



M A D E R T S C H A C H E R
P E T E R S O N & C O .

CITY OF RIVERTON, WYOMING

FINANCIAL AND COMPLIANCE REPORT

June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
City Council and City Administrator
City of Riverton, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Riverton, Wyoming as of and for the year ended June 30, 2015, 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

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.

Auditor's 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 auditor's 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 entity'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 entity'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 the City of Riverton, Wyoming, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9. to the basic financial statements, the City has changed its method of accounting and reporting pension plans during 2015 due to the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Report for Pensions – an amendment of GASB Statement No. 27*. The adoption of the standard required retrospective application resulting in a \$3,091,236 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–14 and 52–54 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 of Riverton, Wyoming's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, on our consideration of the City of Riverton, Wyoming'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 City of Riverton, Wyoming's internal control over financial reporting and compliance.

Madel Tschacke Peterson + Co, LLC

Laramie, Wyoming
December 31, 2015

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

As management of the City of Riverton, we offer readers these financial statements which include a narrative overview and analysis of the financial activities of the City of Riverton for the fiscal year ended June 30, 2015. This narrative is also designed to address any material changes or deviations from the adopted budget and discuss any major fund concerns.

Financial Highlights

The assets and deferred outflows of resources of the City of Riverton exceeded its liabilities at the close of the most recent fiscal year by \$66,025,888 (net position). Of this amount, \$2,446,933 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$3,609,837. Much of this increase can be attributed to the increase of fixed assets due to completed projects such as the Water Treatment Plant High Service Pumps, Riverwalk Trail, purchase of land for the Big Bend project, miscellaneous infrastructure improvements and equipment/fleet purchases (i.e. bucket truck, loader, snow plow).

As of the close of the current fiscal year, the City of Riverton's governmental funds reported combined ending fund balances of \$8,301,919, a decrease of \$127,535 in comparison with the prior year. Approximately seventy-two percent (72%) of this total amount (\$6,004,454) is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance pertaining to the general fund was \$5,937,940, approximately fifty-three percent (53%) of the total general fund expenditures.

The City of Riverton's total notes payable debt is \$3,473,637 which includes an SRF loan for the Water Treatment Plant, a Wyoming State Loan and Investment Board for the A&T Mobile Home Park, Fike Subdivision and North Riverton Water Improvement projects and a loan from the Wyoming Department of Transportation Aeronautics Division for a building at the Airport Industrial Park. The City of Riverton had \$1,135,184 outstanding on a defeased Wyoming Water Commission Loan, but the loan was paid in full in January, 2015. This debt was serviced by securities escrowed to service the debt and, therefore, is not included in the City of Riverton's Statement of Net Position.

New Significant Accounting Standards Implemented

In fiscal year 2014-2015, the City implemented two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB) that relate to pension obligations:

- Statement No. 68, "Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27",
- Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB statement No. 68"

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

Statement No 68 (the Statement) establishes standards for accounting and financial reporting, but not funding or budgeting requirements, for the City's participation in cost sharing multiple-employer pension plans administered by Wyoming Retirement System. This Statement replaces the requirements of prior GASB statements impacting the accounting and disclosure of pensions.

The significant impact to the City of implementing Statement No. 68 is the reporting of the City's proportionate share of the net pension liability on the government-wide financial statements and the enterprise fund financial statements. There are also new note disclosure requirements and supplementary schedules required by the Statement.

The measurement date for the net pension liabilities, and the City's proportionate share of the liabilities, is December 30, 2014, as provided by the Wyoming Retirement System (WRS). This date reflects the most recent fiscal year end and actuarial valuation date for WRS and was used so that these financial statements could be issued in an expedient manner. Activity subsequent to the measurement date (i.e. contributions made by the City occurring between January 1 and June 30, 2015) are reported as deferred outflows of resources in accordance with Statement No. 71.

In order to implement the Statement, a prior period adjustment was made to the City's June 30, 2014 net position. This prior period adjustment decreased the City's net position by \$3,091,236 from \$65,507,287 to \$62,416,051 and reflects reporting of: 1) net pension liabilities of \$3,435,234; and \$343,998 deferred outflows of resources.

Please refer to Note 8. for more information regarding the City's pensions.

The adoption of Statement No. 68 has no impact on the City's governmental fund financial statements, which will continue to report expenditures equal to the amount actuarially determined contribution (formerly referred to as the "annual required contribution") determined by Wyoming Retirement System and required by state statute. The calculation of pensions contributions is also unaffected by this Statement.

Overview of the Financial Statements.

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

Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of Riverton's finances, in a manner similar to a private-sector business.

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

The statement of net position presents information on all of the City of Riverton's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Riverton is improving or deteriorating.

The statement of activities presents information showing how the government'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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Riverton that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Riverton include general government, public safety, streets and alleys, parks, health and welfare, capital outlay and debt service. The business-type activities of the City of Riverton include Water, Wastewater, Sanitation, and Airport operations.

The government-wide financial statements can be found on pages 15 through 17 of this report.

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

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

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

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

The City of Riverton maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and economic development fund that are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Riverton adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary funds. The City of Riverton maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Riverton uses enterprise funds to account for its Water, Wastewater, Sanitation and Airport operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater, Sanitation and Airport operations, all of which are considered to be major funds of the City of Riverton. The basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

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 on pages 27 through 51 of this report. The combining and individual fund statements referred to earlier in connection with non-major governmental funds can be found on pages 59 through 61 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Riverton's net position, approximately 81% percent reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Riverton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Riverton'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.

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

City of Riverton's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current and other assets	\$ 9,685,386	\$ 9,519,944	\$ 5,637,583	\$ 5,988,795	\$ 15,322,969	\$ 15,508,739
Capital assets	12,532,142	13,905,652	47,840,798	52,254,747	60,372,940	66,160,399
Total assets	22,217,528	23,425,596	53,478,381	58,243,542	75,695,909	81,669,138
Deferred inflows of resources	-	622,368	-	307,620	-	929,988
Long-term liabilities, as restated	-	2,277,146	3,470,152	5,257,833	3,470,152	7,534,979
Other liabilities	1,941,650	3,789,247	4,776,823	7,526,160	6,718,473	11,315,407
Total liabilities	1,941,650	3,789,247	8,246,975	12,783,993	10,188,625	16,573,241
Invested in capital assets	12,532,142	13,905,652	44,384,530	48,782,104	56,916,672	62,687,756
Restricted	936,928	891,199	-	-	936,928	891,199
Unrestricted, as restated	6,806,808	5,461,866	846,876	(3,014,934)	7,653,684	2,446,932
Total net position	\$ 20,275,878	\$ 20,258,717	\$ 45,231,406	\$ 45,767,170	\$ 65,507,284	\$ 66,025,887

A portion of the City of Riverton's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$2,446,932) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Riverton is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The City's net position increased by \$518,604 during the current fiscal year due to improvements and the changes in the number of on-going construction projects.

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

City of Riverton's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program Revenues						
Charges for Services	\$ 497,154	\$ 510,686	\$ 7,430,112	\$ 7,445,841	\$ 7,927,266	\$ 7,956,527
Operating grants and contributions	818,668	1,341,524	420,825	929,169	1,239,493	2,270,693
Capital grants and contributions	39,070	131,749	3,190,234	2,006,994	3,229,304	2,138,743
General Revenues:						
Property Taxes	378,179	393,825	-	-	378,179	393,825
Motor Vehicle Taxes	76,629	153,383	-	-	76,629	153,383
Franchise Taxes	930,592	887,544	-	-	930,592	887,544
Sales Taxes	5,039,089	4,682,148	-	-	5,039,089	4,682,148
Intergovernmental Funds and shared revenues not restricted to specific programs	2,377,169	2,477,597	106,298	96,907	2,483,467	2,574,504
Passenger facility charges			48,930	24,522	48,930	24,522
Sale of Property			71,988	-	71,988	-
Unrestricted investment earnings	71,074	1,168,129	3,500	4,099	74,574	1,172,228
Total revenues	10,227,625	11,746,585	11,271,887	10,507,532	21,499,512	22,254,117
Expenses:						
General government	3,533,037	5,043,181			3,533,037	5,043,181
Public Safety	3,540,818	3,663,148			3,540,818	3,663,148
Streets and alleys	671,019	627,421			671,019	627,421
Parks	517,206	527,202			517,206	527,202
Health and welfare	354,022	263,180			354,022	263,180
Water			2,369,195	2,340,548	2,369,195	2,340,548
Wastewater			2,204,992	2,108,402	2,204,992	2,108,402
Sanitation			2,151,590	2,354,185	2,151,590	2,354,185
Airport			1,860,010	1,640,845	1,860,010	1,640,845
Interest on long-term debt			77,438	76,169	77,438	76,169
Total expenses	8,616,102	10,124,132	8,663,225	8,520,149	17,279,327	18,644,281
Change in net position before transfers	1,611,524	1,622,453	2,608,662	1,987,383	4,220,186	3,609,836
Net position - beginning, as restated	18,664,354	18,636,264	42,622,744	43,779,787	61,287,098	62,416,051
Net position - ending	\$20,275,878	\$ 20,258,717	\$45,231,406	\$ 45,767,170	\$65,507,284	\$ 66,025,887

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

Governmental activities. The governmental activities showed an increase in net position of \$1,622,453 due to the Fund 12 which is the 1% optional sales tax monies received during the fiscal year and funds not yet expended as projected. Total of governmental activities expenditures increased by \$2,757,972 due to capital projects.

Business-type activities. Business-type activities showed an increase in net position of \$1,987,383, mainly as a result of continued influx of capital grants and contributions from local, state and federal funding agencies.

Financial Analysis of the Government's Funds

As noted earlier, the City of Riverton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus on the City of Riverton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Riverton's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Riverton's governmental funds reported combined ending fund balances of \$8,301,919 a decrease of \$127,535 in comparison with the prior year. Approximately seventy-two percent (72%) of this amount (\$6,004,454) constitutes unreserved fund balance, which is available for spending at the government's discretion. Of the \$6,004,454 in unreserved fund balance, \$881,000 is restricted per the agreement with the Senior Citizen's Center and a ballot proposition passed in 1998. The remainder (\$1,416,465) is committed for various future expenditures.

The general fund is the chief operating fund of the City of Riverton. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,937,940. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately fifty--three percent (53%) of the total general fund expenditures, while total fund balance represents approximately sixty-five point five percent (65.5%) of the same amount.

The fund balance of the City of Riverton's general fund decreased by \$10,675 during the current fiscal year. The key factor for the decrease is due to capital projects.

The debt service fund has a total fund balance of \$6,810. This fund was initially setup for an Escrow Series 1986 Riverton Valley Irrigation project with the Wyoming Water Development Commission for a fifty (50) year term beginning in 1991. The city had the opportunity for an early payoff (\$1,135,184 in principal and \$4,852 in interest) and saved thousands of dollars in future interest accrual by paying it off in January, 2015. The balance left is the difference between the accrual of interest over a 15-20 year period and the payoff.

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

Proprietary funds. The City of Riverton's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Fund at the end of the fiscal year amounted to \$650,299, a decrease over the prior year of \$263,228 which is due to projects not yet completed such as the Riverton Water Supply Project, S. Federal Water/Wastewater Improvement Project, Riverview Road Water/Wastewater Utility Project, and miscellaneous improvements such as the Fire Hydrant Replacement Project

Unrestricted net assets of the Sewer Fund at the end of the fiscal year amounted to \$1,107,373, a decrease of \$320,883 which is due to S. Federal Water/Wastewater Improvement Project, Riverview Road Water/Wastewater Utility Project, and miscellaneous upgrade improvements.

Unrestricted net assets in the Sanitation Fund at the end of the fiscal year amounted to \$641,624, a decrease of \$239,234 resulting from the purchase of a loader and a pickup.

Unrestricted net assets of the Airport Fund at the end of the fiscal year amounted to (\$5,514,2310), a decrease of \$3,038,466. The decrease is related to the AIP 39 Reconstruction Runway 10 Project. There was an overall increase in total net position of \$170,393 from \$11,623,971 in 2014 to \$11,794,365 in 2015.

Please note that the decrease over prior year values does not take in to consideration the adjustments made for required reporting under GASB68 and GASB71 which caused prior period adjustments. See Note 13 for more details.

Governmental Funds Budgetary Highlights

Differences between the original and final amended budget in the general fund were approximately \$1,484,488. The budget increase to expenditures was due to General Government line items: purchase of a DuraPatcher, Daniels Fund grant for the CWSPA (\$100,000) and sound system improvements for the Council Chambers/Municipal Court. The amount of \$1,140,000 was added in revenues *and* expenditures to address the early payoff of Escrow Series 1986 with the Wyoming Water Development Commission for the Riverton Valley Irrigation project approximately twenty (20) years ago.

Capital Asset and Debt Administration

Capital assets. The City of Riverton's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounts to \$66,160,399 (net of accumulated depreciation). This investment in capital assets included land, buildings, delivery systems, improvements, machinery and equipment, park facilities, and streets and alleys. The total increase in the City of Riverton's investment in capital assets for the current fiscal year was \$5,787,459.

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

Major capital asset events during the current fiscal year include the following:

In the General Fund, major contributors to capital asset events were: purchase of property for the Big Bend Drain project, Riverwalk Trail, and fleet/equipment capital including a DuraPatcher. The Water Fund indicated an increase in capital assets due to the Water Treatment Plant High Service Pumps project and miscellaneous water improvements, There were minimal increases in capital assets with the Wastewater Fund and Sanitation Fund with purchases for a transfer switch and loader/fleet capital, respectively. The major contribution to capital assets in the Airport Fund was the purchase of a dump truck.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	\$ 1,714,701	\$ 1,838,886	\$ 707,683	\$ 707,683	\$ 2,422,384	\$ 2,546,569
Works of art						
Buildings	2,659,900	2,411,479	17,760,634	16,555,504	20,420,534	18,966,983
Improvements other than buildings	2,771,384	2,936,858	-	-	2,771,384	2,936,858
Collection, transmission and distributions	-	-	14,784,560	14,291,125	14,784,560	14,291,125
Machinery and equipment	428,519	513,482	1,598,982	1,967,497	2,027,501	2,480,979
Source of supply			2,251,169	2,101,743	2,251,169	2,101,743
Transportation equipment	419,072	431,407	-	-	419,072	431,407
Computer equipment	380	-	-	-	380	-
Treatment plants	-	-	18,016	14,876	18,016	14,876
Infrastructure	3,323,386	3,454,407	-	-	3,323,386	3,454,407
Construction in progress	1,214,800	2,319,134	10,719,754	16,616,319	11,934,554	18,935,453
Total	\$ 12,532,142	\$ 13,905,652	\$ 47,840,798	\$ 52,254,747	\$ 60,372,940	\$ 66,160,399

Additional information on The City of Riverton's capital assets can be found in Note 5 on pages 36 through 38 of this report.

Long-term debt. At the end of the current fiscal year, the City of Riverton had a total of \$3,623,637 in outstanding debt. Of this amount, \$150,000 has been recorded as a liability measure for future landfill monitoring costs.

Defeased debt. The City of Riverton had an escrow account for the payment of principal and interest on a defeased Wyoming Water Development Commission loan. The City paid the entire outstanding balance of \$1,135,184 in January, 2015.

Additional information on the City of Riverton's long-term and defeased debt can be found in Note 7 on pages 38 through 41 of this report.

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

Economic Factors and Next Year's Budgets and Rates

It appears that natural gas operations are remaining steady due to the production on natural gas in Fremont County. Our projections indicate that we are seeing significant increases in use tax and gas/special fuel tax through actual monies being received. This is encouraging news since 30% of our general fund is made up of sales and use tax. We also anticipate moderate growth in retail sales tax collections with the addition of the Job Corps facility as well as the previously mentioned industrial activity which should have a positive effect on sales tax activity in the future.

City receipts indicated a moderate growth increase of the sales & use taxes for the General Fund. We cannot anticipate nor predict what the local economy will do with any conviction. Riverton, Fremont County and West Central Wyoming continue to be ideally situated on promising deposits of natural gas, oil and uranium.

As previously reported, officials in Riverton were notified by the Federal Government in 2007 that a national Job Corps center would be built in Riverton. The City has signed a lease making 100+ acres of land available on a leased basis for the project. City staff issued a Certificate of Occupancy on April 24, 2015 which means construction was basically completed. Full student capacity is expected to reach 300 within a year and the center could bring 100+ jobs to the community. With Wyoming being an energy state, the Job Corps will focus on the energy industry by providing hands-on experience with equipment including training for a petroleum technician, both commonly used in this trade. The full economic impact (housing market (i.e. renters, buyers), utility services at the facility, sales tax fluctuations) of the Job Corps could not be determined at this date in time as no historical data is available.

The residents of Fremont County passed an optional one-cent sales tax proposition for Fremont County voters. The city had projected an influx of approximately \$2M for the first year from this tax, however, that amount slightly exceeded our predictions. Monies from these funds will go toward streets and infrastructure. The city has established a FORCC (Fix Our Roads Citizen Committee) committee to oversee and make recommendations pursuant to the expenditure of these funds in order to promote transparency in government. Several projects were implemented this year with these monies received: concrete improvements, ADA accessibility, chip seal, and asphalt overlay projects.

During the current fiscal year, unreserved fund balance in the general fund decreased by \$16,227. With management, it is anticipated that the remaining unreserved fund balance of \$5,937,940 will be sufficient to provide the necessary general fund services. The City continues to pursue several types of available grants for use in major, one-time capital projects. Council provided direction that the General Fund operational reserve shall remain at 18.5% for the fifth year in a row.

Economic development efforts by IDEA, Inc. and the City of Riverton have opened up some much needed land for development that was owned by the Wyoming Honor Farm Prison. Riverton is currently land locked on three sides and the only commercial growth opportunity is

CITY OF RIVERTON, WYOMING
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2015

north of WALMART with land being owned by the State of Wyoming. IDEA, Inc. along with the City has successfully garnered support from the state's top elected officials and the Wyoming Business Council to put forth a public auction for sale of property located at the Wyoming Honor Farm. The motion was to auction 302 acres contingent upon the legislature making the Honor Farm whole in purchasing additional property. If legislation does not pass, 85 acres would be auctioned. This is a great opportunity to provide some land for private development that will generate more jobs and taxes for our community. As of this fiscal year audit, the city is still awaiting news from the state's top elected officials and legislature regarding a positive outcome for this potential land development.

No water, wastewater or sanitation rate increases were implemented in the 2015 fiscal year. The remaining amount of any increase in each of the funds was due to building reserve for potential or ongoing projects. The City Council gave clear direction that the reserves for each of the utility enterprises should not subsidize their operations and established a reserve amount of 18.5% annually for the fifth year in a row.

Requests for Information

The financial report is designed to provide a general overview of the City of Riverton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Courtney V. Bohlender, Director of Administrative Services; City of Riverton; 816 N. Federal Blvd.; Riverton WY 82501. Inquiries may also be made on our web site, www.rivertonwy.gov.

CITY OF RIVERTON, WYOMING

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash	\$ 5,978,822	\$ 1,830,419	\$ 7,809,241
Investments	1,058,579	1,694,788	2,753,367
Receivables, net of allowance for uncollectible accounts	556,971	1,898,402	2,455,373
Notes receivable	37,500	-	37,500
Due from other governments	1,357,071	-	1,357,071
Interfund receivables	531,001	565,186	1,096,187
Capital assets, including land and construction in progress not subject to depreciation, net of accumulated depreciation	13,905,652	52,254,747	66,160,399
Total Assets	23,425,596	58,243,542	81,669,138
DEFERRED OUTFLOWS OF RESOURCES			
Aggregate deferred outflows of resources related to pensions	622,368	307,620	929,988
Total Assets and Deferred Outflows of Resources	24,047,964	58,551,162	82,599,126
LIABILITIES			
Bank overdraft	\$ -	\$ 2,948,991	\$ 2,948,991
Accounts payable	694,715	3,372,507	4,067,222
Accrued payroll	140,043	62,998	203,041
Accrued interest	-	44,826	44,826
Interfund payables	329,704	766,484	1,096,188
Noncurrent liabilities			
Due within one year	347,639	330,354	677,993
Due in more than one year	-	3,433,120	3,433,120
Aggregate net pension liability	2,277,146	1,824,713	4,101,859
Total Liabilities	3,789,247	12,783,993	16,573,240
NET POSITION			
Net investment in capital assets	13,905,652	48,782,104	62,687,756
Restricted			
Maintenance and operation of Senior Citizens Center	881,000	-	881,000
911 emergency response system	3,389	-	3,389
Debt service fund	6,810	-	6,810
Unrestricted	5,461,866	(3,014,934)	2,446,932
Total Net Position	\$ 20,258,717	\$ 45,767,170	\$ 66,025,887

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Function/Program Activities	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:					
General government	\$ 6,041,902	\$ (998,721)	\$ 415,624	\$ 319,504	\$ 31,749
Public safety	3,663,148	-	90,742	112,006	-
Streets and alleys	627,421	-	-	741,961	-
Parks	527,202	-	4,320	103,148	100,000
Health and welfare	263,180	-	-	64,905	-
Total governmental activities	<u>11,122,853</u>	<u>(998,721)</u>	<u>510,686</u>	<u>1,341,524</u>	<u>131,749</u>
Business-Type Activities:					
Water	2,014,596	325,952	2,809,634	2,205	1,240,484
Sewer	1,804,330	304,072	1,940,153	-	-
Sanitation	2,099,656	254,529	2,462,805	775	-
Airport	1,526,677	114,168	233,249	926,189	766,510
Interest on long-term debt	76,169	-	-	-	-
Total business-type activities	<u>7,521,428</u>	<u>998,721</u>	<u>7,445,841</u>	<u>929,169</u>	<u>2,006,994</u>
Total primary government	<u>\$ 18,644,281</u>	<u>\$ -</u>	<u>\$ 7,956,527</u>	<u>\$ 2,270,693</u>	<u>\$ 2,138,743</u>

General revenues:

Taxes:

Property taxes

Sales and use taxes

Franchise taxes based on gross revenues collected by service providers

Motor vehicle taxes

Passenger facility charges

Intergovernmental funds and shared revenues not restricted to specific programs

Unrestricted investment earnings

Total general revenues, loss on disposal of assets and transfers

Change in net position

Net position- beginning, as restated

Net position- ending

See Notes to Financial Statements.

Net Revenue (Expense) and Changes in Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,276,304)	\$ -	\$ (4,276,304)
(3,460,400)	-	(3,460,400)
114,540	-	114,540
(319,734)	-	(319,734)
(198,275)	-	(198,275)
(8,140,173)	-	(8,140,173)
-	1,711,775	1,711,775
-	(168,249)	(168,249)
-	109,395	109,395
-	285,103	285,103
-	(76,169)	(76,169)
-	1,861,855	1,861,855
\$ (8,140,173)	\$ 1,861,855	\$ (6,278,318)
\$ 393,825	\$ -	\$ 393,825
4,682,148	-	4,682,148
887,544	-	887,544
153,383	-	153,383
-	24,522	24,522
2,477,597	96,907	2,574,504
1,168,129	4,099	1,172,228
9,762,626	125,528	9,888,154
1,622,453	1,987,383	3,609,836
18,636,264	43,779,787	62,416,051
\$ 20,258,717	\$ 45,767,170	\$ 66,025,887

CITY OF RIVERTON, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2015

	General	Economic Development	Non-major Governmental	Total Governmental Funds
ASSETS				
Cash	\$ 5,838,263	\$ 83,334	\$ 57,225	\$ 5,978,822
Investments	95,173	-	963,406	1,058,579
Receivables, other	555,317	-	3,384	558,701
Note receivable	-	38,500	-	38,500
Due from other governments	1,357,071	-	-	1,357,071
Interfund receivables	489,345	34,847	6,810	531,002
Total Assets	<u>\$ 8,335,169</u>	<u>\$ 156,681</u>	<u>\$ 1,030,825</u>	<u>\$ 9,522,675</u>
LIABILITIES				
Accounts payable	\$ 691,439	\$ -	\$ 3,276	\$ 694,715
Accrued payroll	196,337	-	-	196,337
Interfund payables	152,382	177,322	-	329,704
Total Liabilities	<u>1,040,158</u>	<u>177,322</u>	<u>3,276</u>	<u>1,220,756</u>
FUND BALANCES				
Nonspendable	1,357,071	-	-	1,357,071
Restricted for				
Senior Citizens Center endowment				
by voters resolution	-	-	881,000	881,000
911 emergency response system	-	-	3,389	3,389
Debt service fund	-	-	6,810	6,810
Assigned	-	-	49,195	49,195
Unassigned, reported in				
General Fund	5,937,940	-	-	5,937,940
Special revenue funds	-	(20,641)	87,155	66,514
Total Fund Balances	<u>7,295,011</u>	<u>(20,641)</u>	<u>1,027,549</u>	<u>8,301,919</u>
Total Liabilities and Fund Balances	<u>\$ 8,335,169</u>	<u>\$ 156,681</u>	<u>\$ 1,030,825</u>	<u>\$ 9,522,675</u>

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION – GOVERNMENTAL FUNDS**

June 30, 2015

Fund balances - total governmental funds \$ 8,301,919

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Governmental capital assets 13,905,652

Since the measurement focus of the governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by deferred revenue in the governmental funds and are not included in the governmental fund balances.

Receivables	(1,730)	
Note receivable - Child Development Services	<u>(1,000)</u>	(2,730)

Long-term liabilities, including notes payable and capital leases, are not due and payable on the current period and therefore are not reported in the governmental funds.

Compensated absences (291,346)

Liabilities and assets resulting from the recognition of the proportionate share of net pension liability are not due and payable from current financial resources and, therefore, are not reported in governmental funds. Associated deferred outflows of resources are also eliminated for this reason.

Aggregate net pension liability	(2,277,146)	
Aggregate deferred outflows of resources	<u>622,368</u>	<u>(1,654,778)</u>

Net position of governmental activities \$ 20,258,717

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2015

	General	Economic Development	Non-major Governmental	Total Governmental Funds
REVENUES:				
Property taxes	\$ 387,383	\$ -	\$ -	\$ 387,383
Motor vehicle taxes	153,383	-	-	153,383
Sales taxes	4,682,148	-	-	4,682,148
Franchise taxes	887,544	-	-	887,544
Licenses and permits	243,554	-	-	243,554
Intergovernmental	3,447,369	-	28,781	3,476,150
Grants, contributions, and donations	1,050,216	11,500	31,749	1,093,465
Fines and forfeitures	123,938	-	-	123,938
Investment income	1,202	-	1,166,927	1,168,129
Charges for services	148,660	-	-	148,660
Total Revenues	<u>11,125,397</u>	<u>11,500</u>	<u>1,227,457</u>	<u>12,364,354</u>
EXPENDITURES:				
Current operating:				
General government	2,023,309	-	-	2,023,309
Public safety	3,580,719	-	24,940	3,605,659
Streets and alleys	985,393	-	-	985,393
Parks and recreation	525,252	-	-	525,252
Health and welfare	46,104	-	52,500	98,604
Community development	392,801	-	37,902	430,703
Capital outlay	3,582,494	33,100	-	3,615,594
Debt service	-	-	1,207,375	1,207,375
Total Expenditures	<u>11,136,072</u>	<u>33,100</u>	<u>1,322,717</u>	<u>12,491,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,675)</u>	<u>(21,600)</u>	<u>(95,260)</u>	<u>(127,535)</u>
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(10,675)	(21,600)	(95,260)	(127,535)
Fund Balances - Beginning	<u>7,305,686</u>	<u>959</u>	<u>1,122,809</u>	<u>8,429,454</u>
Fund Balances - Ending	<u>\$ 7,295,011</u>	<u>\$ (20,641)</u>	<u>\$ 1,027,549</u>	<u>\$ 8,301,919</u>

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2015

Net change in fund balances- total governmental funds \$ (127,535)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	2,699,845	
Less current year depreciation	<u>(997,735)</u>	1,702,110

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

Change in grants receivable	(15,659)	
Change in taxes receivable	9,389	
Change in assessments receivable	4,540	
Lease payment - Child Development Services	<u>(1,000)</u>	(2,730)

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.

Change in retainage payable	(11,422)	
Change in long-term compensated absences	<u>(6,504)</u>	<u>(17,926)</u>

Pension expense associated with the recognition of a proportionate share of the collective net pension liability, as well as the amortization of related deferred outflows of resources, is not an expenditure from current financial resources.

68,533

Change in net assets of governmental activities \$ 1,622,453

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015**

	Business - Type Activities- Enterprise Funds				
	Water	Sewer	Sanitation	Airport	Total
ASSETS					
Current Assets					
Cash	\$ 417,025	\$ 332,971	\$ 687,274	\$ 393,149	\$ 1,830,419
Investments	524,094	698,788	471,906	-	1,694,788
Receivables:					
Accounts, net allowance for doubtful	185,929	132,300	154,339	677,667	1,150,235
Unbilled usage	277,746	376,191	94,230	-	748,167
Interfund receivables	483,281	81,905	-	-	565,186
Total current assets	<u>1,888,075</u>	<u>1,622,155</u>	<u>1,407,749</u>	<u>1,070,816</u>	<u>5,988,795</u>
Noncurrent Assets					
Capital assets, net of accumulated depreciation	21,955,191	11,762,455	989,258	17,547,843	52,254,747
Total noncurrent assets	<u>21,955,191</u>	<u>11,762,455</u>	<u>989,258</u>	<u>17,547,843</u>	<u>52,254,747</u>
 Total Assets	 <u>23,843,266</u>	 <u>13,384,610</u>	 <u>2,397,007</u>	 <u>18,618,659</u>	 <u>58,243,542</u>
DEFERRED OUTFLOWS OF RESOURCES					
Amounts related to pensions	90,012	87,108	84,341	46,159	307,620
 Total Assets and Deferred Outflows of resources	 <u>23,933,278</u>	 <u>13,471,718</u>	 <u>2,481,348</u>	 <u>18,664,818</u>	 <u>58,551,162</u>
LIABILITIES					
Current liabilities					
Bank overdraft	\$ -	\$ -	\$ -	\$ 2,948,991	\$ 2,948,991
Accounts payable	637,977	26,879	73,230	2,634,421	3,372,507
Accrued payroll	18,499	17,781	17,456	9,262	62,998
Accrued interest	33,577	3,921	-	7,328	44,826
Compensated absences	39,518	36,605	28,636	36,072	140,831
Landfill monitoring costs payable, current	-	-	50,000	-	50,000
Current maturities of note payable	86,462	39,932	-	13,129	139,523
Interfund payables	64,293	-	80,860	621,331	766,484
Total current liabilities	<u>880,326</u>	<u>125,118</u>	<u>250,182</u>	<u>6,270,534</u>	<u>7,526,160</u>

(Continued)

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2015

(Continued)

	Business -Type Activities- Enterprise Funds				
	Water	Sewer	Sanitation	Airport	Total
Noncurrent liabilities					
Landfill monitoring costs payable	-	-	100,000	-	100,000
Notes payable	2,421,173	585,828	-	326,119	3,333,120
Net pension liability	<u>533,924</u>	<u>516,704</u>	<u>500,284</u>	<u>273,801</u>	<u>1,824,713</u>
Total noncurrent liabilities	<u>2,955,097</u>	<u>1,102,532</u>	<u>600,284</u>	<u>599,920</u>	<u>5,257,833</u>
Total Liabilities	<u>3,835,423</u>	<u>1,227,650</u>	<u>850,466</u>	<u>6,870,454</u>	<u>12,783,993</u>
NET POSITION					
Net invested in capital assets	19,447,556	11,136,695	989,258	17,208,595	48,782,104
Unrestricted	<u>650,299</u>	<u>1,107,373</u>	<u>641,624</u>	<u>(5,414,230)</u>	<u>(3,014,934)</u>
Total Net Position	<u>\$ 20,097,855</u>	<u>\$ 12,244,068</u>	<u>\$ 1,630,882</u>	<u>\$ 11,794,365</u>	<u>\$ 45,767,170</u>

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended June 30, 2015

	Business-Type Activities- Enterprise Funds				
	Water	Sewer	Sanitation	Airport	Total
OPERATING REVENUES:					
Charges for services	\$ 2,809,634	\$ 1,940,153	\$ 2,462,805	\$ 233,250	\$ 7,445,842
OPERATING EXPENSES					
Cost of services and operations	1,105,730	993,108	1,641,529	495,230	4,235,597
Depreciation	642,793	552,658	255,707	1,020,263	2,471,421
General and administration	592,025	562,636	456,949	125,352	1,736,962
Total operating expenses	<u>2,340,548</u>	<u>2,108,402</u>	<u>2,354,185</u>	<u>1,640,845</u>	<u>8,443,980</u>
Operating income (loss)	<u>469,086</u>	<u>(168,249)</u>	<u>108,620</u>	<u>(1,407,595)</u>	<u>(998,138)</u>
NONOPERATING REVENUES (EXPENSES):					
Passenger facility charges	-	-	-	24,522	24,522
Intergovernmental	-	-	-	96,906	96,906
Investment income	932	2,074	1,093	-	4,099
Interest expense	(48,600)	(9,249)	-	(18,320)	(76,169)
Grants, contributions and donations	2,205	-	775	926,189	929,169
Total nonoperating revenue (expenses)	<u>(45,463)</u>	<u>(7,175)</u>	<u>1,868</u>	<u>1,029,297</u>	<u>978,527</u>
Income (loss) before other income	<u>423,623</u>	<u>(175,424)</u>	<u>110,488</u>	<u>(378,298)</u>	<u>(19,611)</u>
Capital contributions - grants and other	1,240,484	-	-	766,510	2,006,994
	<u>1,240,484</u>	<u>-</u>	<u>-</u>	<u>766,510</u>	<u>2,006,994</u>
Change in net position	1,664,107	(175,424)	110,488	388,212	1,987,383
Net position, beginning, as restated	<u>18,433,748</u>	<u>12,419,492</u>	<u>1,520,394</u>	<u>11,406,153</u>	<u>43,779,787</u>
Net position, ending	<u>\$ 20,097,855</u>	<u>\$ 12,244,068</u>	<u>\$ 1,630,882</u>	<u>\$ 11,794,365</u>	<u>\$ 45,767,170</u>

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2015

	Business-Type Activities- Enterprise Funds				Total
	Water	Sewer	Sanitation	Airport	
CASH FLOWS FROM OPERATIONS:					
Receipts from customers and users	\$ 2,860,077	\$ 2,043,416	\$ 2,479,981	\$ (206,126)	\$ 7,177,348
Payments to suppliers	(1,641,679)	(1,136,868)	(1,682,882)	2,744,072	(1,717,357)
Payments to employees	(503,013)	(477,267)	(377,915)	(80,840)	(1,439,035)
Net cash from operating activities	<u>715,385</u>	<u>429,281</u>	<u>419,184</u>	<u>2,457,106</u>	<u>4,020,956</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Due to (from) other funds	-	-	-	-	-
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Subsidy from passenger facility charges	-	-	-	24,522	24,522
Receipts from other governments	-	-	-	96,906	96,906
Interest paid on long-term debt	(48,600)	(9,249)	-	(18,320)	(76,169)
Receipts from grants, contributions and donations	1,242,689	-	775	1,692,699	2,936,163
Purchase of equipment and improvements	(2,213,662)	(247,651)	(207,436)	(4,216,620)	(6,885,369)
Change in accrued interest	(5,497)	-	-	733	(4,764)
Change in long-term debt	<u>68,288</u>	<u>(39,410)</u>	<u>(50,000)</u>	<u>(12,503)</u>	<u>(33,625)</u>
Net cash from capital and related financing activities	<u>(956,782)</u>	<u>(296,310)</u>	<u>(256,661)</u>	<u>(2,432,583)</u>	<u>(3,942,336)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale (purchase) of investments	(250,932)	197,926	(91,093)	-	(144,099)
Interest earned on investments	<u>932</u>	<u>2,074</u>	<u>1,093</u>	<u>-</u>	<u>4,099</u>
Net cash from investing activities	<u>(250,000)</u>	<u>200,000</u>	<u>(90,000)</u>	<u>-</u>	<u>(140,000)</u>
Net change in cash and cash equivalents	(491,397)	332,971	72,523	24,523	(61,380)
Cash, beginning	<u>908,422</u>	<u>-</u>	<u>614,751</u>	<u>368,627</u>	<u>1,891,800</u>
Cash, ending	<u>\$ 417,025</u>	<u>\$ 332,971</u>	<u>\$ 687,274</u>	<u>\$ 393,150</u>	<u>\$ 1,830,420</u>

(Continued)

See Notes to Financial Statements.

CITY OF RIVERTON, WYOMING

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015
(Continued)

	Business-Type Activities-Enterprise Funds				Total
	Water	Sewer	Sanitation	Airport	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Income (loss) from operations	\$ 469,086	\$ (168,249)	\$ 108,620	\$ (1,407,595)	\$ (998,138)
Adjustments to reconcile income (loss) from operations to net cash from operating activities:					
Depreciation	642,793	552,658	255,707	1,020,263	2,471,421
(Increase) decrease in:					
Accounts receivable	50,443	103,263	17,176	(439,376)	(268,494)
Increase (decrease) in:					
Bank overdrafts	-	(65,420)	-	781,656	716,236
Accounts payable	(478,362)	(22,611)	12,606	2,487,177	1,998,810
Payroll liabilities	6,858	5,101	4,268	1,940	18,167
Net pension liability, as restated	76,745	74,270	71,909	39,356	262,280
Compensated absences	5,409	5,998	2,857	3,216	17,480
Net cash from operating activities	<u>\$ 772,972</u>	<u>\$ 485,010</u>	<u>\$ 473,143</u>	<u>\$ 2,486,637</u>	<u>\$ 4,217,762</u>

See Notes to Financial Statements

CITY OF RIVERTON, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. The Reporting Entity and Significant Accounting Policies

Reporting Entity

The City of Riverton (City) is a municipal corporation governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements include all of the governmental activities and business-type activities relevant to the operations of the City. The accompanying financial statements of the City are to include those separately administered organizations for which the elected officials of the City are financially accountable or those that it would be misleading to exclude. Financial accountability is determined based on the appointment of a voting majority of the governing board and, either the City's ability to impose its will, or the presence of a potential financial benefit or burden to the City. The City has determined that no other outside agency meets the above criteria and, therefore, no other entity has been included as a component unit in the City's basic financial statements.

Nature of Operations

The City provides a broad range of services to citizens, including general government, public safety, streets, sanitation, health, cultural, social services, and park facilities. It also operates an airport, water, sewer and sanitation utilities, and emergency response system, and several recreational facilities.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

NOTES TO FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate column in the fund financial statements.

Measurements 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 and fiduciary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental funds:

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

The *economic development fund* accounts for economic development activities from grant funds.

The government reports the following major proprietary funds:

The *water fund* accounts for revenue and expenses of the department responsible for providing a safe, potable water supply adequate for fire protection, domestic and industrial usage.

The *sewer fund* accounts for revenue and expenses of the department responsible for maintaining a dependable system for collecting and treating wastewater in the City.

NOTES TO FINANCIAL STATEMENTS

The *sanitation fund* accounts for revenue and expenses of the department responsible for maintaining a dependable system for collecting and disposing of solid waste material in the City.

The *airport fund* accounts for revenue and expenses associated with operation and maintenance of the Riverton Regional Airport.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this limitation.

The City has elected not to follow subsequent private sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 the water, sewer, sanitation and airport enterprise funds and of the government's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

The amounts shown on the balance sheet as cash and cash equivalents represent cash on deposit in banks with original maturities of three months or less, and petty cash. Money market funds held by any investment pool or included in any brokerage account are not considered cash equivalents, since these holdings are normally temporary in nature. The City's intent is to reinvest these proceeds in other investments.

Investments

Wyoming Statutes authorize the types of investments in which the City may invest. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

The City's investments consist of participation in WYO-STAR, an investment pool sponsored by the State Treasurer's office, comprised of cash and mortgage backed securities held for the State in trust by Chase-Manhattan Bank.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balance."

Any advances between funds reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade, utility, and property tax receivables, are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles, The unbilled usage receivable represents the utilities' services that have been provided, but not billed as of the end of the year.

Property taxes attach as an enforceable lien on property as of July 1. The 2014 property taxes were levied as of July 1, 2013 and were due in two installments.

NOTES TO FINANCIAL STATEMENTS

Installments are due on September 1 and March 1 and are collectible on November 10 and May 10. If the first installment payment is made after November 10, the entire amount is due by December 31. Delinquent taxes have been recognized as revenue to the extent they have been collected within 60 days after June 30, 2015. Property Taxes receivable is included in “due from other governments” in the accompanying balance sheet. Property taxes are assessed, billed, collected, and distributed by the Fremont County Treasurer’s and Assessor’s offices. Governmental funds report deferred revenue in connection with property tax receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Special Assessments Receivable

The City collected \$5,900, \$530, \$9,817, and \$22,636 for Spencer, Gardens North, Fike, and Raintree assessments during the year ended June 30, 2015, respectively. The remaining current assessment receivable is \$378,639.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, 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 government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	30
Improvements	20
Collection, transmission and distribution	40
Furniture and fixtures	10
Infrastructure	20
Machinery, computers and transportation equipment	5-7
Source of Supply	20
Treatment plants	20

NOTES TO FINANCIAL STATEMENTS

Expenditures for maintenance and repairs of proprietary fund type property and equipment are charged to expense, while renewals and betterments are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The City capitalizes net interest costs and interest earned as part of constructing various enterprise fund projects when material. No interest was capitalized during the year ended June 30, 2015.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal yearend. The appropriated budget is prepared by fund and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made four supplemental budgetary appropriations during the year ended June 30, 2015.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The Government Accounting Standards Board (GASB) has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as a fund balance associated with inventories. This Statement also provides for additional classifications as *restricted*, *committed*, *assigned*, and *unassigned* based on the relative strength of the constraints that control how specific amounts can be spent. The definitions used by the City to distinguish fund allocations are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form (2) legally or contractually required to be maintained intact. The City does have fund balances that meet the criteria above.

NOTES TO FINANCIAL STATEMENTS

Restricted – The restrictive fund balance classification includes amounts that are (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The City does have fund balances that meet the criteria above.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, i.e. State of Wyoming or Granting Federal Agency. The City does not have fund balances that meet the criteria above.

Assigned – The assigned fund balance classification includes amounts constrained by the government’s intent (City Council) to be used for specific purposes, but are neither restricted nor committed. The City does have fund balances that meet the criteria above.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When restricted and other fund balance resources are available for use, it is the City’s policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

New Accounting Standards

The Governmental Accounting Standards Board (GASB) issued two new statements that were effective for the reporting period. The City has implemented and fully complied with the requirements of these statements.

Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27, represents a major shift in the accounting and financial reporting for pension plans administered through trust or equivalent arrangements that meet certain criteria. The implementation of this statement had a material impact on both the government-wide financial statements and enterprise fund financial statements. Statement No. 68 resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Statement No. 69, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68 – provides additional

NOTES TO FINANCIAL STATEMENTS

clarification regarding the accounting treatment of pension transactions.
Subsequent Events

The City’s Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events and transactions through December 31, 2015, the date the financial statements were available to be issued.

Note 2. Cash and Investments

As of June 30, 2015, the City had the following investments:

Investment Type	Fair Value	Interest Rate	Investment maturities (in years)			
			Less Than 1	1-5	6-10	More Than 10
Wyoming State Treasurer's Asset Reserve (WYO-STAR)	\$ 2,753,367	0.23-0.27%	\$2,753,367	\$ -	\$ -	\$ -
Total	<u>\$ 2,753,367</u>		<u>\$2,753,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require that the City’s deposits in excess of the Federal depository insurance must be collateralized.

In accordance with State statutes, the City maintains deposits at those depository banks authorized by the City Council. As of June 30, 2015, the City’s deposits were covered by Federal depository insurance or collateral held by the pledging bank’s trust department or by its agent under joint custody receipts.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investments are held in external pooled investment accounts. As a means of limiting its exposure to the fair value losses arising from interest rates; the City attempts to match its investment maturities with its expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains and losses.

Credit Risk

Generally, credit risk is the risk that an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Obligations of the U.S. Government and obligations specifically guaranteed by the U.S. Government are backed by the full faith and credit of the U.S. Government. The U.S. Government

NOTES TO FINANCIAL STATEMENTS

agency securities and securities held in WyoStar, an external investment pool are rated AAA/Aaa by Standard and Poor's and Moody's. Under investment agreements with WYOSTAR, the City has invested monies at a fixed contract rate of interest. Because the security is essentially a written contract, generally there is no rating on such investments; however, under Wyoming statues, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations.

State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's).

Concentration of Credit Risk

The City does not have a formal policy that allows for or limits an investment in any one issuer to a specified percentage of the City's total investments. The City had 100% of its investments in WyoStar as of June 30, 2015.

Note 3. Receivables

As of June 30, 2015, receivables in the Water, Sewer and Sanitation Funds including the applicable allowances for uncollectible amounts are as follows:

	Water Fund	Sewer Fund	Sanitation Fund
Balance at June 30, 2015	\$ 201,679	\$ 145,317	\$ 168,364
Allowance for uncollectible accounts	(15,750)	(13,017)	(14,025)
	\$ 185,929	\$ 132,300	\$ 154,339

Note 4. Deferred Outflows of Resources

With the implementation of Governmental Accounting Standards Board (GASB) Statements 68, certain items that were previously classified as assets are now reported as deferred outflows of resources. Deferred outflows of resources are consumptions of net position or fund balance that relate to a future period. The City has no deferred outflows of resources, except those related to pensions. Descriptions of these deferred outflows of resources are presented in detail on page 44. Deferred outflows related to pensions total \$622,368 for governmental activities and \$307,620 for business-type activities.

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2015, is as follows:

	Receivable	Payable
General Fund	\$ 489,345	\$ (152,382)
Economic Development Fund	34,847	(177,322)
Debt Service Fund	6,810	-
Water Fund	483,281	(64,293)
Sewer Fund	81,905	-
Sanitation Fund	-	(80,860)
Airport Fund	-	(621,331)
	\$ 1,096,188	\$ (1,096,188)

Note 6. Capital Assets

Capital asset activity for Governmental funds for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,714,701	\$ 124,185	\$ -	\$ 1,838,886
Construction in progress	1,214,800	1,916,994	812,660	2,319,134
Total capital assets, not being depreciated	2,929,501	2,041,179	812,660	4,158,020
Capital assets, being depreciated				
Buildings	7,139,999	-	-	7,139,999
Improvements other than buildings	4,101,216	368,979	-	4,470,195
Machinery and equipment	1,793,680	183,049	-	1,976,729
Transportation equipment	2,651,736	147,018	-	2,798,754
Computer equipment	261,481	-	-	261,481
Furniture and fixtures	90,741	-	-	90,741
Infrastructure	42,034,907	443,681	-	42,478,588
Total capital assets, being depreciated	58,073,760	1,142,727	-	59,216,487
Less accumulated depreciation for				
Buildings	4,480,099	248,421	-	4,728,520
Improvements other than buildings	1,329,832	203,505	-	1,533,337
Machinery and equipment	1,365,161	98,086	-	1,463,247
Transportation equipment	2,232,664	134,683	-	2,367,347
Computer equipment	261,101	381	-	261,482
Furniture and fixtures	90,741	-	-	90,741
Infrastructure	38,711,521	312,660	-	39,024,181
Total accumulated depreciation	48,471,119	997,736	-	49,468,855
Total capital assets, being depreciated, net	9,602,641	144,991	-	9,747,632
Governmental activities capital assets, net	\$ 12,532,142	\$ 2,186,170	\$ 812,660	\$ 13,905,652

NOTES TO FINANCIAL STATEMENTS

Capital asset activity for Enterprise funds for the year ended June 30, 2015 was as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 707,683	\$ -	\$ -	\$ 707,683
Construction in progress	<u>10,719,754</u>	<u>5,896,565</u>	<u>-</u>	<u>16,616,319</u>
Total capital assets, not being depreciated	<u>11,427,437</u>	<u>5,896,565</u>	<u>-</u>	<u>17,324,002</u>
Capital assets, being depreciated				
Buildings and improvements	35,189,366	-	-	35,189,366
Collection, transmission and distributions	25,648,623	161,771	-	25,810,394
Equipment and other improvements	7,671,665	822,413	-	8,494,078
Source of supply	4,871,135	-	-	4,871,135
Treatment plants	<u>10,521,440</u>	<u>-</u>	<u>-</u>	<u>10,521,440</u>
Total capital assets, being depreciated	<u>83,902,229</u>	<u>984,184</u>	<u>-</u>	<u>84,886,413</u>
Less accumulated depreciation for				
Buildings and improvements	17,428,732	1,205,130	-	18,633,862
Collection, transmission and distributions	10,864,063	655,206	-	11,519,269
Equipment and other improvements	6,072,683	453,898	-	6,526,581
Source of supply	2,619,966	149,426	-	2,769,392
Treatment plants	<u>10,503,424</u>	<u>3,140</u>	<u>-</u>	<u>10,506,564</u>
Total accumulated depreciation	<u>47,488,868</u>	<u>2,466,800</u>	<u>-</u>	<u>49,955,668</u>
Total capital assets, being depreciated, net	<u>36,413,361</u>	<u>(1,482,616)</u>	<u>-</u>	<u>34,930,745</u>
Business-type activities capital assets, net	<u>\$ 47,840,798</u>	<u>\$ 4,413,949</u>	<u>\$ -</u>	<u>\$ 52,254,747</u>

NOTES TO FINANCIAL STATEMENTS

Depreciation expense as of June 30, 2015 was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 498,868
Public safety	119,728
Streets and alleys	139,683
Parks	79,819
Health and welfare	<u>159,638</u>
Total depreciation expense - governmental activities	<u><u>\$ 997,736</u></u>
Business-type activities	
Water	\$ 642,793
Sewer	552,658
Sanitation	255,707
Airport	<u>1,020,263</u>
Total depreciation expense - business-type activities	<u><u>\$ 2,471,421</u></u>

Note 7. Long-Term Debt

The following is a summary of the changes in long-term liabilities of the City for the year ended June 30, 2015:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities					
Compensated absences	\$ 341,135	\$ 6,504	\$ -	\$ 347,639	\$ 347,639
Aggregate net pension liability	<u>1,635,453</u>	<u>641,693</u>	<u>-</u>	<u>2,277,146</u>	<u>-</u>
Governmental activity short-term liabilities	<u><u>\$ 1,976,588</u></u>	<u><u>\$ 648,197</u></u>	<u><u>-</u></u>	<u><u>\$ 2,624,785</u></u>	<u><u>\$ 347,639</u></u>
Business-type activities					
Notes payable	\$ 3,455,274	\$ 150,667	\$ 133,298	\$ 3,472,643	\$ 139,523
Landfill monitoring costs payable	200,000	-	50,000	150,000	50,000
Compensated absences	123,351	17,480	-	140,831	140,831
Aggregate net pension liability	<u>1,562,434</u>	<u>262,279</u>	<u>-</u>	<u>1,824,713</u>	<u>-</u>
Business-type activity long-term liabilities	<u><u>\$ 5,341,059</u></u>	<u><u>\$ 430,426</u></u>	<u><u>\$ 183,298</u></u>	<u><u>\$ 5,588,187</u></u>	<u><u>\$ 330,354</u></u>

NOTES TO FINANCIAL STATEMENTS

Governmental Activities

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund. Retainage payable is liquidated by both the general and economic development funds.

Business-Type Activities

As of June 30, 2015, the business-type long-term debt consisted of the following:

Water Fund

Note payable to Wyoming State Land & Investments due in annual installments of \$64,147, including interest at 2.5% to December 2030. \$ 837,441

Note payable to Wyoming State Land & Investments due in annual installments of \$48,102, including interest at 2.5% to September 2025. 457,652

Note payable to Wyoming State Land & Investments due in annual installments of \$24,228, including interest at 4.94% to December 2041. 357,034

1,652,127

Sewer Fund

Note payable to Wyoming State Land & Investments due in annual installments of \$18,450, including interest at 0.0% to June 2030. 276,756

Note payable to Wyoming State Land & Investments due in annual installments of \$12,3120, including interest at 2.5% to July 2030. 152,536

Note payable to Wyoming State Land & Investments due in annual installments of \$17,888, including interest at 2.5% to October 2027. 196,468

625,760

Airport Fund

Note payable to Wyoming Department of Transportation Aeronautics Division, due in annual installments of \$30,091, including interest at 5.0% to February 2032. 339,248

339,248

Total business-type activities notes payable \$ 2,617,135

NOTES TO FINANCIAL STATEMENTS

Annual Debt Service Requirements

The annual requirements to amortize all notes payable outstanding as of June 30, 2015 are as follows:

Water Fund:

Years ended June 30,	Principal	Interest	Total
2016	\$ 86,462	\$ 50,015	\$ 136,477
2017	88,785	47,692	136,477
2018	91,172	45,305	136,477
2019	93,629	42,848	136,477
2020	96,156	40,321	136,477
2020-2024	521,289	177,330	698,619
2025-2029	396,570	93,406	489,976
2030-2034	137,552	47,733	185,285
2035-2039	95,408	25,730	121,138
2040-2043	45,104	3,365	48,469
	<u>\$ 1,652,127</u>	<u>\$ 573,745</u>	<u>\$ 2,225,872</u>

Note: The outstanding balance of \$855,508 for the Riverton Water Supply Project is not included in the schedule above as the project was not completed at year end.

Sewer Fund:

Years ended June 30,	Principal	Interest	Total
2016	\$ 39,933	\$ 8,725	\$ 48,658
2017	40,471	8,188	48,659
2018	41,021	7,638	48,659
2019	41,585	7,073	48,658
2020	42,163	6,495	48,658
2021-2025	220,011	23,280	243,291
2026-2030	200,576	6,939	207,515
	<u>\$ 625,760</u>	<u>\$ 68,338</u>	<u>\$ 694,098</u>

Airport Fund:

Years ended June 30,	Principal	Interest	Total
2016	\$ 13,129	\$ 16,962	\$ 30,091
2017	13,785	16,306	30,091
2018	14,474	15,617	30,091
2019	15,197	14,894	30,091
2020	15,958	14,133	30,091
2021-2025	92,587	57,868	150,455
2026-2030	118,166	32,289	150,455
2030-2035	55,952	4,231	60,183
	<u>\$ 339,248</u>	<u>\$ 172,300</u>	<u>\$ 511,548</u>

NOTES TO FINANCIAL STATEMENTS

Defeased Debt

The City had an escrow agreement whereby securities were placed in an escrow account for the express purpose of paying the principal and interest on the City's defeased Wyoming Water Development Commission loan payments as they became due. The City was able to payoff of the entire loan balance (\$1,135,184) in January, 2015. Upon the close of the loan, the remaining funds in the escrow account, together with any interest, were returned to the City.

Note 8. Fund Equity

The restricted fund balance in the Senior Citizens' Center Endowment Fund is \$881,000. The restricted amount represents a determination reached per Resolution No. 1179 which established and clarified the Management and Disbursement of the Riverton Senior Citizens and Community Center Endowment Center Endowed Fund. The use of the Endowment funds can only be determined in the event of a true emergency as authorized by unanimous approval of the Riverton Senior Center Board of Directors, which must include a provision to repay or replace those funds in a reasonable way and timeframe. This directive must be provided to the Riverton City Council through the Riverton Senior Citizens and Community Center Endowment Board for their consenting vote, which shall not be unreasonably withheld. Any residual funds in the endowment gathered from interest proceeds, may be used for the operational and maintenance needs of the Riverton Senior Citizens Center as authorized by the Board of Directors of the Riverton Senior Citizens Center and through the corresponding Endowment Board to the Riverton City Council for their consenting vote, which shall not be unreasonably withheld.

Note 9. Employee Pension Plans

Pension Plan Descriptions and Benefits

Public Employee's Pension Plan

All City full-time or regular part-time employees, other than policemen and firemen, participate in the Wyoming Retirement System's (WRS) Public Employee Pension Plan, a cost sharing multiple-employer defined benefit contributory pension plan. Participation is mandatory. Retirement benefits are administered in two tiers - the second tier applying to employees hired after September 1, 2012 - and are established by state statute. Any cost of living adjustments (COLA) provided to retirees must be granted by the state legislature, which will not approve such adjustments unless the plan is 100% funded after a potential COLA is awarded. Employees terminating participation in the plan prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination, or, if they are vested, they may elect to remain in the Plan and be eligible for retirement benefits at age 50 (Tier 1 employees) or age 60 (Tier 2 employees). Vesting occurs after obtaining 48 months of service.

NOTES TO FINANCIAL STATEMENTS

Tier 1 Benefits

Tier 1 employees who retire at or after age 60 with four years of credited service, or are eligible for full retirement under the rule of 85 (age plus years of service = 85), are entitled to a retirement benefit according to predetermined formulas and allowed to select one of seven optional methods for receiving benefits. The benefit is calculated using a multiplier of 2.125 percent for the first 15 years of service and 2.25 percent for years of service above 15 and the highest 36 months of continuous acceptable salary. Early retirement is allowed provided the employee has completed four years of service and attained age 50, but results in a reduction of benefits based on the length of time remaining to normal retirement age. The pre-retirement death benefit depends on whether the employee is vested or non-vested, and the post-retirement death benefit is governed by the option the employee selects at retirement. To be eligible for a disability benefit, employees must have at least 10 years of service and be less than age 60.

Tier 2 Benefits

Tier 2 employees who retire at or after age 65 with four years of credited service, or are eligible for full retirement under the rule of 85 (age plus years of service = 85), are entitled to a retirement benefit according to predetermined formulas and allowed to select one of seven optional methods for receiving benefits. The benefit is calculated using a multiplier of 2 percent for all years of service and the highest 60 months of continuous acceptable salary. Early retirement is allowed provided the employee has completed four years of service and attained age 55, but results in a reduction of benefits based on the length of time remaining to normal retirement age. The pre-retirement death benefit depends on whether the employee is vested or non-vested, and the post-retirement death benefit is governed by the option the employee selects at retirement. To be eligible for a disability benefit, employees must have at least 10 years of service and be less than age 65.

Contribution Rates

The statutorily required contribution is currently 15.87%, of which 2.68% is paid by the employee and 13.19% is paid by the City. The City is only statutorily required to contribute 7.62%, and it elects to cover an additional 5.57% of the required contribution. Employer contributions to the pension plan for the fiscal year ended June 30, 2015 totaled \$584,286, and 100% of the statutorily required contributions were made.

NOTES TO FINANCIAL STATEMENTS

State of Wyoming Law Enforcement Pension Fund

The City contributes to the State of Wyoming Law Enforcement Pension Fund (“Fund”), a cost sharing multiple-employer defined benefit contributory pension plan which is part of the Wyoming Retirement System. All City policemen are mandated to participate in the Fund. Benefits vest after 48 months of service.

Benefits

Any police officer who retires at age 60 with 4 years of service or with 20 years of credited service, regardless of age, is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of the average salary during their highest paid five year period multiplied by the number of years of service (up to a maximum of 75% of the highest average salary). The Fund also provides death and disability benefits to participating employees. Benefit provisions and all other requirements are established by state statute. Any cost of living adjustments (COLA) provided to retirees must be granted by the state legislature, which will not approve such adjustments unless the plan is 100% funded after a potential COLA is awarded. Participants may withdraw from the Plan at any time and receive refunds of participant contributions plus accumulated interest.

Contribution Rates

The Fund statutorily requires 17.2% of the covered employees’ salary to be contributed to the fund, of which 5.95% is paid by the employee and the remaining 11.25% is paid by the City. The City is only statutorily required to contribute 8.6%, and it elects to cover an additional 2.65% of the required contribution. Employer contributions to the pension plan for the fiscal year ended June 30, 2015 totaled \$225,599, and 100% of the statutorily required contributions were made.

Net Pension Asset and Liabilities

As of June 30, 2015, the net pension liability recorded for the City represents its proportionate share of the excess of the total pension liability over the pension plan fiduciary net position for the Wyoming Retirement System plans of which the City is a participant. The net pension asset recorded for the City represents its proportionate share of the excess of the pension plan fiduciary net position over the total pension liability for the Wyoming Retirement System plans of which the City is a participant.

The City reported a net pension asset and liabilities as follows for the fiscal years ended June 30, 2015 and June 30, 2014:

	Proportionate Share of Net Pension Liability as of June 30, 2015	Proportionate Share of Net Pension Liability as of June 30, 2014
Public Employee Pension	\$ 3,734,062	\$ 3,197,876
Law Enforcement Pension	367,797	237,346
Aggregate Net Pension Liability	\$ 4,101,859	\$ 3,435,222

NOTES TO FINANCIAL STATEMENTS

Of the City's proportionate share of the net pension liability, \$1,824,713 is attributable to business-type activities (\$533,924 for the Water Fund, \$516,704 for the Sewer Fund, and \$500,284 for the Sanitation Fund and \$273,801 for the Airport Fund) through employee participation in the Public Employee Pension Plan. The remainder of the proportionate share of the net pension liability and asset is attributable to governmental activities.

The measurement date of the Wyoming Retirement System pension plan fiduciary net position was December 31, 2014 and the actuarial determination of the total pension liability was January 1, 2015. The City's proportionate share of the net pension liability and asset was determined per plan by calculating the percentage of the City's total contributions (employer and employee) to the total contributions received by Wyoming Retirement System during the plan measurement period (January 1, 2014 to December 31, 2014). The City's proportionate share of the net pension liability or asset for each plan as of December 31, 2014 and December 31, 2013 is as follows:

	<u>Proportionate Share as of December 31, 2014</u>	<u>Proportionate Share as of December 31, 2013</u>
Public Employee Pension	0.211598%	0.210331%
Law Enforcement Pension	1.246131%	1.299863%

Pension Expense

The measurement of pension expense fundamentally changed with the implementation of GASB Statement 68. Pension expense is calculated for the pension plan measurement period and includes changes in the net pension liability and the amortization of specific deferred inflows and outflows of resources. For the fiscal year ended June 30, 2015, the City recognized a total pension expense of \$134,006 as detailed below:

Public Employee Pension	\$	127,952
Law Enforcement Pension		6,054
Total Pension Expense	<u>\$</u>	<u>134,006</u>

Pension expense attributable to business-type activities totals \$65,473 (\$19,158 for the Water Fund, \$18,540 for the Sewer Fund, and \$17,951 for the Sanitation Fund and \$9,824 for the Airport Fund). The remainder of pension expense is attributable to governmental activities.

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows of Resources Related to Pensions

At June 30, 2015, the City reported the following deferred outflows of resources related to pensions:

<i>Deferred Outflows of Resources</i>	Public Employee Pension	Law Enforcement Pension	Total
Proportionate share of unamortized differences between the projected and actual earnings on pension plan investments	\$ 382,701	\$ 181,252	\$ 563,953
Contributions subsequent to the measurement date	232,456	127,057	359,513
Unamortized amounts related to the change in the City's proportionate share of the net pension liability or (asset)	14,459	(7,937)	6,522
Total Deferred Outflows Related to Pensions	\$ 629,616	\$ 300,372	\$ 929,988

All deferred inflows of resources related to pensions are attributable to governmental activities. Deferred outflows of resources related to business-type activities total \$307,620 (\$90,012 for the Water Fund, \$87,108 for the Sewer Fund, and \$84,341 for the Sanitation Fund and \$46,159 for the Airport Fund).

The \$359,513 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2016	\$ 143,912
2017	143,912
2018	143,912
2019	139,181
2020	(442)
	\$ 570,475

Actuarial Assumptions

Actuarial valuations are performed annually with the most recent valuation date of January 1, 2015. Actuarial methods and assumptions are disclosed below for the Wyoming Retirement System pension plans in which the City participates. Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2011. More detail about the actuarial methods and assumptions or the experience study can be found on the Wyoming Retirement System website.

NOTES TO FINANCIAL STATEMENTS

	Public Employee Pension	Law Enforcement Pension
Valuation Date	1/1/2014	1/1/2014
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Percent Open	Level Percent Open
Remaining Amortization Period	30	30
Asset Valuation Method	5-year	5-year
Actual Assumptions:		
Investment Rate of Return	7.75%	7.75%
Projected Salary Increases Includes Inflation	4.25% to 6.00%	4.25% to 8.00%
Assumed Inflation Rate	3.25%	3.25%
Mortality	*	*

***Mortality Assumptions:**

Pre-Retirement Mortality

RP-2000 Combined Mortality table, fully generational, projected with Scale BB
Males: Set back 5 years with multiplier of 104%
Females: Set back 4 years with a multiplier of 90%

Healthy Post-Retirement Mortality

RP-2000 Combined Mortality table, fully generational, projected with Scale BB
Males: Set back 1 year with multiplier of 104%
Females: Set back 0 years with a multiplier of 90%

Disabled Mortality

RP-2000 Combined Mortality table, fully generational, projected with Scale BB
Males: Set forward 5 years with multiplier of 120%
Females: Set forward 5 years with multiplier of 120%

Wyoming Retirement System assumes a 7.75% long term investment rate of return for its pension plans. The long term rate of return is determined through a 4.5% net real rate of return and an inflation rate of 3.25%. For the fiscal year ended December 31, 2014, WRS pension plans saw an annual money-weighted real rate of return, net of expenses, of 4.7% compared to the 4.5% expected rate of return.

The assumed asset allocation of the WRS pension plan portfolio, the long term expected rate of return for each asset class, and the expected rate of return is presented arithmetic and geometric below.

NOTES TO FINANCIAL STATEMENTS

Asset Class	Sub-Asset Class	Target Allocation	30-Year Arithmetic Expected Real Return	Contribution to Total Fund Arithmetic Real Return	30-Year Geometric Expected Real Return	Contribution to Total Fund Geometric Real Return
Cash		2.50%	0.50%	0.01%	0.50%	0.01%
Fixed Income		15.00%	0.98%	0.15%	0.80%	0.12%
Equity		55.00%	6.66%	3.66%	5.26%	2.89%
	US Large Cap	25.00%	5.88%	1.47%	4.50%	1.13%
	Non-US (unhedged)	24.00%	6.86%	1.65%	5.00%	1.20%
	Emerging Markets	6.00%	9.14%	0.55%	6.25%	0.38%
Marketable Alternatives		15.50%	4.19%	0.65%	3.79%	0.59%
Private Markets		12.00%	7.13%	0.86%	5.76%	0.69%
	Private Equity	4.00%	9.60%	0.38%	6.50%	0.26%
	Private Debt	3.00%	6.61%	0.20%	5.00%	0.15%
	Private Real Assets	2.00%	6.83%	0.14%	4.50%	0.09%
	Real Estate (core)	3.00%	4.57%	0.14%	3.25%	0.10%
Total Plan (Real Return)		100.00%		5.33%		4.54%
Inflation Assumption				3.25%		3.25%
Total Plan (Nominal Return)				8.58%		7.79%

Discount Rate

The discount rate used to measure the total pension liability for all plans was 7.75%. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Wyoming state statutes. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan	Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate	Last year ending December 31 in the 2014 to 2113 projection period for which projected benefit payments are fully funded
Public Employee Pension	7.75%	7.75%	3.65%	2113
Law Enforcement Pension	7.75%	7.75%	3.65%	2113

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate			
Pension Plan	1.0% Decrease 6.75%	Current Discount Rate 7.75%	1.0% Increase 8.75%
Public Employee Pension	\$ 5,835,206	\$ 3,734,062	\$ 1,969,585
Law Enforcement Pension	1,281,993	367,797	(387,799)

NOTES TO FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Wyoming Retirement System Comprehensive Annual Financial Report.

Payables to the Pension Plans

The City reported payables to Wyoming Retirement System at June 30, 2015 totaling \$231,854 and comprised of \$113,521 for the Public Employee Pension, \$53,784 for the Law Enforcement Pension, and \$64,549 for the Fire B Pension. The payables are short-term in nature and relate to the statutorily required contributions for June 2015 employee payroll.

Note 10. Landfill Post Closure Monitoring Costs

The City is required by the State of Wyoming Department of Environmental Quality to monitor the Riverton landfill site for possible groundwater contamination and methane gas. The landfill site stopped accepting waste in 1985; closure costs incurred through that date were recognized within the General Fund. The City estimates that landfill monitoring will continue until June 30, 2019.

The post closure costs of groundwater and methane gas monitoring for this period is estimated to be approximately \$50,000 per year for a total of \$300,000 over the 6-year monitoring period. This amount for additional landfill monitoring costs is accrued in the Sanitation fund as required by Government Accounting Standards No. 18. During the year ended June 30, 2015, the City incurred landfill monitoring costs of \$25,501 which was charged against the accrual for landfill liability account.

Actual costs may differ due to inflation, changes in technology, changes in regulations, or required cleanup costs if groundwater contamination is found.

Note 11. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets and natural disasters. During fiscal year ended June 30, 2001 the City changed their risk management and Local Government Liability ("WARM") pool. All risk management activities are accounted for in each fund as appropriate. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

All heavy equipment owned by the City is covered by a blanket equipment policy. This blanket policy has coverage limits, which could be exceeded in the unlikely event that the City and the other jurisdictions, which participate in WARM, were subject to a major disaster. In an effort to control potential losses, the City has implemented a risk containment policy, which provides for mandatory use of seat belts and hard hats, extraordinary caution on the part of employees and other preventive measures.

NOTES TO FINANCIAL STATEMENTS

The City also participates in two other risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute 27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the City to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the City.

The City makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and split rate between hazardous and non-hazardous positions. Amounts paid by the City to the State for Workers' Compensation during fiscal year 2015 were approximately \$145,321.

Wyoming Statute 27-3-101 created the Unemployment Compensation Act. This Act requires the City to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal year 2015 and 2014 were as follows for the City's participation in the Unemployment Compensation Act Program:

	June 30, 2015	June 30, 2014
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	126,468	48,079
Claim payments	(126,468)	(48,079)
Unpaid claims, end of year	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

Note 12. Allocation of Expenses

The City allocates its General Fund overhead expenses to the Water, Sewer, Sanitation, and Airport Funds. The allocation percentages are reviewed annually, budgeted, and approved by the City Council. The percentages allocated from the General Fund each of the Water, Sewer, Sanitation, and Airport Funds are as follows:

	Water Fund	Sewer Fund	Sanitation Fund	Airport Fund	Total Allocated
General Fund departments					
Mayor/Council	5%	5%	10%	5%	25%
Law Enforcement	5%	5%	5%	0%	15%
Administrative Services	17%	17%	17%	0%	51%
Information Technology	10%	10%	0%	8%	28%
Community Development	20%	25%	10%	0%	55%
Public Services	27%	25%	13%	15%	80%
Fleet Maintenance Operations	13%	18%	34%	8%	73%
City Hall maintenance	10%	10%	10%	10%	40%

For the year ended June 30, 2015, the City allocated \$998,721 in overhead expenses to the above listed funds.

Note 13. Commitments and Contingences

The City is required by the Department of Environmental Quality to monitor a landfill site for possible contamination (Note 9). Should contamination be detected in the future, the City may be responsible for some or all the cleanup costs.

Note 14. Accounting Changes

Prior Period Adjustments – Governmental Activities

The implementation of GASB Statement 68 required two prior period adjustments in governmental activities. One adjustment established the beginning balance of the proportionate share of the net pension liability, and the other adjustment recorded a beginning balance for deferred outflows of resources arising from contributions made subsequent to the measurement date of the beginning net pension liability.

Governmental Activities – Net Position at 6/30/14	\$ 20,275,878
Adjustment to Establish BB Net Pension Liability	(1,872,799)
Adjustment to Establish BB Deferred Outflows of Resources Related to Pensions	233,185
Adjusted Net Position at 6/30/14	\$ 18,636,264

NOTES TO FINANCIAL STATEMENTS

Prior Period Adjustments – Business-type Activities

The implementation of GASB Statement 68 required two prior period adjustments in business-type activities. One adjustment established the beginning balance of the proportionate share of the net pension liability, and the other adjustment recorded a beginning balance for deferred outflows of resources arising from contributions made subsequent to the measurement date of the beginning net pension liability.

Business-Type Activities – Net Position at 6/30/14	\$ 45,231,409
Adjustment to Establish BB Net Pension Liability	(1,562,435)
Adjustment to Establish BB Deferred Outflows of Resources Related to Pensions	<u>110,813</u>
Adjusted Net Position at 6/30/14	\$ 43,779,787

Prior Period Adjustments – Proprietary Funds

The implementation of GASB Statement 68 required two prior period adjustments in proprietary funds. One adjustment established the beginning balance of the proportionate share of the net pension liability, and the other adjustment recorded a beginning balance for deferred outflows of resources arising from contributions made subsequent to the measurement date of the beginning net pension liability.

Water Enterprise Fund

Water Fund – Net Position at 6/30/14	\$ 18,858,502
Adjustment to Establish BB Net Pension Liability	(457,179)
Adjustment to Establish BB Deferred Outflows of Resources Related to Pensions	<u>32,425</u>
Adjusted Net Position at 6/30/14	\$ 18,433,748

Sewer Enterprise Fund

Wastewater Fund – Net Position at 6/30/14	\$ 12,830,547
Adjustment to Establish BB Net Pension Liability	(442,434)
Adjustment to Establish BB Deferred Outflows of Resources Related to Pensions	<u>31,379</u>
Adjusted Net Position at 6/30/14	\$ 12,419,492

Sanitation Enterprise Fund

Solid Waste Fund – Net Position at 6/30/14	\$ 1,918,386
Adjustment to Establish BB Net Pension Liability	(428,375)
Adjustment to Establish BB Deferred Outflows of Resources Related to Pensions	<u>30,383</u>
Adjusted Net Position at 6/30/14	\$ 1,520,394

Airport Enterprise Fund

Solid Waste Fund – Net Position at 6/30/14	\$ 11,623,971
Adjustment to Establish BB Net Pension Liability	(234,446)
Adjustment to Establish BB Deferred Outflows of Resources Related to Pensions	<u>16,628</u>
Adjusted Net Position at 6/30/14	\$ 11,406,153

REQUIRED SUPPLEMENTARY INFORMATION)

CITY OF RIVERTON, WYOMING

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 385,000	\$ 385,000	\$ 390,463	\$ 5,463
Motor vehicle taxes	170,000	170,000	153,383	(16,617)
Sales taxes	4,903,600	4,903,600	4,849,200	(54,400)
Franchise taxes	903,000	903,000	881,973	(21,027)
Licenses and permits	227,300	227,300	243,549	16,249
Intergovernmental	2,323,690	2,323,690	2,345,408	21,718
Grants, contributions and donations	1,740,011	1,740,011	1,456,603	(283,408)
Fines and forfeitures	140,000	140,000	120,624	(19,376)
Investment income	2,000	2,000	1,202	(798)
Charges for services	147,500	147,500	142,081	(5,419)
Total revenues	<u>10,942,101</u>	<u>10,942,101</u>	<u>10,584,486</u>	<u>(357,615)</u>
EXPENDITURES:				
General government	2,072,528	2,072,528	2,010,324	62,204
Public safety	3,558,363	3,568,363	3,545,006	23,357
Streets and alleys	1,077,244	1,076,744	985,233	91,511
Parks and recreation	555,700	555,700	521,854	33,846
Health and welfare	77,060	77,060	44,718	32,342
Community development	414,177	414,177	392,748	21,429
Capital outlay	2,848,222	4,323,210	4,234,229	88,981
Total expenditures	<u>10,603,294</u>	<u>12,087,782</u>	<u>11,734,112</u>	<u>353,670</u>
Excess (deficiency) of revenues over (under) expenditures	338,807	(1,145,681)	(1,149,626)	(3,945)
Fund balance at beginning of year	<u>7,305,686</u>	<u>7,305,686</u>	<u>7,305,686</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,644,493</u>	<u>\$ 6,160,005</u>	<u>\$ 6,156,060</u>	<u>\$ (3,945)</u>

(Continued)

CITY OF RIVERTON, WYOMING

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended June 30, 2015

(Continued)

**Explanation of differences between budgetary revenue and expenditures and
GAAP revenue and expenditures.**

Revenue:

Actual total revenue budgetary basis	\$ 10,584,486
Differences- Budget to GAAP	
Taxes and other receivables difference	<u>540,911</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds	<u>\$ 11,125,397</u>

Expenditures:

Actual total expenditures budgetary basis	\$ 11,734,112
Differences- Budget to GAAP	
Accounts payable & payroll accrual difference	<u>(598,040)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental funds	<u>\$ 11,136,072</u>

CITY OF RIVERTON, WYOMING

**BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT FUND**

For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grants, contributions and donations	<u>\$ 1,148,900</u>	<u>\$ 1,148,900</u>	<u>\$ 11,500</u>	<u>\$ (1,137,400)</u>
Total revenues	<u>1,148,900</u>	<u>1,148,900</u>	<u>11,500</u>	<u>(1,137,400)</u>
EXPENDITURES:				
Capital outlay	<u>1,148,900</u>	<u>1,148,900</u>	<u>33,100</u>	<u>1,115,800</u>
Total expenditures	<u>1,148,900</u>	<u>1,148,900</u>	<u>33,100</u>	<u>1,115,800</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(21,600)	(21,600)
Fund balance at beginning of year	<u>959</u>	<u>959</u>	<u>959</u>	<u>-</u>
Fund balance at end of year	<u>\$ 959</u>	<u>\$ 959</u>	<u>\$ (20,641)</u>	<u>\$ (21,600)</u>

CITY OF RIVERTON, WYOMING

SCHEDULE OF THE CITY'S SHARE OF THE NET PENSION LIABILITY

**Public Employee Pension Plan
Last 10 Fiscal Years*
(in thousands)**

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.212%
City's proportionate share of the net pension liability (asset)	<u>\$ 3,734</u>
City's covered-employee payroll	<u>\$ 3,748</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	99.631%
Plan fiduciary net position as a percentage of the total pension liability	79.084%

*The amounts presented for each fiscal year correspond with the Wyoming Retirement System measurement period, not the City's fiscal year. Only one year of information is currently available.

CITY OF RIVERTON, WYOMING

SCHEDULE OF THE CITY'S SHARE OF THE NET PENSION LIABILITY

**Law Enforcement Pension Plan
Last 10 Fiscal Years*
(in thousands)**

	<u>2015</u>
City's proportion of the net pension liability (asset)	1.246%
City's proportionate share of the net pension liability (asset)	<u>\$ 368</u>
City's covered-employee payroll	<u>\$ 2,016</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	18.243%
Plan fiduciary net position as a percentage of the total pension liability	94.762%

*The amounts presented for each fiscal year correspond with the Wyoming Retirement System measurement period, not the City's fiscal year. Only one year of information is currently available.

CITY OF RIVERTON, WYOMING

SCHEDULE OF CONTRIBUTIONS

**Public Employee Pension Plan
Last 10 Fiscal Years*
(in thousands)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 275	\$ 324	\$ 347	\$ 390	\$ 389	\$ 456	\$ 489	\$ 509	\$ 536	\$ 595
Contributions in relation to the contractually required contribution	<u>(275)</u>	<u>(324)</u>	<u>(347)</u>	<u>(390)</u>	<u>(389)</u>	<u>(456)</u>	<u>(489)</u>	<u>(509)</u>	<u>(536)</u>	<u>(595)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
City's covered-employee payroll	\$ 2,447	\$ 2,661	\$ 3,144	\$ 3,390	\$ 3,456	\$ 3,335	\$ 3,461	\$ 3,604	\$ 3,689	\$ 3,748
Contributions as a percentage of covered-employee payroll	11.25%	12.17%	11.05%	11.51%	11.25%	13.66%	14.12%	14.12%	14.54%	15.87%

*The amounts presented are for the Wyoming Retirement System measurement period, and include both the employee and employer contributions.

CITY OF RIVERTON, WYOMING

SCHEDULE OF CONTRIBUTIONS

**Law Enforcement Pension Plan
Last 10 Fiscal Years*
(in thousands)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 260	\$ 268	\$ 293	\$ 300	\$ 294	\$ 311	\$ 323	\$ 339	\$ 332	\$ 347
Contributions in relation to the contractually required contribution	(260)	(268)	(293)	(300)	(294)	(311)	(323)	(339)	(332)	(347)
Contribution deficiency (excess)	<u>\$ -</u>									
City's covered-employee payroll	\$ 1,534	\$ 1,521	\$ 1,735	\$ 1,695	\$ 1,705	\$ 1,809	\$ 1,875	\$ 1,969	\$ 1,933	\$ 2,016
Contributions as a percentage of covered-employee payroll	16.93%	17.60%	16.87%	17.68%	17.23%	17.20%	17.20%	17.20%	17.20%	17.20%

*The amounts presented are for the Wyoming Retirement System measurement period, and include both the employee and employer contributions.

OTHER SUPPLEMENTARY INFORMATION

CITY OF RIVERTON, WYOMING

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2015

Special Revenue Funds

Special Revenue Funds are used to account for proceeds from specific revenue sources, which are required to be accounted for separately and used for specific purposes.

911 Fund – accounts for restricted revenue and expenses associated with an enhanced 911 emergency response system for the benefit of citizens of the City.

Senior Citizen’s Endowment Fund – accounts for revenues generated from an optional 1% tax endowment and expenses for the maintenance and capital improvement of the Senior Citizen’s Center.

Rendezvous Fund

Accounts for revenues generated in order to assist in community development and construction projects.

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CITY OF RIVERTON, WYOMING

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**
June 30, 2015

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Senior Citizen's Center			Rendezvous Fund	Debt Service Fund	
	Endowment Fund	911 Fund	Total			
ASSETS						
Cash	\$ 4,749	\$ 5	\$ 4,754	\$ 52,471	\$ -	\$ 57,225
Investments	963,406	-	963,406	-	-	963,406
Accounts receivable	-	3,384	3,384	-	-	3,384
Interfund receivables	-	-	-	-	6,810	6,810
Total Assets	<u>\$ 968,155</u>	<u>\$ 3,389</u>	<u>\$ 971,544</u>	<u>\$ 52,471</u>	<u>\$ 6,810</u>	<u>\$ 1,030,825</u>
LIABILITIES						
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	3,276	-	3,276
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,276</u>	<u>-</u>	<u>3,276</u>
FUND BALANCES						
Restricted by voter resolution	881,000	-	881,000	-	-	881,000
Restricted for 911 emergency response	-	3,389	3,389	-	-	3,389
Restricted for debt service	-	-	-	-	6,810	6,810
Assigned	-	-	-	49,195	-	49,195
Unassigned	87,155	-	87,155	-	-	87,155
	<u>968,155</u>	<u>3,389</u>	<u>971,544</u>	<u>49,195</u>	<u>6,810</u>	<u>1,027,549</u>
Total Liabilities and Fund Balance	<u>\$ 968,155</u>	<u>\$ 3,389</u>	<u>\$ 971,544</u>	<u>\$ 52,471</u>	<u>\$ 6,810</u>	<u>\$ 1,030,825</u>

CITY OF RIVERTON, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2015

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Senior Citizen's Center		Total	Rendezvous Fund	Debt Service Fund	
	Endowment Fund	911 Fund				
	Fund	Fund	Fund	Fund	Fund	
REVENUES						
Intergovernmental	\$ -	\$ 22,281	\$ 22,281	\$ 6,500	\$ -	\$ 28,781
Grants, contributions, and donations	-	-	-	31,749	-	31,749
Investment income	2,619	-	2,619	3	1,164,305	1,166,927
Total revenues	2,619	22,281	24,900	38,252	1,164,305	1,227,457
EXPENDITURES						
Current operating:						
Public safety	-	24,940	24,940	-	-	24,940
Health and welfare	52,500	-	52,500	-	-	52,500
Community development	-	-	-	37,902	-	37,902
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	1,207,375	1,207,375
Total expenditures	52,500	24,940	77,440	37,902	1,207,375	1,322,717
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,881)	(2,659)	(52,540)	350	(43,070)	(95,260)
Fund balances - beginning	1,018,036	6,048	1,024,084	48,845	49,880	1,122,809
Fund balance - ending	\$ 968,155	\$ 3,389	\$ 971,544	\$ 49,195	\$ 6,810	\$ 1,027,549

CITY OF RIVERTON, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Numbers</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the Wyoming Business Council Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Community Entry Services - Alzheimer's/ Dementia Residence Study	14.228		\$ <u>11,500</u>
Total U.S. Department of Housing and Urban Development			<u>11,500</u>
<u>U.S. Department of Justice</u>			
Passed through the Wyoming Office of Attorney General			
Victims of Crime Act	16.575	2012-VA-GX-0018	9,136
ARRA - Violence Against Women Formula Grants	16.588		31,168
Passed through the U.S Department of Transportation and the Wyoming Department of Transportation			
Bulletproof Vest Partnership Program	16.607	06-20-05H	3,321
Passed through the Wyoming Association of Sheriffs and Chiefs			
Enforcing Underage Drinking Laws Program	16.727		<u>2,056</u>
Total U.S. Department of Justice			<u>45,681</u>
<u>U.S. Department of Transportation</u>			
Passed through the Wyoming Department of Transportation - Wyoming Aeronautics Division			
Airport Improvement Program	20.106		3,663,508
Highway Planning & Construction	20.205		200,000
Passed through the Wyoming Department of Transportation			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	06-20-05H	<u>10,856</u>
Total U.S. Department of Transportation			<u>3,874,364</u>

(Continued)

CITY OF RIVERTON, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2015
 (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Numbers</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the Wyoming Office of Homeland Security			
Homeland Security Grant Program	97.067		<u>19,655</u>
Total U.S. Department of Homeland Security			<u>19,655</u>
Total Federal Awards			<u>\$ 3,951,200</u>

CITY OF RIVERTON, WYOMING

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Riverton, Wyoming under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City of Riverton, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Riverton, Wyoming.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through numbers were provided where available.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members of the
City Council and City Administrator
City of Riverton, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Riverton, Wyoming, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Riverton, Wyoming's basic financial statements and have issued our report thereon dated December 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Riverton, Wyoming's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Riverton, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Riverton, Wyoming's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. (2015-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Riverton, Wyoming's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Riverton, Wyoming's Response to Finding

City of Riverton, Wyoming's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. City of Riverton, Wyoming's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Madel Tschacher Peterson + Co, LLC

Laramie, Wyoming
December 31, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Mayor and Members of the
City Council and City Administrator
City of Riverton, Wyoming

Report on Compliance for Each Major Federal Program

We have audited the City of Riverton, Wyoming's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Riverton, Wyoming's major federal programs for the year ended June 30, 2015. The City of Riverton, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Riverton, Wyoming's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Riverton, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Riverton, Wyoming's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Riverton, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the City of Riverton, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Riverton, Wyoming's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Riverton, Wyoming's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Madel Tschacher Peterson + Co, LLC

Laramie, Wyoming
December 31, 2015

CITY OF RIVERTON, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

PART I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weakness?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weakness?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>
20.106	Airport Improvement Program	\$ 3,663,508

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? No

(Continued)

CITY OF RIVERTON, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

(Continued)

**PART II – FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENTAL
AUDITING STANDARDS*.**

**Significant Deficiency in Internal Control
2015-001: Financial Statement Preparation**

Criteria

An integral part of the internal control system is the ability to prepare financial statements, including the necessary footnote disclosures.

Condition

The City of Riverton, Wyoming does not have an individual with the expertise to prepare the financial statements in accordance with generally accepted accounting principles. Thus, potential misstatements could exist within the City's financial statements without being detected.

Recommendation

We realize that it is not economically feasible for the City to hire a CPA in order to prepare the financial statements. However, management and the City Council need to be actively involved in the fiscal activities during the year and closely review the financial statements to verify that the statements are not materially misstated.

Response

Management will continue to actively participate in the preparation of materials for the financial statements and will review the financial statements in order to verify that they are free from material misstatement. In addition management will continue to provide the Council with any additional financial information requested for support of the financial statements and assist with any additional inquiries made throughout the fiscal year and during review of the statements.

PART II – FINDINGS AND QUESTIONED COSTS

No such findings.