COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

RIVERTON CITY CORPORATION—STATE OF UTAH

RIVERTON CITY CORPORATION

State of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PREPARED BY:
RIVERTON CITY ADMINISTRATIVE SERVICES DEPARTMENT

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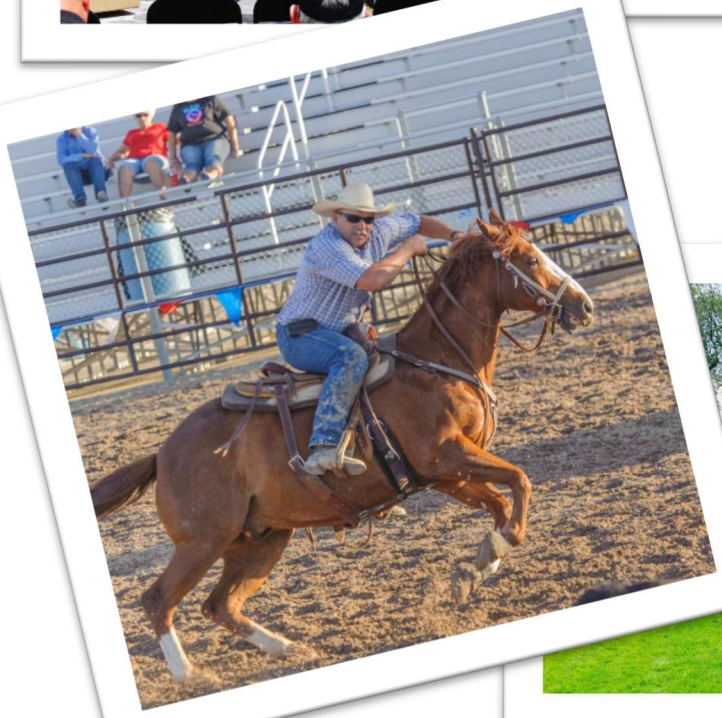
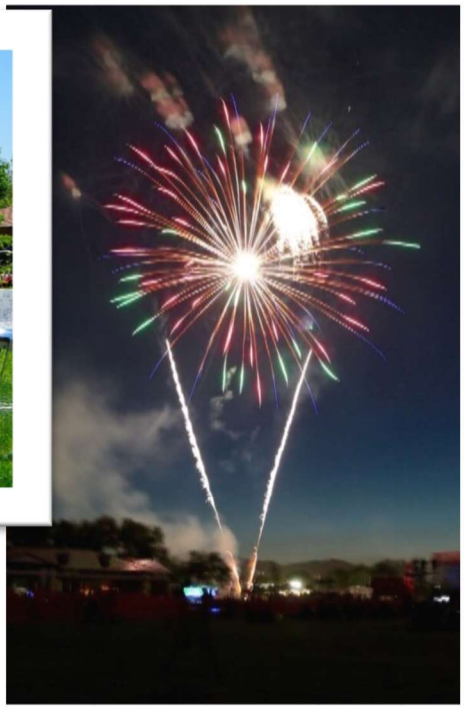
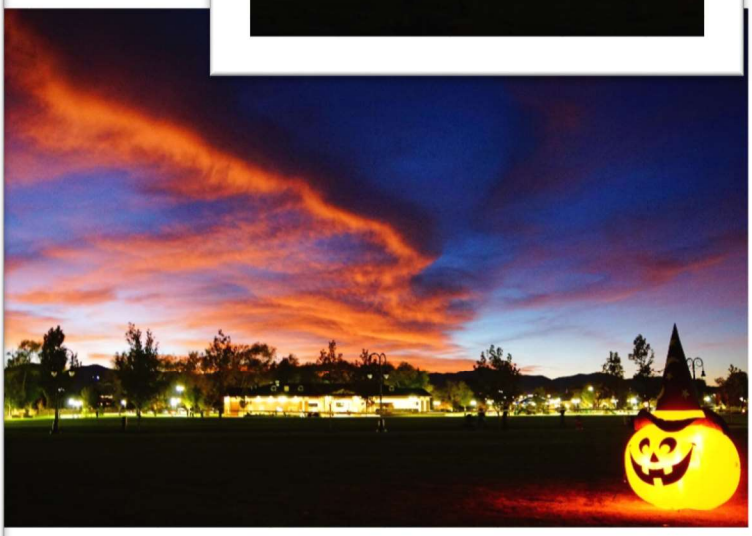


INTRODUCTORY SECTION

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, 2016

Executive Director/CEO

LETTER OF TRANSMITTAL

Mayor
Bill Applegarth

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

Interim City Manager
Ryan Carter

Finance Department

November 22, 2017

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, 2017, 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 Administrative Services 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 Administrative Services 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, 2017, 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, 2017, 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 oversees 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 provides culinary water, secondary water, sanitation, and storm water utility services. The boundaries of the City cover 12.6 square miles with a population of approximately 42,838 with a potential for approximately 55,000 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. 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.

An upscale, mixed-use development is currently under construction on land between the Bangerter Highway and the Mountain View Corridor on the City's west side. The project, Mountain View Village, is being 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 design and aesthetic characteristics of Mountain View Village will make it 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 this area. Revitalization efforts have greatly increased the potential for higher sales tax revenue from stores and restaurants. Another improvement in the City's downtown area is the widening of Redwood Road from 12600 South to the Bangerter Highway. Once completed, this new roadway will improve traffic flow and enhance the allure of the 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 strategic planning sessions 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, 2016. 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 received the Award for Outstanding Achievement for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2016. 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 fiscal year 2017 CAFR and PAFR continue to meet the Certificate of Achievement Program requirements and will submit both reports to the GFOA for consideration.

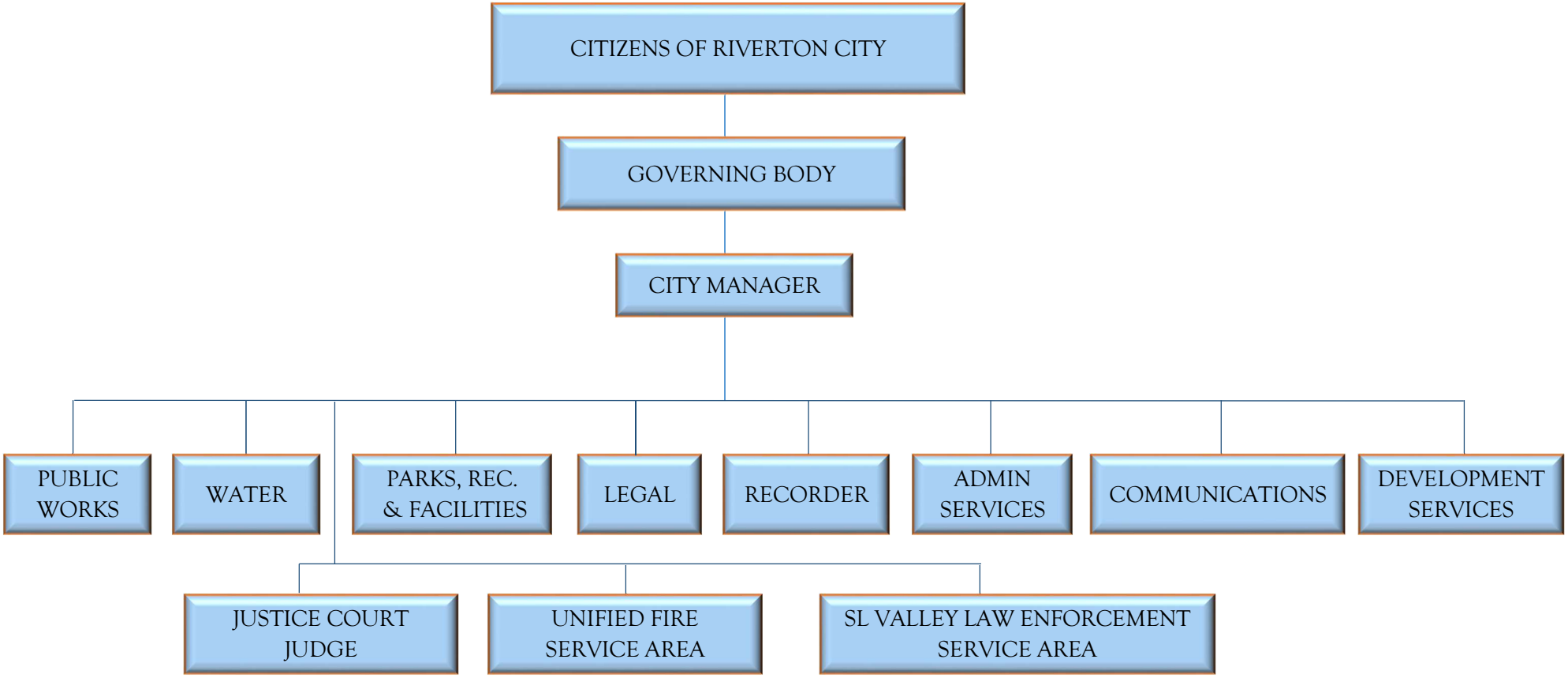
The preparation of these reports on a timely basis could not have been accomplished without the efficient and dedicated service of the Administrative Services Department. Each member of the department has our genuine appreciation for the contributions made in the preparation of these reports. In closing, 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,

Ryan Carter
Interim City Manager

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

Interim City Manager .....Ryan Carter

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

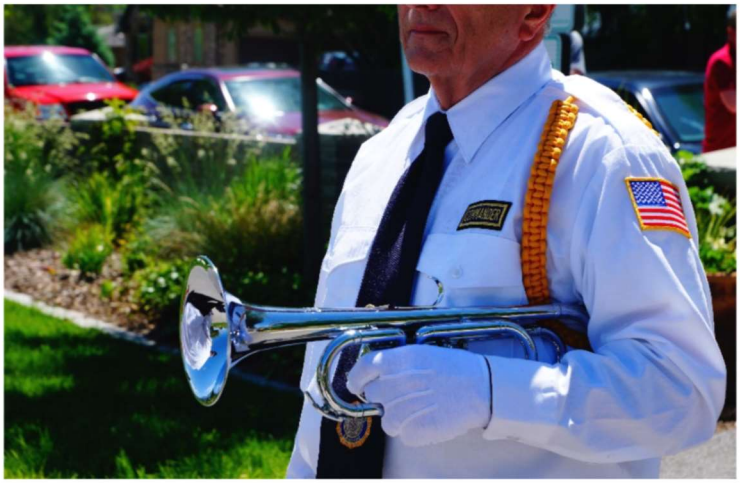
Communications Manager .....Angela Meine

City Treasurer..... Jiny Proctor

Justice Court Judge..... Greg Bown

FINANCIAL SECTION

Finance Department



Hansen, Bradshaw, Malmrose & Erickson

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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, and 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, 2017, 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, 2017, 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 pages 70-72 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, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is 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 November 21, 2017 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 in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

November 21, 2017

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, 2017. 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 2017 by $275.1 million. Of this amount, unrestricted net position of $18.2 million is available to meet the City's ongoing obligations to citizens and creditors.
- The 2017 increase in net position for governmental activities of $6.9 million consisted of net program expenses of $1.5 million, transfers-out of $837 thousand, and general revenues of $9.3 million. The 2016 increase in net position of $382 thousand for governmental activities was the result of net program expenses of $7.8 million, transfers-out of $700 thousand, and general revenues of $8.8 million. The 2017 upsurge comprised of increased development activity, growth in sales tax, and a reclassification of land previously recorded as land under roads to land held for resale.
- Net position for business-type activities increased by $4.9 million in fiscal year 2017 compared with a $4.1 million increase during fiscal year 2016. The change of $4.9 million is largely attributed to development activity.
- The City's governmental activities revenue increased from $15.7 million in fiscal year 2016 to $25.8 million in fiscal year 2017. The increase of $10.1 million is largely comprised of developer contributions, development fees and growth in sales tax.
- Governmental activities program revenues received in the form of capital grants and contributions increased $8.2 million from 2016 to 2017. The growth can be attributed to residential and commercial development throughout the City.
- Governmental activities general revenues increased from $8.8 million in fiscal year 2016 to $9.3 million in fiscal year 2017. A substantial portion of the $500 thousand change is due to the City's growing sales tax revenue.
- The greatest portion of the $837 thousand transfers-in from governmental to business-type activities is the REDIIF capital projects fund subsidy to the Sanitation fund.
- The City's business-type activities revenue increased from $13.8 million in fiscal year 2016 to $16.2 million in fiscal year 2017. As is true with the governmental activities, the increase of $2.4 million is largely attributable to heightened developer contributions.
- At June 30, 2017, the total fund balance for the City's General Fund was just under $3.0 million. General Fund balance is divided into three categories: nonspendable fund balance of $95 thousand for prepaid expenditures, restricted fund balance of $900 thousand for Class C Roads, and unassigned fund balance of $2.0 million, which is an increase in unassigned fund balance of $700 thousand over 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

The purpose of this discussion and analysis is to introduce the City's basic financial statements, which are comprised of three components: 1) government–wide statements, 2) fund statements, and 3) notes to the financial statements. Required supplementary information (RSI) is included with supporting notes to the RSI immediately following the basic financial statements. This report contains other supplementary

information, which will help the reader to gain a more in-depth understanding of the City's financial position.

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 present a detailed short–term view of cash, operations, and the basic services provided. 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, which are presented 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 immediately following the Notes to the Financial Statements.

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 (RSI) 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. Budget comparisons for governmental funds other than the General Fund and the Redevelopment Agency special revenue fund are also included.

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 $275.1 million at the close of fiscal 2017. By far, the largest portion of the City's net position ($244.0 million or 88.7%) 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 ($12.9 million or 4.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($18.2 million or 6.6%) may be used to meet the City's ongoing obligations to its residents and creditors.

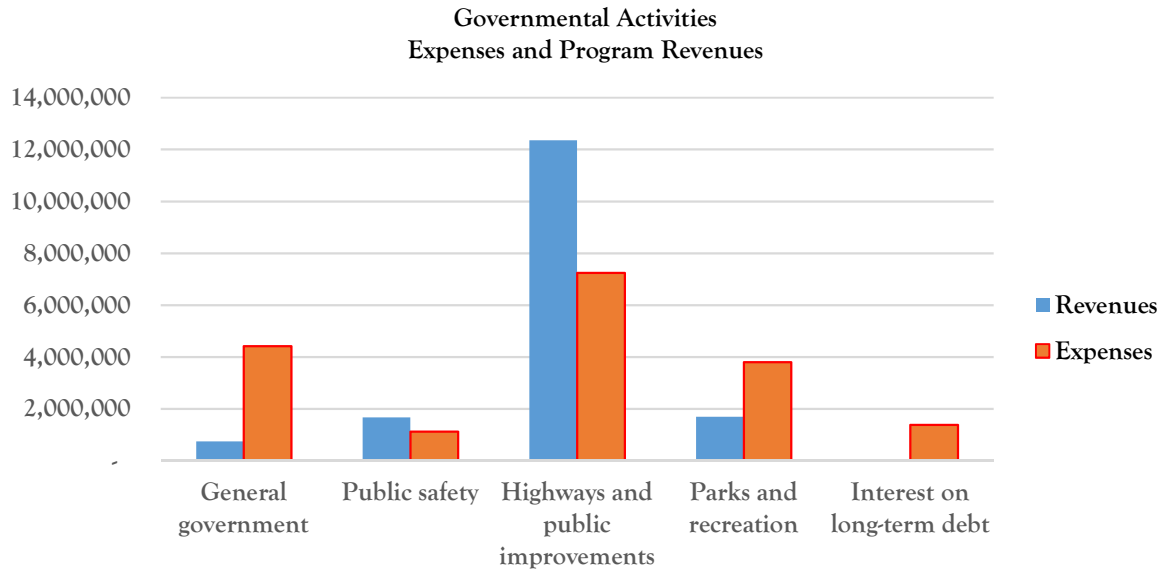
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 17,125,271	$ 13,666,197	$ 20,307,851	$ 19,138,486	$ 37,433,122	$ 32,804,683
Capital assets	188,974,294	185,577,048	96,316,641	93,922,862	285,290,935	279,499,910
Total Assets	206,099,565	199,243,245	116,624,492	113,061,348	322,724,057	312,304,593
Total deferred outflows of resources	1,427,160	1,315,343	1,050,386	1,038,432	2,477,546	2,353,775
Current and other liabilities	3,596,978	2,904,392	2,829,840	2,835,220	6,426,818	5,739,612
Long-term liabilities	35,803,560	36,579,481	7,365,698	8,753,793	43,169,258	45,333,274
Total Liabilities	39,400,538	39,483,873	10,195,538	11,589,013	49,596,076	51,072,886
Total deferred inflows of resources	295,225	194,125	199,234	128,979	494,459	323,104
Net position:						
Net investment in capital assets	154,728,458	150,440,957	89,228,665	85,404,222	243,957,123	235,845,179
Restricted	5,046,288	5,270,736	7,862,280	6,617,159	12,908,568	11,887,895
Unrestricted	8,056,216	5,168,897	10,189,161	10,360,407	18,245,377	15,529,304
Total Net Position	$ 167,830,962	$ 160,880,590	$ 107,280,106	$ 102,381,788	$ 275,111,068	$ 263,262,378

Fiscal year 2017 revenues of $41.5 million exceeded expenses of $29.7 million, resulting in an increase in net position of $11.8 million, compared with an increase in the net position of $4.5 million in fiscal year 2016. The difference in net position between the two years is primarily due to both residential and commercial development activity within the City.

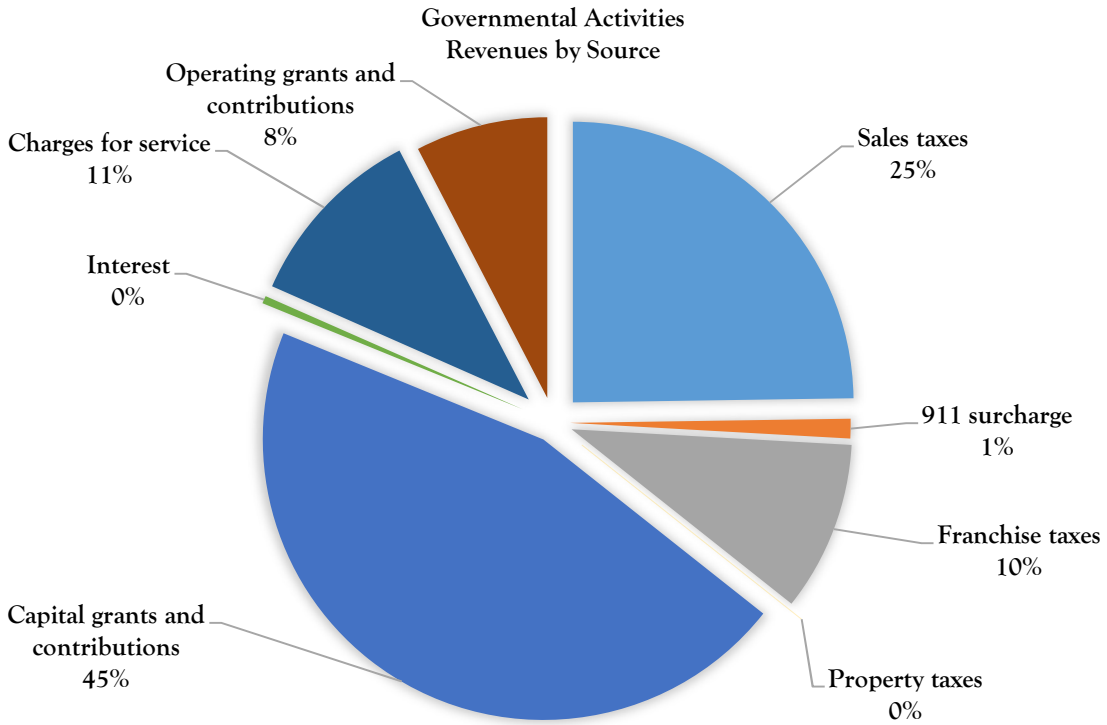
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 2,774,411	$ 2,252,259	$ 12,816,186	$ 12,363,577	$ 15,590,597	$ 14,615,836
Operating grants and contributions	1,963,549	1,616,503	-	-	1,963,549	1,616,503
Capital grants and contributions	11,718,349	2,982,697	3,215,157	1,392,171	14,933,506	4,374,868
General revenues:						
Property taxes	1,517	2,566	-	-	1,517	2,566
Sales taxes	6,376,764	5,935,097	-	-	6,376,764	5,935,097
Franchise taxes	2,515,892	2,538,504	-	-	2,515,892	2,538,504
911 taxes	290,959	277,752	-	-	290,959	277,752
Interest income	109,966	81,774	150,807	85,110	260,773	166,884
Total Revenues	25,751,407	15,687,152	16,223,349	13,840,858	41,974,756	29,528,010
Expenses:						
General government	4,412,719	4,027,942	-	-	4,412,719	4,027,942
Public safety	1,124,135	1,081,649	-	-	1,124,135	1,081,649
Highways and public improvements	7,240,818	4,086,277	-	-	7,240,818	4,086,277
Parks and recreation	3,803,814	3,859,128	-	-	3,803,814	3,859,128
Interest on long-term debt	1,382,149	1,550,342	-	-	1,382,149	1,550,342
Culinary water	-	-	5,522,647	4,700,864	5,522,647	4,700,864
Secondary water	-	-	3,033,097	2,833,363	3,033,097	2,833,363
Sanitation	-	-	1,890,102	1,365,505	1,890,102	1,365,505
Storm water	-	-	1,716,585	1,519,786	1,716,585	1,519,786
Total Expenses	17,963,635	14,605,338	12,162,431	10,419,518	30,126,066	25,024,856
Increase (decrease) in net position before transfers	7,787,772	1,081,814	4,060,918	3,421,340	11,848,690	4,503,154
Transfers	(837,400)	(700,000)	837,400	700,000	-	-
Increase (decrease) in net position	6,950,372	381,814	4,898,318	4,121,340	11,848,690	4,503,154
Net position - beginning	160,880,590	160,375,976	102,381,788	98,260,448	263,262,378	258,636,424
Prior period adjustment	-	122,800	-	-	-	122,800
Net position - ending	$ 167,830,962	$ 160,880,590	$ 107,280,106	$ 102,381,788	$ 275,111,068	$ 263,262,378

GOVERNMENTAL ACTIVITIES

The graph below depicts the City's 2017 program revenues and expenses for governmental activities found on the Statement of Activities. Because program expenses far exceed program revenues, in all functions except highways and public improvements, general revenues (e.g. property, sales, franchise, and 911 taxes, etc.) are also utilized to provide services for governmental activities.



The following pie chart depicts revenues by source for governmental activities. Nearly half (45%) of all revenues were from capital grants and contributions, owing to the increased development activity City-wide; 36% of revenues were generated from the various taxes collected by the City (e.g. property, sales, 911 and franchise). The remaining revenues represent operating grants and contributions, charges for services, and interest income.



BUSINESS–TYPE ACTIVITIES

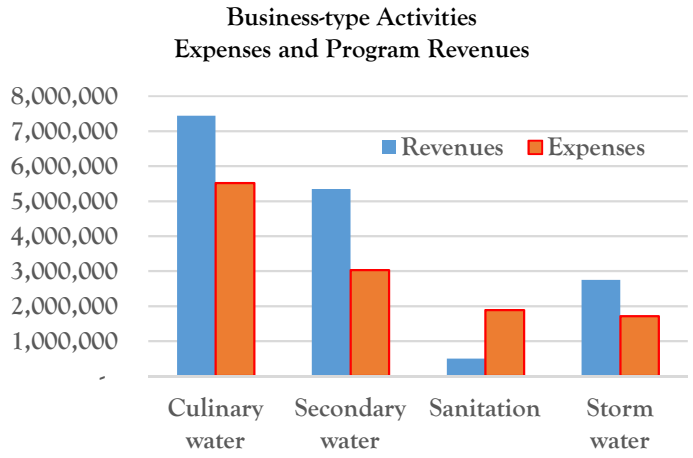
Business–type activities generated revenues of $16.2 million in fiscal year 2017 compared with $13.8 million in fiscal year 2016. The $2.4 million increase is attributable to an increase in developer contributions.

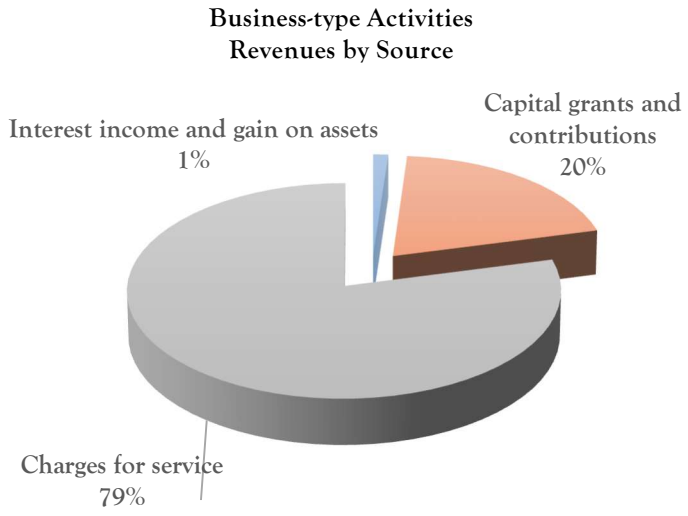
Equity investment in a joint venture produced a decrease of $445 thousand in fiscal year 2017 compared with an increase of $193 thousand in fiscal year 2016. Income (loss) from the joint venture is reported in the nonoperating revenues (expenses) category in the proprietary fund financial statements and as a program revenue or expense in the Statement of Activities.

The amount received in capital contributions from development was $3.2 million in fiscal year 2017 compared with $1.2 million in fiscal year 2016, which reflects increases in development projects City-wide. Expenses for business–type activities were $1.7 million more in fiscal year 2017 than in the previous year. Factors contributing to the increase in business-type expenses include the equity loss from the joint venture and the increased demand for culinary water.

Interfund transfers are the reciprocal of those described in the governmental activities. Transfers-in of $837 thousand in fiscal year 2017 represent the amount of subsidy for operating expenses from REDIIF to the Sanitation fund compared to transfers-in of $700 thousand in fiscal year 2016 for the same purpose.

The bar graph to the right portrays the City's 2017 program revenues and expenses for business–type activities found on the Statement of Activities. The pie chart depicts revenues by source for business–type activities. Nearly all of the revenues come from two categories; charges for services with 79.0% and capital contributions with 20.0%.





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, 2017. All categories except the fund balance that is in nonspendable form is a measure of available resources.

At the close of the fiscal year, governmental funds reported a combined fund balance of $12.8 million. Of the combined fund balance, $95 thousand is nonspendable prepaid expenditures; $1.2 million is nonspendable land held for resale; $5.0 million is restricted, this is the amount which is regulated by external agencies; $5.5 million is committed, City Council adopted an ordinance setting self–imposed limitations on these funds to be used for economic development and infrastructure; $793 thousand is assigned, this money has an intended use determined by City Council through its capital improvements plan; and $169 thousand is unassigned. This amount cannot be properly reported in any of the other four components discussed thus far. The unassigned fund balance is the sum of a $2.0 million in the General Fund, and a negative $1.8 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, 2017, 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 2017 is at 17.8% of the current year's actual revenue, which is required by State law to be a minimum of 5% and a maximum of 25%. More importantly, the City's fund balance grew from 13.1% to 17.8%, validating 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 $950 thousand.

The REDIIF capital projects fund has a total fund balance of $8.2 million at June 30, 2017, categorized in the following ways: $1.0 million of nonspendable land held for resale; $1.7 million restricted for projects and right of way acquisition and $5.5 million committed by ordinance for economic development. A notable and unusual transaction in REDIIF was a loss on the sale of land for $500 thousand. To maintain the integrity of consistent historical analysis, the City reported this loss under the other financing sources (uses) heading.

The net change in fund balance in the REDIIF capital projects fund was an increase of $603 thousand, after transfers. This increase in fund balance is the net effect of a $2.1 million contribution of land held for resale and a $1.5 million increase in expenditures for a roadway project within the City's Western Commercial District. The contribution of land held for resale was generated from a reclassification of land. Property, purchased in prior years, was recorded as land under roads. In the current year, the associated roadway was realigned and the remnant land was reclassified as held for resale.

REDEVELOPMENT AGENCY

At June 30, 2017, the combined fund balance of the RDA special revenue fund was comprised of $123 thousand nonspendable land held for resale and negative $1.8 million unassigned, for a total of negative $1.7 million. The negative unassigned fund balance is the result of an outstanding interfund loan from REDIIF capital projects fund to the RDA for property acquisitions in prior years. Note No. 14 provides detail regarding the RDA.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no substantial budgetary amendments in fiscal year 2017; the cumulative effect of several small budget amendments resulted in negligible changes in appropriations. The budget is closely monitored and adjusted as needed throughout the year. During fiscal year 2017, Council amended the budget when necessary adjusting budgeted revenues as well as expenditures.

The actual revenues in the General Fund received were 99.9% of the final budgeted revenues. The actual expenditures in the General Fund were 86.6% of appropriations. The final budget, before transfers, included expenditures of $11.1 million while actual expenditures totaled $9.6 million. Budget variances resulted in increases of unassigned and restricted fund balances of $700 thousand and $200 thousand, respectively.

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 totaled $244.0 million net of combined depreciation, amortization, and related debt at June 30, 2017. 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	
	2017	2016	2017	2016	2017	2016
Land and right of ways	$ 99,642,988	$ 95,863,539	$ 2,209,910	$ 2,209,910	$ 101,852,898	$ 98,073,449
Construction in progress	3,066,108	2,285,671	108,483	31,173	3,174,591	2,316,844
Water shares	-	-	12,710,933	12,475,604	12,710,933	12,475,604
Buildings	15,788,988	16,284,930	5,543,381	5,396,904	21,332,369	21,681,834
Improvements other than buildings	20,914,315	21,951,437	-	-	20,914,315	21,951,437
Machinery and equipment	2,073,290	1,992,079	1,526,855	1,449,207	3,600,145	3,441,286
Infrastructure	47,488,605	47,199,392	74,217,079	72,360,064	121,705,684	119,559,456
Total Capital Assets	$ 188,974,294	$ 185,577,048	$ 96,316,641	$ 93,922,862	$ 285,290,935	$ 279,499,910

OUTSTANDING DEBT

The basic financial statements, along with Note No. 10, provide a summary of the City's long–term debt. At June 30, 2017, Riverton City's bonded debt, including unamortized premiums, amounted to $41.9 million. All of the City's bonded debt is known as revenue bonds and is secured by specific revenue sources. Riverton City has $34.5 million of franchise and sales tax revenue bonds and $7.4 million of water revenue bonds.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Bonds payable	$ 34,541,283	$ 35,495,071	$ 7,397,894	$ 8,920,327	$ 41,939,177	$ 44,415,398
Total	$ 34,541,283	$ 35,495,071	$ 7,397,894	$ 8,920,327	$ 41,939,177	$ 44,415,398

ECONOMIC FACTORS

Sales tax collections for Riverton City continue to increase at an average annual rate of approximately 6%, 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 significantly during the fiscal year ended June 30, 2017, with a total value of new construction at $95.4 million for the first two calendar quarters of 2017 alone. The median home value increased by almost 7% during the fiscal year. The City also saw continued residential development in the RDA project area and expansion of multi-family residential projects throughout the City.

Ongoing residential development in Riverton City's downtown area continues to have a significant impact on the revitalization of the downtown commercial base. This fiscal period saw continued redevelopment and reinvestment by existing business in the downtown, as well as new construction of retail space. The widening of Redwood Road by the Utah Department of Transportation, will help to better facilitate traffic flow in the City, and to foster a more efficient circulation for the downtown area.

Construction on the CenterCal Properties, LLC retail project, Mountain View Village, an 85-acre site in Riverton City's Western Commercial District (WCD), is well under way. CenterCal's project will include over one 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 and in upgrading and maintaining existing roads, have been effective in managing current growth and planning for future growth in a way that provides a sustainable framework for large and small scale development projects.

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 Administrative Services 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, 2017 – RIVERTON CITY CORPORATION, UTAH

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 7,135,762	$ 8,027,248	$ 15,163,010
Receivables:			
Accounts	263,258	1,042,211	1,305,469
Property and sales taxes	1,178,476	-	1,178,476
Franchise taxes	249,762	-	249,762
911 surcharge	50,679	-	50,679
Class C roads	371,140	-	371,140
Restricted cash and cash equivalents	4,727,594	8,104,147	12,831,741
Notes receivable	1,870,000	-	1,870,000
Inventories	-	457,213	457,213
Prepaids	95,108	23,452	118,560
Land held for resale	1,183,492	152,865	1,336,357
Investments in joint ventures	-	2,500,715	2,500,715
Capital assets, not being depreciated:			
Land and right of ways	99,642,988	2,209,910	101,852,898
Construction in progress	3,066,108	108,483	3,174,591
Water shares	-	12,710,933	12,710,933
Capital assets, net of accumulated depreciation:			
Buildings and improvements	15,788,988	5,543,381	21,332,369
Improvements other than buildings	20,914,315	-	20,914,315
Machinery and equipment	2,073,290	1,526,855	3,600,145
Infrastructure	47,488,605	74,217,079	121,705,684
Total assets	**206,099,565**	**116,624,492**	**322,724,057**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	295,447	309,918	605,365
Deferred outflows related to pensions	1,131,713	740,468	1,872,181
Total deferred outflows of resources	**1,427,160**	**1,050,386**	**2,477,546**
LIABILITIES			
Accounts payable	1,626,059	1,032,499	2,658,558
Accrued liabilities	215,277	106,122	321,399
Accrued interest payable	124,561	72,523	197,084
Developer and customer deposits	497,907	45,539	543,446
Unearned revenue	110,594	-	110,594
Noncurrent liabilities:			
Due within one year	1,022,580	1,573,157	2,595,737
Due in more than one year	33,725,803	5,988,354	39,714,157
Net pension liability	2,077,757	1,377,344	3,455,101
Total liabilities	**39,400,538**	**10,195,538**	**49,596,076**

(continued)

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

STATEMENT OF NET POSITION (continued) – JUNE 30, 2017 – RIVERTON CITY CORPORATION, UTAH

	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	295,225	199,234	494,459
Total deferred inflows of resources	**295,225**	**199,234**	**494,459**
NET POSITION			
Net investment in capital assets	154,728,458	89,228,665	243,957,123
Restricted for:			
Projects and right of way acquisitions	2,564,733	-	2,564,733
Impact fees	2,481,555	6,484,574	8,966,129
Debt service	-	1,377,706	1,377,706
Unrestricted	8,056,216	10,189,161	18,245,377
Total net position	**$ 167,830,962**	**$ 107,280,106**	**$ 275,111,068**

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

STATEMENT OF ACTIVITIES – JUNE 30, 2017 – 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	$ 4,412,719	$ 712,230	$ 31,130	$ -	$ (3,669,359)		$ (3,669,359)
Public safety	1,124,135	1,638,160	32,528	-	546,553		546,553
Highways and public improvements	7,240,818	3,449	1,899,891	10,450,247	5,112,769		5,112,769
Parks and recreation	3,803,814	420,572	-	1,268,102	(2,115,140)		(2,115,140)
Interest on long-term debt	1,382,149	-	-	-	(1,382,149)		(1,382,149)
Total governmental activities	17,963,635	2,774,411	1,963,549	11,718,349	(1,507,326)		(1,507,326)
Business-type activities							
Culinary water	5,522,647	6,078,224	-	1,366,706		$ 1,922,283	1,922,283
Secondary water	3,033,097	4,343,139	-	999,455		2,309,497	2,309,497
Sanitation	1,890,102	493,578	-	-		(1,396,524)	(1,396,524)
Storm water	1,716,585	1,901,245	-	848,996		1,033,656	1,033,656
Total business-type activities	12,162,431	12,816,186	-	3,215,157		3,868,912	3,868,912
Total primary government	30,126,066	15,590,597	1,963,549	14,933,506	(1,507,326)	3,868,912	2,361,586
	General Revenues:						
	Taxes						
	Property				1,517	-	1,517
	Sales				6,376,764	-	6,376,764
	Franchise				2,515,892	-	2,515,892
	911				290,959	-	290,959
	Interest income				109,966	150,807	260,773
	Gain on sale and disposal of assets				-	41,199	41,199
	Transfers - net				(837,400)	837,400	-
	Total general revenue and transfers				8,457,698	1,029,406	9,487,104
	Change in net position				6,950,372	4,898,318	11,848,690
	Net position - beginning				160,880,590	102,381,788	263,262,378
	Net position - ending				$ 167,830,962	$ 107,280,106	$ 275,111,068

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, 2017
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	$ 2,253,143	$ 3,625,707	$ 363,652	$ 893,260	$ 7,135,762
Restricted cash and cash equivalents	572,812	1,665,199	-	2,489,583	4,727,594
Receivables:					
Accounts	263,258	-	-	-	263,258
Property and sales taxes	1,178,476	-	-	-	1,178,476
Franchise taxes	-	249,762	-	-	249,762
911 surcharge	50,679	-	-	-	50,679
Class C roads	371,140	-	-	-	371,140
Notes receivable	-	1,870,000	-	-	1,870,000
Due from other funds	-	2,199,550	-	-	2,199,550
Prepaids	95,108	-	-	-	95,108
Land held for resale	-	1,060,692	122,800	-	1,183,492
Total assets	$ 4,784,616	$ 10,670,910	$ 486,452	$ 3,382,843	$ 19,324,821
LIABILITIES					
Accounts payable	$ 978,963	$ 539,215	$ -	$ 107,881	$ 1,626,059
Accrued liabilities	212,741	2,536	-	-	215,277
Developer and customer deposits	482,923	14,984	-	-	497,907
Due to other funds	-	-	2,199,550	-	2,199,550
Unearned revenue	110,594	-	-	-	110,594
Total liabilities	1,785,221	556,735	2,199,550	107,881	4,649,387
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	95,108	-	-	-	95,108
Land held for resale	-	1,060,692	122,800	-	1,183,492
Restricted:					
Projects and right of way acquisitions	-	1,665,199	-	-	1,665,199
Impact fees	-	-	-	2,481,555	2,481,555
Class C roads	899,534	-	-	-	899,534
Committed:					
Economic development	-	5,518,284	-	-	5,518,284
Assigned:					
Capital outlays	-	-	-	793,407	793,407
Unassigned	2,004,753	-	(1,835,898)	-	168,855
Total fund balances	2,999,395	8,244,175	(1,713,098)	3,274,962	12,805,434
Total liabilities, deferred inflows of resources and fund balances	$ 4,784,616	$ 10,670,910	$ 486,452	$ 3,382,843	$ 19,324,821

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, 2017 – 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)	$	12,805,434
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		188,974,294
Other long-term assets not available for current period expenditures and are therefore deferred in the funds balance sheet.		
Deferred loss on refunding		295,447
Deferred outflows of resources relating to pensions		1,131,713
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.		(124,561)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.		(34,748,383)
Net pension liabilities and deferred inflows relating to pensions are not due and payable in the current period and, therefore, not reported in the funds.		(2,372,982)
Net position of governmental activities (page 29)	$	167,830,962

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, 2017 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	$ 1,517	$ -	$ -	$ -	$ 1,517
Sales	6,376,764	-	-	-	6,376,764
Franchise	-	2,515,892	-	-	2,515,892
911	290,959	-	-	-	290,959
Licenses and permits	1,267,034	-	-	-	1,267,034
Intergovernmental	1,878,290	85,225	283,673	-	2,247,188
Charges for services	1,045,146	-	-	-	1,045,146
Rental income	133,441	-	-	-	133,441
Impact fees	-	-	-	2,203,630	2,203,630
Fines and forfeitures	210,324	-	-	-	210,324
Interest	27,621	52,490	5,191	24,664	109,966
Miscellaneous	39,371	-	-	-	39,371
Total revenues	11,270,467	2,653,607	288,864	2,228,294	16,441,232
EXPENDITURES					
Current:					
General government	3,384,159	39,600	421,000	-	3,844,759
Public safety	1,092,444	-	-	-	1,092,444
Highways and public improvements	2,179,622	-	-	14,420	2,194,042
Parks and recreation	2,436,286	-	-	-	2,436,286
Capital expenditures	537,354	2,118,632	13,447	595,623	3,265,056
Debt service:					
Principal	-	787,000	-	-	787,000
Interest	-	1,514,160	-	-	1,514,160
Total expenditures	9,629,865	4,459,392	434,447	610,043	15,133,747
Excess (deficiency) of revenues over (under) expenditures	1,640,602	(1,805,785)	(145,583)	1,618,251	1,307,485
OTHER FINANCING SOURCES (USES)					
Loss on sale of land	-	(542,340)	-	-	(542,340)
Sale of capital assets	-	-	-	260,880	260,880
Contributions from government	-	2,601,779	-	-	2,601,779
Transfers in	150,000	1,336,705	-	840,250	2,326,955
Transfers out	(840,250)	(987,400)	-	(1,336,705)	(3,164,355)
Total other financing sources (uses)	(690,250)	2,408,744	-	(235,575)	1,482,919
Net change in fund balances	950,352	602,959	(145,583)	1,382,676	2,790,404
Fund balances, beginning of year	2,049,043	7,641,216	(1,567,515)	1,892,286	10,015,030
Fund balances, end of year	$ 2,999,395	$ 8,244,175	$ (1,713,098)	$ 3,274,962	$ 12,805,434

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, 2017 – 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)	$	2,790,404
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		3,567,420
Depreciation expense		(4,325,270)
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
Asset deletions		(2,664,887)
Depreciation deletions		111,587
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.		6,708,396
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.		
Reduction of long-term liability		787,000
Amortization of bond premiums		166,788
Amortization of deferred loss		(37,435)
Adjustments to accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an adjustment to expenses in the statement of activities.		(160,975)
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		2,658
Compensated absences		4,686
Change in net position of governmental activities (page 30)	$	6,950,372

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, 2017 RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ -	$ -	$ 1,517	$ 1,517
Sales	6,350,000	6,350,000	6,376,764	26,764
911	315,000	315,000	290,959	(24,041)
Licenses and permits	799,650	1,110,350	1,267,034	156,684
Intergovernmental	2,162,785	2,162,785	1,878,290	(284,495)
Charges for services	755,750	954,250	1,045,146	90,896
Rental income	93,000	124,000	133,441	9,441
Fines and forfeitures	166,500	211,500	210,324	(1,176)
Interest	8,500	21,000	27,621	6,621
Miscellaneous	25,000	30,500	39,371	8,871
Total revenues	10,676,185	11,279,385	11,270,467	(8,918)
EXPENDITURES				
General government:				
Legislative	76,800	79,800	78,037	1,763
Executive	3,400	3,400	3,210	190
Judicial	32,300	37,300	32,199	5,101
Administrative	149,800	149,800	96,766	53,034
Recorder	9,850	9,850	7,194	2,656
Contract services	28,000	38,000	34,086	3,914
Utilities and taxes	477,125	477,725	461,122	16,603
Central purchasing	20,500	20,500	14,810	5,690
Finance	37,875	84,075	67,434	16,641
Planning and zoning	285,150	288,150	223,644	64,506
Attorney's office	13,875	23,875	22,333	1,542
Insurance	171,500	171,500	152,300	19,200
Computer/IT	394,000	397,000	292,481	104,519
Building maintenance and repair	90,500	90,500	89,048	1,452
City committees and boards	13,280	13,280	12,280	1,000
Total general government	1,803,955	1,884,755	1,586,944	297,811
Public safety:				
Law enforcement	555,000	559,000	510,355	48,645
Building inspection	34,850	162,350	148,311	14,039
Code enforcement	10,500	10,500	2,950	7,550
Emergency preparedness	3,500	3,500	2,977	523
Total public safety	603,850	735,350	664,593	70,757

(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, 2017 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Highways and public improvements:				
Fleet maintenance	$ 112,145	$ 97,145	$ 86,564	$ 10,581
Engineering	85,410	85,410	40,023	45,387
Street lighting	110,800	109,800	98,154	11,646
Streets	1,324,200	1,324,200	758,917	565,283
Total highways and public improvements	1,632,555	1,616,555	983,658	632,897
Parks and recreation:				
Parks	995,729	968,229	784,334	183,895
Recreation	137,700	137,100	132,106	4,994
Cemetery	19,300	19,300	19,140	160
Celebration	158,856	143,856	142,075	1,781
Utilities	159,500	139,500	135,471	4,029
Total parks and recreation	1,471,085	1,407,985	1,213,126	194,859
Wages and benefits	5,611,490	5,476,490	5,181,544	294,946
Total expenditures	11,122,935	11,121,135	9,629,865	1,491,270
Excess (deficiency) of revenues over (under) expenditures	(446,750)	158,250	1,640,602	1,482,352
OTHER FINANCING SOURCES (USES)				
Transfers in	150,000	150,000	150,000	-
Transfers out	(196,250)	(840,250)	(840,250)	-
Net other financing sources (uses)	(46,250)	(690,250)	(690,250)	-
Net change in fund balance	$ (493,000)	$ (532,000)	950,352	$ 1,482,352
Fund balance, beginning of year			2,049,043	
Fund balance, end of year			$ 2,999,395	

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, 2017 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	$ 280,000	$ 280,000	$ 283,673	$ 3,673
Interest	-	-	5,191	5,191
Total revenues	280,000	280,000	288,864	8,864
EXPENDITURES				
Current:				
General government	40,500	80,500	421,000	(340,500)
Capital expenditures:				
Project expenditures	53,500	53,500	13,447	40,053
Total expenditures	94,000	134,000	434,447	(300,447)
Excess (deficiency) of revenues over (under) expenditures	186,000	146,000	(145,583)	(291,583)
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	120,000	-	(120,000)
Transfers out	(266,000)	(266,000)	-	266,000
Total other financing sources (uses)	(186,000)	(146,000)	-	146,000
Net change in fund balance	$ -	$ -	(145,583)	$ (145,583)
Fund balance, beginning of year			(1,567,515)	
Fund balance, end of year			$ (1,713,098)	

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, 2017
RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 6,347,313	$ 295,542	$ 143,422	$ 1,240,971	$ 8,027,248
Restricted cash and cash equivalents	3,591,454	3,211,947	-	1,300,746	8,104,147
Accounts receivable, net	385,610	400,615	48,869	207,117	1,042,211
Due from other funds	2,113,275	-	-	-	2,113,275
Prepaids	8,729	8,729	-	5,994	23,452
Inventories	331,725	125,488	-	-	457,213
Land held for resale	-	152,865	-	-	152,865
Total current assets	12,778,106	4,195,186	192,291	2,754,828	19,920,411
Noncurrent assets:					
Capital assets:					
Land	545,628	1,348,241	-	316,041	2,209,910
Water shares	-	12,710,933	-	-	12,710,933
Construction in progress	66,589	-	-	41,894	108,483
Buildings	4,278,078	3,232,068	-	-	7,510,146
Infrastructure	38,122,515	40,960,198	-	36,140,392	115,223,105
Machinery and equipment	1,313,553	631,318	-	577,237	2,522,108
Accumulated depreciation	(15,007,516)	(13,128,869)	-	(15,831,659)	(43,968,044)
Net capital assets	29,318,847	45,753,889	-	21,243,905	96,316,641
Other assets:					
Equity investment in joint venture	-	-	2,500,715	-	2,500,715
Total other assets	-	-	2,500,715	-	2,500,715
Total noncurrent assets	29,318,847	45,753,889	2,500,715	21,243,905	98,817,356
Total assets	42,096,953	49,949,075	2,693,006	23,998,733	118,737,767
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	309,918	-	-	309,918
Deferred outflows related to pensions	363,500	224,661	18,722	133,585	740,468
Total deferred outflows of resources	363,500	534,579	18,722	133,585	1,050,386

(continued)

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS (continued) – JUNE 30, 2017
RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
LIABILITIES					
Current liabilities:					
Accounts payable	$ 749,110	$ 143,572	$ 119,095	$ 20,722	$ 1,032,499
Accrued liabilities	49,434	29,461	2,935	24,292	106,122
Developer and customer deposits	45,539	-	-	-	45,539
Due to other funds	-	2,113,275	-	-	2,113,275
Accrued interest payable	-	72,523	-	-	72,523
Compensated absences	16,684	10,105	914	5,021	32,724
Bonds payable	-	1,540,433	-	-	1,540,433
Total current liabilities	860,767	3,909,369	122,944	50,035	4,943,115
Noncurrent liabilities:					
Compensated absences	66,735	40,418	3,656	20,084	130,893
Net pension liability	682,783	414,612	34,552	245,397	1,377,344
Bonds payable	-	5,857,461	-	-	5,857,461
Total noncurrent liabilities	749,518	6,312,491	38,208	265,481	7,365,698
Total liabilities	1,610,285	10,221,860	161,152	315,516	12,308,813
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	98,628	59,335	4,945	36,326	199,234
Total deferred inflows of resources	98,628	59,335	4,945	36,326	199,234
NET POSITION					
Net investment in capital assets	29,318,847	38,665,913	-	21,243,905	89,228,665
Restricted for impact fees	3,367,804	1,822,873	-	1,293,897	6,484,574
Restricted for debt service	-	1,377,706	-	-	1,377,706
Unrestricted	8,064,889	(1,664,033)	2,545,631	1,242,674	10,189,161
Total net position	$ 40,751,540	$ 40,202,459	$ 2,545,631	$ 23,780,476	$ 107,280,106
Total liabilities and net position	$ 42,460,453	$ 50,483,654	$ 2,711,728	$ 24,132,318	$ 119,788,153

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, 2017 – RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
OPERATING REVENUES					
Sales and charges for services	$ 5,097,470	$ 3,544,669	$ 468,479	$ 1,271,952	$ 10,382,570
Impact fees	817,338	698,115	-	629,198	2,144,651
Connection fees	141,102	97,943	-	-	239,045
Other revenue	22,314	2,412	25,099	95	49,920
Total operating revenues	6,078,224	4,343,139	493,578	1,901,245	12,816,186
OPERATING EXPENSES					
Wages and benefits	1,915,223	1,181,956	110,982	662,585	3,870,746
Utilities	228,183	306,614	-	12,863	547,660
Source and supply	2,180,016	240,840	-	-	2,420,856
Landfill fees	-	-	291,631	-	291,631
Sanitation charges	-	-	1,002,948	-	1,002,948
Shop and garage	71,435	25,317	-	27,134	123,886
System maintenance	189,454	31,503	-	51,792	272,749
Impact fee expenses	6,732	6,732	-	6,732	20,196
Administrative	143,031	144,619	39,096	17,498	344,244
Depreciation	788,573	810,309	-	937,981	2,536,863
Total operating expenses	5,522,647	2,747,890	1,444,657	1,716,585	11,431,779
Operating income (loss)	555,577	1,595,249	(951,079)	184,660	1,384,407
NONOPERATING REVENUES (EXPENSES)					
Equity loss from joint venture	-	-	(445,445)	-	(445,445)
Interest income	97,477	30,631	1,410	21,289	150,807
Interest expense	-	(285,207)	-	-	(285,207)
Gain/(loss) on disposal of assets	33,506	7,693	-	-	41,199
Total nonoperating revenues (expenses)	130,983	(246,883)	(444,035)	21,289	(538,646)
Income (loss) before contributions and transfers	686,560	1,348,366	(1,395,114)	205,949	845,761
Capital contributions	1,366,706	999,455	-	848,996	3,215,157
Transfers in	6,000	2,250	987,400	-	995,650
Transfers out	(100,000)	(20,000)	-	(38,250)	(158,250)
Change in net position	1,959,266	2,330,071	(407,714)	1,016,695	4,898,318
Total net position, beginning	38,792,274	37,872,388	2,953,345	22,763,781	102,381,788
Total net position, ending	$ 40,751,540	$ 40,202,459	$ 2,545,631	$ 23,780,476	$ 107,280,106

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 – RIVERTON CITY CORPORATION, UTAH

	Enterprise Funds				
	Culinary Water	Secondary Water	Sanitation	Storm Water	Total
Cash flows from operating activities					
Receipts from customers and users	$ 6,328,723	$ 4,350,981	$ 492,269	$ 1,929,744	$ 13,101,717
Payments to suppliers	(2,569,131)	(810,178)	(1,409,665)	(370,166)	(5,159,140)
Payments to employees	(1,849,922)	(1,144,344)	(107,161)	(625,784)	(3,727,211)
Net cash provided (used) by operating activities	1,909,670	2,396,459	(1,024,557)	933,794	4,215,366
Cash flows from noncapital financing activities					
Transfers from other funds	6,000	2,250	987,400	-	995,650
Transfers to other funds	(100,000)	(20,000)	-	(38,250)	(158,250)
Net cash provided (used) by noncapital financing activities	(94,000)	(17,750)	987,400	(38,250)	837,400
Cash flows from capital and related financing activities					
Acquisition of capital assets	(803,795)	(428,860)	-	(489,361)	(1,722,016)
Principal paid on capital debt	-	(1,495,000)	-	-	(1,495,000)
Interest paid on capital debt		(227,546)		-	(227,546)
Net cash provided (used) by capital and related financing activities	(766,051)	(2,141,413)	-	(489,361)	(3,396,825)
Cash flows from investing activities					
Interest received	97,473	30,628	1,411	21,289	150,801
Net cash provided by investing activities	97,473	30,628	1,411	21,289	150,801
Net increase (decrease) in cash and cash equivalents	1,147,092	267,924	(35,746)	427,472	1,806,742
Cash and cash equivalents, beginning of year	8,791,675	3,239,565	179,168	2,114,245	14,324,653
Cash and cash equivalents, end of year	$ 9,938,767	$ 3,507,489	$ 143,422	$ 2,541,717	$ 16,131,395
Unrestricted cash	$ 6,347,313	$ 295,542	$ 143,422	$ 1,240,971	$ 8,027,248
Restricted cash	3,591,454	3,211,947	-	1,300,746	8,104,147
Total Cash	$ 9,938,767	$ 3,507,489	$ 143,422	$ 2,541,717	$ 16,131,395

(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, 2017 – 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)	$ 555,577	$ 1,595,249	$ (951,079)	$ 184,660	$ 1,384,407
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	788,573	810,309	-	937,981	2,536,863
Net pension adjustment	54,621	32,747	2,730	21,825	111,923
Changes in assets and liabilities:					
Accounts receivable	219,110	7,842	(1,309)	44,175	269,818
Prepaids	(5,885)	(5,885)	-	(5,774)	(17,544)
Inventories	(17,693)	(42,814)	-	-	(60,507)
Accounts payable	273,298	(5,854)	(75,990)	(248,373)	(56,919)
Accrued liabilities	7,987	3,515	659	10,563	22,724
Deposits	31,389	-	-	(15,676)	15,713
Compensated absences	2,693	1,350	432	4,413	8,888
Net cash provided (used) by operating activities	$ 1,909,670	$ 2,396,459	$ (1,024,557)	$ 933,794	$ 4,215,366
Noncash investing, capital and financing activities					
Capital contributions - developers	$ 1,366,706	$ 999,455	$ -	$ 848,996	$ 3,215,157

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

NOTES TO THE FINANCIAL STATEMENTS

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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 standards–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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (continued)

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.

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 (individually reporting the City's major funds). Both the government–wide and fund financial statements categorize primary activities as either governmental or business–type. The City's general government, public safety, highways and public improvements, and parks and recreation 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT–WIDE AND FUND FINANCIAL STATEMENTS (continued)

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 when they are both measurable and available (i.e. collectable within the current period or soon enough thereafter to satisfy current liabilities). For this purpose, the City considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt–service expenditures, as well as expenditures related to compensated absences, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- 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.

Amounts reported as program revenues include 1.) Charges 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 (UMMA or "the 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.*

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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 fluctuations 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, 2017, 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, 2017, is recorded 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. 16.

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 represents the City's 11.18% ownership in a joint venture, and 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 acquisition 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 the useful life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

CAPITAL ASSETS (continued)

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. Current year compensatory time and accumulated vacation leave are reported as expenses in the government–wide Statement of Activities. No expenditures are reported for these amounts in the fund financial statements.

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES (continued)

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; deferred inflows of resources; pension expense; information about the fiduciary net position of Utah Retirement Systems (URS) pension plans; and additions to or 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 Long–term debt and other long–term obligations are reported as liabilities in the applicable columns for governmental activities or business–type activities, and are also reported in the proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the applicable debt. In the governmental fund financial statements, bond premiums and discounts are recognized during the current period as other financing sources and uses. The par value 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.

FUND BALANCE The categories and descriptions of fund balance 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 are classified as restricted fund balance.

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 are classified as committed fund balance.

Assigned Fund Balance – Amounts constrained by City Council, for a specific purpose, through the appropriations process in establishing and amending budgets are classified as assigned fund balance. 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 are classified as unassigned fund balance. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

FUND BALANCE (continued)

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

In accordance with State law, annual budgets are prepared and adopted by the City Council on or before June 22, for the ensuing fiscal year when no property tax increases are being imposed. In the event of a property tax increase, annual budgets are prepared and adopted on or before August 17. 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 governing body for operating within their approved appropriations. 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 actual General Fund revenues. Until the sum of the stated fund balance categories is greater than 5%, fund balance cannot be budgeted, but is used to provide working capital to meet emergency expenditures and to cover unanticipated deficits until tax revenue is received. 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 General Fund revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance, in which case a public hearing must be held. 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 also budgeted annually.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

TAX REVENUES (continued)

November 30; any delinquent taxes are subject to penalties. 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; once paid, the lien is removed.

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.

Sales and use, 911, 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 regularly. 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 $1.7 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.

As of June 30, 2017, the City's demand deposits and cash on hand amounted to $3,592,553. 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, 2017, the City held $5,467,538 with its bank. Of that amount, $5,217,538 of the City's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. As of June 30, 2017, the City had investments in the Utah Public Treasurers Investment Fund (UPTIF) of $22,510,088.

INVESTMENTS

The Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, and to promote measures that will assist in strengthening the banking and credit structure of the State. The Utah Money Management Council also reviews the rules adopted under the authority of the UMMA 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. UMMA requires the depositing of City funds in a qualified depository. UMMA 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.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (continued)

UMMA 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 and permitted negotiable depositories. The statute also allows the City to purchase: commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the U.S. 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 Act; and the UPTIF.

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

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

FAIR VALUE OF INVESTMENTS

The City measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tier 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, 2017, the majority amount of the City's investments, totaling $22,510,088 was held at the UPTIF. Utah Public Treasurers' Investment Fund applied the June 30, 2017, 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.

Riverton 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. The 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.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (continued)

CREDIT RISK Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

CONCENTRATION OF CREDIT RISK This is the risk of loss attributed to the magnitude of the 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 the Money Management Council.

4. RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted to use as follows as of June 30, 2017:

	Amount
Restricted cash - Governmental activities	
Restricted for "C" road funds	$ 572,812
Restricted for projects and debt service	609,542
Restricted for unspent legislative appropriations	1,055,657
Restricted for impact fees	2,489,583
Total governmental activities	4,727,594
Restricted cash - Business-type activities	
Restricted for debt service	1,377,706
Restricted for impact fees	6,726,441
Total business-type activities	8,104,147
Total restricted cash and cash equivalents	$ 12,831,741

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2017, is as follows:

Due To	Due From	Amount
REDIIF	Redevelopment Agency	$ 2,199,550
Culinary water	Secondary water	2,113,275
		$ 4,312,825

The due to/due from other funds are the result of individual fund's cash flow needs. These fund items 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 for normal operations. Such amounts for the fiscal year ended June 30, 2017, were as follows:

	In	Out
General	$ 150,000	$ 840,250
REDIIF	1,336,705	987,400
Nonmajor govermental funds	840,250	1,336,705
Culinary water	6,000	100,000
Secondary water	2,250	20,000
Sanitation	987,400	-
Storm water	-	38,250
	$ 3,322,605	$ 3,322,605

6. EQUITY INVESTMENT IN JOINT VENTURE

TRANS–JORDAN CITIES LANDFILL

The City has an 11.18% 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 Draper, Midvale, Murray, Sandy, South Jordan, and West Jordan which own 10.27%, 5.18%, 8.27%, 29.6%, 14.31% and 21.19%, 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 2017, Trans–Jordan reported a decrease in net position of $440,728. The City recognized an equity loss from a joint venture of $49,274. The City also recognized a combined equity loss of $396,171 resulting from the reporting effects of Trans-Jordan's implementation of GASB 68 relating to pension liabilities. The aggregate of the losses, which totals $445,445, is reported in the Sanitation enterprise fund under the nonoperating revenues (expenses) heading.

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 for the year ended June 30, 2017, can be obtained from Trans-Jordan Cities Landfill, 10873 South 7200 West, South Jordan, Utah, 84095.

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

	07/01/16	Increases	Decreases	Transfers	06/30/17
Governmental activities					
Capital assets, not being depreciated:					
Land and right of ways	$ 95,863,539	$ 4,620,001	$ (2,471,859)	$ 1,631,307	$ 99,642,988
Construction in progress	2,285,671	2,619,728	-	(1,839,291)	3,066,108
Total capital assets, not being depreciated	98,149,210	7,239,729	(2,471,859)	(207,984)	102,709,096
Capital assets, being depreciated:					
Buildings	17,921,035	-	-	-	17,921,035
Building improvements	2,277,181	52,404	-	-	2,329,585
Improvements other than buildings	30,393,862	260,702	(26,695)	207,984	30,835,853
Machinery and equipment	982,942	264,818	-	-	1,247,760
Office furniture and equipment	1,493,968	85,836	-	-	1,579,804
Vehicles	2,240,053	129,056	(166,333)	-	2,202,776
Infrastructure: roadways	64,291,610	951,287	-	-	65,242,897
Infrastructure: curbs, gutters, and sidewalks	29,009,921	1,091,435	-	-	30,101,356
Infrastructure: street lights	10,148,130	200,549	-	-	10,348,679
Infrastructure: bridges	1,152,507	-	-	-	1,152,507
Total capital assets, being depreciated	159,911,209	3,036,087	(193,028)	207,984	162,962,252
Accumulated depreciation:					
Buildings	(2,690,071)	(444,735)	-	-	(3,134,806)
Building improvements	(1,223,215)	(103,611)	-	-	(1,326,826)
Improvements other than buildings	(8,442,425)	(1,502,059)	22,946	-	(9,921,538)
Machinery and equipment	(578,096)	(60,270)	-	-	(638,366)
Office furniture and equipment	(770,054)	(108,908)	-	-	(878,962)
Vehicles	(1,376,734)	(151,629)	88,641	-	(1,439,722)
Infrastructure: roadways	(36,293,010)	(894,689)	-	-	(37,187,699)
Infrastructure: curbs, gutters, and sidewalks	(15,293,517)	(738,891)	-	-	(16,032,408)
Infrastructure: street lights	(5,516,030)	(291,665)	-	-	(5,807,695)
Infrastructure: bridges	(300,219)	(28,813)	-	-	(329,032)
Total accumulated depreciation	(72,483,371)	(4,325,270)	111,587	-	(76,697,054)
Total capital assets being depreciated, net	87,427,838	(1,289,183)	(81,441)	207,984	86,265,198
Governmental capital assets, net	$ 185,577,048	$ 5,950,546	$ (2,553,300)	$ -	$ 188,974,294

7. CAPITAL ASSETS (CONTINUED)

	07/01/16	Increases	Decreases	Transfers	06/30/17
Business-type activtities					
Capital assets, not being depreciated:					
Land	$ 2,209,910	$ -	$ -	$ -	$ 2,209,910
Water shares	12,475,604	235,329	-	-	12,710,933
Construction in progress	31,173	77,310	-	-	108,483
Total capital assets, not being depreciated	14,716,687	312,639	-	-	15,029,326
Capital assets, being depreciated:					
Buildings	7,183,786	332,677	(6,317)	-	7,510,146
Vehicles	1,465,238	246,494	(142,843)	-	1,568,889
Machinery and equipment	593,344	-	-	-	593,344
Office furniture and equipment	325,615	34,260	-	-	359,875
Culinary water system	36,278,377	1,844,136	-	-	38,122,513
Secondary water system	39,901,878	1,058,320	-	-	40,960,198
Storm water system	35,031,741	1,108,653	-	-	36,140,394
Total capital assets, depreciated	120,779,979	4,624,540	(149,160)	-	125,255,359
Accumulated depreciation:					
Buildings	(1,786,882)	(184,343)	4,460	-	(1,966,765)
Vehicles	(508,087)	(132,958)	138,163	-	(502,882)
Machinery and equipment	(313,246)	(31,022)	-	-	(344,268)
Office furniture and equipment	(113,657)	(34,446)	-	-	(148,103)
Culinary water system	(12,766,542)	(590,096)	-	-	(13,356,638)
Secondary water system	(11,273,749)	(674,346)	-	-	(11,948,095)
Storm water system	(14,811,641)	(889,652)	-	-	(15,701,293)
Total accumulated depreciation	(41,573,804)	(2,536,863)	142,623	-	(43,968,044)
Total capital assets being depreciated, net	79,206,175	2,087,677	(6,537)	-	81,287,315
Business-type capital assets, net	$ 93,922,862	$ 2,400,316	$ (6,537)	$ -	$ 96,316,641

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

Governmental activities:	
General government	$ 609,962
Public safety	12,945
Highways and public improvements	2,060,383
Parks and recreation	1,641,980
Total depreciation expense - governmental activities	$ 4,325,270
Business-type activities:	
Culinary water	$ 788,573
Secondary water	810,309
Storm water system	937,981
Total depreciation expense - business-type activities	$ 2,536,863

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 typically 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, 2017, was as follows:

	07/01/16	Increases	Decreases	06/30/17	Due in One Year
Governmental activities					
Bonds payable:					
Franchise and sales tax revenue bonds	$ 33,577,000	$ -	$ (787,000)	$ 32,790,000	$ 851,000
Plus: unamortized premiums	1,918,071	-	(166,788)	1,751,283	130,160
Total bonds payable	35,495,071	-	(953,788)	34,541,283	981,160
Compensated absences	211,786	216,220	(220,906)	207,100	41,420
Governmental activities, long-term liabilities	$ 35,706,857	$ 216,220	$ (1,174,694)	$ 34,748,383	$ 1,022,580
Business-type activities					
Bonds payable:					
Water revenue bonds	$ 8,779,000	$ -	$ (1,495,000)	$ 7,284,000	1,513,000
Plus: unamortized premiums	141,327	-	(27,433)	113,894	27,433
Total bonds payable	8,920,327	-	(1,522,433)	7,397,894	1,540,433
Compensated absences	154,729	136,539	(127,651)	163,617	32,724
Business-type activities, long-term liabilities	$ 9,075,056	$ 136,539	$ (1,650,084)	$ 7,561,511	$ 1,573,157

10. LONG–TERM LIABILITIES (CONTINUED)

REVENUE BONDS

GOVERNMENTAL ACTIVITIES:

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 refund the series 2001 Franchise and Sales Tax Revenue Bonds, which were issued to finance road construction.	1,965,000
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 2.39% due in semi-annual installments beginning June 2013, with the final payment due December 2024. The bonds were issued to refund the series 2004A Franchise and Sales Tax Revenue Bonds, which were issued to finance the renovation and reconstruction of City Hall.	2,145,000
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 refund the series 2007 Franchise and Sales Tax Revenue Bonds, which were issued to finance road construction.	10,180,000
Total Franchise and Sales Tax Revenue Bonds - Governmental Activities	$ 32,790,000

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.	$ 234,000
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, were issued to finance the cost of construction and implementation of the City's secondary water system.	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, which were issued to finance the cost of construction and implementation of the City's secondary water system.	2,900,000
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, which were issued to finance the cost of construction and implementation of the City's secondary water system.	1,995,000
Total Water Revenue Bonds - Business-type Activities	$ 7,284,000

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 $10,421,363 compared to the principal and interest of $1,722,547. The current revenue recognized during the period for pledged Franchise and Sales Tax Revenue Bonds was $8,892,656 compared to the principal and interest of $2,301,160.

10. LONG–TERM LIABILITIES (CONTINUED)

REVENUE BONDS (continued)

The debt service requirements to maturity are as follows:

Year Ending June 30,	Franchise and Sales Tax Revenue Bonds		
	Principal	Interest	Totals
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	1,401,600	2,422,600
2022	1,057,000	1,366,741	2,423,741
2023-2027	5,978,000	6,197,619	12,175,619
2028-2032	7,120,000	4,679,069	11,799,069
2033-2037	7,305,000	2,935,131	10,240,131
2038-2041	7,605,000	798,394	8,403,394
	$ 32,790,000	$ 21,749,506	$ 54,539,506

Year Ending June 30,	Business-type Activities Water Revenue Bonds		
	Principal	Interest	Totals
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	500,000	23,100	523,100
2023	520,000	7,800	527,800
	$ 7,284,000	$ 613,829	$ 7,897,829

11. CONDUIT DEBT OBLIGATIONS

In October 2009, the City issued 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, 2017, the outstanding amount of this obligation is $225 million.

In October 2012, the City issued additional conduit debt for Hospital Revenue Bonds Series 2012A of $200 million to refund Hospital Revenue Bonds series 2007. 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, 2017, the outstanding amount of this obligation is $200 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 Utah Retirement Systems, are members of the Tier 2 System.

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	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% each year all years	Up to 4%
Tier 2 Public Employees	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% each year all years	Up to 2.5%

**with actuarial reductions*

***All post-retirement cost-of-living adjustments (COLA) are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The COLAs are also limited to the 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 Utah State Retirement 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. Contribution rates as of June 30, 2017, are as follows:

System	Empl	Empr	Empr 401(k)
Noncontributory	n/a	18.47%	n/a
Tier 2 Public Employees	n/a	14.91%	1.78%

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, 2017, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory	$ 832,609	n/a
Tier 2 Public Employees	180,539	-
Total Contributions	**$ 1,013,148**	**$ -**

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

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, 2017, the City had a net pension asset of $0 and a net pension liability of $3,455,101.

	Measurement Date - December 31, 2016				
System	Net Pension Asset	Net Pension Liability	Proportionate Share 12/31/2016	Proportionate Share 12/31/2015	Change (Decrease)
Noncontributory	$ -	$3,439,597	0.5356606%	0.5480067%	(0.0123461%)
Tier 2 Public Employees	-	15,504	0.1389913%	0.1403570%	(0.0013657%)
Total Net Pension Asset / Liability	**$ -**	**$3,455,101**			

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016, 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, 2017, the City recognized pension expense of $1,286,126. At June 30, 2017, 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	$ 74,713	$ 106,466
Changes in assumptions	474,627	113,363
Net difference between projected and actual earnings on pension plan investments	770,278	228,474
Changes in proportion and differences between contributions and proportionate share of contributions	67,353	46,156
Contributions subsequent to the measurement date	485,210	-
Total	**$ 1,872,181**	**$ 494,459**

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 (continued)

The City reported $485,210 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, 2016. 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
2017	$ 276,359
2018	279,339
2019	338,117
2020	(6,367)
2021	416
Thereafter	4,647

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.35 - 10.35%, average, including inflation
Investment rate of return	7.20%, 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, 2016, 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 and is applied consistently to each defined benefit pension plan. 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			2.60%
Expected arithmetic nominal return			7.83%

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

13. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

DISCOUNT RATE The discount rate used to measure the total pension liability was 7.20%. 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 7.50% to 7.20% from the prior measurement period.

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 7.20%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory	$ 7,124,570	$ 3,439,597	$ 364,688
Tier 2 Public Employees	105,533	15,504	(52,985)
Total	$ 7,230,103	$ 3,455,101	$ 311,703

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
- Traditional IRA Plan

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

	2017	2016	2015
401(k) Plan			
Employer Contributions	$ 37,294	$ 34,304	$ 41,620
Employee Contributions	$ 51,927	$ 56,230	$ 23,883
457(b) Plan			
Employer Contributions	$ 33,326	$ 26,174	$ 22,955
Employee Contributions	$ 47,449	$ 19,108	$ 22,561
Roth IRA Plan			
Employer Contributions	n/a	n/a	n/a
Employee Contributions	$ 12,240	$ 8,754	$ 14,491
Traditional IRA Plan			
Employer Contributions	n/a	n/a	n/a
Employee Contributions	$ 35	$ -	$ -

In addition to participation in Utah Retirement Systems, the City also participates in a 401(a) plan provided by International City Management

13. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

DEFINED CONTRIBUTION SAVINGS PLANS (continued)

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, 2017, 2016, and 2015, were $231,776, $225,865, and $221,179, respectively.

The City offers its employees a defined contribution plan with ICMA–RC (457 plan) in accordance with Internal Revenue Code Section 457(b). 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 $283,673 of incremental tax revenues assessed and collected by other taxing entities for its Redwood Road South project area. The RDA spent $13,953 for administrative costs in the Redwood Road South project area and $49,885 for administrative costs relating to the establishment of a new CDA commercial project area in the Western Commercial District (WCD).

On October 21, 2014, the RDA entered into an agreement with Riverton Peaks, LLC. The agreement stipulated the City would loan Riverton Peaks, LLC $340,204 to acquire property to construct a development project consisting of approximately 88 residential units. The current year includes a bad debt expense of $370,610, to write off the prior year's note receivable with interest relating to the Riverton Peaks, LLC agreement. Timing delays associated with Utah Department of Transportation's widening of Redwood Road, which fronts the residential project, created situations outside of the developer's control and invalidated the agreement.

The CDA commercial project in the WCD is currently under construction, but has not yet triggered tax increment. The first stores in the CDA are expected to open during the summer of 2018.

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, 2017, nor have the amounts of settlements exceeded insurance coverage during the past three fiscal years.

16. COMMITMENTS AND AGREEMENTS

The City has 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.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, 2017, are summarized below.

Year Ending June 30,	Principal	Interest	Total
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	70,000	77,125	147,125
2023-2027	390,000	337,569	727,569
2028-2032	480,000	247,838	727,838
2033-2037	600,000	117,556	717,556
2038	140,000	3,675	143,675
	$ 1,870,000	$ 1,116,588	$ 2,986,588

17. SUBSEQUENT EVENTS – RIVERTON LAW ENFORCEMENT SERVICE AREA

The Riverton Law Enforcement Service Area (RLESA) is a newly created taxing district created for the purpose of collecting property taxes to pay for law enforcement services. Riverton City created RLESA in part to mitigate the 2018 property tax increase already approved by the Salt Lake Valley Law Enforcement Service Area (SLVLESA).

Riverton City agreed by resolution to stay within SLVLESA until the end of calendar year 2017; RLESA will become an active entity beginning January 1, 2018. The Riverton Law Enforcement Service Area will be a component unit of the City as its governing body is comprised of the Riverton City Council and Mayor.

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 2017 Measurement Date 12/31/16		Fiscal Year 2016 Measurement Date 12/31/15		Implementation Fiscal Year 2015 Measurement Date - 12/31/14	
	Noncontributory	Tier 2 Public Employees	Noncontributory	Tier 2 Public Employees	Noncontributory	Tier 2 Public Employees
Proportion of the net pension liability (asset)	0.5356606%	0.1389913%	0.5480067%	0.1403570%	0.5244048%	(0.1465361%)
Propotionate share of the net pension liability (asset)	$ 3,439,597	$ 15,504	$ 3,100,888	$ (306)	$ 2,277,089	$ (4,441)
Covered-employee payroll	$ 4,707,677	$ 1,139,840	$ 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	73.06%	1.36%	66.17%	(0.03%)	50.90%	(0.60%)
Plan fiduciary net position as a percentage of the total pension liability	87.30%	95.10%	87.80%	100.20%	90.20%	103.50%

Note: This schedule usually covers the 10 most 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,	Actuarially 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%
	2017	832,609	832,609	-	4,691,541	17.75%
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%
	2017	180,539	180,539	-	1,210,065	14.92%
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%
	2017	-	-	-	-	0.00%

*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.

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 system. The Tier 2 System was created effective July 1, 2011.

Note: This schedule usually covers the 10 most 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 actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

SUPPLEMENTARY SECTION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2017 – RIVERTON CITY CORPORATION, UTAH

	Capital Project Funds			
	Community Impact Parks	Community Impact Roads	Capital Improvements	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ -	$ -	$ 893,260	$ 893,260
Restricted cash and cash equivalents	731,807	1,757,776	-	2,489,583
Total assets	$ 731,807	$ 1,757,776	$ 893,260	$ 3,382,843
LIABILITIES				
Accounts payable	$ 2,675	$ 5,353	$ 99,853	$ 107,881
Total liabilities	2,675	5,353	99,853	107,881
FUND BALANCES				
Restricted:				
Impact fees	729,132	1,752,423	-	2,481,555
Assigned:				
Capital expenditures	-	-	793,407	793,407
Total fund balances	729,132	1,752,423	793,407	3,274,962
Total liabilities and fund balances	$ 731,807	$ 1,757,776	$ 893,260	$ 3,382,843

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS – FOR THE YEAR ENDED JUNE 30, 2017 – RIVERTON CITY CORPORATION, UTAH

	Capital Project Funds			
	Community Impact Parks	Community Impact Roads	Capital Improvements	Total Nonmajor Governmental Funds
REVENUES				
Impact fees	$ 1,268,102	$ 935,528	$ -	$ 2,203,630
Interest	5,072	16,657	2,935	24,664
Total revenues	1,273,174	952,185	2,935	2,228,294
EXPENDITURES				
Current:				
Highways and public improvements	7,688	6,732	-	14,420
Capital expenditures	2,986	238,157	354,480	595,623
Total expenditures	10,674	244,889	354,480	610,043
Excess of revenues over (under) expenditures	1,262,500	707,296	(351,545)	1,618,251
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	260,880	260,880
Transfers in	-	-	840,250	840,250
Transfers out	(704,500)	(440,000)	(192,205)	(1,336,705)
Total other financing sources (uses)	(704,500)	(440,000)	908,925	(235,575)
Net change in fund balance	558,000	267,296	557,380	1,382,676
Fund balance, beginning of year	171,132	1,485,127	236,027	1,892,286
Fund balance, end of year	$ 729,132	$ 1,752,423	$ 793,407	$ 3,274,962

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES MAJOR CAPITAL PROJECTS FUND – REDIIF – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Franchise taxes	$ 2,820,000	$ 2,820,000	$ 2,515,892	$ (304,108)
Intergovernmental	85,225	85,225	85,225	-
Interest	11,500	11,500	52,490	40,990
Total revenues	2,916,725	2,916,725	2,653,607	(263,118)
EXPENDITURES				
Current:				
General government:				
Economic development	46,900	46,900	39,600	7,300
Wages and benefits	80,000	80,000	79,614	386
Capital expenditures:				
Highways and public improvements	2,125,000	3,453,000	2,039,018	1,413,982
Debt service:				
Principal	1,234,000	787,000	787,000	-
Interest	1,070,500	1,517,500	1,514,160	3,340
Total expenditures	4,556,400	5,884,400	4,459,392	1,425,008
Excess (deficiency) of revenues over (under) expenditures	(1,639,675)	(2,967,675)	(1,805,785)	1,161,890
OTHER FINANCING SOURCES (USES)				
Loss on sale of land	-	-	(542,340)	(542,340)
Contributions from government	-	-	2,601,779	2,601,779
Transfers in	1,410,500	1,603,500	1,336,705	(266,795)
Transfers out	(1,067,400)	(1,107,400)	(987,400)	120,000
Total other financing sources (uses)	343,100	496,100	2,408,744	1,912,644
Net change in fund balance	$ (1,296,575)	$ (2,471,575)	602,959	$ 3,074,534
Fund balance, beginning of year			7,641,216	
Fund balance, end of year			$ 8,244,175	

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, 2017 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ 714,500	$ 717,500	$ 1,268,102	$ 550,602
Interest	-	-	5,072	5,072
Total revenues	714,500	717,500	1,273,174	555,674
EXPENDITURES				
Current:				
Parks and recreation	10,000	10,000	7,688	2,312
Capital expenditures:				
Parks and recreation	-	3,000	2,986	14
Total expenditures	10,000	13,000	10,674	2,326
Excess (deficiency) of revenues over (under) expenditures	704,500	704,500	1,262,500	558,000
OTHER FINANCING SOURCES				
Transfers out	(704,500)	(704,500)	(704,500)	-
Total other financing sources	(704,500)	(704,500)	(704,500)	-
Net change in fund balance	$ -	$ -	558,000	$ 558,000
Fund balance, beginning of year			171,132	
Fund balance, end of year			$ 729,132	

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, 2017 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ 638,500	$ 638,500	$ 935,528	$ 297,028
Interest	1,000	1,000	16,657	15,657
Total revenues	639,500	639,500	952,185	312,685
EXPENDITURES				
Current:				
Highways and public improvements	10,000	10,000	6,732	3,268
Capital expenditures:				
Highways and public improvements	501,500	1,381,500	238,157	1,143,343
Total expenditures	511,500	1,391,500	244,889	1,146,611
Excess (deficiency) of revenues over (under) expenditures	128,000	(752,000)	707,296	1,459,296
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	$ (312,000)	$ (1,192,000)	267,296	$ 1,459,296
Fund balance, beginning of year			1,485,127	
Fund balance, end of year			$ 1,752,423	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUND – CAPITAL IMPROVEMENTS – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2017 – RIVERTON CITY CORPORATION, UTAH

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Interest	$ -	$ -	$ 2,935	$ 2,935
Total revenues	-	-	2,935	2,935
EXPENDITURES				
Capital expenditures:				
Highways and public improvements	349,750	349,750	239,745	110,005
Parks and recreation	133,000	165,000	114,735	50,265
Total expenditures	482,750	514,750	354,480	160,270
Excess (deficiency) of revenues over (under) expenditures	(482,750)	(514,750)	(351,545)	163,205
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	106,500	331,500	260,880	(70,620)
Transfers in	196,250	840,250	840,250	-
Transfer out	-	(193,000)	(192,205)	795
Total other financing sources (uses)	302,750	978,750	908,925	(69,825)
Net change in fund balance	$ (180,000)	$ 464,000	557,380	$ 93,380
Fund balance, beginning of year			236,027	
Fund balance, end of year			$ 793,407	

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.

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FINANCIAL TRENDS

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental activities:										
Net investment										
in capital assets	$ 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	$ 154,728,458
Restricted	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	5,046,288
Unrestricted	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	8,056,216
Total governmental activities net position	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	167,830,962
Business-type activities:										
Net investment										
in capital assets	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	89,228,665
Restricted	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	7,862,280
Unrestricted	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	10,189,161
Total business-type activities net position	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	107,280,106
Primary government:										
Net investment										
in capital assets	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	243,957,123
Restricted	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	12,908,568
Unrestricted	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	18,245,377
Total primary government net position	**$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**	**$275,111,068**

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	$ 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	$ 4,412,719
Public safety	3,865,209	4,412,709	4,399,543	5,245,047	3,030,295	888,693	875,733	935,460	1,081,649	1,124,135
Highways and public improvements	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	7,240,818
Parks and recreation	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	3,803,814
Interest on long-term debt	1,114,875	1,034,229	987,158	922,051	896,095	1,140,081	1,779,556	1,611,562	1,550,342	1,382,149
Total governmental activities expense	15,221,055	14,262,743	16,127,263	14,964,862	13,501,797	16,343,472	14,390,236	15,669,818	14,605,338	17,963,635
Business-type activities:										
Culinary water	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	5,522,647
Secondary water	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	3,033,097
Sanitation	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	1,890,102
Street lighting	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	1,716,585
Total business-type activities expenses	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	12,162,431
Total primary government expenses	**22,578,342**	**22,649,331**	**24,407,340**	**24,186,464**	**23,249,667**	**25,999,080**	**23,416,959**	**25,051,012**	**25,024,856**	**30,126,066**

(continued)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Revenues										
Governmental activities:										
Charges for service										
General government	543,718	2,596,630	549,592	522,376	551,429	611,403	536,891	613,077	661,632	712,230
Public safety	1,221,119	560,418	549,146	472,630	420,289	545,499	682,026	863,368	1,168,182	1,638,160
Highways and public improvements	-	-	-	5,198	941	8,728	21,816	5,118	12,412	3,449
Parks and recreation	463,577	374,144	443,347	454,334	387,935	401,854	309,176	385,314	410,033	420,572
Operating grants and contributions	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	1,963,549
Capital grants and contributions	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	11,718,349
Total governmental activities program revenues	**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**	**16,456,309**
Business-type activities:										
Charges for service										
Culinary water	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	6,078,224
Secondary water	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	4,343,139
Sanitation	1,200,058	1,575,828	1,616,244	1,613,319	994,156	434,340	451,660	481,165	498,190	493,578
Street lighting	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	1,901,245
Operating grants and contributions	200,571	-	-	-	-	-	-	-	-	-
Capital grants and contributions	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	3,215,157
Total business-type activities program revenues	**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**	**16,031,343**
Total primary government program revenues	**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**	**32,487,652**

(continued)

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Net (Expense)/Revenue										
Governmental activities	15,143,847	6,323,824	(7,892,839)	(9,787,409)	(10,095,968)	(11,407,659)	(4,694,648)	(8,998,631)	(7,753,880)	(1,507,326)
Business-type activities	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	3,868,912
Total primary government net (expense) revenue	**23,469,021**	**11,176,132**	**(5,226,117)**	**(8,584,056)**	**(9,612,768)**	**(10,795,098)**	**(1,297,903)**	**(5,651,922)**	**(4,417,650)**	**2,361,586**
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	1,377,215	2,663,070	2,142,798	2,036,794	1,902,971	173,780	9,265	7,663	2,566	1,517
Sales	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	6,376,764
Franchise	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	2,515,892
911	-	-	-	263,243	284,961	269,976	233,796	257,879	277,752	290,959
Investment earnings	2,030,169	737,401	187,153	102,138	105,858	58,020	113,255	73,397	81,774	109,966
Gain (loss) on disposal of assets	690,086	278,847	45,995	1,145,981	-	-	-	-	-	-
Special item - transfer of fire stations to other government	-	-	-	-	(2,239,422)	-	-	-	-	-
Interfund transfers	-	-	(109,455)	(21,228,529)	(1,015,790)	4,921,066	(961,845)	(941,495)	(700,000)	(837,400)
Total governmental activities	**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**	**8,457,698**

(continued)

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Business-type activities:										
Investment earnings	433,498	179,645	46,039	50,564	67,046	59,431	45,351	49,472	85,110	150,801
Gain (loss) on disposal of assets	(2,940)	1,288	-	-	-	-	-	3,063	-	41,199
Interfund transfers	-	-	109,455	21,228,529	1,015,790	(4,921,066)	961,845	941,495	700,000	837,400
Total business-type activities	430,558	180,933	155,494	21,279,093	1,082,836	(4,861,635)	1,007,196	994,030	785,110	1,029,400
Total primary government	**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**	**9,487,098**
Change in Net Position										
Governmental activities	25,822,025	16,653,769	944,382	(20,662,978)	(3,890,019)	1,549,627	2,463,337	(1,563,317)	381,813	6,950,372
Business-type activities	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	4,898,312
Total primary government	**$34,577,757**	**$21,687,010**	**$ 3,766,598**	**$ 1,819,468**	**$ (2,323,983)**	**$ (2,699,447)**	**$ 6,867,278**	**$ 2,777,422**	**$ 4,503,153**	**$ 11,848,684**

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 it was previously reported

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	$ 3,065,964	$ 3,205,284	$ 2,731,982	$ -	-	-	-	-	-	-
Unreserved	1,177,793	1,383,296	1,578,977	-	-	-	-	-	-	-
Nonspendable	-	-	-	128,988	$ 45,370	$ 33,406	$ 64,016	$ 79,519	$ 60,893	$ 95,108
Restricted	-	-	-	2,463,885	1,690,542	1,290,898	916,210	411,113	699,136	899,534
Unassigned	-	-	-	1,546,333	1,405,638	1,459,244	1,370,207	1,157,530	1,289,014	2,004,753
Total general fund	**$ 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**	**$ 2,999,395**
All other governmental funds										
Reserved										
Development	$ 9,142,490	$ 3,369,089	$ 1,844,024	$ -	-	-	-	-	-	-
Impact Fees	12,932,823	8,773,885	7,575,288	-	-	-	-	-	-	-
Unreserved reported in:										
Capital projects funds	10,198,919	13,728,495	7,880,315	-	-	-	-	-	-	-
Special revenue funds	2,319,331	4,644,279	4,223,136	-	-	-	-	-	-	-
Nonspendable	-	-	-	2,229,585	$ 4,168,739	$ 599,763	$ 740,244	$ 590	$ 122,800	$ 1,183,492
Restricted for:										
Projects	-	-	-	1,528,157	73	405,258	12,400,365	2,806,150	2,941,439	1,665,199
Impact fees	-	-	-	5,554,245	5,192,123	3,121,347	2,477,546	1,905,985	1,656,259	2,481,555
Committed for:										
Economic development	-	-	-	5,339,522	4,624,701	3,095,240	1,656,998	3,140,491	4,699,777	5,518,284
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	793,407
Unassigned	-	-	-	-	(998,106)	(1,326,844)	(1,565,032)	(1,870,689)	(1,690,315)	(1,835,898)
Total all other governmental funds	**$ 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**	**$ 9,806,039**

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes:										
Property	$ 1,377,215	$ 2,663,070	$ 2,142,798	$ 2,036,794	$ 1,902,971	$ 173,780	$ 9,265	$ 7,663	$ 2,566	$ 1,517
Sales	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	6,376,764
Franchise	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	2,515,892
911	-	-	-	263,243	284,961	269,976	233,796	257,879	277,752	290,959
Licenses and permits	1,436,909	731,232	722,414	640,499	624,390	528,281	579,895	620,502	935,568	1,267,034
Intergovernmental	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	2,247,188
Charges for services	463,577	390,867	468,396	465,076	389,358	668,825	597,809	740,501	883,109	1,045,146
Rental income	-	-	-	-	-	68,670	77,892	86,039	117,309	133,441
Impact fees	2,116,295	1,467,060	1,260,127	766,697	475,146	643,253	762,197	830,448	1,185,006	2,203,630
Fines and forfeitures	256,790	257,485	307,741	269,336	277,642	203,063	160,163	163,421	158,929	210,324
Interest	2,030,169	737,401	187,153	102,138	105,858	58,020	113,255	73,397	81,774	109,966
Miscellaneous	71,138	2,151,608	43,533	79,627	71,719	92,564	72,043	97,682	78,249	39,371
Total revenues	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	16,441,232
Expenditures										
General government	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	3,844,759
Public safety	3,745,735	4,278,916	4,328,421	4,761,404	3,016,033	881,331	867,730	938,053	1,007,410	1,092,444
Highways and public improvments	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	2,194,042
Parks and recreation	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	2,436,286
Capital outlay	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	3,265,056
Debt service:										
Principal	940,000	1,130,000	1,175,000	1,265,000	1,300,000	645,000	705,000	730,000	761,000	787,000
Interest	1,240,668	1,049,126	1,001,966	896,921	863,972	802,112	1,496,874	1,656,925	1,532,079	1,514,160
Bond issuance costs	-	-	-	68,037	-	29,500	250,821	-	156,869	-
Total expenditures	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	15,133,747
Excess of revenues over (under) expenditures	(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	1,307,485

(continued)

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Other Financing Sources (Uses)										
Revenue bonds issued	-	-	-	-	-	-	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	-	-	-	185,257	-	-	465,082	-	1,471,674	-
Proceeds from sale of assets	272,355	278,847	294,306	1,571,395	-	29,050	44,966	31,296	126,116	260,880
Loss from sale of land held for resale	-	-	-	-	-	-	-	-	-	(542,340)
Contributions from government	-	-	-	-	-	-	-	-	-	2,601,779
Transfers in	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	2,326,955
Transfers out	(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)	(3,164,355)
Total other financing sources (uses)	272,355	278,847	294,306	1,619,750	(499,248)	(657,324)	18,059,703	(812,037)	(374,573)	1,482,919
Net change (before prior period adj)	(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	2,790,404
Prior period adjustment	-	-	-	-	-	-	-	-	122,800	-
Net change in fund balances	**$ (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**	**$ 2,790,404**
Debt service as a percentage of noncapital expenditures	18%	18%	15%	16%	17%	11%	20%	19%	20%	19%

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

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
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%
2016	3,408,003,416	622,383,791	1,533,601,537	2,496,785,670	0.000000	4,030,387,207	61.95%

Note:

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

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
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	0.002097	0.002145
2015	0.000000	0.000000	0.006872	0.003214	0.000019	0.000400	0.000354	0.000405	0.002000	0.002042
2016	0.000000	0.000000	0.006906	0.003010	0.000018	0.000372	0.000331	0.000400	0.001888	0.001950

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: www.taxrates.utah.gov for the respective entities

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

	Tax Year 2016			Tax Year 2007		
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	1.17%	$ 25,889,900	2	1.21%
Wal-Mart Real Estate Business Trust	23,147,300	2	0.93%			
MMA LLC	14,937,505	3	0.60%			
Legacy Spring, LTD	11,130,735	4	0.45%	8,809,185	7	0.41%
Lowe's HIW, Inc	10,337,900	5	0.41%	10,350,100	4	
HD Development of Maryland Inc	8,356,800	6	0.33%	7,707,900	9	0.36%
Rose Creek Crossing LLC	8,251,000	7	0.33%			0.00%
Riverton Plaza LC	7,994,200	8	0.32%	9,770,000	5	0.46%
Tanglewood Investors LP	7,983,500	9	0.32%			
Ivory Development LLC	7,761,620	10	0.31%			
Intel Corporation				55,446,600	1	2.59%
Spring Creek Commercial LLC				12,078,237	3	
Exchange Holdings Corp Three				8,846,600	6	0.41%
Fautin Enterprises LLC				7,827,900	8	0.37%
DR Horton Inc				7,688,085	10	0.36%
Total	**$ 129,077,460**		**5.17%**	**$ 154,414,507**		**6.17%**

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
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%	42,880	1,719,901	99.34%
2012	40	40	100.00%	-	40	100.00%
2013	-	-	100.00%	-	-	100.00%
2014	-	-	100.00%	-	-	100.00%
2015	-	-	100.00%	-	-	100.00%
2016	-	-	100.00%	-	-	100.00%

Note:

Riverton City assessed a 0.000000 property tax rate for tax years 2012, through 2016. 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 received from other governments

Source: Salt Lake County Auditor

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

Category	Fiscal Year 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Retail & grocery	$ 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	$ 2,090,174
Utility & communication	553,094	433,941	414,715	414,009	425,264	453,219	457,575	465,627	489,853	473,091
Construction & home improvement	461,901	370,482	407,110	408,803	501,481	515,139	621,824	808,938	804,126	744,874
Eating & drinking establishments	255,255	346,284	348,826	386,725	403,528	445,672	478,317	430,732	455,767	505,555
Auto sales & supplies	214,701	199,105	234,507	264,082	290,446	296,467	271,769	320,234	269,669	313,285
Fuel & service stations	173,499	108,888	121,093	122,163	117,273	149,829	157,957	220,197	239,708	253,123
All other outlets	116,104	68,942	131,109	228,172	204,946	238,483	276,777	263,067	356,338	391,727
Totals	**$ 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**	**$ 4,771,829**

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

	Fiscal Year 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Riverton City portion of point of sale (POS)	$ 1,288,709	$ 1,463,193	$ 1,518,214	$ 1,589,873	$ 1,707,419	$ 1,784,311	$ 1,852,242	$ 2,005,782	$ 2,186,586	$ 2,385,932
State sharing pool	3,204,536	3,007,306	2,829,530	2,885,651	3,087,982	3,252,776	3,415,392	3,595,860	3,748,511	3,990,832
Totals	**$ 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**	**$ 6,376,764**

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. 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
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%
2017	1.00%	4.70%	0.25%	0.25%	0.55%	0.10%	6.85%

Source: Utah State Tax Commission – July 1, 2017 date taken from http://tax.utah.gov/salestax/rate/17q3combined.pdf on October 10, 2017

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

	Fiscal Year 2017		Fiscal Year 2008	
Category	**Point of Sale Tax**	**Percentage of Total**	**Point of Sale Tax**	**Percentage of Total**
Retail & grocery	$ 2,090,174	43.80%	$ 560,917	24.02%
Utility & communication	473,091	9.91%	553,094	23.68%
Construction & home improvement	744,874	15.61%	461,901	19.78%
Eating & drinking establishments	505,555	10.59%	255,255	10.93%
Auto sales & supplies	313,285	6.57%	214,701	9.19%
Fuel & service stations	253,123	5.30%	173,499	7.43%
All other outlets	391,727	8.21%	116,104	4.97%
Total	**$ 4,771,829**	**100.00%**	**$ 2,335,471**	**100.00%**

FRANCHISE TAX REVENUE BY CATEGORY – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Power	$ 878,036	$ 926,540	$ 978,612	$ 1,038,191	$ 1,114,916	$ 1,237,034	$ 1,286,161	$ 1,281,983	$ 1,344,684	$ 1,342,358
Gas	531,164	546,515	539,250	581,675	510,538	563,288	603,883	560,617	591,289	568,493
Communications and mobile phone	620,246	641,788	622,946	584,879	615,421	554,680	455,358	437,334	428,951	398,745
Cable	58,016	65,285	82,178	124,535	131,095	142,355	150,478	156,294	173,580	206,296
Totals	**$ 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**	**$ 2,515,892**

FRANCHISE TAX RATES BY CATEGORY – LAST TEN FISCAL YEARS – RIVERTON CITY CORPORATION, UTAH

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Power	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Gas	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Communications and mobile phone	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Cable	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Culinary water sales	$ 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	$ 5,097,470
Culinary impact fees	310,640	248,444	426,250	270,832	228,311	270,836	369,637	354,869	1,194,097	817,338
Secondary water sales	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	3,544,669
Secondary impact fees	253,500	214,251	335,119	296,807	276,489	345,427	330,914	316,401	569,629	698,115
Other water revenue	108,637	106,545	112,357	95,821	100,782	120,905	118,744	94,428	114,036	263,771
Sanitation	1,200,058	1,575,753	1,616,244	1,613,319	994,156	434,340	451,660	481,165	498,190	493,578
Storm water	-	-	-	368,960	746,571	772,055	805,095	1,128,330	1,249,279	1,272,047
Storm water impact fees	-	-	-	21,257	114,191	115,071	286,763	304,437	426,508	629,198
Street lighting	662,952	641,598	645,359	649,903	339,869	523	-	-	-	-
Totals	**$ 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**	**$ 12,816,186**

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 and the operations were absorbed into the General Fund 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
2008	$ -	$ 23,827,935	$ 17,872,594	$ 41,700,529	5.53%	1191
2009	-	22,662,421	16,852,491	39,514,912	4.53%	1054
2010	-	21,451,907	15,797,388	37,249,295	4.37%	937
2011	-	20,228,281	14,701,912	34,930,193	4.23%	864
2012	-	18,895,483	13,496,957	32,392,440	4.49%	836
2013	-	18,655,949	13,140,626	31,796,575	3.44%	805
2014	-	36,847,353	11,747,192	48,594,545	4.83%	1203
2015	-	36,048,675	10,348,760	46,397,435	4.50%	1118
2016	-	35,495,071	8,920,327	44,415,398	3.74%	1060
2017	-	34,541,283	7,397,894	41,939,177	3.38%	979

Note:

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

See 'Demographic and Economic Indicators' 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	Per Capita
2008	$ -	$ 23,827,935	$ 23,827,935	$ 3,435,736,108	0.72%	$ 681
2009	-	22,662,421	22,662,421	3,754,509,363	0.63%	604
2010	-	21,451,907	21,451,907	3,299,330,965	0.69%	540
2011	-	20,228,281	20,228,281	3,274,688,477	0.62%	500
2012	-	18,895,493	18,895,493	3,148,013,854	0.60%	488
2013	-	18,655,949	18,655,949	3,002,191,832	1.23%	472
2014	-	36,847,353	36,847,353	3,178,731,623	1.23%	912
2015	-	36,048,675	36,048,675	3,440,559,762	1.05%	869
2016	-	35,495,071	35,495,071	3,697,789,106	0.96%	847
2017	-	34,541,283	34,541,283	4,030,387,207	0.86%	806

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	$ 246,711,008	2.7%	$ 6,716,164
Jordan School District	40,619,000	12.6%	5,106,760
Jordan Valley Water Conservancy District	-	-	-
Salt Lake County (includes SL County Library)	206,123,714	2.7%	5,571,109
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			17,394,033
Riverton City total direct debt			34,541,283
Total direct and overlapping general obligation debt			**$ 51,935,316**

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. The estimated percentage applicable is Riverton City's taxable assessed value divided by the total taxable assessed values of overlapping government units.

Source: Audited financial reports for the most recent fiscal year from the individual agencies
www.taxrates.utah.gov for the respective entities

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	$ 85,599,413	$ 94,625,001	$ 83,229,271	$ 82,119,472	$ 78,809,339	$ 75,118,687	$ 79,429,724	$ 85,195,502	$ 91,283,693	$ 99,871,427
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 85,599,413	$ 94,625,001	$ 83,229,271	$ 82,119,472	$ 78,809,339	$ 75,118,687	$ 79,429,724	$ 85,195,502	$ 91,283,693	$ 99,871,427
Total net debt applicable to the limit as a percentage of debt limit	-	-	-	-	-	-	-	-	-	-

Legal Debt Margin Calculation for Fiscal Year 2017	
Taxable assessed value	$2,496,785,670
Debt limit (4% of assessed value)	99,871,427
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	**$ 99,871,427**

Note:

The City has not issued General Obligation Bonds in the past 10 years.

Under the Utah State Constitution, Article XIV, Section 4, general obligation debt for the City should not exceed 4% of the total taxable assessed property value.

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

	Governmental Activities Franchise / Sales Tax Revenue Bonds				Business-type Activities 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
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
2017	8,892,656	787,000	1,514,160	3.86	10,421,363	6,671,655	3,749,708	1,495,000	227,547	2.18

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
2008	37,500	$ 754,332,547	$ 20,116	2.9%
2009	39,751	871,926,242	21,935	2.6%
2010	40,420	851,523,644	21,067	3.6%
2011	38,753	825,962,955	21,314	6.9%
2012	39,489	722,189,375	18,288	6.8%
2013	40,398	923,867,391	22,869	6.0%
2014	40,948	1,006,113,125	24,571	5.0%
2015	41,500	1,031,506,498	24,856	3.5%
2016	41,900	1,185,992,416	28,305	3.6%
2017	42,838	1,239,724,187	28,940	3.4%

Note:

Personal income is for each respective income tax year that ends during the fiscal year

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

The population reported for fiscal years 2008 – 2010, and 2012 – 2017 are estimates; however, the fiscal year 2011 population matches the 2010 United States Census

Sources:

Unemployment rate – July 2017 taken from http://www.bls.gov/news.release/metro.t01.html on October 10, 2017

Personal Income – each respective year found at http://www.tax.utah.gov/econstats/income/fed-returns-2000 on October10, 2017

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

	2017			2008		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Jordan School District	1327	1	13.29%	657	2	10.56%
Riverton IHC Hospital	1200	2	12.02%			
LDS Church	1200	3	12.02%			
Stampin Up	400	4	4.01%			
Wal-Mart	288	5	2.89%			
Lowe's	149	6	1.49%			
Home Depot	138	7	1.38%			
Kohl's	112	8	1.12%			
Riverton City	109	9	1.09%	87	6	1.40%
Peterson's Marketplace	100	10	1.00%	130	3	2.09%
Intel Corporation				700	1	11.25%
Fresh Market				128	4	2.06%
Salt Lake County Sheriff				82	5	1.32%
Burger King				48	7	0.77%
Newman Construction				35	8	0.56%
Riverbend Golf Course				29	9	0.47%
Riverton Music				29	10	0.47%

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	3.000	3.000	3.000	3.000	3.000	3.000	3.000	4.000	4.000	3.000
Facilities maintenance	5.000	4.000	5.000	5.000	2.000	2.000	3.000	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	2.000	2.000	2.000	2.000	3.000	3.000	3.000	3.000	3.000	3.000
Administrative Services	11.875	12.625	12.625	12.000	13.000	13.000	13.000	14.000	15.000	16.250
Justice court Judge	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Economic development	1.000	1.000	1.000	1.000	-	-	-	-	-	-
Planning and zoning	4.000	4.000	3.000	2.000	2.000	2.000	2.000	2.000	2.000	3.000
Public safety										
Building inspections	6.000	4.000	4.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Ordinance enforcement	4.000	3.000	3.750	3.500	1.500	1.500	1.500	1.500	1.000	1.000
Parks and recreation										
Parks	12.000	2.000	2.000	2.000	6.000	6.000	7.000	9.000	12.000	11.750
Recreation and comm. events	5.000	4.000	4.000	3.500	4.500	4.600	4.600	4.600	6.600	6.100
Senior center	1.000	1.000	0.750	1.750	1.000	1.000	1.000	1.500	1.500	1.500
Highways and public improvements										
Engineering	10.500	10.000	11.000	11.000	11.000	12.000	12.000	14.000	16.000	16.000
Fleet	1.000	2.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street maintenance	9.500	9.500	11.500	9.500	9.500	9.500	11.500	11.500	11.500	10.500
Street lighting	-	-	-	2.000	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	5.000
Sanitation	1.000	-	-	-	-	-	-	-	-	-
Water	15.000	16.000	16.000	16.000	17.000	17.000	19.000	19.000	16.000	17.000
Total full-time equivalent employees	**97.375**	**83.625**	**86.125**	**85.750**	**89.000**	**90.100**	**96.100**	**102.600**	**107.100**	**108.600**

Notes: Prior to 2011, street light maintenance was a contracted service – storm water was a new department as of 2011 - the Sanitation Dumpster Program was eliminated in 2009 – Animal Control services (included in ordinance enforcement) 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Public Safety										
Building permits issued	155	121	145	171	102	131	142	131	203	275
Accessory building permits / solar / etc.	174	120	122	127	113	93	123	140	287	439
Public works										
Asphalt overlay contract (sf)	77,606	63,044	65,647	87,370	71,841	17,581	211,953	302,705	-	94,225
Asphalt slurry / chip contract (sf)	88,700	204,187	290,660	256,284	276,183	354,440	247,454	379,086	-	424,478
Asphalt repairs (sf)	6,167	17,579	22,297	4,984	17,759	46,229	18,787	13,674	28,541	11,630
Concrete sidewalk replaced (sf)	2,275	7,319	10,255	7,915	8,770	3,689	7,731	-	2,633	9,952
Concrete curb replaced (lf)	35	925	997	278	192	526	151	166	105	107
Trip hazards completed	-	-	132	242	250	71	6	19	46	83
Street light repaired	-	-	359	710	680	422	374	437	479	519
Signs repaired	13	173	97	161	415	267	264	178	142	107
Street sweeping (miles)	-	-	1,545	2,121	2,293	2,464	3,855	2,453	2,744	3,573
Catch basins, manholes, pipes and outalls cleaned	-	-	-	-	138	42	157	198	42	40
Parks and recreation										
Community center reservations	-	-	-	63	65	77	102	574	597	652
Community event participants	13,180	17,200	18,000	26,000	28,000	29,000	31,000	36,000	23,050	27,230
Community events held	10	12	13	13	13	14	19	24	48	34
Program and class participants	3,090	2,893	3,100	5,200	5,400	4,700	3,755	4,277	7,337	7,904
Recreation programs offered	23	20	20	38	38	38	27	29	29	61
Outdoor pavilion reservations	251	304	316	285	638	687	680	1,001	544	584
Indoor pavilion reservations	-	-	-	113	200	219	154	363	222	235
Old Dome reservations	-	-	-	-	-	-	-	-	43	67
Old Dome events	-	-	-	-	-	-	-	-	8	12
Outdoor pavilions available for reservation	7	10	10	10	10	10	8	8	9	10
Indoor pavilions available for reservation	-	-	1	1	1	1	1	1	2	2
Culinary water										
New connections	416	172	237	96	103	117	239	105	157	260
Avg. daily consumption (1000 gal)	4,016	3,640	3,911	3,822	4,191	4,465	3,896	3,743	3,710	4,367
Avg. daily consumption per capita (gal)	101	90	97	99	106	111	93	89	89	88
Annual water usage										
Purch. from JVWCD (1000 gal)	202,014	202,014	647,792	202,353	211,477	229,399	202,014	594,156	1,354,342	1,624,586
City wells (1000 gal)	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	13.78%	15.20%	50.81%	13.80%	14.26%	14.87%	14.49%	43.48%	95.93%	100.00%

Notes: Community center and indoor 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function/Program										
Public works										
Streets (road miles)	134	137	137	137	137	137	139	141	141	145
Streetlights	-	689.0	1,155	2,999	3,016	3,075	3,132	3,141	3,190	3,192
Traffic signals	7	9	9	9	9	9	15	16	16	17
Parks and recreation										
Parks	23	27	29	31	31	31	31	31	31	31
Acreage	115	158	267	216	216	220	220	220	220	220
Trees	-	-	3,328.0	3,328	3,328	3,337	3,206	3,206	3,701	3,850
Pavilions	18	19	20	20	20	20	18	18	18	22
Restrooms	9	11	13	13	13	13	10	10	10	14
Playgrounds	24	25	26	28	28	28	28	28	30	32
Baseball/softball diamonds	10	16	21	20	20	15	15	15	15	15
Soccer/football fields	16	19	23	23	23	23	23	23	23	23
Water										
Culinary water lines (miles)	167	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 accounts	8,534	8,706	8,943	9,039	9,142	9,156	9,395	9,500	9,657	9,918
Secondary water lines (miles)	162	171	171	171	171	171	171	171	171	171
Secondary water shares (af)	8,322	8,448	8,519	8,650	8,713	8,814	8,950	9,769	10,103	10,301
Storm water										
Storm drain lines (miles)	-	-	-	-	-	-	77	80	81	85
Manholes	-	-	-	-	-	-	1,680	1,701	1,704	1,710
Catch basins	-	-	-	-	-	-	2,170	2,182	2,184	2,190
Detention / retension basins (acres)	-	-	-	-	-	-	53	53	53	60

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