,239,565	$ 179,168	$ 2,114,245	$ 14,324,653
Unrestricted cash	$ 6,470,512	$ 53,077	$ 179,168	$ 931,376	$ 7,634,133
Restricted cash	2,321,163	3,186,488	-	1,182,869	6,690,520
Total Cash	$ 8,791,675	$ 3,239,565	$ 179,168	$ 2,114,245	$ 14,324,653

(continued)

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	$ 1,341,677	$ 1,618,433	$ (867,315)	$ 158,059	$ 2,250,854
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	744,443	786,835	-	902,639	2,433,917
Net pension adjustment	(45,479)	(28,723)	(2,394)	(16,756)	(93,352)
Changes in assets and liabilities:					
Accounts receivable	(334,527)	(8,603)	(2,561)	10,487	(335,204)
Prepaids	4,408	3,246	-	122	7,776
Inventories	(99,310)	(33,000)	-	-	(132,310)
Accounts payable	156,721	44,807	4,973	258,172	464,673
Accrued liabilities	10,060	6,291	334	79	16,764
Deposits	(2,932)	-	-	15,676	12,744
Compensated absences	5,200	2,877	384	(1,120)	7,341
Net cash provided (used) by operating activities	$ 1,780,261	$ 2,392,163	$ (866,579)	$ 1,327,358	$ 4,633,203
Noncash investing, capital and financing activities					
Capital contributions - developers	$ 522,065	$ 518,308	$ -	$ 159,249	$ 1,199,622

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 Mayor/Council form of government with City Manager by ordinance. The governing body consists of six elected officials; a Mayor and five Council Members. Department heads are under the direction of the City Manager. The City provides the following services:

- General administrative services
- Public safety
- Highways and public improvements
- Street lighting
- Parks and recreation
- Community development
- Culinary water utility
- Secondary water utility
- Sanitation utility
- Storm water utility

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. 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 by 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 61 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, and 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. In addition to the redevelopment project area, the City may also have Economic Development Areas (EDA), or Community Development Areas (CDA) within the agency's boundaries. Collectively, any RDA, CDA and EDA project areas will be identified as the Riverton City RDA. 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 to impose its will upon the operations of the RDA. In conformity with GAAP, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT–WIDE AND FUND FINANCIAL STATEMENTS

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

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, parks and recreation, public safety, street lighting, and highways and public improvements, are classified as governmental activities. The City's culinary water, secondary water, sanitation, and storm water services are classified as business–type activities.

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

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 properly excluded from 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.

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.

The use of financial resources to acquire capital assets is 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 sources. Amounts paid to reduce long–term debt of the City are reported as reductions of the related liability.

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 satisfy current liabilities. 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,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

debt–service expenditures, as well as expenditures related to compensated absence, claims, and judgments are recorded only when payment is due.

Sales tax, franchise taxes, 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 *General 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 projects of the City.

- The *Redevelopment Agency of Riverton City – Special Revenue Fund* is used to account for the property tax increment received from other taxing entities, and the expenditures related to, any RDA, EDA, or CDA within the agency's boundaries.

The City reports the following major proprietary funds:

- The *Culinary Water Fund* accounts for the activities of the City's culinary water distribution system including billing customers, collections from customers, and system repairs and improvements.

- The *Secondary Water Fund* accounts for the activities of the City's secondary water distribution system including billing customers, collections from customers, and system repairs and improvements.

- The *Sanitation Fund* accounts for the activities of the City's solid waste collection operations including billing customers, collections from customers, garbage collection contract, and tipping and disposal fees.

- The *Storm Water Fund* accounts for the activities of the City's storm water collection system including billing customers, collections from customers, and system repairs and improvements.

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

Another exception to this rule is non-cash, or nonreciprocal, transfers that are recorded from the funds to account for the City's internal use of utilities that are not billed. The City has determined that it will not charge itself for any Riverton-provided utility services (culinary water, secondary water, sanitation, and storm water) used for municipal purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

Amounts reported as program revenues include 1.) Charges to customers or applicants for goods, services, or privileges provided, 2.) Tax increment received from other taxing entities, operating grants and contributions, and 3.) Capital grants and contributions, including special assessments. General revenues include all taxes imposed by the City.

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, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION

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. The City follows the Utah Money Management Act for all investments, which 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, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application.*

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

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

Other receivables at June 30, 2016, consist of intergovernmental revenue, sales tax, franchise taxes, grants, utility billings and notes receivable. The utility billings for charged services are billed to customers on a monthly basis. Unbilled service accounts receivable at June 30, 2016, 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 doubtful accounts is recorded. Specific details of the notes receivable are found in Note No. 14 and Note No. 16.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION (continued)

RESTRICTED ASSETS Certain assets are classified as restricted because their use is limited by independent third parties, enabling legislation, or other laws and statutes. These restrictions may include future debt service payments, unexpended portions of bonds issued for capital construction, unexpended Class "C" Revenue, unexpended impact fees, 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 10.91% 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 completed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment is depreciated using the straight–line half-year 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
Office furniture and equipment	10
Water distribution systems	60
Street lighting systems	30
Streets	30 - 40
Curbs, gutters, and sidewalks	40
Storm water collection systems	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 accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available, financial resources are reported as liabilities in the government–wide Statement of Net Position and as expenses in the government–wide Statement of Activities. No expenditures are reported for these amounts in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION (continued)

COMPENSATED ABSENCES (continued)

The General Fund and the REDIIF capital projects fund are the two governmental funds that are used for liquidating compensated absences.

Accumulated vacation leave and compensatory time of proprietary funds are recorded as expenses and liabilities 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. Compensatory time is earned based on Fair Labor Standards Act (FLSA) overtime rules and is fully vested when earned. The maximum number of compensatory time an employee can carry is 80 hours. When an employee leaves or is terminated, accumulated vacation and compensatory hours are paid out at his or her current hourly rate.

DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time.

Governmental funds report revenue that is unavailable as deferred inflows of resources, such as revenue from property taxes and special assessments. These amounts are deferred and recognized as revenue in the periods that they become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

PENSIONS For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) pension plans and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION (continued)

FUND BALANCE The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures, land-held for resale, and other similar assets not in 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 for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use through a superseding ordinance.

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. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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.

ESTIMATES The preparation of the financial statements in accordance with GAAP 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. 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. Annual budgets are established for all funds of the City. 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 (i.e. planning and zoning, parks and recreation, and engineering). Department Heads are responsible to the City Manager and City Council for operating within the budgets for departments. All annual budgets lapse at fiscal year–end.

Utah State law prohibits the appropriation of Fund Balance until the sum of unassigned, assigned, and committed General Fund balance 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 General Fund balance categories in any amount greater than 25% of the current year's actual revenues.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (continued)

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. The Mayor 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 Council 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 budget versus actual for governmental funds.

Expenditures in the capital projects funds are budgeted annually on a project–by–project basis. Annual budgets reflect the funding sources for each project.

TAX REVENUES

On or before June 22 of each year, the City sets the property tax rate. If the City intends to increase property tax revenues above that of the previous year, State law requires the City to provide public notice to property owners and to 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.

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 tax 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 taxes, and telecom taxes 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. As of June 30, accruals have been made for all fees due and payable to the City.

The ending fund balance in the RDA Special Revenue Fund is a deficit of $1.6 million. The deficit is the result of an interfund loan for property acquisitions. The loan has been properly established between the RDA special revenue fund and the REDIIF capital projects fund and will be reduced by annual payments from tax increment.

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 term deposits. Investments are stated at cost, which approximates 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 City's deposit and investment policy is to follow UMMA; 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.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2016, the City's demand deposits and cash on hand amounted to $2,705,195.

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

CUSTODIAL CREDIT RISK – DEPOSITS AND INVESTMENTS This is the risk that, in the event of a bank or counterparty failure, the City's deposits or investments may not be returned. As of June 30, 2016, the City held $4,693,987 with its bank. Of that amount, $4,443,987 of the City's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. As of June 30, 2016, the City had investments in the UPTIF of $19,047,944.

INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS

The Entity measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active marks;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

At June 30, 2016, the majority amount of the City's investments, totaling $19,047,944 was held at the UPTIF. Utah Public Treasurers' Investment Fund applied the June 30, 2016 fair value factor, as calculated by the Utah State Treasurer, to the City's daily balance in the Fund. The UPTIF investment is considered a Level 2 investment according to the fair value hierarchy.

This City has no investments that would be classified Level 1 or Level 3 according to the three–tier hierarchy.

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 UMMA. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments 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 Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Entity's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed. 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 and as previously stated, had a fair value of $19,047,944 at year end.

CONCENTRATION OF CREDIT RISK This is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. The UPTIF is highly diversified and must comply with various rules of the UMMA and Money Management Council.

4. RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted to use as follows as of June 30, 2016:

	Amount
Restricted cash - Governmental activities	
Restricted for "C" road funds	$ 497,857
Restricted for projects - unspent bond proceeds	26,098
Restricted for projects and debt service	826,777
Restricted for unspent legislative appropriations	2,088,564
Restricted for impact fees	1,658,932
Total governmental activities	5,098,228
Restricted cash - Business-type activities	
Restricted for debt service	1,367,415
Restricted for impact fees	5,323,105
Total business-type activities	6,690,520
Total restricted cash and cash equivalents	$ 11,788,748

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016, is as follows:

Due To	Due From	Amount
REDIIF	Redevelopment Agency	$ 2,415,666
Culinary water	Secondary water	2,113,275
		$ 4,528,941

The due to/due from other funds are the result of individual fund's cash flow needs. These fund level accounts have been eliminated at the government–wide financial statement level (Statement of Net Position). 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 to pay operating expenses. Such amounts for the fiscal year ended June 30, 2016, were as follows:

	In	Out
General	$ 490,000	$ 915,000
REDIIF	1,279,176	340,000
Nonmajor govermental funds	65,000	1,279,176
Culinary water	6,000	100,000
Secondary water	2,250	20,000
Sanitation	850,000	-
Storm water	-	38,250
	$ 2,692,426	$ 2,692,426

6. EQUITY INVESTMENT IN JOINT VENTURE

TRANS–JORDAN CITIES LANDFILL

The City has a 10.91% ownership in the Trans–Jordan Cities Landfill (Trans–Jordan), which is accounted for in the Sanitation Fund 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 5.17%, 8.35%, 29.86%, 10.24%, 14.06% and 21.42%, 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.

Annually, the City recognizes its pro–rata share of Trans–Jordan's operating income or loss. For fiscal year 2016, Trans–Jordan reported an increase in net position of $1,064,516. The City recognized an equity income from a joint venture of $192,549 in the Sanitation enterprise fund under the nonoperating revenues heading. This is the net effect of the City's share of the landfill's current year gain and a change in the City's percent of ownership in the landfill.

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. On July 1, 2012, the City fulfilled its obligation to make capital contributions at Trans–Jordan Cities Landfill.

The complete financial statements for Trans-Jordan Cities Landfill for the year ended June 30, 2016, can be obtained from Trans-Jordan Cities, 10873 South 7200 West, South Jordan, Utah, 84095.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	07/01/15	Increases	Decreases	Transfers	06/30/16
Governmental activities					
Capital assets, not being depreciated:					
Land and right of ways	$ 95,499,808	$ 363,731	$ -	$ -	$ 95,863,539
Construction in progress	2,426,915	81,373	-	(222,617)	2,285,671
Total capital assets, not being depreciated	97,926,723	445,104	-	(222,617)	98,149,210
Capital assets, being depreciated:					
Buildings	17,690,871	230,164	-	-	17,921,035
Building improvements	2,245,627	31,554	-	-	2,277,181
Improvements other than buildings	29,750,294	614,915	(58,681)	87,334	30,393,862
Machinery and equipment	918,577	64,365	-	-	982,942
Office furniture and equipment	1,423,502	70,466	-	-	1,493,968
Vehicles	2,282,425	324,167	(366,539)	-	2,240,053
Infrastructure: roadways	64,131,290	146,517	-	13,803	64,291,610
Infrastructure: curbs, gutters, and sidewalks	28,697,139	191,302	-	121,480	29,009,921
Infrastructure: street lights	10,099,717	48,413	-	-	10,148,130
Infrastructure: bridges	1,152,507	-	-	-	1,152,507
Total capital assets, being depreciated	158,391,949	1,721,863	(425,220)	222,617	159,911,209
Accumulated depreciation:					
Buildings	(2,244,930)	(445,141)	-	-	(2,690,071)
Building improvements	(1,120,522)	(102,693)	-	-	(1,223,215)
Improvements other than buildings	(7,006,398)	(1,484,382)	48,355	-	(8,442,425)
Machinery and equipment	(528,798)	(49,298)	-	-	(578,096)
Office furniture and equipment	(664,505)	(105,549)	-	-	(770,054)
Vehicles	(1,329,128)	(159,768)	112,162	-	(1,376,734)
Infrastructure: roadways	(35,412,721)	(880,289)	-	-	(36,293,010)
Infrastructure: curbs, gutters, and sidewalks	(14,572,179)	(721,338)	-	-	(15,293,517)
Infrastructure: street lights	(5,176,915)	(339,115)	-	-	(5,516,030)
Infrastructure: bridges	(271,406)	(28,813)	-	-	(300,219)
Total accumulated depreciation	(68,327,502)	(4,316,386)	160,517	-	(72,483,371)
Total capital assets being depreciated, net	90,064,447	(2,594,523)	(264,703)	222,617	87,427,838
Governmental capital assets, net	$ 187,991,170	$ (2,149,419)	$ (264,703)	$ -	$ 185,577,048

7. CAPITAL ASSETS (CONTINUED)

	07/01/15	Increases	Decreases	Transfers	06/30/16
Business-type activtities					
Capital assets, not being depreciated:					
Land	$ 2,209,910	$ -	$ -	$ -	$ 2,209,910
Water shares	12,137,139	338,465	-	-	12,475,604
Construction in progress	31,173	-	-	-	31,173
Total capital assets, not being depreciated	14,378,222	338,465	-	-	14,716,687
Capital assets, being depreciated:					
Buildings	7,183,786	-	-	-	7,183,786
Vehicles	873,729	680,217	(88,708)	-	1,465,238
Machinery and equipment	531,944	61,400	-	-	593,344
Office furniture and equipment	295,415	30,200	-	-	325,615
Culinary water system	35,461,735	816,642	-	-	36,278,377
Secondary water system	39,479,886	421,992	-	-	39,901,878
Storm water system	34,220,488	811,253	-	-	35,031,741
Total capital assets, depreciated	118,046,983	2,821,704	(88,708)	-	120,779,979
Accumulated depreciation:					
Buildings	(1,606,538)	(180,344)	-	-	(1,786,882)
Vehicles	(421,866)	(98,785)	12,564	-	(508,087)
Machinery and equipment	(284,270)	(28,976)	-	-	(313,246)
Office furniture and equipment	(83,430)	(30,227)	-	-	(113,657)
Culinary water system	(12,198,620)	(567,922)	-	-	(12,766,542)
Secondary water system	(10,611,739)	(662,010)	-	-	(11,273,749)
Storm water system	(13,945,988)	(865,653)	-	-	(14,811,641)
Total accumulated depreciation	(39,152,451)	(2,433,917)	12,564	-	(41,573,804)
Total capital assets being depreciated, net	78,894,532	387,787	(76,144)	-	79,206,175
Business-type capital assets, net	$ 93,272,754	$ 726,252	$ (76,144)	$ -	$ 93,922,862

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

Governmental activities:	
General government	$ 592,183
Public safety	14,628
Highways and public improvements	2,067,159
Parks and recreation	1,642,416
Total depreciation expense - governmental activities	$ 4,316,386
Business-type activities:	
Culinary water	$ 744,443
Secondary water	786,835
Storm water system	902,639
Total depreciation expense - business-type activities	$ 2,433,917

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 that are held by the City for construction projects until such time that refund or forfeiture is warranted.

10. LONG–TERM LIABILITIES

CHANGES IN LONG–TERM LIABILITIES

Long–term debt activity for the year ended June 30, 2016, was as follows:

	07/01/15	Increases	Decreases	06/30/16	Due in One Year
Governmental activities					
Bonds payable:					
Franchise and sales tax revenue bonds	$ 34,938,000	$ 10,180,000	$ (11,541,000)	$ 33,577,000	$ 787,000
Plus: unamortized premiums	1,110,675	1,471,674	(664,278)	1,918,071	166,790
Total bonds payable	36,048,675	11,651,674	(12,205,278)	35,495,071	953,790
Compensated absences	234,774	168,360	(191,348)	211,786	42,357
Governmental activities, long-term liabilities	$ 36,283,449	$ 11,820,034	$ (12,396,626)	$ 35,706,857	$ 996,147
Business-type activities					
Bonds payable:					
Water revenue bonds	$ 10,180,000	$ -	$ (1,401,000)	$ 8,779,000	1,495,000
Plus: unamortized premiums	168,760	-	(27,433)	141,327	27,433
Total bonds payable	10,348,760	-	(1,428,433)	8,920,327	1,522,433
Compensated absences	147,388	134,821	(127,480)	154,729	30,947
Business-type activities, long-term liabilities	$ 10,496,148	$ 134,821	$ (1,555,913)	$ 9,075,056	$ 1,553,380

10. LONG–TERM LIABILITIES (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. A portion of these bonds, $2,000,000, was refunded in 2012 with the issuance of the Series 2012 Franchise and Sales Tax Revenue	$ 205,000
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. A portion of these bonds, $10,180,000, was refunded in 2016 with the issuance of the Series 2016 Franchise and Sales Tax Revenue Refunding Bonds described below.	200,000
Series 2010 Franchise and Sales Tax Revenue Refunding 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, which were issued to finance road construction.	2,315,000
Series 2012 Franchise and Sales Tax Revenue Refunding Bonds, original issue of $2,268,000, principal due in annual installments beginning December 2013, interest at 2.386% due in semi-annual installments beginning June 2013, with the final payment due December 2024. The bonds were issued to finance the refunding of the series 2004A Franchise and Sales Tax Revenue Bonds.	2,177,000
Series 2013 Franchise and Sales Tax Revenue Bonds, original issue of $18,500,000, principal due in annual installments beginning December 2017, interest at 2.00% to 5.25% due in semi-annual installments beginning June 2014, with the final payment due December 2040. The bonds were issued to finance the costs of renovation and construction of the City's main regional park, other park open space improvements, and construction and equipping of a new law enforcement facility.	18,500,000
Series 2016 Franchise and Sales Tax Revenue Refunding Bonds, original issue of $10,180,000, principal due in annual installments beginning June 2018, interest at 2.00% to 5.00% due in semi-annual installments beginning June 2016, with the final payment due June 2031. The bonds were issued to finance the refunding of the series 2007 Franchise and Sales Tax Revenue Bonds.	10,180,000
Total franchise and sales tax revenue bonds - governmental activities	$ 33,577,000

10. LONG–TERM LIABILITIES (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 bonds, 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.	$ 312,000
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.	2,155,000
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.	3,345,000
Series 2013 Water Revenue Refunding Bonds, original issue of $5,501,000, principal due in annual installments beginning September 2013, interest at 0.68% to 1.75% due in semi-annual installments beginning September 2013, with the final payment due September 2018. The bonds were issued to refund a portion of the series 2004 Water Revenue Refunding Bonds.	2,967,000
Total water revenue bonds - business-type activities	$ 8,779,000

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 $9,937,234 compared to the principal and interest of $1,647,020. The current revenue recognized during the period for pledged Franchise and Sales Tax Revenue Bonds was $8,473,601 compared to the principal and interest of $2,293,079.

10. LONG–TERM LIABILITIES (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
2017	$ 787,000	$ 1,514,161	$ 2,301,161
2018	851,000	1,483,751	2,334,751
2019	923,000	1,456,948	2,379,948
2020	930,000	1,430,253	2,360,253
2021	1,021,000	1,401,603	2,422,603
2022-2026	5,735,000	6,430,469	12,165,469
2027-2031	7,170,000	5,016,088	12,186,088
2032-2036	6,940,000	3,300,754	10,240,754
2037-2041	9,220,000	1,229,549	10,449,549
	$ 33,577,000	$ 23,263,576	$ 56,840,576

Year Ending June 30,	Business-type Activities Water Revenue Bonds		
	Principal	Interest	Totals
2017	$ 1,495,000	$ 227,547	$ 1,722,547
2018	1,513,000	205,304	1,718,304
2019	1,548,000	179,088	1,727,088
2020	1,603,000	132,888	1,735,888
2021	1,600,000	65,650	1,665,650
2022-2023	1,020,000	30,900	1,050,900
	$ 8,779,000	$ 841,377	$ 9,620,377

CURRENT REFUNDING

In December 2015, the City issued $10,180,000 of Franchise and Sales Tax Revenue Refunding Bonds Series 2016. Total proceeds received from this transaction were $11,651,674 which included the par amount of the bonds and a net reoffering premium of $1,471,674. The bonds were used to defease $10,780,000 of Franchise and Sales Tax Revenue Bonds Series 2007.The transaction generated a $1,276,897 net present value savings over the remaining fifteen years until the bonds fully matured. $11,452,364 of the proceeds were placed into an irrevocable trust to provide for future debt service payments and funds necessary to call the Series 2007 bonds on their first call date. Accordingly, the trust assets and the liability for the Series 2007 are not included on the City's financial statements as this obligation has been legally defeased. The other use of the $11,651,674 proceeds from the Series 2016 bonds, was $199,310 of costs of issuance. The Series 2016 bonds were issued to generate substantial savings to the City on bond related interest expense.

11. CONDUIT DEBT OBLIGATIONS

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, 2016, the outstanding amount of this obligation is $225 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. The City is a member of an insurance risk pool known as the Utah Local Governments Trust (the Trust), which covers all of these risks except natural disasters. The City is covered under a general liability insurance policy, with a $5,000 deductible and a policy limit of $5 million for each claim. Claims against the City did not exceed insurance coverage in any of the past three years.

13. RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan description: Eligible plan participants are provided with pensions through Utah Retirement Systems (URS or systems). Utah Retirement Systems are comprised of the following pension trust funds:

DEFINED BENEFIT PLANS

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 System.

The Utah Retirement Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pensions (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

13. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

BENEFITS PROVIDED URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

**with actuarial reductions*

***All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

CONTRIBUTIONS As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

The table below outlines the required contribution rates.

System	Empl Paid	Paid by Empr for Empl	Empr Contr. Rate	Empr Rate for 401(k) Plan
Noncontributory System				
15 - Local Gov't				
Division Tier 1	n/a	n/a	18.47%	n/a
Contributory System				
111 - Local Gov't				
Division Tier 2	n/a	n/a	16.67%	1.78%
Tier 2 DC Only				
211 - Local Gov't	n/a	n/a	6.69%	10.00%

Tier 2 rates include a required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 842,727	n/a
Tier 2 Public Employees System	139,975	-
Tier 2 DC Only System	1,493	n/a
Total Contributions	**$ 984,195**	**$ -**

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

13. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

PENSION ASSETS, LIABILITIES, EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2016, the City had a net pension asset of $306 and a net pension liability of $3,100,888.

System	Proport. Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.5480%	$ -	$ 3,100,888
Tier 2 Public Employees System	0.1404%	306	-
Total Net Pension Asset / Liability		**$ 306**	**$ 3,100,888**

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2016, the City recognized pension expense of $744,811. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 148,540
Changes in assumptions	-	174,564
Net difference between projected and actual earnings on pension plan investments	1,055,112	-
Changes in proportion and differences between contributions and proportionate share of contributions	83,067	-
Contributions subsequent to the measurement date	481,027	-
Total	**$1,619,206**	**$ 323,104**

The City reported $481,027 as deferred outflows of resources related to pensions resulting from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2015. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2016	$ 188,339
2017	188,339
2018	191,389
2019	251,716
2020	(863)
Thereafter	(3,846)

13. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50 - 10.50%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

		Expected Return Arithmetic Basis	
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term expected portfolio real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equiv.	0%	0.00%	0.00%
Totals	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

DISCOUNT RATE The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

13. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION ASSET AND LIABILITY TO CHANGES IN THE DISCOUNT RATE The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

System	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Noncontributory System	$ 6,551,869	$ 3,100,888	$ 220,011
Tier 2 Public Employees System	56,188	(306)	(43,124)
Total	$ 6,608,057	$ 3,100,582	$ 176,887

PENSION PLAN FIDUCIARY NET POSITION Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

DEFINED CONTRIBUTION SAVINGS PLANS The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2016	2015	2014
401(k) Plan			
Employer Contributions	$ 34,304	$ 41,620	$ 30,350
Employee Contributions	$ 56,230	$ 23,883	$ 23,550
457(b) Plan			
Employer Contributions	$ 26,174	$ 22,955	$ 16,481
Employee Contributions	$ 19,108	$ 22,561	$ 11,187
Roth IRA Plan			
Employer Contributions	n/a	n/a	n/a
Employee Contributions	$ 8,754	$ 14,491	$ 7,296

The City also contributes to the URS 457(b) plan for its non-benefited employees. Employer paid contributions into URS 457 for the years ended June 30, 2016, 2015, and 2014 were $26,397, $22,955, and $16,481, respectively.

In addition to participation in Utah Retirement Systems, the City also participates in a 401(a) plan provided by International City Management Association Retirement Corporation (ICMA–RC), a multiple–employer defined contribution plan. Employees are fully vested upon contribution to the 401(a) plan, into which the City contributes 3.59% (Tier 1) and 5.37% (Tier 2) of eligible employees' gross earnings. These funds are the property of each employee and as such, the City has no claims on these funds. City contributions to the plan for fiscal years ended June 30, 2016, 2015, and 2014, were $225,865, $221,179, and $252,061, respectively.

The City offers its employees a defined contribution plan with ICMA–RC (457 plan) in accordance with Internal Revenue Code Section 457. The 457 plan is available to eligible 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, or their beneficiaries, until termination, retirement, death, or an unforeseeable emergency.

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 received $202,385 of incremental tax revenues assessed and collected by other taxing entities for its Redwood Road South project area. The RDA spent $14,641 for administrative costs in the Redwood Road South project area and $27,366 for administrative costs relating to the establishment of a new CDA project area in the WCD. The current year includes a prior period adjustment of $122,800 for land held for resale. Note 17 provides details on the prior period adjustment. The RDA had $0 of outstanding construction commitments at June 30, 2016.

On October 21, 2014 the Redevelopment Agency of Riverton City (RDA) entered into an agreement with Riverton Peaks, LLC. The agreement stipulates the City will loan Riverton Peaks, LLC $340,204 to acquire property to construct a development project consisting of approximately 88 residential units.

Riverton Peaks, LLC is required to pay back the loan in two installments. The first requires a payment of 50% of the principal balance due plus interest at 5% APR on September 29, 2016. The second installment is due on September 29, 2017 and requires payment in full.

In addition, there are specific parameters for a waiver of repayment. If, by the first installment date, utilities and public improvements have been installed as required under Riverton City Municipal Code, and accepted by resolution of the Riverton City Council, 50% of the loan amount including principal and interest will be forgiven. The remainder of the loan shall be forgiven if Riverton Peaks receives a Certificate of Occupancy for the first residential unit to be constructed within the project by the second installment date.

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 $5 million each 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, 2016, nor have the amounts of settlements exceeded insurance coverage during the past three fiscal years.

16. COMMITMENTS AND AGREEMENTS

The City has entered into an agreement with Jordan Valley Water Conservancy District to purchase all of its culinary water supply.

On October 24, 2013, the City entered into a lease purchase agreement with the Salt Lake Valley Law Enforcement Service Area (SLVLESA) to construct a new police precinct facility. Final payment for the lease agreement will be in December 2037. The police precinct was constructed by the City and the asset, with a cost of $1,792,244, was transferred to SLVLESA in fiscal year 2015.

The principal amount of the lease, $1,870,000, is recognized as a deferred inflow in the fund financial statements and as program revenue in the government-wide Statement of Activities.

The agreement calls for interest only payments for the first five fiscal years with principal payments beginning in December 2018. The average interest rate is 4.75%. The future minimum payments under the capital lease as of June 30, 2016 are summarized below.

16. COMMITMENTS AND AGREEMENTS (CONTINUED)

Year Ending June 30,	Principal	Interest	Total
2017	$ -	$ 85,225	$ 85,225
2018	-	85,225	85,225
2019	60,000	84,325	144,325
2020	65,000	82,775	147,775
2021	65,000	80,500	145,500
2022-2026	375,000	353,838	728,838
2027-2031	460,000	267,781	727,781
2032-2036	575,000	147,706	722,706
2037-2038	270,000	14,438	284,438
	$ 1,870,000	$ 1,201,813	$ 3,071,813

17. PRIOR PERIOD ADJUSTMENT – RDA LAND HELD FOR RESALE

During the previous year, the City incorrectly reported a conveyance of its remaining four parcels of land held for resale in the RDA as part the Riverton Peaks development agreement. During fiscal year 2016, it was determined that only three of the four parcels were actually conveyed.

The current year includes a prior period adjustment of $122,800 for the one parcel that remains in the ownership of the RDA.

Description	Redevelopment Agency
Fund balance, June 30, 2015	$ (1,870,689)
Land Held for Resale	122,800
Fund balance, June 30, 2015 (as restated)	$ (1,747,889)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS – DECEMBER 31, 2015 – RIVERTON CITY CORPORATION, UTAH
LAST 10 FISCAL YEARS

	Fiscal Year 2016 Measurement Date - 12/31/15		Implementation - Fiscal Year 2015 Measurement Date - 12/31/14	
	Noncontributory System	Tier 2 Public Employees System	Noncontributory System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	0.5480067%	0.1403570%	0.5244048%	-0.1465361%
Proportionate share of the net pension liability (asset)	$ 3,100,888	$ (306)	$ 2,277,089	$ (4,441)
Covered-employee payroll	$ 4,686,432	$ 906,827	$ 4,472,523	$ 718,882
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.17%	-0.03%	50.90%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	87.80%	100.20%	90.20%	103.50%

Note: This schedule usually covers the most 10 recent fiscal years; however, this is the information available from the implementation year of GASB 68 through the current year.

SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS – RIVERTON CITY CORPORATION, UTAH
LAST 10 FISCAL YEARS

System	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relations to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	$ 726,384	$ 726,384	$ -	$ 4,347,095	16.71%
	2015	827,455	827,455	-	4,635,350	17.85%
	2016	842,727	842,727	-	4,735,054	17.80%
Tier 2 Public Employees System*	2014	$ 85,142	$ 85,142	$ -	$ 608,594	13.99%
	2015	118,953	118,953	-	796,203	14.94%
	2016	139,975	139,975	-	938,797	14.91%
Tier 2 Public Employees DC Only System*	2014	$ 2,690	$ 2,690	$ -	$ 48,216	5.58%
	2015	8,892	8,892	-	132,324	6.72%
	2016	1,493	1,493	-	22,313	6.69%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilityes in the Tier 1 systems.
Tier 2 systems were created effective July 1, 2011.

Note: This schedule usually covers the most 10 recent fiscal years; however, this is the information available from the implementation year of GASB 68 through the current year.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For proposed contribution rates, the actuary evaluates the assets of the systems based on a 5-year smoothed, expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

2. CHANGES IN ASSUMPTIONS

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.50% to 3.25%. There was an improvement in the post–retirement mortality assumption for female educators and minor adjustments to the pre–retirement mortality assumption.

There were additional changes to certain demographic assumption that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

SUPPLEMENTARY SECTION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Capital Project Funds			
	Community Impact Parks	Community Impact Roads	Capital Improvements	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 238,528	$ 238,528
Restricted cash and cash equivalents	173,805	1,485,127	-	1,658,932
Receivables:				
Accounts	2,675	-	-	2,675
Total assets	$ 176,480	$ 1,485,127	$ 238,528	$ 1,900,135
LIABILITIES				
Accounts payable	$ 5,348	$ -	$ 2,501	$ 7,849
Total liabilities	5,348	-	2,501	7,849
FUND BALANCES				
Restricted:				
Impact fees	171,132	1,485,127	-	1,656,259
Assigned:				
Capital outlays	-	-	236,027	236,027
Total fund balances	171,132	1,485,127	236,027	1,892,286
Total liabilities and fund balances	$ 176,480	$ 1,485,127	$ 238,528	$ 1,900,135

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS – FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Capital Project Funds			
	Community Impact Parks	Community Impact Roads	Capital Improvements	Total Nonmajor Governmental Funds
REVENUES				
Impact fees	$ 901,582	$ 283,424	$ -	$ 1,185,006
Interest	4,291	9,978	1,895	16,164
Total revenues	905,873	293,402	1,895	1,201,170
EXPENDITURES				
Capital outlay (includes associated wage and benefits)	210,283	(40,458)	291,885	461,710
Total expenditures	210,283	(40,458)	291,885	461,710
Excess of revenues over (under) expenditures	695,590	333,860	(289,990)	739,460
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	126,116	126,116
Transfers in	-	-	65,000	65,000
Transfers out	(839,176)	(440,000)	-	(1,279,176)
Total other financing sources (uses)	(839,176)	(440,000)	191,116	(1,088,060)
Net change in fund balance	(143,586)	(106,140)	(98,874)	(348,600)
Fund balance, beginning of year	314,718	1,591,267	334,901	2,240,886
Fund balance, end of year	$ 171,132	$ 1,485,127	$ 236,027	$ 1,892,286

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES MAJOR CAPITAL PROJECTS FUND – REDIIF – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Franchise taxes	$ 2,940,000	$ 2,940,000	$ 2,538,504	$ (401,496)
Intergovernmental	85,225	1,085,225	1,085,225	-
Interest	16,250	13,750	25,415	11,665
Miscellaneous	-	-	100	100
Total revenues	3,041,475	4,038,975	3,649,244	(389,731)
EXPENDITURES				
Current:				
General government:				
Computer/IT	-	4,000	3,792	208.0000
Economic development	46,500	49,100	39,353	9,747
Highways and public improvements:				
Wages and benefits	120,000	116,115	111,778	4,337
Capital outlay:				
Highways and public improvements	1,427,261	1,971,504	488,875	1,482,629
Debt service:				
Principal	761,000	761,000	761,000	-
Interest	1,651,500	1,651,500	1,532,079	119,421
Total expenditures	4,006,261	4,749,919	3,093,746	1,576,511
Excess (deficiency) of revenues over (under) expenditures	(964,786)	(710,944)	555,498	1,186,780
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	10,180,000	10,180,000	-
Payments to bond escrow agent	-	(11,452,400)	(11,452,363)	37
Premium on bond issued	-	1,471,700	1,471,674	(26)
Transfers in	1,446,745	1,446,745	1,279,176	(167,569)
Transfers out	(806,195)	(1,356,476)	(340,000)	1,016,476
Total other financing sources (uses)	640,550	289,569	1,138,487	848,918
Net change in fund balance	$ (324,236)	$ (421,375)	1,693,985	$ 2,115,360
Fund balance, beginning of year			5,947,231	
Fund balance, end of year			$ 7,641,216	

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, 2016 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ 1,003,050	$ 1,003,050	$ 901,582	$ (101,468)
Interest	3,000	3,000	4,291	1,291
Total revenues	1,006,050	1,006,050	905,873	(100,177)
EXPENDITURES				
Current:				
Parks and recreation	10,000	10,000	-	10,000
Capital outlay:				
Parks and recreation	108,050	228,050	210,283	17,767
Total expenditures	118,050	238,050	210,283	27,767
Excess (deficiency) of revenues over (under) expenditures	888,000	768,000	695,590	(72,410)
OTHER FINANCING SOURCES				
Transfers out	(843,000)	(843,000)	(839,176)	3,824
Total other financing sources	(843,000)	(843,000)	(839,176)	3,824
Net change in fund balance	$ 45,000	$ (75,000)	(143,586)	$ (68,586)
Fund balance, beginning of year			314,718	
Fund balance, end of year			$ 171,132	

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, 2016 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ 675,500	$ 675,500	$ 283,424	$ (392,076)
Interest	5,000	5,000	9,978	4,978
Total revenues	680,500	680,500	293,402	(387,098)
EXPENDITURES				
Current:				
Highways and public improvements	10,000	10,000	-	10,000
Capital outlay:				
Highways and public improvements	320,600	320,600	(40,458)	361,058
Total expenditures	330,600	330,600	(40,458)	371,058
Excess (deficiency) of revenues over (under) expenditures	349,900	349,900	333,860	(16,040)
OTHER FINANCING SOURCES (USES)				
Transfers out	(440,000)	(440,000)	(440,000)	-
Total other financing sources (uses)	(440,000)	(440,000)	(440,000)	-
Net change in fund balance	$ (90,100)	$ (90,100)	(106,140)	$ (16,040)
Fund balance, beginning of year			1,591,267	
Fund balance, end of year			$ 1,485,127	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUND – CAPITAL IMPROVEMENTS – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Interest	$ -	$ -	$ 1,895	$ 1,895
Total revenues	-	-	1,895	1,895
EXPENDITURES				
Capital outlay:				
Highways and public improvements	389,560	464,060	158,640	305,420
Parks and recreation	69,000	134,000	133,245	755
Total expenditures	458,560	598,060	291,885	306,175
Excess (deficiency) of revenues over (under) expenditures	(458,560)	(598,060)	(289,990)	308,070
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	243,000	243,000	126,116	(116,884)
Transfers in	-	65,000	65,000	-
Total other financing sources (uses)	243,000	308,000	191,116	(116,884)
Net change in fund balance	$ (215,560)	$ (290,060)	(98,874)	$ 191,186
Fund balance, beginning of year			334,901	
Fund balance, end of year			$ 236,027	

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

NET POSITION BY COMPONENT – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment										
in capital assets	$ 93,238,756	$ 128,778,154	$ 149,312,803	$ 159,584,624	$ 140,084,036	$ 142,564,907	$ 151,980,222	$ 155,913,935	$ 152,688,514	$ 150,440,957
Restricted	28,403,160	26,566,230	15,591,200	12,445,008	9,546,287	6,882,738	4,817,503	5,198,992	4,572,671	5,270,736
Unrestricted	20,520,058	12,639,614	19,733,764	13,552,517	13,642,524	9,935,183	4,134,730	2,282,865	3,114,791	5,168,897
Total governmental activities net position	142,161,974	167,983,998	184,637,767	185,582,149	163,272,847	159,382,828	160,932,455	163,395,792	160,375,976	160,880,590
Business-type activities:										
Net investment										
in capital assets	39,322,573	49,976,430	56,751,144	59,052,531	80,205,667	82,185,249	77,292,124	81,341,833	83,417,451	85,404,222
Restricted	9,246,874	7,414,925	3,904,584	4,661,870	5,456,454	4,385,029	4,056,922	4,465,474	5,436,701	6,617,159
Unrestricted	3,860,400	3,794,224	5,563,092	5,326,635	7,507,685	8,165,564	9,137,722	9,083,402	9,406,296	10,360,407
Total business-type activities net position	52,429,847	61,185,579	66,218,820	69,041,036	93,169,806	94,735,842	90,486,768	94,890,709	98,260,448	102,381,788
Primary government:										
Net investment										
in capital assets	132,561,329	178,754,584	206,063,947	218,637,155	220,289,703	224,750,156	229,272,346	237,255,768	236,105,965	235,845,179
Restricted	37,650,034	33,981,155	19,495,784	17,106,878	15,002,741	11,267,767	8,874,425	9,664,466	10,009,372	11,887,895
Unrestricted	24,380,458	16,433,838	25,296,856	18,879,152	21,150,209	18,100,747	13,272,452	11,366,267	12,521,087	15,529,304
Total primary government net position	**$194,591,821**	**$229,169,577**	**$250,856,587**	**$254,623,185**	**$256,442,653**	**$254,118,670**	**$251,419,223**	**$258,286,501**	**$258,636,424**	**$263,262,378**

CHANGES IN NET POSITION – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	$ 2,458,136	$ 3,134,841	$ 2,854,025	$ 4,166,157	$ 2,362,283	$ 2,748,797	$ 6,902,547	$ 3,466,560	$ 4,799,704	$ 4,027,942
Public safety	3,146,362	3,865,209	4,412,709	4,399,543	5,245,047	3,030,295	888,693	875,733	935,460	1,081,649
Highways and public improvements	4,851,414	5,251,532	4,181,156	4,858,803	4,189,311	3,951,246	4,590,945	4,745,206	4,717,251	4,086,277
Parks and recreation	1,786,419	1,854,598	1,780,624	1,715,602	2,246,170	2,875,364	2,821,206	3,523,181	3,605,841	3,859,128
Interest on long-term debt	563,752	1,114,875	1,034,229	987,158	922,051	896,095	1,140,081	1,779,556	1,611,562	1,550,342
Total governmental activities expense	12,806,083	15,221,055	14,262,743	16,127,263	14,964,862	13,501,797	16,343,472	14,390,236	15,669,818	14,605,337
Business-type activities:										
Culinary water	2,396,078	2,668,845	2,993,919	3,438,244	3,169,527	3,426,073	3,708,189	3,594,811	3,862,349	4,700,864
Secondary water	2,628,659	2,833,856	3,173,555	2,689,570	2,692,333	2,675,231	3,302,634	2,720,531	2,750,892	2,833,363
Sanitation	1,150,013	1,160,043	1,418,117	1,369,812	1,440,384	1,552,880	1,335,140	1,271,226	1,315,396	1,365,505
Street lighting	711,080	694,543	800,997	782,451	836,048	827,364	-	-	-	-
Storm water	-	-	-	-	1,083,310	1,266,322	1,309,645	1,440,155	1,452,557	1,519,786
Total business-type activities expenses	6,885,830	7,357,287	8,386,588	8,280,077	9,221,602	9,747,870	9,655,608	9,026,723	9,381,194	10,419,518
Total primary government expenses	**19,691,913**	**22,578,342**	**22,649,331**	**24,407,340**	**24,186,464**	**23,249,667**	**25,999,080**	**23,416,959**	**25,051,012**	**25,024,855**

(continued)

CHANGES IN NET POSITION (continued) – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental activities:										
Charges for service										
General government	849,574	543,718	2,596,630	549,592	522,376	551,429	611,403	536,891	613,077	661,632
Public safety	1,939,447	1,221,119	560,418	549,146	472,630	420,289	545,499	682,026	863,368	1,168,182
Highways and public improvements	-	-	-	-	5,198	941	8,728	21,816	5,118	12,412
Parks and recreation	722,486	463,577	374,144	443,347	454,334	387,935	401,854	309,176	385,314	410,033
Operating grants and contributions	1,258,119	1,442,455	1,245,627	1,379,838	1,296,943	1,315,019	1,338,968	1,482,819	1,532,594	1,616,502
Capital grants and contributions	10,042,525	26,694,033	15,809,748	5,312,501	2,425,972	730,216	2,029,361	6,662,860	3,271,716	2,982,697
Total governmental activities program revenues	**14,812,151**	**30,364,902**	**20,586,567**	**8,234,424**	**5,177,453**	**3,405,829**	**4,935,813**	**9,695,588**	**6,671,187**	**6,851,458**
Business-type activities:										
Charges for service										
Culinary water	3,799,292	3,606,041	3,559,054	3,730,642	3,470,144	4,029,581	4,001,271	4,087,318	4,047,327	6,042,541
Secondary water	3,325,146	3,025,565	3,066,044	3,362,189	3,166,272	3,557,114	3,709,061	3,815,591	3,866,737	4,147,059
Sanitation	1,145,815	1,200,058	1,575,828	1,616,244	1,613,319	994,156	434,340	451,660	481,165	498,190
Street lighting	586,099	662,226	641,523	645,359	649,903	339,869	523	-	-	-
Storm water	-	-	-	-	368,960	860,762	887,126	1,091,858	1,432,767	1,675,787
Operating grants and contributions	680,954	200,571	-	-	-	-	-	-	-	-
Capital grants and contributions	3,046,311	6,988,000	4,396,447	1,592,365	1,156,357	449,588	1,235,848	2,977,041	2,899,907	1,392,171
Total business-type activities program revenues	**12,583,617**	**15,682,461**	**13,238,896**	**10,946,799**	**10,424,955**	**10,231,070**	**10,268,169**	**12,423,468**	**12,727,903**	**13,755,748**
Total primary government program revenues	**27,395,768**	**46,047,363**	**33,825,463**	**19,181,223**	**15,602,408**	**13,636,899**	**15,203,982**	**22,119,056**	**19,399,090**	**20,607,206**

(continued)

CHANGES IN NET POSITION (continued) – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Net (Expense)/Revenue										
Governmental activities	2,006,068	15,143,847	6,323,824	(7,892,839)	(9,787,409)	(10,095,968)	(11,407,659)	(4,694,648)	(8,998,631)	(7,753,879)
Business-type activities	5,697,787	8,325,174	4,852,308	2,666,722	1,203,353	483,200	612,561	3,396,745	3,346,709	3,336,230
Total primary government net (expense) revenue	**7,703,855**	**23,469,021**	**11,176,132**	**(5,226,117)**	**(8,584,056)**	**(9,612,768)**	**(10,795,098)**	**(1,297,903)**	**(5,651,922)**	**(4,417,649)**
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	1,427,441	1,377,215	2,663,070	2,142,798	2,036,794	1,902,971	173,780	9,265	7,663	2,566
Sales	4,026,154	4,493,245	4,470,499	4,347,744	4,475,524	4,795,401	5,037,087	5,267,634	5,601,642	5,935,097
911	-	-	-	-	263,243	284,961	269,976	233,796	257,879	277,752
Franchise	1,938,744	2,087,463	2,180,128	2,222,986	2,329,280	2,371,970	2,497,357	2,495,880	2,436,228	2,538,504
Investment earnings	1,772,675	2,030,169	737,401	187,153	102,138	105,858	58,020	113,255	73,397	81,774
Gain (loss) on disposal of assets	788,963	690,086	278,847	45,995	1,145,981	-	-	-	-	-
Special item - transfer of fire stations to other government	-	-	-	-	-	(2,239,422)	-	-	-	-
Interfund transfers	296,666	-	-	(109,455)	(21,228,529)	(1,015,790)	4,921,066	(961,845)	(941,495)	(700,000)
Total governmental activities	**10,250,643**	**10,678,178**	**10,329,945**	**8,837,221**	**(10,875,569)**	**6,205,949**	**12,957,286**	**7,157,985**	**7,435,314**	**8,135,693**

(continued)

CHANGES IN NET POSITION (continued) – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Business-type activities:										
Investment earnings	509,913	433,498	179,645	46,039	50,564	67,046	59,431	45,351	49,472	85,110
Gain (loss) on disposal of assets	10,572	(2,940)	1,288	-	-	-	-	-	3,063	-
Interfund transfers	(296,666)	-	-	109,455	21,228,529	1,015,790	(4,921,066)	961,845	941,495	700,000
Total business-type activities	223,819	430,558	180,933	155,494	21,279,093	1,082,836	(4,861,635)	1,007,196	994,030	785,110
Total primary government	**10,474,462**	**11,108,736**	**10,510,878**	**8,992,715**	**10,403,524**	**7,288,785**	**8,095,651**	**8,165,181**	**8,429,344**	**8,920,803**
Change in Net Position										
Governmental activities	12,256,711	25,822,025	16,653,769	944,382	(20,662,978)	(3,890,019)	1,549,627	2,463,337	(1,563,317)	381,814
Business-type activities	5,921,606	8,755,732	5,033,241	2,822,216	22,482,446	1,566,036	(4,249,074)	4,403,941	4,340,739	4,121,340
Total primary government	**$18,178,317**	**$34,577,757**	**$21,687,010**	**$ 3,766,598**	**$ 1,819,468**	**$ (2,323,983)**	**$ (2,699,447)**	**$ 6,867,278**	**$2,777,422**	**$ 4,503,154**

Note:

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 2012 due to the City's annexation to SLVLESA on January 1, 2012

The Street Lighting enterprise fund was dissolved and absorbed into the General Fund in 2013

Due to an audit alert from the Utah State Auditor's office, 2014 tax increment has been reclassified as intergovernmental revenue instead of tax revenue as was previously reported

FUND BALANCES – GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General fund										
Reserved	$ 2,742,728	$ 3,065,964	$ 3,205,284	$ 2,731,982	-	-	-	-	-	-
Unreserved	1,796,249	1,177,793	1,383,296	1,578,977	-	-	-	-	-	-
Nonspendable	-	-	-	-	$ 128,988	$ 45,370	$ 33,406	$ 64,016	$ 79,519	$ 60,893
Restricted	-	-	-	-	2,463,885	1,690,542	1,290,898	916,210	411,113	699,136
Unassigned	-	-	-	-	1,546,333	1,405,638	1,459,244	1,370,207	1,157,530	1,289,014
Total general fund	**$ 4,538,977**	**$ 4,243,757**	**$ 4,588,580**	**$ 4,310,959**	**$ 4,139,206**	**$ 3,141,550**	**$ 2,783,548**	**$ 2,350,433**	**$ 1,648,162**	**$ 2,049,043**
All other governmental funds										
Reserved										
Development	$ 16,567,216	$ 9,142,490	$ 3,369,089	$ 1,844,024	-	-	-	-	-	-
Impact Fees	13,035,156	12,932,823	8,773,885	7,575,288	-	-	-	-	-	-
Unreserved reported in:										
Capital projects funds	12,347,030	10,198,919	13,728,495	7,880,315	-	-	-	-	-	-
Special revenue funds	2,156,593	2,319,331	4,644,279	4,223,136	-	-	-	-	-	-
Nonspendable	-	-	-	-	$ 2,229,585	$ 4,168,739	$ 599,763	$ 740,244	$ 590	$ 122,800
Restricted for:										
Projects	-	-	-	-	1,528,157	73	405,258	12,400,365	2,806,150	2,941,439
Impact fees	-	-	-	-	5,554,245	5,192,123	3,121,347	2,477,546	1,905,985	1,656,259
Committed for:										
Economic development	-	-	-	-	5,339,522	4,624,701	3,095,240	1,656,998	3,140,491	4,699,777
Assigned for:										
Redevelopment	-	-	-	-	1,469,283	-	-	-	-	-
Vehicle replacements	-	-	-	-	-	-	280,000	35,000	13,738	-
Capital projects	-	-	-	-	2,763,690	601,184	182,093	329,915	321,163	236,027
Unassigned	-	-	-	-	-	(998,106)	(1,326,844)	(1,565,032)	(1,870,689)	(1,690,315)
Total all other governmental funds	**$ 44,105,995**	**$ 34,593,563**	**$ 30,515,748**	**$ 21,522,763**	**$ 18,884,482**	**$ 13,588,714**	**$ 6,356,857**	**$ 16,075,036**	**$ 6,317,428**	**$ 7,965,987**

Note:

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

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes:										
Property	$ 1,427,441	$ 1,377,215	$ 2,663,070	$ 2,142,798	$ 2,036,794	$ 1,902,971	$ 173,780	$ 9,265	$ 7,663	$ 2,566
Sales	4,026,154	4,493,245	4,470,499	4,347,744	4,475,524	4,795,401	5,037,087	5,267,634	5,601,642	5,935,097
Franchise	1,938,744	2,087,462	2,180,128	2,222,986	2,329,280	2,371,970	2,497,357	2,495,880	2,436,228	2,538,504
911	-	-	-	-	263,243	284,961	269,976	233,796	257,879	277,752
Licenses and permits	2,197,309	1,436,909	731,232	722,414	640,499	624,390	528,281	579,895	620,502	935,568
Intergovernmental	1,251,082	1,442,455	3,725,127	1,591,038	2,796,943	1,540,299	1,785,173	4,044,926	2,065,658	2,756,377
Charges for services	722,486	463,577	390,867	468,396	465,076	389,358	668,825	597,809	740,501	883,109
Rental income	-	-	-	-	-	-	68,670	77,892	86,039	117,309
Impact fees	6,246,766	2,116,295	1,467,060	1,260,127	766,697	475,146	643,253	762,197	830,448	1,185,006
Fines and forfeitures	302,415	256,790	257,485	307,741	269,336	277,642	203,063	160,163	163,421	158,929
Interest	1,772,675	2,030,169	737,401	187,153	102,138	105,858	58,020	113,255	73,397	81,774
Miscellaneous	296,334	71,138	2,151,608	43,533	79,627	71,719	92,564	72,043	97,682	78,249
Total revenues	20,181,406	15,775,255	18,774,477	13,293,930	14,225,157	12,839,715	12,026,049	14,414,755	12,981,060	14,950,240
Expenditures										
General government	2,256,029	2,796,035	2,630,260	4,027,785	2,379,064	2,501,420	6,517,534	3,016,061	4,103,589	3,743,943
Public safety	3,073,685	3,745,735	4,278,916	4,328,421	4,761,404	3,016,033	881,331	867,730	938,053	1,007,410
Highways and public improvments	2,357,877	1,876,230	1,794,587	2,307,508	2,218,313	2,900,703	2,896,127	2,738,796	2,772,853	2,070,934
Parks and recreation	1,911,094	1,457,097	1,218,783	1,327,292	1,544,599	1,956,001	1,931,180	1,871,753	2,411,969	2,259,897
Capital outlay	5,881,508	13,799,497	10,684,644	8,690,870	3,875,279	6,095,762	5,255,800	12,242,359	10,015,513	1,116,895
Debt service:										
Principal	375,000	940,000	1,130,000	1,175,000	1,265,000	1,300,000	645,000	705,000	730,000	761,000
Interest	373,881	1,240,668	1,049,126	1,001,966	896,921	863,972	802,112	1,496,874	1,656,925	1,532,079
Bond issuance costs	295,722	-	-	-	68,037	-	29,500	250,821	-	156,869
Total expenditures	16,524,796	25,855,262	22,786,316	22,858,842	17,008,617	18,633,891	18,958,584	23,189,394	22,628,902	12,649,027
Excess of revenues over (under) expenditures	3,656,610	(10,080,007)	(4,011,839)	(9,564,912)	(2,783,460)	(5,794,176)	(6,932,535)	(8,774,639)	(9,647,842)	2,301,213

(continued)

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (continued) – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Other Financing Sources (Uses)										
Revenue bonds issued	15,360,000	-	-	-	-	-	-	18,500,000	-	-
Refunding bonds issued	-	-	-	-	3,665,000	-	2,268,000	-	-	10,180,000
Payment to refunding bond escrow agent	-	-	-	-	(3,777,288)	-	(2,080,236)	-	-	(11,452,363)
Premium on bond issued	856,690	-	-	-	185,257	-	-	465,082	-	1,471,674
Proceeds from sale of assets	848,151	272,355	278,847	294,306	1,571,395	-	29,050	44,966	31,296	126,116
Transfers in	2,608,000	1,746,100	3,012,900	1,815,228	2,177,900	1,969,048	2,114,662	1,758,000	1,983,267	1,834,176
Transfers out	(2,311,334)	(1,746,100)	(3,012,900)	(1,815,228)	(2,202,514)	(2,468,296)	(2,988,800)	(2,708,345)	(2,826,600)	(2,534,176)
Total other financing sources (uses)	17,361,507	272,355	278,847	294,306	1,619,750	(499,248)	(657,324)	18,059,703	(812,037)	(374,573)
Net change (before prior period adj)	21,018,117	(9,807,652)	(3,732,992)	(9,270,606)	(1,163,710)	(6,293,424)	(7,589,859)	9,285,064	(10,459,879)	1,926,640
Prior period adjustment	2,132,272	-	-	-	-	-	-	-	-	122,800
Net change in fund balances	**$ 23,150,389**	**$ (9,807,652)**	**$ (3,732,992)**	**$ (9,270,606)**	**$ (1,163,710)**	**$ (6,293,424)**	**$ (7,589,859)**	**$ 9,285,064**	**$ (10,459,879)**	**$ 2,049,440**
Debt service as a percentage of noncapital expenditures	7%	18%	18%	15%	16%	17%	11%	20%	19%	20%

Note:

Rental income was not tracked separately until fiscal year 2013

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

Public Safety expenditures decreased in 2012 due to the City's annexation to SLVLESA on January 1, 2012

For 2013, a loss on sale of land held for resale has been correctly reported in operating expenditures

Due to an audit alert from the Utah State Auditor's office, 2014 tax increment has been reclassified as intergovernmental revenue instead of tax revenue as was previously reported

REVENUE CAPACITY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY – LAST TEN FISCAL YEARS
RIVERTON CITY CORPORATION, UTAH

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
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%
2012	2,498,277,042	503,914,790	1,124,224,669	1,877,967,163	0.000000	3,002,191,832	62.55%
2013	2,651,085,589	527,646,034	1,192,988,515	1,985,743,108	0.000000	3,178,731,623	62.47%
2014	2,912,604,935	527,954,827	1,310,672,221	2,129,887,541	0.000000	3,440,559,762	61.91%
2015	3,145,992,838	551,796,268	1,415,696,777	2,282,092,329	0.000000	3,697,789,106	61.72%

Note:

Taxable Value is market value less any applicable reduction allowed for residential property under Section 59-2-103.

Market Value is taxable value for primary residential property divided by 55% to estimate a market value before the residential exemption was applied.

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES – LAST TEN TAX YEARS – RIVERTON CITY CORPORATION, UTAH

	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	Unified Fire Service Area	Salt Lake Valley Law Enforcement Service Area
2006	0.000300	0.000300	0.007347	0.002988	0.000027	0.000353	0.000407	0.000357	0.001616	0.000000
2007	0.000237	0.000237	0.006617	0.002511	0.000023	0.000400	0.000330	0.000302	0.001377	0.000000
2008	0.000691	0.000691	0.006150	0.002431	0.000022	0.000384	0.000321	0.000286	0.001566	0.000000
2009	0.000816	0.000816	0.005980	0.002842	0.000025	0.000400	0.000379	0.000400	0.001972	0.000000
2010	0.000839	0.000839	0.006485	0.003176	0.000050	0.000410	0.000372	0.000421	0.001972	0.000000
2011	0.000880	0.000880	0.007319	0.003300	0.000052	0.000424	0.000399	0.000436	0.002028	0.000000
2012	0.000000	0.000000	0.007360	0.003420	0.000021	0.000443	0.000407	0.000455	0.002079	0.001999
2013	0.000000	0.000000	0.007132	0.003935	0.000021	0.000424	0.000396	0.000446	0.002192	0.002230
2014	0.000000	0.000000	0.006700	0.003448	0.000020	0.000399	0.000371	0.000422	0.002088	0.002135
2015	0.000000	0.000000	0.006872	0.003214	0.000019	0.000380	0.000354	0.000405	0.001997	0.002038

Note:

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

Riverton City annexed into the Salt Lake Valley Law Enforcement Service Area January 1, 2012

Source: Salt Lake County Auditor

PRINCIPAL PROPERTY TAX PAYERS – CURRENT AND NINE YEARS PRIOR
RIVERTON CITY CORPORATION, UTAH

	Tax Year 2015			Tax Year 2006		
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	$ 29,176,900	1	1.28%	$ 18,462,100	2	1.20%
Wal-Mart Real Estate Business Trust	23,147,300	2	1.01%			
MMA LLC	14,937,505	3	0.65%			
Legacy Spring, LTD	11,130,735	4	0.49%	7,950,800	6	0.52%
Lowe's HIW, Inc	10,337,900	5	0.45%			
HD Development of Maryland Inc	8,356,800	6	0.37%	6,703,700	8	0.44%
Rose Creek Crossing LLC	8,251,000	7	0.36%	10,721,700	4	0.70%
Riverton Plaza LC	7,994,200	8	0.35%	8,643,300	5	0.56%
Tanglewood Investors LP	7,983,500	9	0.35%			
Ivory Development LLC	7,761,620	10	0.34%			
Intel Corporation				54,954,060	1	3.59%
Riverton Land Holdings LLC				10,959,800	3	0.72%
Riverton Center LC				6,832,200	7	0.45%
South Farm LLC				6,322,800	9	0.41%
Intermountain Farmers				4,170,000	10	0.27%
Total	**$ 129,077,460**		**5.66%**	**$ 135,720,460**		**8.85%**

Source: Salt Lake County Assessor

PROPERTY TAX LEVIED AND COLLECTED – LAST TEN FISCAL YEARS
RIVERTON CITY CORPORATION, UTAH

					Total Collected to Date	
Tax Year	Total Tax Levied	Current Tax Collected	Percentage of Levy	Collected in Subsequent Years	Amount	Percentage of Levy
2006	$ 459,017	$ 418,296	91.13%	$ 20,781	$ 439,077	95.66%
2007	508,492	480,716	94.54%	25,194	505,910	99.49%
2008	1,634,457	1,533,237	93.81%	91,766	1,625,003	99.42%
2009	1,691,227	1,605,942	94.96%	73,519	1,679,461	99.30%
2010	1,723,273	1,659,232	96.28%	51,324	1,710,556	99.26%
2011	1,731,302	1,677,020	96.86%	41,363	1,718,384	99.25%
2012	40	40	100.00%	-	40	100.00%
2013	-	-	100.00%	-	-	100.00%
2014	-	-	100.00%	-	-	100.00%
2015	-	-	100.00%	-	-	100.00%

Note:

Riverton City assessed a 0.000000 property tax rate for tax years 2012, through 2015. Salt Lake County records show a $40 levy for tax year 2012

The above collections are for property taxes and do not include tax increment

Source: Salt Lake County Auditor

POINT OF SALE (POS) SALES TAX REVENUE BY CATEGORY – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
Category	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Retail & grocery	$ 414,992	$ 560,917	$ 1,105,156	$ 1,232,533	$ 1,355,366	$ 1,472,138	$ 1,469,467	$ 1,440,017	$ 1,502,769	$ 1,757,709
Utility & communication	309,729	553,094	433,941	414,715	414,009	425,264	453,219	457,575	465,627	489,853
Construction & home improvement	454,737	461,901	370,482	407,110	408,803	501,481	515,139	621,824	808,938	804,126
Eating & drinking establishments	222,726	255,255	346,284	348,826	386,725	403,528	445,672	478,317	430,732	455,767
Auto sales & supplies	312,604	214,701	199,105	234,507	264,082	290,446	296,467	271,769	320,234	269,669
Fuel & service stations	126,062	173,499	108,888	121,093	122,163	117,273	149,829	157,957	220,197	239,708
All other outlets	122,278	116,104	68,942	131,109	228,172	204,946	238,483	276,777	263,067	356,338
Totals	**$ 1,963,129**	**$ 2,335,471**	**$ 2,632,798**	**$ 2,889,893**	**$ 3,179,320**	**$ 3,415,076**	**$ 3,568,276**	**$ 3,704,236**	**$ 4,011,564**	**$ 4,373,170**

TOTAL SALES TAX REVENUE – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Riverton City point of sale (POS)	$ 1,963,129	$ 2,335,471	$ 2,632,798	$ 2,889,893	$ 3,179,320	$ 3,415,076	$ 3,568,276	$ 3,704,236	$ 4,011,564	$ 4,373,170
State sharing pool	2,063,025	2,157,774	1,837,701	1,457,851	1,296,204	1,380,325	1,468,811	1,563,398	1,590,078	1,561,927
Totals	**$ 4,026,154**	**$ 4,493,245**	**$ 4,470,499**	**$ 4,347,744**	**$ 4,475,524**	**$ 4,795,401**	**$ 5,037,087**	**$ 5,267,634**	**$ 5,601,642**	**$ 5,935,097**

Note:

Utah State Tax Commission distributes sales tax revenue based on a two-part calculation: POS and the State's sharing pool. The City is guaranteed ½ of 1% of all sales tax generated in Riverton as its Point of Sale (POS) for the sales tax revenue. The other ½ of 1% of the sales tax generated in Riverton becomes part of the State's sharing pool and is distributed to local governments based on factors, including population

DIRECT AND OVERLAPPING SALES TAX RATES – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

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
2007	1.00%	4.75%	0.25%	0.25%	0.50%	0.10%	6.85%
2008	1.00%	4.65%	0.25%	0.25%	0.55%	0.10%	6.80%
2009	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2010	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2011	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2012	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2013	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2014	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2015	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%
2016	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%

Source: Utah State Tax Commission – July 1, 2016 date taken from http://tax.utah.gov/salestax/rate/16q3combined.pdf on October 19, 2016

SALES TAX REVENUE BY CATEGORY – CURRENT YEAR AND NINE YEARS PRIOR – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year 2016				Fiscal Year 2007			
Category	**Number of Outlets**	**Percentage of Total**	**Point of Sale Tax**	**Percentage of Total**	**Number of Outlets**	**Percentage of Total**	**Point of Sale Tax**	**Percentage of Total**
Retail & grocery	1022	25.28%	$ 1,757,709	40.19%	204	27.24%	$ 414,992	21.14%
Utility & communication	273	6.75%	489,853	11.20%	70	9.35%	309,729	15.78%
Construction & home improvement	148	3.66%	804,126	18.39%	44	5.87%	454,737	23.16%
Eating & drinking establishments	122	3.02%	455,767	10.42%	35	4.67%	222,726	11.35%
Auto sales & supplies	115	2.84%	269,669	6.17%	22	2.94%	312,604	15.92%
Fuel & service stations	51	1.26%	239,708	5.48%	20	2.67%	126,062	6.42%
All other outlets	2312	57.19%	356,338	8.15%	354	47.26%	122,278	6.23%
Total	**4043**	**100.00%**	**$ 4,373,170**	**100.00%**	**749**	**100.00%**	**$ 1,963,129**	**100.00%**

ENTERPRISE FUND REVENUES – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Culinary water sales	$ 2,885,094	$ 3,190,177	$ 3,212,350	$ 3,192,320	$ 3,374,949	$ 3,707,317	$ 3,612,778	$ 3,599,506	$ 3,601,263	$ 4,739,165
Culinary impact fees	730,327	310,640	248,444	426,250	270,832	228,311	270,836	369,637	354,869	1,194,097
Secondary water sales	2,541,246	2,768,652	2,843,508	3,026,785	3,165,646	3,273,796	3,360,386	3,484,108	3,547,103	3,572,673
Secondary impact fees	783,900	253,500	214,251	335,119	296,807	276,489	345,427	330,914	316,401	569,629
Other water revenue	183,871	108,637	106,545	112,357	95,821	100,782	120,905	118,744	94,428	114,036
Sanitation	1,145,815	1,200,058	1,575,753	1,616,244	1,613,319	994,156	434,340	451,660	481,165	498,190
Storm water	-	-	-	-	368,960	746,571	772,055	805,095	1,128,330	1,249,279
Storm water impact fees	-	-	-	-	21,257	114,191	115,071	286,763	304,437	426,508
Street lighting	586,099	662,952	641,598	645,359	649,903	339,869	523	-	-	-
Totals	**$ 8,856,352**	**$ 8,494,616**	**$ 8,842,449**	**$ 9,354,434**	**$ 9,857,494**	**$ 9,781,482**	**$ 9,032,321**	**$ 9,446,427**	**$ 9,827,996**	**$ 12,363,577**

Note:

Other water revenue includes meter set fees and connection fees

Storm water enterprise fund 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 fee was eliminated as of January 1, 2012

DEBT CAPACITY

RATIOS OF OUTSTANDING DEBT BY TYPE – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Government Activities		Business-type Activities			
Fiscal Year	General Obligation Bonds	Sales Tax/ Franchise Fee Revenue Bonds	Water Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2007	$ -	$ 24,803,449	$ 18,842,697	$ 43,646,146	5.79%	1360
2008	-	23,827,935	17,872,594	41,700,529	4.78%	1191
2009	-	22,662,421	16,852,491	39,514,912	4.64%	1054
2010	-	21,451,907	15,797,388	37,249,295	4.51%	937
2011	-	20,228,281	14,701,912	34,930,193	4.84%	864
2012	-	18,895,483	13,496,957	32,392,440	3.51%	836
2013	-	18,655,949	13,140,626	31,796,575	3.16%	805
2014	-	36,847,353	11,747,192	48,594,545	4.71%	1203
2015	-	36,048,675	10,348,760	46,397,435	3.91%	1118
2016	-	35,495,071	8,920,327	44,415,398	3.33%	1060

Note:

Details regarding the City's outstanding debt can be found in Note No. 10

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

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
2007	$ -	$ 24,803,449	$ 24,803,449	$ 2,435,586,734	0.37%	32,089	$ 773
2008	-	23,827,935	23,827,935	3,435,736,108	0.72%	35,000	681
2009	-	22,662,421	22,662,421	3,754,509,363	0.63%	37,500	604
2010	-	21,451,907	21,451,907	3,299,330,965	0.69%	39,751	540
2011	-	20,228,281	20,228,281	3,274,688,477	0.62%	40,420	500
2012	-	18,895,493	18,895,493	3,148,013,854	0.60%	38,753	488
2013	-	18,655,949	18,655,949	3,002,191,832	1.23%	39,489	472
2014	-	36,847,353	36,847,353	3,178,731,623	1.23%	40,398	912
2015	-	36,048,675	36,048,675	3,440,559,762	1.05%	41,500	869
2016	-	35,495,071	35,495,071	3,697,789,106	0.96%	41,900	847

Note:

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

See 'Demographic and Economic Statistics' for population data

Source: Utah State Tax Commission

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

Government Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Central Utah Water Conservancy District	$ 258,540,068	2.7%	$ 7,020,492
Jordan School District	52,116,000	13.7%	7,149,082
Jordan Valley Water Conservancy District	-	-	-
Salt Lake County (includes SL County Library)	195,979,209	2.7%	5,281,090
Unified Fire Service Area	-	-	-
South Salt Lake Valley Mosquito Abatement	-	-	-
South Valley Sewer District	-	-	-
Salt Lake Valley Law Enforcement Service Area	-	-	-
Subtotal, overlapping general obligation debt			19,450,663
Riverton City total direct debt			35,495,071
Total direct and overlapping general obligation debt			**$ 54,945,734**

Note:

Overlapping governments are those that coincide with the geographic boundaries of the City. This schedule represents the portion of outstanding debt of those overlapping governments that is sustained 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, not every taxpayer is responsible for repaying the debt of each overlapping government. The estimated percentage applicable is Riverton City's taxable assessed value divided by the total taxable assessed values of overlapping government units.

Source: All individual agencies as listed

LEGAL DEBT MARGIN INFORMATION – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	$ 149,773,967	$ 183,933,761	$ 256,798,240	$ 283,875,004	$ 249,687,814	$ 246,358,416	$ 236,428,016	$ 225,356,060	$ 255,586,505	$ 273,851,079
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 149,773,967	$ 183,933,761	$ 256,798,240	$ 283,875,004	$ 249,687,814	$ 246,358,416	$ 236,428,016	$ 225,356,060	$ 255,586,505	$ 273,851,079
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2015	
Taxable assessed value	$2,282,092,329
Debt limit (12% of assessed value)	273,851,079
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	**$ 273,851,079**

Note:

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

PLEDGED REVENUE COVERAGE – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Franchise / Sales Tax Revenue Bonds				Water Revenue Bonds					
		Debt Service						Debt Service		
Fiscal Year	Franchise / Sales Tax Revenue	Principal	Interest	Coverage Ratio	Water Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage Ratio
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	3,262,273	3,362,825	1,063,000	689,604	1.92
2010	6,570,730	1,175,000	1,001,966	3.02	7,092,831	4,142,254	2,950,577	1,098,000	648,785	1.69
2011	6,804,804	1,265,000	896,921	3.15	7,204,055	3,885,830	3,318,225	1,138,000	604,851	1.90
2012	7,167,371	1,300,000	863,972	3.31	7,586,695	4,250,394	3,336,301	1,183,000	492,692	1.99
2013	7,534,444	645,000	760,171	5.36	7,710,332	4,889,531	2,820,801	1,228,000	439,277	1.69
2014	7,763,514	705,000	1,496,874	3.53	7,902,909	4,574,991	3,327,918	1,366,000	259,239	2.05
2015	8,037,870	730,000	1,656,924	3.37	7,914,064	4,848,963	3,065,101	1,371,000	261,798	1.88
2016	8,473,601	761,000	1,796,670	3.31	10,189,600	5,698,212	4,491,388	1,401,000	246,020	2.73

Note:

Details regarding the City's outstanding debt can be found in Note No. 10

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC INDICATORS – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	35,000	$ 754,332,547	$ 21,552	4.1%
2008	37,500	871,926,242	23,251	2.9%
2009	39,751	851,523,644	21,421	2.6%
2010	40,420	825,962,955	20,435	3.6%
2011	38,753	722,189,375	18,636	6.9%
2012	39,489	923,867,391	23,396	6.8%
2013	40,398	1,006,113,125	24,905	6.0%
2014	40,948	1,031,506,498	25,191	5.0%
2015	41,500	1,185,992,416	28,578	3.5%
2016	41,900	1,332,004,268	31,790	3.6%

Note:

Personal income is for each respective income tax year
Fiscal year 2015 personal income is estimated based on the previous three income tax years
Unemployment rate is for the Salt Lake City, Utah Metropolitan Statistical Area
The population reported for fiscal year 2007 thru 2010, and 2012 – 2016 are estimates; however, the fiscal year 2011 population matches the 2010 United States Census

Sources:

Unemployment rate – July 2016 http://www.bls.gov/news.release/metro.t01.html
Personal Income – *http://www.tax.utah.gov/econstats/income/fed-returns-2000*

PRINCIPAL EMPLOYERS – CURRENT YEAR AND NINE YEARS PRIOR
RIVERTON CITY CORPORATION, UTAH

	2016			2007		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Jordan School District	1243	1	12.89%	657	2	10.45%
Riverton IHC Hospital	1200	2	12.44%			
LDS Church	1160	3	12.03%			
Stampin Up	400	4	4.15%			
Wal-Mart	280	5	2.90%			
Home Depot	138	6	1.43%			
Lowe's	118	7	1.22%			
Riverton City	107	9	1.11%	87	6	1.38%
Kohl's	90	8	0.93%			
Peterson's Marketplace	90	10	0.93%	130	3	2.07%
Intel Corporation				700	1	11.13%
Fresh Market				128	4	2.04%
Salt Lake County Sheriff				82	5	1.30%
Burger King				48	7	0.76%
Newman Construction				35	8	0.56%
Riverbend Golf Course				29	9	0.46%
Riverton Music				29	10	0.46%

Sources: Various employers as noted above, the Wasatch Front Regional Council and the Riverton City Business Licensing Office

OPERATING INFORMATION

FULL–TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM – GOVERNMENT–WIDE
LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	4.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	4.000	4.000
Facilities maintenance	2.000	5.000	4.000	5.000	5.000	2.000	2.000	3.000	3.000	3.000
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	3.000	3.000	3.000	3.000
Administrative Services	5.150	5.625	7.625	7.625	7.000	8.000	8.000	8.000	9.000	9.000
Justice court	3.000	2.750	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Utility billing	3.000	4.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	4.000
Economic development	1.000	1.000	1.000	1.000	1.000	-	-	-	-	-
Planning and zoning	4.000	4.000	4.000	3.000	2.000	2.000	2.000	2.000	2.000	2.000
Public safety										
Building inspections	5.000	6.000	4.000	4.000	3.000	3.000	3.000	3.000	3.000	3.000
Ordinance enf./animal control	3.250	4.000	3.000	3.750	3.500	1.500	1.500	1.500	1.500	1.000
Crossing guards	-	-	-	-	-	-	-	-	-	-
Parks and recreation										
Parks	12.000	12.000	2.000	2.000	2.000	6.000	6.000	7.000	9.000	12.000
Recreation and comm. events	5.000	5.000	4.000	4.000	3.500	4.500	4.600	4.600	4.600	6.600
Senior center	0.750	1.000	1.000	0.750	1.750	1.000	1.000	1.000	1.500	1.500
Highways and public improvements										
Engineering	6.500	10.500	10.000	11.000	11.000	11.000	12.000	12.000	14.000	16.000
Fleet	1.000	1.000	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street maintenance	9.500	9.500	9.500	11.500	9.500	9.500	9.500	11.500	11.500	11.500
Street lighting	-	-	-	-	2.000	2.000	2.000	2.000	2.000	2.000
Storm water	-	-	-	-	2.000	4.000	4.000	4.000	4.000	4.000
Sanitation	1.000	1.000	-	-	-	-	-	-	-	-
Water	15.000	15.000	16.000	16.000	16.000	17.000	17.000	19.000	19.000	16.000
Total full-time equivalent employees	**87.150**	**97.375**	**83.625**	**86.125**	**85.750**	**89.000**	**90.100**	**96.100**	**102.600**	**107.100**

Notes: Prior to 2011, street light maintenance was a contracted service – storm water was a new department as of 2011 – crossing guards were contracted out beginning in 2007 - the Sanitation Dumpster Program was eliminated in 2009 – Animal Control services were contracted out beginning in 2012 *Source: Riverton City Human Resources*

OPERATING INDICATORS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
Public Safety										
Building permits issued	384	155	115	126	101	90	131	122	109	181
Public works										
Asphalt overlay contract (sf)	86,618	77,606	63,044	65,647	87,370	71,841	17,581	211,953	302,705	-
Asphalt slurry/chip contract (sf)	250,441	88,700	204,187	290,660	256,284	276,183	354,440	247,454	379,086	-
Asphalt repairs (sf)	-	6,167	17,579	22,297	4,984	17,759	46,229	18,787	13,674	28,541
Concrete sidewalk replaced (sf)	-	2,275	7,319	10,255	7,915	8,770	3,689	7,731	-	2,633
Concrete curb replaced (lf)	-	35	925	997	278	192	526	151	166	105
Trip hazards completed	-	-	-	132	242	250	71	6	19	46
Street light repaired	-	-	-	359	710	680	422	374	437	479
Signs repaired	-	13	173	97	161	415	267	264	178	142
Street sweeping (miles)	-	-	-	1,545	2,121	2,293	2,464	3,855	2,453	2,744
Catch basins, manholes, pipes and outalls cleaned	-	-	-	-	-	138	42	157	198	42
Parks and recreation										
Community center reservations	-	-	-	-	63	65	77	102	574	597
Community event participants	10,520	13,180	17,200	18,000	26,000	28,000	29,000	31,000	36,000	23,050
Community events held	9	10	12	13	13	13	14	19	24	48
Program and class participants	3,105	3,090	2,893	3,100	5,200	5,400	4,700	3,755	4,277	7,337
Recreation programs offered	23	23	20	20	38	38	38	27	29	29
Outdoor pavilion reservations	202	251	304	316	285	638	687	680	1,001	544
Indoor pavilion reservations	-	-	-	1	113	200	219	154	363	222
Old Dome reservations	-	-	-	-	-	-	-	-	-	43
Old Dome events	-	-	-	-	-	-	-	-	-	8
Outdoor available for reservation	6	7	10	10	10	10	10	8	8	9
Indoor pavilion available for reservation	-	-	-	1	1	1	1	1	1	2
Culinary water										
New connections	569	416	172	237	96	103	117	239	105	157
Avg. daily consumption (1000 gal)	3,706	4,016	3,640	3,911	3,822	4,191	4,465	3,896	3,743	3,710
Avg. daily consumption per capita (gal)	99	101	90	97	99	106	111	93	89	89
Annual water usage										
Purch. from JVWCD (1000 gal)	202,014	202,014	202,014	647,792	202,353	211,477	229,399	202,014	594,156	1,354,342
City wells (1000 gal)	1,150,503	1,263,891	1,126,717	627,057	1,264,376	1,271,681	1,313,632	1,192,492	772,220	57,467
% purch. from JVWCD	14.94%	13.78%	15.20%	50.81%	13.80%	14.26%	14.87%	14.49%	43.48%	95.93%

Notes: Community center and pavilion reservations were not tracked until 2011; Old Dome opened in fiscal year 2016; Asphalt, concrete and sign categories were not tracked until the last quarter of 2008; Due to a problem with the computer tracking system, the concrete sidewalk replaced category was not properly tracked in 2015; trip hazards, street light repairs and street miles swept were not tracked until 2010. Catch basins, etc. cleaned were not tracked until FY 2012; Annual water usage purchased from JVWCD is reported by calendar year instead of fiscal year

Source: Riverton City Corporation

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
Public works										
Streets (road miles)	134	134	137	137	137	137	137	139	141	141
Streetlights	-	-	689	1,155	2,999	3,016	3,075	3,132	3,141	3,190
Traffic signals	5	7	9	9	9	9	9	15	16	16
Parks and recreation										
Parks	23	23	27	29	31	31	31	31	31	31
Acreage	115	115	158	267	216	216	220	220	220	220
Trees	-	-	-	3,328	3,328	3,328	3,337	3,206	3,206	3,701
Pavilions	18	18	19	20	20	20	20	18	18	18
Restrooms	6	9	11	13	13	13	13	10	10	10
Playgrounds	22	24	25	26	28	28	28	28	28	30
Baseball/softball diamonds	10	10	16	21	20	20	15	15	15	15
Soccer/football fields	16	16	19	23	23	23	23	23	23	23
Water										
Culinary water lines (miles)	133	167	167	167	167	167	167	167	167	167
Culinary storage capacity (1000 gal)	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Culinary water connections	8,118	8,534	8,706	8,943	9,039	9,142	9,156	9,395	9,500	9,657
Secondary water lines (miles)	128	162	171	171	171	171	171	171	171	171
Secondary water shares (af)	8,244	8,322	8,448	8,519	8,650	8,713	8,814	8,950	9,769	10,103
Storm water										
Storm drain lines (miles)	-	-	-	-	-	-	-	77	80	81
Manholes	-	-	-	-	-	-	-	1,680	1,701	1,704
Catch basins	-	-	-	-	-	-	-	2,170	2,182	2,184
Detention / retension basins (acres)	-	-	-	-	-	-	-	53	53	53

Note:

Streetlight poles were not tracked until the end of fiscal year 2009; the amount reported for fiscal year 2010 is an estimate

Trees were not inventoried until fiscal year 2010

Storm water assets were not inventoried until fiscal year 2014

Sources: Riverton City Corporation and the Utah Department of Transportation