

CITY OF RIVERDALE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015



Prepared by:
Riverdale Finance Department

CITY OF RIVERDALE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION



December 18, 2015

To the Honorable Mayor, Distinguished Members of City Council and the Citizens of the City of Riverdale, Georgia:

Ladies and Gentlemen:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the comprehensive annual financial report of the City of Riverdale, Georgia (the “City”) for the fiscal year ended June 30, 2015.

This report consists of management’s representations concerning the finances of the City of Riverdale, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Riverdale, Georgia has established a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

Government Auditing Standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements. This report is included in this comprehensive annual financial report.

Profile of the City

The City of Riverdale, incorporated in 1908, is located in Clayton County, Georgia, and lies within the Metropolitan Atlanta area approximately five miles south of Atlanta-Hartsfield International Airport. The City is a municipal corporation created by and chartered through, the laws of the State of Georgia. A Mayor and City Council, composed of four members, govern and direct the legislative affairs of the City. The Mayor is elected at large, without regard to specific residency within the City. Each member of Council is required to reside within the ward from which he/she seeks election, but all citizens who are eligible to vote, may vote for any and all members of Council, as well as the Mayor.

In a manner consistent with the principles and practices of a Council-Manager form of government, the legislative policies and daily operations of the City are executed and/or administered by an appointed City manager. The City Manager is vested with the authority and responsibility to provide for the effective and efficient delivery of municipal services and to attend to the management of municipal affairs within legislative and legal parameters established by federal, state and local laws and legislations.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructures; sanitation; planning and zoning; and recreational activities and cultural events. Additional information on the individual funds which perform these services can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All funds and departments of the City are required to submit requests for appropriation to the City Manager in February of each fiscal year. The City Manager uses this request as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to June 15. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments or an increase in any salary category require the special approval of the governing council. Budget to actual comparisons are provided in this report for the General Fund and each special revenue fund for which an appropriated annual budget has been adopted. These comparisons are presented beginning on page 17 for the General Fund and beginning on page 53 for the special revenue funds.

On January 3, 1996, the City of Riverdale, Georgia received its status as a Certified City by the State of Georgia Department of Community Affairs and it has been recognized by the International City / County Management Association as a Council-Manager form of government since 1970.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City, like other municipalities, is still being impacted by the slow economic recovery and the lingering effects of the nationwide housing meltdown. While existing businesses are continuing to remodel and expand albeit on a smaller scale, the City is fortunate to have new businesses such as a funeral home, several retail establishments and other service related enterprises open for business. Riverdale voters also approved the sale of alcohol seven days a week which has generated additional revenue.

Construction of the Riverdale Town Center was completed in fiscal year 2011. It includes the new Riverdale Centre for Arts, Business and Leisure Services. The state of the art multi-purpose civic facility, located in the heart of Riverdale Town Center has over 40,000 square feet of space most of which can be leased/rented for private or public functions at customary rates. The Riverdale Centre features an arts room, a dance/aerobics studio, a game room, a multi-purpose room, a board room, a large gymnasium with a stage, a suspended indoor walking track, an exercise room, a warming kitchen, and formal meeting rooms that extend to an outdoor patio. A parking garage supporting the Town Center was completed and put into service in fiscal year 2014. The Riverdale Town Centre has exciting activities for the whole family.

Phase one of the Riverdale Regional Park was completed in September 2012. The park includes football and baseball fields, concession and restroom buildings, walking trails and a playground. Baseball and football league games were held in the park in fiscal year 2015. Most days residents can be seen walking the trails or playing on the playground. The Riverdale Regional Park has been a great addition to the City.

Economic development continues to be a concerted effort on the part of the governing body of the City of Riverdale. The purpose is to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth for its citizens and the community at-large. Sustained economic growth provides sufficient incomes for Riverdale's local labor force, profitable business opportunities for employers, and tax revenues for maintaining the infrastructure to support this continued growth. Unlike Community Development which is a process for making a community a better place to live and work, Economic Development is purely and simply the creation of wealth in which community benefits are created. To this end, the City of Riverdale's primary economic initiatives continue to focus on the following:

- Business Retention and Expansion - enhancing existing businesses
- Business Expansion - attracting new business
- Business Start-ups - encouraging the growth of new businesses

The economic outlook for the City continues to be positive.

Long-term Financial Planning: The City's long-term financial status is dependent on continuing growth and diversification of the City tax base.

Restricted Funds

Governmental Funds restricted fund balance at the fiscal year end, June 30, 2015, were \$1,263,032. These funds were primarily proceeds from the Special Local Option Sales Tax and are classified as restricted fund balance on the balance sheet because their use is limited to capital projects included on the SPLOST list.

Major Initiatives

The COPS are secured by the City's pledge to annually appropriate rental payments sufficient to pay debt service, and collateral is provided by a lien on the security interest in the financed assets and the land comprising the project site. Total assets available to certificate-holders, in the event of non-appropriation, provides collateralization of approximately 90%. The availability of a debt service reserve fund, which the City plans to satisfy with bond proceeds or a qualified reserve fund substitute, and a legal structure that prevents the release of substitution of assets from collateral pool further protects bondholders. Annual SPLOST proceeds, authorized through December 31, 2014, paid approximately 70% of the total debt service on the COPS. The remainder (approximately \$510,000 annually) will be paid from General Fund revenues for the life of the certificates.

Management Discussion and Analysis

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

Awards and Acknowledgments

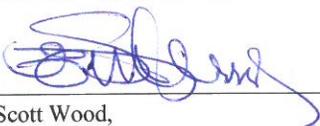
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverdale for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievements program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Director and Staff of the Finance department. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report.

We also thank the Finance Staff, Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City in a professional, responsible and progressive manner.

Respectfully submitted,

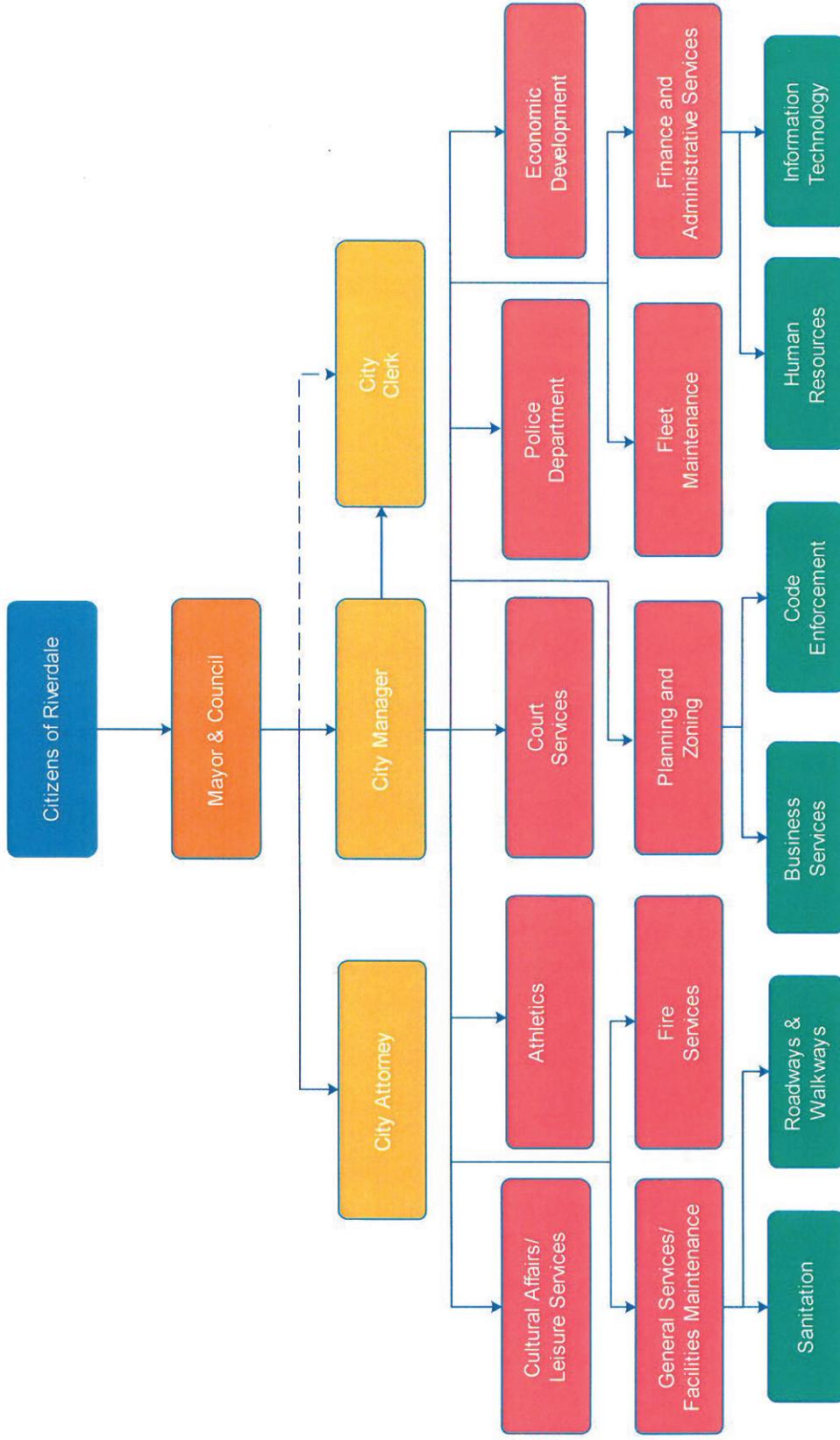


E. Scott Wood,
City Manager



Donald G. Turner, CPA, CGMA
Director of Finance and Administrative Services

ORGANIZATIONAL CHART



CITY OF RIVERDALE, GEORGIA

PRINCIPAL OFFICIALS JUNE 30, 2015

LEGISLATIVE BRANCH

CITY COUNCIL

Dr. Evelyn Wynn-Dixon	Mayor
Wanda Wallace	Mayor Pro Tem
An'Cel Davis	Council Member
Cynthia Stamps-Jones	Council Member
Kenneth Ruffin	Council Member

OFFICERS OF THE COUNCIL

L'Erin Barnes	City Attorney
Sylvia Vaughan	City Clerk

JUDICIAL BRANCH

Ronald Freeman, Sr.	Municipal Court Judge
Jerry Patrick	City Solicitor
Nathaniel Mingo	Director of Court Services

EXECUTIVE BRANCH

E Scott Wood	City Manager
Carol McGhee	Director of Cultural Affairs
Donald G. Turner	Director of Finance & Administrative Services
Todd Spivey	Police Chief
Brenda Willis	Fire Chief
Alan Dotson	Director of Athletics
Ellis Still	Interim Director of Planning & Zoning
Rodney Pitts	Director of Fleet Maintenance
Bennie Rose	Director of General Services & Facility Management



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Riverdale
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Members
of the City Council
Riverdale, Georgia**

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 the **City of Riverdale, Georgia** (the "City"), as of and for the fiscal 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-type activities, each major fund, and the aggregate remaining fund information of the City of Riverdale, Georgia, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress (on pages 4 through 11 and page 50, respectively) 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 Riverdale, Georgia's basic financial statements. The combining and individual fund statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as well as the introductory and the statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Information (Continued)

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the City of Riverdale, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Riverdale, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2015

**CITY OF RIVERDALE, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

As management of the City of Riverdale, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$22,446,118.
- The total net position increased by \$1,285,349. Of this amount, an increase of \$1,548,957 was associated with governmental activities and a decrease of \$263,608 was associated with business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,252,174, a decrease of \$698,489 in comparison with the prior fiscal year. Of this amount, \$2,574,643 is unassigned and available for spending; \$397,176 is nonspendable; \$2,083,620 is restricted for specific uses; and \$196,735 is committed for capital projects.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,669,186 or 22.7% of total General Fund expenditures.
- The City's total debt obligations (including compensated absences) decreased by the net amount of \$1,043,415. This decrease includes a certificates of participation debt reduction of \$2,451,227 and the addition of a new capital lease of \$1,493,210. The lease was utilized to acquire new communications equipment for the police and fire departments.
- In the current fiscal year, \$1,362,192 or 6.1% of the net position are subject to external restrictions on how they may be used. The balance of unrestricted net position \$3,039,204 may be used to meet the City's ongoing obligations to citizens and creditors.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows of resources with the difference between the three 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 is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works (highways and streets), parks and recreation, economic development, and interest on long-term debt. The business-type activity of the City is solid waste management.

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

Governmental 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 the two.

The City maintains five (5) major governmental funds. The City's major governmental funds are the General Fund, the Capital Projects 2015 SPLOST Fund, the Certificates of Participation (COPS 2009) Fund, the Capital Projects Reserve Fund, and the Transportation Grants Fund. 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 all major funds.

The City adopted an annual budget for its General Fund. Budgets were adopted for all special revenue funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the fiscal year 2015 budget. A project length budget has been adopted for the Capital Projects 2015 SPLOST Fund, the COPS 2009 Fund, the Capital Projects Reserve Fund, and the Transportation Grants Fund.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Solid Waste Management Fund.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste Management Fund.

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.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements with prior fiscal year comparisons.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2015, the City's assets exceeded deferred inflows of resources and liabilities by \$22,446,118. The City's net position reflects its investment in capital assets (80.4%), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are 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. Of the total net position, \$3,133,747 is unrestricted.

City of Riverdale, Georgia's Summary Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 7,157,755	\$ 7,428,395	\$ 770,428	\$ 1,054,426	\$ 7,928,183	\$ 8,482,821
Capital assets	<u>31,237,077</u>	<u>30,162,568</u>	<u>6,998</u>	<u>7,821</u>	<u>31,244,075</u>	<u>30,170,389</u>
Total assets	<u>38,394,832</u>	<u>37,590,963</u>	<u>777,426</u>	<u>1,062,247</u>	<u>39,172,258</u>	<u>38,653,210</u>
Current liabilities	2,024,772	3,867,100	403,831	425,044	2,428,603	4,292,144
Long-term liabilities	<u>14,014,892</u>	<u>12,960,352</u>	<u>-</u>	<u>-</u>	<u>14,014,892</u>	<u>12,960,352</u>
Total liabilities	<u>16,039,664</u>	<u>16,827,452</u>	<u>403,831</u>	<u>425,044</u>	<u>16,443,495</u>	<u>17,252,496</u>
Deferred inflows of resources	<u>282,645</u>	<u>239,945</u>	<u>-</u>	<u>-</u>	<u>282,645</u>	<u>239,945</u>
Net position:						
Net investment in capital assets	18,037,724	15,684,385	6,998	7,821	18,044,722	15,692,206
Restricted	1,267,649	2,035,396	-	-	1,267,649	2,035,396
Unrestricted	<u>2,767,150</u>	<u>2,803,785</u>	<u>366,597</u>	<u>629,382</u>	<u>3,133,747</u>	<u>3,433,167</u>
Total net position	<u>\$ 22,072,523</u>	<u>\$ 20,523,566</u>	<u>\$ 373,595</u>	<u>\$ 637,203</u>	<u>\$ 22,446,118</u>	<u>\$ 21,160,769</u>

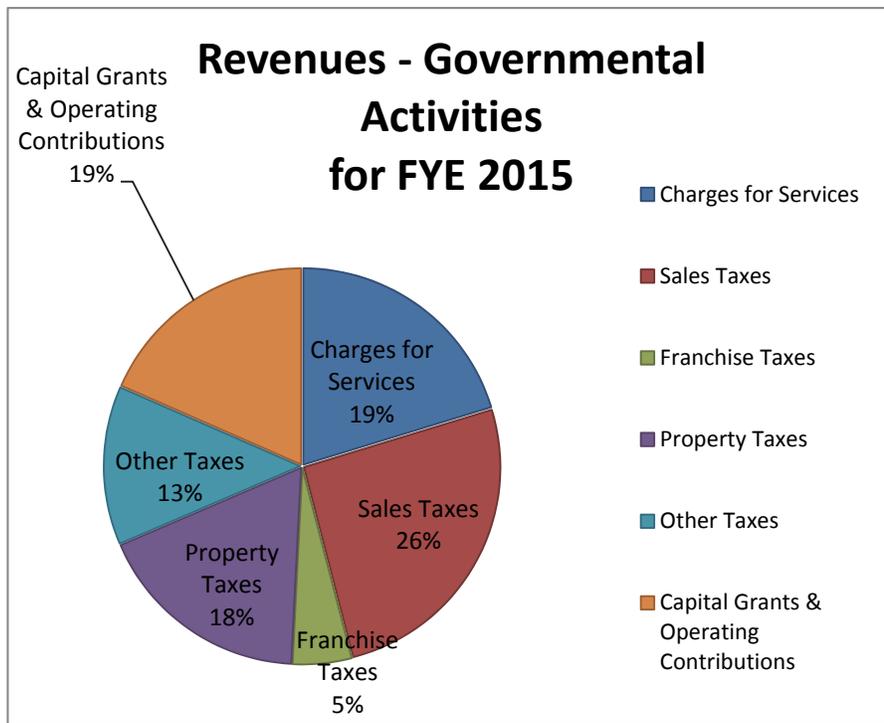
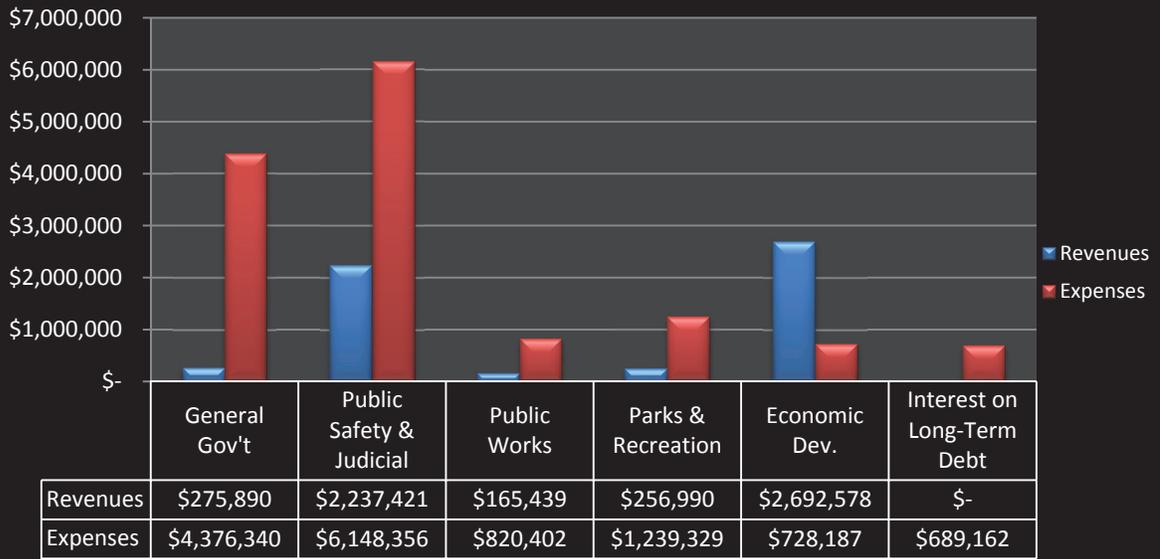
Governmental activities. Governmental activities increased the City's net position by \$1,548,957. Key elements of this increase are as follows:

City of Riverdale, Georgia's Summary Statement of Activities

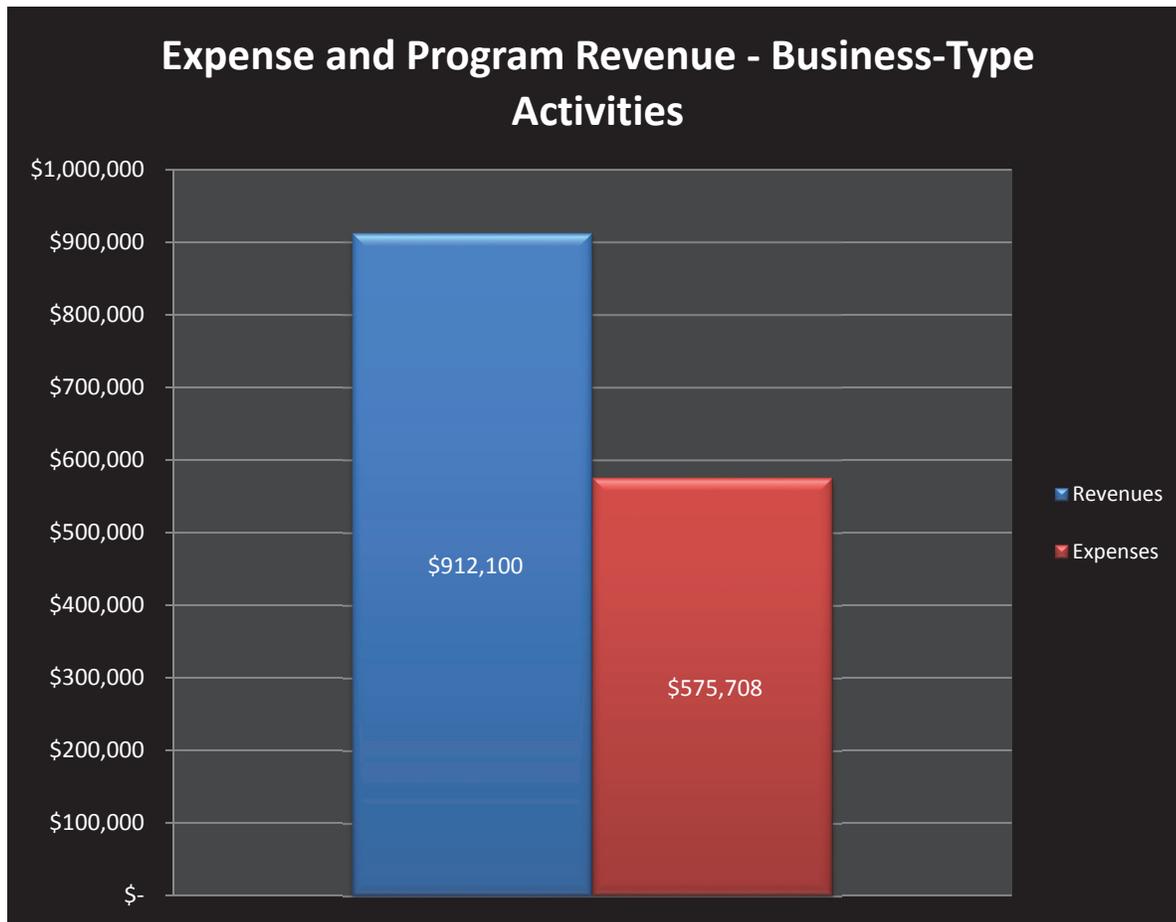
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues -						
Charges for services	\$ 2,830,109	\$ 2,790,567	\$ 912,100	\$ 825,102	\$ 3,742,209	\$ 3,615,669
Operating grants and contributions	102,031	125,854	-	-	102,031	125,854
Capital grants and contributions	2,696,178	2,430,831	-	-	2,696,178	2,430,831
General Revenues-						
Property taxes	2,695,103	2,836,393	-	-	2,695,103	2,836,393
Other taxes	6,616,139	6,201,665	-	-	6,616,139	6,201,665
Investment earnings	11,173	13,856	-	-	11,173	13,856
Gain on sale of capital assets	-	51,388	-	-	-	51,388
Total Revenues	14,950,733	14,450,554	912,100	825,102	15,862,833	15,275,656
Expenses:						
General government	4,376,340	3,269,195	-	-	4,376,340	3,269,195
Judicial	675,361	714,796	-	-	675,361	714,796
Public safety	5,472,995	5,968,932	-	-	5,472,995	5,968,932
Parks and recreation	1,239,329	1,206,287	-	-	1,239,329	1,206,287
Public works	820,402	727,729	-	-	820,402	727,729
Economic development	728,187	926,796	-	-	728,187	926,796
Interest on long-term debt	689,162	742,968	-	-	689,162	742,968
Solid waste	-	-	575,708	465,272	575,708	465,272
Total Expenses	14,001,776	13,556,703	575,708	465,272	14,577,484	14,021,975
Increase in net position						
before transfers	948,957	893,851	336,392	359,830	1,285,349	1,253,681
Transfers	600,000	1,017,487	(600,000)	(1,017,487)	-	-
Increase (decrease) in net position	1,548,957	1,911,338	(263,608)	(657,657)	1,285,349	1,253,681
Net position- beginning of fiscal year	20,523,566	18,612,228	637,203	1,294,860	21,160,769	19,907,088
Net position - end of fiscal year	\$ 22,072,523	\$ 20,523,566	\$ 373,595	\$ 637,203	\$ 22,446,118	\$ 21,160,769

- General government expenses increased by 33.9% or \$1,107,145 primarily due to the reassignment of some duties in the City, a substantial increase in worker's compensation claims and the transfer of fleet maintenance from the Police Department.
- Public safety expenses decreased by 8.3% or \$495,937 due primarily to moving fleet maintenance from the Police Department to general government.
- Public works expenses increased \$92,673 or 12.7% due to new positions created for a City mowing crew.
- Economic development expenses decreased \$198,609 or 21.4% due to reassignment of some department responsibilities.
- Solid waste expenses increased 23.7% or \$110,436 due the cost of providing large recycling containers.
- Property taxes decreased 5%, or \$141,290 due to less delinquent taxes were then collected in 2015.
- In addition, other taxes increased \$414,474, or 6.7%, due to the distribution percentage of the local option sales taxes increasing as a result of negotiations with Clayton County.
- Charges for services for governmental activities increased by \$39,542 or 1.4%.

Expenses and Program Revenues - Governmental Activities for FYE 2015



Business-type activities. Business-type activities increased (excluding transfers out) the City’s net position by \$336,392 during the current fiscal year. During fiscal year ended 2015, the City continued to see an increase in commercial solid waste services, along with its residential services. The City uses an outside contractor to provide these services.



Financial Analysis of the City’s Funds

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

Governmental Funds. The purpose of the City’s governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned 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 June 30, 2015, the City’s governmental funds reported combined ending balances of \$5,252,174, a decrease of \$698,489 in comparison to the prior fiscal year due primarily to the expenditure of SPLOST 2009 funds for payment of Town Center Debt Service. Of the total fund balance, \$2,574,643 (49.02%) is unassigned, which is available for spending at the City’s discretion. The remainder of fund balance is not available for new spending because it has already been restricted, committed, or assigned for future expenditures or reflected as nonspendable items which are not available for current City spending discretion (\$2,677,531).

The General Fund is the City’s chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,669,186, while the total fund balance totaled \$3,066,362. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.7% of the total General Fund expenditures, while total fund balance represents 26.1% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund decreased by \$258,101 due primarily to an increase in workers compensation claims. Revenues for the current fiscal year were \$11,800,669, an increase of \$95,135 or .8% and the expenditures were \$11,748,569, an increase of \$964,192 or 8.9%, resulting in excess revenues in which revenues exceeded expenditures by \$147,235.

The Capital Projects 2015 SPLOST Fund has a total fund balance of \$982,598. This fund is new for fiscal year 2015. The 2015 SPLOST started in January 2015 and will run for six years.

The Certificates of Participation Fund (COPS) was created during fiscal year 2009 to account for the proceeds of the COPS that are to be used for the planning and construction of the City's New Town Center Project. The Project consisted of the construction of a new administration building and community center. The total amount of the 2009 COPS lease purchase agreement is \$19,425,000.

The Capital Budget Reserve Fund has a fund balance of \$196,735, a decrease of \$400,000. The decrease was due to using \$400,000 towards debt service on the Town Center certificate of participation.

The Transportation Grants Fund has a deficit fund balance of \$94,543 which will be reduced once Federal grant revenue becomes available.

Proprietary Funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Solid Waste Management Fund at the end of the current fiscal year was \$366,597 a decrease of \$262,785 from the prior fiscal year. The decrease was due to a transfer to the General Fund of \$600,000. Revenues for the current fiscal year were \$912,100 with expenses at \$575,708 resulting in operating income in which operating revenues exceeded operating expenses by \$336,392.

General Fund Budgetary Highlights

Actual revenues fell short of the budgeted revenues by \$843,192. The decrease was due in part to property taxes being less than anticipated and an unanticipated decrease in fines and forfeitures. Actual expenditures were less than budgeted by \$131,953. The final budget ended up with a net change in fund balance of \$309,993.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2015 amounts to \$31,237,077 and \$6,998 (net of accumulated depreciation), respectively. This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges and roads.

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

- \$1,493,210 was spent on a new communications system for the Police and Fire departments.
- \$466,030 was spent on sidewalks.

Additional information on the City's capital assets can be found in Note 5.

Long-term debt. At the end of the current fiscal year, the City had \$15,042,417 in outstanding debt consisting of the following:

City of Riverdale's Outstanding Debt

	Balance
Governmental Activities -	
Certificates of Participation, net of unamortized premium	\$ 6,851,081
Contracts payable, net of unamortized discount	5,221,235
Capital leases	1,984,351
Compensated absences	536,261
Other postretirement benefit obligation	449,489
Total	\$ 15,042,417

The City's total debt decreased by a net amount of \$1,043,415. Additional information on the City's long-term debt can be found in Note 6.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is \$25,538,117, which is in excess of the City's outstanding general obligation debt.

Status of the City's Economy

The unemployment rate for the City is currently 9.4%, which is higher than the State rate of 5.7%.

Building permits, both commercial and residential, have increased the last two years signaling somewhat of a recovery for the City's economy.

The occupancy rate for the City's central business district has increased. The total number of businesses in the City increased by 36.

Fiscal year 2016 welcomes continued prosperity with the announcement of three new restaurants coming to the City. We anticipate the completion of a Burger King, a Bojangles and a Cookout during fiscal year 2016.

Requests for Information

This financial report is designed to provide a general overview of the City of Riverdale, Georgia's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City Finance Director at (770) 909-5511 or at the following address:

City of Riverdale
 Finance Department
 6690 Church Street
 Riverdale, GA, 30274

CITY OF RIVERDALE, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2015

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
Cash and cash equivalents	\$ 3,600,337	\$ -	\$ 3,600,337
Investments	1,127,659	-	1,127,659
Taxes receivable	554,770	-	554,770
Accounts receivable	606,195	35,902	642,097
Internal balances	(734,526)	734,526	-
Due from other governments	685,957	-	685,957
Prepaid items	397,176	-	397,176
Restricted assets, cash	51,692	-	51,692
Restricted assets, investments	585,850	-	585,850
Other assets	282,645	-	282,645
Capital assets:			
Nondepreciable	2,287,124	-	2,287,124
Depreciable, net of accumulated depreciation	28,949,953	6,998	28,956,951
Total assets	38,394,832	777,426	39,172,258
LIABILITIES			
Accounts payable	581,966	42,650	624,616
Accrued interest payable	150,777	-	150,777
Accrued liabilities	264,504	987	265,491
Unearned revenues	-	360,194	360,194
Certificates of participation due within one year	140,000	-	140,000
Certificates of participation due in more than one year	6,711,081	-	6,711,081
Capital leases due within one year	249,890	-	249,890
Capital leases due in more than one year	1,734,461	-	1,734,461
Contracts payable due within one year	155,000	-	155,000
Contracts payable due in more than one year	5,066,235	-	5,066,235
Compensated absences due within one year	482,635	-	482,635
Compensated absences due in more than one year	53,626	-	53,626
Other Postretirement benefit obligation (OPEB) due in more than one year	449,489	-	449,489
Total liabilities	16,039,664	403,831	16,443,495
DEFERRED INFLOWS OF RESOURCES			
Cumulative change in fair value of effective hedge	282,645	-	282,645
Total deferred inflows of resources	282,645	-	282,645
NET POSITION			
Net investment in capital assets	18,037,724	6,998	18,044,722
Restricted for:			
Capital projects	1,023,941	-	1,023,941
Emergency communications	144,499	-	144,499
Public safety	90,858	-	90,858
Tourism	8,351	-	8,351
Unrestricted	2,767,150	366,597	3,133,747
Total net position	\$ 22,072,523	\$ 373,595	\$ 22,446,118

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,376,340	\$ 272,290	\$ -	\$ 3,600	\$ (4,100,450)	\$ -	\$ (4,100,450)
Judicial	675,361	-	-	-	(675,361)	-	(675,361)
Public safety	5,472,995	2,135,390	102,031	-	(3,235,574)	-	(3,235,574)
Public works	820,402	165,439	-	-	(654,963)	-	(654,963)
Parks and recreation	1,239,329	256,990	-	-	(982,339)	-	(982,339)
Economic development	728,187	-	-	2,692,578	1,964,391	-	1,964,391
Interest on long-term debt	689,162	-	-	-	(689,162)	-	(689,162)
Total governmental activities	14,001,776	2,830,109	102,031	2,696,178	(8,373,458)	-	(8,373,458)
Business-type activities:							
Solid waste management	575,708	912,100	-	-	-	336,392	336,392
Total business-type activities	575,708	912,100	-	-	-	336,392	336,392
Total primary government	\$ 14,577,484	\$ 3,742,209	\$ 102,031	\$ 2,696,178	\$ (8,373,458)	\$ 336,392	\$ (8,037,066)
General revenues:							
Property taxes					2,695,103	-	2,695,103
Sales taxes					3,900,962	-	3,900,962
Insurance premium tax					822,344	-	822,344
Alcoholic beverage taxes					359,840	-	359,840
Other taxes					797,374	-	797,374
Franchise taxes					735,619	-	735,619
Unrestricted investment earnings					11,173	-	11,173
Transfers					600,000	(600,000)	-
Total general revenues					9,922,415	(600,000)	9,322,415
Change in net position					1,548,957	(263,608)	1,285,349
Net position, beginning of fiscal year					20,523,566	637,203	21,160,769
Net position, end of fiscal year					\$ 22,072,523	\$ 373,595	\$ 22,446,118

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS	General Fund	Capital Projects 2015 SPLOST Fund	COPS 2009 Fund	Capital Budget Reserve Fund	Transportation Grants Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	\$ 2,063,673	\$ 651,425	\$ -	\$ 596,735	\$ -	\$ 288,504	\$ 3,600,337
Investments	1,127,659	-	-	-	-	-	1,127,659
Taxes receivable	551,469	-	-	-	-	3,301	554,770
Accounts receivable	573,104	-	-	-	-	33,091	606,195
Due from other governments	-	364,896	-	-	321,061	-	685,957
Due from other funds	613,705	-	-	-	-	310,088	923,793
Prepaid items	397,176	-	-	-	-	-	397,176
Restricted assets, cash	-	-	36,726	-	-	14,966	51,692
Restricted assets, investments	-	-	-	-	-	585,850	585,850
Total assets	\$ 5,326,786	\$ 1,016,321	\$ 36,726	\$ 596,735	\$ 321,061	1,235,800	\$ 8,533,429
LIABILITIES							
Accounts payable	\$ 318,527	\$ 10,373	\$ -	-	246,641	\$ 6,425	\$ 581,966
Accrued liabilities	256,703	-	-	-	-	7,801	264,504
Due to other funds	1,044,614	23,350	-	400,000	33,077	157,278	1,658,319
Total liabilities	1,619,844	33,723	-	400,000	279,718	171,504	2,504,789
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	98,066	-	-	-	-	-	98,066
Unavailable revenue - federal grants	-	-	-	-	135,886	-	135,886
Unavailable revenue - fines	542,514	-	-	-	-	-	542,514
	<u>640,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,886</u>	<u>-</u>	<u>776,466</u>
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaid items	397,176	-	-	-	-	-	397,176
Restricted for:							
Capital projects	-	982,598	36,726	-	-	820,588	1,839,912
Emergency communications	-	-	-	-	-	144,499	144,499
Law enforcement purposes	-	-	-	-	-	90,858	90,858
Promotion of tourism	-	-	-	-	-	8,351	8,351
Committed for:							
Capital projects	-	-	-	196,735	-	-	196,735
Unassigned (deficit)	2,669,186	-	-	-	(94,543)	-	2,574,643
Total fund balances	3,066,362	982,598	36,726	196,735	(94,543)	1,064,296	5,252,174
Total liabilities, deferred inflows or resources, and fund balances	\$ 5,326,786	\$ 1,016,321	\$ 36,726	\$ 596,735	\$ 321,061	\$ 1,235,800	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	31,237,077
Fair value of interest rate swap agreement on Certificates of Participation	282,645
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	776,466
Interest rate swaps (cumulative change in fair value) are reported as deferred inflows of resources for governmental activities.	(282,645)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(15,193,194)
Net position of governmental activities	\$ 22,072,523

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund	Capital Projects 2015 SPLOST Fund	COPS 2009 Fund	Capital Budget Reserve Fund	Transportation Grants Fund	Nonmajor Governmental Funds	Totals Governmental Funds
Revenues							
Property taxes	\$ 2,725,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,725,491
Sales taxes	3,900,962	-	-	-	-	-	3,900,962
Other taxes	1,955,951	-	-	-	-	23,607	1,979,558
Charges for services	395,912	-	-	-	-	231,250	627,162
Licenses and permits	302,024	-	-	-	-	-	302,024
Intergovernmental	102,031	1,016,321	-	-	277,533	1,262,838	2,658,723
Franchise fees	735,619	-	-	-	-	-	735,619
Fines and forfeitures	1,759,126	-	-	-	-	72,134	1,831,260
Investment income	-	-	22	-	-	11,151	11,173
Other revenues	18,688	-	-	-	-	-	18,688
Total revenues	<u>11,895,804</u>	<u>1,016,321</u>	<u>22</u>	<u>-</u>	<u>277,533</u>	<u>1,600,980</u>	<u>14,790,660</u>
Expenditures							
Current:							
General government	4,554,409	-	-	-	-	1,000	4,555,409
Judicial	654,954	-	-	-	-	-	654,954
Public safety	4,548,997	-	-	-	-	540,961	5,089,958
Public works	218,681	-	-	-	-	-	218,681
Culture and recreation	1,068,180	-	-	-	-	-	1,068,180
Economic development	700,318	-	-	-	-	19,381	719,699
Capital outlay	-	1,526,933	98,318	-	466,943	29,457	2,121,651
Debt service:							
Principal	-	-	2,435,000	-	-	53,285	2,488,285
Interest	3,030	-	389,719	-	-	280,588	673,337
Total expenditures	<u>11,748,569</u>	<u>1,526,933</u>	<u>2,923,037</u>	<u>-</u>	<u>466,943</u>	<u>924,672</u>	<u>17,590,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>147,235</u>	<u>(510,612)</u>	<u>(2,923,015)</u>	<u>-</u>	<u>(189,410)</u>	<u>676,308</u>	<u>(2,799,494)</u>
Other financing sources (uses)							
Proceeds from sale of capital assets	7,795	-	-	-	-	-	7,795
Capital leases	-	1,493,210	-	-	-	-	1,493,210
Transfers in	1,000,000	-	2,824,706	-	94,867	767,748	4,687,321
Transfers out	(1,413,131)	-	-	(400,000)	-	(2,274,190)	(4,087,321)
Total other financing sources (uses)	<u>(405,336)</u>	<u>1,493,210</u>	<u>2,824,706</u>	<u>(400,000)</u>	<u>94,867</u>	<u>(1,506,442)</u>	<u>2,101,005</u>
Net change in fund balances	(258,101)	982,598	(98,309)	(400,000)	(94,543)	(830,134)	(698,489)
Fund balances, beginning of fiscal year	<u>3,324,463</u>	<u>-</u>	<u>135,035</u>	<u>596,735</u>	<u>-</u>	<u>1,894,430</u>	<u>5,950,663</u>
Fund balances (deficit), end of fiscal year	<u>\$ 3,066,362</u>	<u>\$ 982,598</u>	<u>\$ 36,726</u>	<u>\$ 196,735</u>	<u>\$ (94,543)</u>	<u>\$ 1,064,296</u>	<u>\$ 5,252,174</u>

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Net change in fund balances - total governmental funds	\$	(698,489)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,085,739
The net effect of various miscellaneous transactions involving capital assets (i.e, sales, trade-ins, and donations) is to decrease net position.		(11,230)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		156,473
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, gains, losses and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		995,075
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		21,389
	\$	<u>1,548,957</u>

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 3,272,000	\$ 3,272,000	\$ 2,725,491	\$ (546,509)
Sales taxes	4,021,668	4,021,668	3,900,962	(120,706)
Other taxes	1,909,901	1,909,901	1,955,951	46,050
Charges for services	362,056	402,056	395,912	(6,144)
Licenses and permits	338,636	354,371	302,024	(52,347)
Intergovernmental	-	-	102,031	102,031
Franchise fees	695,000	695,000	735,619	40,619
Fines and forfeitures	2,073,000	2,073,000	1,759,126	(313,874)
Investment income	500	500	-	(500)
Other revenues	10,500	10,500	18,688	8,188
Total revenues	<u>12,683,261</u>	<u>12,738,996</u>	<u>11,895,804</u>	<u>(843,192)</u>
Expenditures:				
Current:				
General government:				
Mayor and Council	135,467	142,335	137,697	4,638
General administration	1,019,931	1,126,415	1,100,624	25,791
Finance	2,302,986	2,219,383	2,209,481	9,902
General government buildings	1,146,557	1,107,226	1,106,607	619
Total general government	<u>4,604,941</u>	<u>4,595,359</u>	<u>4,554,409</u>	<u>40,950</u>
Judicial:				
Municipal court	<u>750,328</u>	<u>701,030</u>	<u>654,954</u>	<u>46,076</u>
Public safety:				
Police	2,613,018	2,577,995	2,569,434	8,561
Fire	1,856,631	1,988,577	1,979,563	9,014
Total public safety	<u>4,469,649</u>	<u>4,566,572</u>	<u>4,548,997</u>	<u>17,575</u>
Public works:				
Administration	<u>220,400</u>	<u>223,359</u>	<u>218,681</u>	<u>4,678</u>
Parks and recreation	<u>1,138,867</u>	<u>1,080,882</u>	<u>1,068,180</u>	<u>12,702</u>
Economic development	<u>899,496</u>	<u>719,795</u>	<u>700,318</u>	<u>19,477</u>
Debt service	<u>904,271</u>	<u>3,030</u>	<u>3,030</u>	<u>-</u>
Total expenditures	<u>12,987,952</u>	<u>11,890,027</u>	<u>11,748,569</u>	<u>141,458</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304,691)</u>	<u>848,969</u>	<u>147,235</u>	<u>(701,734)</u>

(Continued)

CITY OF RIVERDALE, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other financing sources (uses)				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 7,795	\$ 7,795
Transfers in	304,691	304,691	1,000,000	695,309
Transfers out	-	(1,463,653)	(1,413,131)	50,522
Total other financing sources (uses)	<u>304,691</u>	<u>(1,158,962)</u>	<u>(405,336)</u>	<u>753,626</u>
Net change in fund balances	-	(309,993)	(258,101)	51,892
Fund balances, beginning of fiscal year	<u>3,324,463</u>	<u>3,324,463</u>	<u>3,324,463</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 3,324,463</u>	<u>\$ 3,014,470</u>	<u>\$ 3,066,362</u>	<u>\$ 51,892</u>

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015**

	Business-type Activities - Enterprise Fund Solid Waste Management
ASSETS	
CURRENT ASSETS	
Accounts receivable, net of allowance for uncollectible accounts	\$ 35,902
Due from other funds	734,526
Total current assets	<u>770,428</u>
NONCURRENT ASSETS	
Capital assets - depreciable, net	<u>6,998</u>
Total assets	<u>777,426</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	42,650
Accrued liabilities	987
Unearned revenues	360,194
Total current liabilities	<u>403,831</u>
NET POSITION	
Investment in capital assets	6,998
Unrestricted	366,597
Total net position	<u>\$ 373,595</u>

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Fund Solid Waste Management
OPERATING REVENUES	
Charges for services	\$ 912,100
Total operating revenues	912,100
 OPERATING EXPENSES	
Cost of sales and services	503,668
Personnel services	69,049
Other operating expenses	2,168
Depreciation	823
Total operating expenses	575,708
Operating income	336,392
Transfers out	(600,000)
Change in net position	(263,608)
NET POSITION, beginning of fiscal year	637,203
NET POSITION, end of fiscal year	\$ 373,595

The accompanying notes are an integral part of these financial statements.

CITY OF RIVERDALE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Fund Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 915,002
Payments to suppliers	(501,231)
Payments to employees	(69,451)
Net cash provided by operating activities	<u>344,320</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Receipt of interfund borrowings	395,176
Payment of interfund borrowings	(139,496)
Transfers to the General Fund	(600,000)
Net cash used in non-capital financing activities	<u>(344,320)</u>
 Net increase (decrease) in cash and cash equivalents	 -
 Cash and cash equivalents:	
Beginning of fiscal year	<u>-</u>
End of fiscal year	<u>\$ -</u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 336,392
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation expense	823
Changes in assets and liabilities:	
Decrease in accounts receivable	28,318
Increase in accounts payable	4,605
Decrease in accrued liabilities	(402)
Increase in unearned revenues	23,684
Decrease in customers deposits	(49,100)
Net cash provided by operating activities	<u>\$ 344,320</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF RIVERDALE, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Riverdale, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Financial Reporting Entity

The City was incorporated in 1908 and is located in the northern part of Clayton County approximately 10 miles south of Atlanta. The City provides a full range of services to approximately 19,000 residents and a service population of 70,000. These services are provided in whole by the City and include public safety (police, fire, and emergency communications); community development; highways and streets; sanitation; public improvements; planning and zoning; and general administrative services.

The City, for financial reporting purposes, includes all of the funds relevant to the operations of the City. The Governmental Accounting Standards Board has set forth criteria to determine if legally separate organizations are considered to be component units in which the City is considered to be financially accountable or other organizations whose nature and significant relationship with the City is such that exclusion would cause the City's financial statements to be incomplete or misleading. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization, or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. At June 30, 2015, the City has determined that the Riverdale Downtown Development Authority is not material to the City's overall financial statements and is no longer reported in the City's financial statements as a discretely presented component unit. Based upon criteria noted above, the City has no component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. (For the most part, the effect of interfund activity has been removed from these statements except for interfund services provided and used which are not eliminated in the process of consolidation). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. *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 net position will include non-current assets, deferred outflows of resources, deferred inflows of resources, and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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*.

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

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 City 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 a 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.

Property taxes, sales taxes, franchise taxes, licenses, fines and forfeitures, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **Capital Projects 2015 SPLOST Fund** is used to account for the proceeds of a sales tax levied in Clayton County, which will be used by the City for the exclusive purpose of capital outlay projects in accordance with the sales tax referendum.

The **COPS 2009 Fund** accounts for the proceeds from the 2009 issuance of Certificates of Participation used for financing the construction of the City's Town Center Promenade project.

The **Capital Budget Reserve Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The **Transportation Grants Fund** accounts for grant revenue and expenditures of various transportation grants received from the Georgia Department of Transportation.

The City reports the following major proprietary fund:

The **Solid Waste Management Fund** accounts for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City. All activities necessary to provide such services are accounted for in this fund.

Additionally, the City reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted or committed to expenditure for specific purposes.

The **capital projects funds** are used to account for the acquisition and construction of major capital outlays other than those financed by proprietary funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

In accounting and reporting for its proprietary operations, the City applies all Governmental Accounting Standards Board (GASB) pronouncements. The City applies GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989.

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

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budget requests are completed in April.
2. Proposed budgets are reviewed and prepared by the Finance Director for submission to the City Manager, Mayor, and the City Council in May.
3. Public hearings on the proposed budget are held in May and June.
4. The budget is legally adopted by the Mayor and City Council prior to June 30.
5. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of \$5,000 between departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any department or fund must be approved by the Mayor and City Council. The Mayor and City Council made several immaterial supplemental budget appropriations during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

6. Formal budgetary integration is employed as a management control device during the fiscal year for all the governmental funds and the enterprise fund. The budget for the enterprise fund is prepared for planning and control purposes only.
7. Budgets for the governmental funds and the enterprise fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

During fiscal year 2015, annual budgets were not legally adopted for the capital projects funds.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's investments other than for the Capital Projects Fund include State of Georgia's Georgia Fund 1, certificates of deposit with a maturity date greater than three months from the date of purchase, and direct and agency obligations of the U.S. Government. Investments in the Capital Projects Fund consist of guaranteed investment contracts. For reporting purposes, all investments are recorded at fair value.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of June 30, 2015:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external investment pool; and, c) items associated with a fund other than the fund to which the income is assigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of June 30.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position as "internal balances." In the fund financial statements, these receivables and payable are classified as "due from other funds" and "due to other funds".

H. Restricted Assets

Proceeds from the issuance of the 2009 Certificates of Participation and 2010 Recovery Bonds and the 1998 lease pool investments are classified as restricted assets on the balance sheet because their use is limited to specific construction and acquisition activity.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$3,500 and an estimated useful life in excess of one fiscal year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. In accordance with GASB 34, the City has elected not to include infrastructure acquired or constructed prior to July 1, 2003. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

Depreciation is provided on the straight-line method over the following estimated useful lives:

Buildings and improvements	30-40 years
Improvement other than buildings	20-40 years
Furniture and equipment	5-15 years
Infrastructure	40-50 years
Vehicles	5-10 years

J. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which is not materially different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

City employees accrue vacation in different amounts, according to the number of years of service. Employees under five years of service accrue two weeks of vacation each year. Upon reaching five years of service, employees can accrue three weeks per year. These days can be taken either through time off or by payment upon termination. Upon reaching 10 years, employees can accrue 20 days. For 20 years of service and over, an employee can accrue 25 days.

City employees may carry over no more than 250 hours of accrued annual leave to the following year. Annual leave accrued by City employees in excess of the 250 hours limit will be lost if not used by the end of the fiscal year in which the hours are accumulated.

Employees earn sick leave in proportion to actual hours worked. Sick leave, however, is not paid upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is not employed by the City.

M. Fund Equity and Net Position

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the assets, deferred outflows of resources, deferred inflows of resources, and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity and Net Position (Continued)

- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Mayor and City Council or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal vote and passage of an ordinance of the Mayor and City Council. Only the Mayor and City Council may modify or rescind the commitment by passage of a subsequent ordinance.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Mayor and City Council has authorized the City Manager to assign fund balance.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances (or deficits in fund balances) may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and Federal and State laws.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets, deferred outflows of resources, deferred inflows of resources, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that is applicable to a future reporting period. The City has no items which qualify as deferred outflows of resources.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of deferred inflows of resources that qualify for reporting in this category. One (1) arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, federal grants, and certain fines as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The City also has a deferred inflow of resources reported only under full accrual accounting which arises from the deferral of the cumulative change in fair market value an effective hedge related to an interest rate swap.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “certain liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$15,193,194 difference are as follows:

Certificates of participation	\$ (6,672,000)
Plus: Issuance premium (to be amortized against interest expense)	(179,081)
Capital lease payable	(1,984,351)
Bonds payable	(5,300,000)
Less: Issuance discount (to be amortized against interest expense)	78,765
Compensated absences	(536,261)
Accrued interest	(150,777)
Other postretirement benefit obligation (OPEB)	<u>(449,489)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (15,193,194)</u>

Another element of this reconciliation explains that “other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.” The details of this \$776,466 difference are as follows:

Unavailable property tax revenue	\$ 98,066
Unavailable fines and forfeitures	542,514
Unavailable federal grants	<u>135,886</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position- governmental activities</i>	<u>\$ 776,466</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$1,085,739 difference are as follows:

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

Capital outlay	\$ 2,441,680
Depreciation expense	(1,355,941)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 1,085,739

Another element of that reconciliation explains that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.” The details of this (\$11,230) difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financing resources. Thus the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ (14,830)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	3,600
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (11,230)

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$995,075 difference are as follows:

Principal repayments:	
Certificates of participation	\$ 2,435,000
Capital lease	53,285
Initiation of capital leases	(1,493,210)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 995,075

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$21,389 difference are as follows:

Change in accrued interest	\$ (26,951)
Amortization of premium	16,227
Amortization of discount	(5,101)
Change in compensated absences	117,774
Change in OPEB obligation	<u>(80,560)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 21,389</u>

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2015, are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents	\$ 3,600,337
Investments	1,127,659
Restricted assets, cash	51,692
Restricted assets, investments	585,850
Total	<u>\$ 5,365,538</u>
Cash deposited with financial institutions	\$ 3,572,564
Cash deposited with Georgia Fund 1	349,939
Money Market funds	79,465
Investment in U.S. Government Securities	777,720
Guaranteed Investment Contract	585,850
Total	<u>\$ 5,365,538</u>

Credit risk. The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, and the local government investment pool established by State law.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2015, the City had the following investments:

Investments	Maturities	Fair Value
Georgia Fund 1	56 day average maturity	\$ 349,939
U.S. Government Securities	196 day weighted average	777,720
Guaranteed Investment Contract	June 1, 2028	585,850
Total		\$ 1,713,509

As of June 30, 2015, the City's investment in Georgia Fund 1 was rated AA Af by Standard & Poor's, and the City's investment in the Guaranteed Investment Contract was rated A+ by Standard & Poor's.

The investment in Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in Georgia Fund 1 is valued at fair market value.

Interest Rate Risk. The City has a formal investment policy that limits investment maturities to 18 months from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of June 30, 2015, the deposits of the City were properly collateralized as defined by GASB pronouncements and the State of Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Concentration of Credit Risk. The City's investment policy sets a maximum percentage of certain investments to total investments on the following investment types: 1) repurchase agreements 25%; 2) certificates of deposit 65%; and 3) State investment pools 10%. As of June 30, 2015, approximately 20% of the City's investments were in the State of Georgia's investment pool. In addition, approximately 34% of the City's investments were in repurchase agreements (the guaranteed investment contract). However, the repurchase agreement was obtained in connection with the 1998 issuance of the certificates of participation and was approved by the Mayor and City Council.

NOTE 4. RECEIVABLES

Receivables as of June 30, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund
Receivables:			
Taxes	\$ 607,691	\$ 3,301	\$ -
Accounts	1,115,618	33,091	101,902
	1,723,309	36,392	101,902
Less: Allowance for uncollectible accounts	(598,736)	-	(66,000)
	\$ 1,124,573	\$ 36,392	\$ 35,902

Property Taxes

Property taxes were levied on October 15, 2014 (Levy Date) based upon property values assessed as of January 1. The City's millage rate is levied on taxable property, which is assessed at 40% of estimated fair market value. Tax bills were mailed on October 15, 2014, and payable on or before December 17, 2014, for the 2014 taxes. Taxes not paid within 90 days of the December 17th due date were subject to property tax liens on February 16, 2015. Property tax revenues are recognized when levied to the extent they result in current receivables.

The tax rate levied during fiscal year 2015 for the City's operations was 9.98 mills (mill equals \$1 per thousand dollars of assessed value).

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,817,494	\$ 3,600	\$ -	\$ -	\$ 1,821,094
Construction in progress	13,677	466,030	-	(13,677)	466,030
Total capital assets, not being depreciated	<u>1,831,171</u>	<u>469,630</u>	<u>-</u>	<u>(13,677)</u>	<u>2,287,124</u>
Capital assets, being depreciated:					
Buildings and improvements	25,796,405	29,747	-	13,677	25,839,829
Improvements other than buildings	3,141,272	92,094	-	-	3,233,366
Infrastructure	1,285,930	-	-	-	1,285,930
Vehicles and related equipment	3,013,408	69,695	(30,273)	-	3,052,830
Furniture and other equipment	3,454,537	1,784,114	(190,716)	-	5,047,935
Total capital assets, being depreciated	<u>36,691,552</u>	<u>1,975,650</u>	<u>(220,989)</u>	<u>13,677</u>	<u>38,459,890</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,310,166)	(651,174)	-	-	(3,961,340)
Improvements other than buildings	(270,371)	(159,750)	-	-	(430,121)
Infrastructure	(282,935)	(36,665)	-	-	(319,600)
Vehicles and related equipment	(1,768,066)	(295,527)	30,273	-	(2,033,320)
Furniture and other equipment	(2,728,617)	(212,825)	175,886	-	(2,765,556)
Total accumulated depreciation	<u>(8,360,155)</u>	<u>(1,355,941)</u>	<u>206,159</u>	<u>-</u>	<u>(9,509,937)</u>
Total capital assets, being depreciated, net	<u>28,331,397</u>	<u>619,709</u>	<u>(14,830)</u>	<u>13,677</u>	<u>28,949,953</u>
Total capital assets, net	<u>\$ 30,162,568</u>	<u>\$ 1,089,339</u>	<u>\$ (14,830)</u>	<u>\$ -</u>	<u>\$ 31,237,077</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 145,290
Judicial	23,194
Public safety	410,705
Public works	601,840
Parks and recreation	173,459
Economic development	1,453
Total depreciation - governmental activities	<u>\$ 1,355,941</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated:				
Buildings, grounds, and improvements	\$ 16,464	\$ -	\$ -	\$ 16,464
Total capital assets, being depreciated	<u>16,464</u>	<u>-</u>	<u>-</u>	<u>16,464</u>
Less accumulated depreciation for:				
Buildings, grounds, and improvements	(8,643)	(823)	-	(9,466)
Total accumulated depreciation	<u>(8,643)</u>	<u>(823)</u>	<u>-</u>	<u>(9,466)</u>
Total capital assets, being depreciated, net	<u>7,821</u>	<u>(823)</u>	<u>-</u>	<u>6,998</u>
Total capital assets, net	<u>\$ 7,821</u>	<u>\$ (823)</u>	<u>\$ -</u>	<u>\$ 6,998</u>

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
2009 Certificates of participation	\$ 8,085,000	\$ -	\$ (2,435,000)	\$ 5,650,000	\$ 140,000
Plus unamortized premium	195,308	-	(16,227)	179,081	-
1998 Certificates of participation	1,022,000	-	-	1,022,000	-
Certificates of participation, net	<u>9,302,308</u>	<u>-</u>	<u>(2,451,227)</u>	<u>6,851,081</u>	<u>140,000</u>
Contracts payable	5,300,000	-	-	5,300,000	155,000
Less unamortized discount	(83,866)	-	5,101	(78,765)	-
Contracts payable, net	<u>5,216,134</u>	<u>-</u>	<u>5,101</u>	<u>5,221,235</u>	<u>155,000</u>
Capital leases	544,426	1,493,210	(53,285)	1,984,351	249,890
Compensated absences	654,035	695,534	(813,308)	536,261	482,635
Other postretirement benefit obligation (OPEB)	<u>368,929</u>	<u>115,819</u>	<u>(35,259)</u>	<u>449,489</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 16,085,832</u>	<u>\$ 2,304,563</u>	<u>\$ (3,347,978)</u>	<u>\$ 15,042,417</u>	<u>\$ 1,027,525</u>

Capital leases, compensated absences, and the other postretirement benefit obligation are generally liquidated by the General Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Certificates of Participation-1998. The City has entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating governments with the City's participation totaling \$1,022,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested in the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal of \$1,022,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease pool payments back to its investment account to fund the principal and interest requirements of the 1998 Georgia Municipal Association Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge. In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa1 by Moody's. At June 30, 2015, the floating rate being paid by the City is 0.38% and the market value of the agreement is \$282,645, a decrease of \$42,700 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2015, based on the derivative contract. This market value is reported as other assets in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year-end) is deferred and reported as a deferred inflow of resources in the statement of net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

The City's Capital Project Fund has been created to account for the activities related to the issuance and repayment of the Certificates of Participation. The City's General Fund is required to repay the Capital Projects Fund for equipment purchased with the proceeds from the Certificates. Typically, the repayment period is determined by the estimated useful life of the asset purchased. However, for fiscal year ending June 30, 2015, the General Fund will repay the Capital Projects Fund by fiscal year ending June 30, 2016.

Certificates of Participation-2009. During the fiscal year 2009, the City also entered into a lease-purchase agreement with the Association for the construction and acquisition of the Town Center Promenade project. Certificates of participation in the amount of \$19,425,000 with an interest rate from 4.00% to 5.50% were issued in connection with the lease purchase agreement. The City will make base rental payments to the Association over a 30-year period to fund the principal and interest requirements of the certificates. For fiscal years 2010 through 2016, these payments will be funded by appropriations from the General Fund and the Capital Projects SPLOST Fund. In connection with the lease-purchase agreement, the City must obtain certification that funds on deposit in connection with the certificates will not be used in a manner which will cause the Certificates to be classified as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code.

Annual repayment requirements under both the 1998 and 2009 certificates of participation are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 140,000	\$ 340,864	\$ 480,864
2017	145,000	335,264	480,264
2018	150,000	329,464	479,464
2019	160,000	323,464	483,464
2020	165,000	317,064	482,064
2021 - 2025	935,000	1,465,755	2,400,755
2026 - 2030	2,232,000	1,099,254	3,331,254
2031 - 2035	1,575,000	589,875	2,164,875
2036 - 2038	1,170,000	130,900	1,300,900
	<u>\$ 6,672,000</u>	<u>\$ 4,931,904</u>	<u>\$ 11,603,904</u>

Contracts Payable. On September 29, 2010, the Development Authority of Clayton County ("the Authority") issued \$5,500,000 in Series 2010A and Series 2010B Taxable Revenue Bonds. These bonds were issued to finance the construction of a new parking garage in the Riverdale Town Center, as well as capital improvements to the City's Regional Park. The bonds are payable from and secured by moneys to be received by the Authority from the City pursuant to an Intergovernmental Contract signed October 1, 2010.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Annual principal payments on the revenue bonds are due on May 1 of each year, and semi-annual interest payments are due on May 1 and November 1 of each year. Interest rates on the Series 2010A rates range from 2.750% to 5.625%, and payments are due through May 2040. Interest rates on the Series 2010B bonds range from 1.375% to 1.750%, and payments are due through May 2013. Annual repayment requirements are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 155,000	\$ 263,493	\$ 418,493
2017	160,000	259,230	419,230
2018	160,000	254,030	414,030
2019	165,000	248,430	413,430
2020	170,000	242,242	412,242
2021 - 2025	900,000	1,102,925	2,002,925
2026 - 2030	1,025,000	873,435	1,898,435
2031 - 2035	1,185,000	586,663	1,771,663
2036 - 2040	1,380,000	237,938	1,617,938
	<u>\$ 5,300,000</u>	<u>\$ 4,068,386</u>	<u>\$ 9,368,386</u>

Capital Lease. During the fiscal year ended June 30, 2013, the City entered in a lease agreement for financing the acquisition of a fire truck. The lease agreement qualified as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the lease inception date. During the fiscal year ended June 30, 2015, the City entered into a new lease agreement for the financing of communication equipment. The lease agreement qualified as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the lease inception date. As of June 30, 2015, the City has vehicles and equipment with a gross amount of \$2,089,299 under capital leases as reported in its governmental activities. The following is an analysis of the leased equipment under capital lease as of June 30, 2015:

Vehicles and related equipment	\$ 2,089,299
Less: beginning accumulated depreciation	(95,031)
Less: current year depreciation	(72,293)
Net Book Value	<u>\$ 1,921,975</u>

The current year's depreciation is included with the capital asset depreciation expense.

The City's total capital lease debt service requirements to maturity are as follows:

Fiscal year ending June 30,	
2016	\$ 309,959
2017	309,959
2018	309,959
2019	309,959
2020	309,959
2021 - 2023	690,300
Total minimum lease payments	<u>2,240,095</u>
Less amount representing interest	255,744
Present value of future minimum lease payments	<u>\$ 1,984,351</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFIT PLANS

Deferred Compensation Plan (the "Plan")

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan available to all City employees permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency (as defined by IRS regulations). The City has no fiduciary relationship with the Trust. Accordingly, the Plan assets are not reported in the City's financial statements.

Defined Contribution Plan (the "Plan")

As authorized by City Council, the City provides pension benefits for all of its full-time employees through a defined contribution plan, the City of Riverdale Pension Plan (the "Plan"). Under the terms of the Plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible to participate from the date of employment. The Plan is administered by ICMA Retirement Corporation. A complete report of the pension plan can be obtained from the City Clerk's office. Contributions to the Plan are established and may be amended by the Mayor and City Council. The City's contribution to the Plan depends upon each participant's salary.

The City's contribution to the plan is based on the following formula:

Participant's Salary Reduction Amount	City's Contribution
2% of employee's regular bi-weekly wages	2% of employee's regular bi-weekly wages

Employees who are participants in the Police Officers' Annuity and Benefit Fund of the State of Georgia or the Georgia Fireman's Pension Fund shall have the first \$10 and \$15, respectively, of the City's contribution contributed to such funds. The City's contribution for each employee vests in accordance with the following schedule:

Completed Years Of Service	Vested Percentage
1	20%
2	40%
3	60%
4	80%
5	100%

NOTES TO FINANCIAL STATEMENTS

NOTE 7. EMPLOYEE BENEFIT PLANS (CONTINUED)

A terminated participant who is not 100% vested shall forfeit the nonvested portion of the City's contribution. Such forfeiture shall be used to reduce the City's future contributions under the plan. The City's contributions to the Plan for the fiscal year ended June 30, 2015, was \$116,262. This contribution represented approximately 1.73% of the City's current fiscal year payroll for all eligible employees, which was \$6,714,442. Contributions from employees were \$116,262 representing approximately 1.73% of covered payroll.

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City of Riverdale Postretirement Medical Plan (the "Plan") is a single-employer defined benefit healthcare plan. The plan provides post-employment health care benefits to all retirees who have reached age 55 and who have been employed by the City for at least 15 years. The Plan is administered by Discovery Benefits. A complete report of the Plan can be obtained from the City Clerk's office. The City pays ICMA Retirement Corporation 100% of the base HMO policy for each retiree's health insurance premium for up to three years or age 65, whichever occurs first. The City will pay up to the Social Security Medicare rate if the retiree elects a Medicare supplement, for the remainder of the three year period. There are six individuals who have been grandfathered under a previous plan, which does not have a cap on the length of this benefit and also provides for payment of dental insurance premiums. As of July 1, 2014, monthly premium rates were \$302.34 for medical and prescription drug, \$29.18 for dental, and \$104.90 for Medicare Part B.

Funding Policy

The provisions and obligations to contribute are established and may be amended by the Mayor and City Council. The City finances the Plan on a pay-as-you-go basis. The amount paid for these benefits for the year ended June 30, 2015 was \$35,259. There are 130 active participants and 8 retirees in the Plan for a total of 138 participants.

Annual OPEB Cost and Net OPEB Obligation. The City's annual Other Postemployment Benefit (OPEB) cost is calculated based on the Annual Required Contribution of the Employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following schedules show the components of the City's annual OPEB cost for the year beginning July 1, 2014, (the most recent actuarial valuation date) and the changes in the City's net OPEB obligation:

NOTES TO FINANCIAL STATEMENTS

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Derivation of Annual OPEB Cost

Annual Required Contribution for fiscal year ending June 30, 2015	\$ 121,372
Interest on Net OPEB Obligation	18,446
Adjustment to annual required contribution	(23,999)
Annual OPEB Cost	\$ 115,819

Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Fiscal Year	\$ 115,819
Actual Employer Contributions Made	(35,259)
Increase in Net OPEB Obligation	80,560
Net OPEB Obligation - June 30, 2014	368,929
Net OPEB Obligation - June 30, 2015	\$ 449,489

Trend information, which gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, is presented below:

Fiscal Year	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 101,296	\$ 48,533	47.9%	\$ 299,641
2014	108,830	39,542	36.3%	368,929
2015	115,819	35,259	30.4%	449,489

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
7/1/2014	\$ -	\$ 1,042,399	\$ 1,042,399	- %	\$ 6,047,469	17.2%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions. The investment return assumption (or discount rate) is to be selected as the estimated long-term investment return on the investments that are expected to be used to finance the payment of benefits. If the excess of the Annual Required Contribution over the current fiscal year's cost is set aside annually in a trust or other fund to pay future benefits, the discount rate represents the long-term rate of return expected to be earned on fund assets. If, however, benefits continue to be funded on a pay-as-you-go basis, the discount rate should reflect the return on unrestricted general funds of the employer. The assumptions used in the July 1, 2014 actuarial valuation are as follows:

Basis of Valuation	
Actuarial Cost Method	Projected Unit Credit
Discount Rate for Benefit Obligations	5%
Health Care Trend Rate	5%
Premium Trend Rate	5%
Amortization Method	Level Percent of Pay (open)
Remaining Amortization Period	30 years
Assumed Inflation Rate	5%

A payroll inflation rate is not presented above, as none of the benefits valued for this Plan are related to salary.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the Plan in effect at July 1, 2014 and are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. BUDGET COMPLIANCE

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2015, the City did not have any expenditures exceeding budget appropriations.

B. Fund Deficits

The fund deficit in the Transportation Grants Fund of \$94,543 as of June 30, 2015 will be reduced once federal grant revenue becomes available.

For fiscal year ended June, 30, 2015, the City did not adopt an original balance budget for the Confiscated Assets Special Revenue Fund which resulted in a deficit of \$36,379 for the original budget for this fund.

NOTE 10. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2015, are as follows:

	Due To			Total
	General Fund	Nonmajor Governmental	Solid Waste Management Fund	
Due From				
General Fund	\$ -	\$ 310,088	\$ 734,526	\$ 1,044,614
2015 SPLOST Fund	23,350	-	-	23,350
Capital Budget Reserve Fund	400,000	-	-	400,000
Transportation Grant Fund	33,077	-	-	33,077
Nonmajor Governmental Funds	157,278	-	-	157,278
Total	<u>\$ 613,705</u>	<u>\$ 310,088</u>	<u>\$ 734,526</u>	<u>\$ 1,658,319</u>

The outstanding balances between funds results from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. These amounts also include the amount of working capital loans made to the General Fund that the General Fund expects to repay in the subsequent fiscal year.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers for the fiscal year ended June 30, 2015, consisted of the following:

	Transfer In				Total
	COPS 2009 Fund	General Fund	Transportation Grant Fund	Nonmajor Governmental	
Transfer From					
General Fund	\$ 550,516	\$ -	\$ 94,867	\$ 767,748	\$ 1,413,131
Solid Waste Management Fund	-	600,000	-	-	600,000
Capital Budget Reserve Fund	-	400,000	-	-	400,000
Nonmajor governmental funds	2,274,190	-	-	-	2,274,190
Total	<u>\$ 2,824,706</u>	<u>\$ 1,000,000</u>	<u>\$ 94,867</u>	<u>\$ 767,748</u>	<u>\$ 4,687,321</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City carries commercial insurance coverage for these risks to the extent deemed prudent by management. Settled claims in the past three years have not exceeded the coverages.

On March 21, 1997, the City established its Workers' Compensation Insurance Internal Service Fund (which is reported in the General Fund for financial statement purposes). Workers' Compensation claims exceeding \$400,000 are funded by private insurance carriers, whereas claims below \$400,000 are funded by premiums from other funds.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

A liability for workers' compensation claims is recognized in the General Fund when it is probable that a loss has occurred and is due for payment. As of June 30, 2015, the City has reported \$118,859 of such claims as a liability in the General Fund. The accrued claims liability includes related claim settlement costs. The changes in the balance of claims liabilities during the fiscal year are as follows:

	June 30,	
	2015	2014
Balance - beginning of fiscal year	\$ 97,062	\$ 136,987
Current year claims and changes in estimates	304,047	252,361
Claim payments	(282,250)	(292,286)
Balance - end of fiscal year	\$ 118,859	\$ 97,062

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. For the fiscal year ended June 30, 2015, \$23,607 of hotel/motel tax was collected. A total of \$19,381, or 82%, was used for the promotion of tourism within the City and was considered to be in compliance with the State laws regulating hotel/motel taxes and the related expenditures as of June 30, 2015.

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). During its year ended June 30, 2015, the City's membership dues were paid by Clayton County, Georgia on the City's behalf. Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from: Atlanta Regional Commission, 3715 Northside Parkway, 200 North Creek Suite 300, Atlanta, Georgia 30327.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in various claims and matters of litigation resulting from normal operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Grants from Governments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVERDALE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
7/1/2014	\$ -	\$ 1,042,399	\$ 1,042,399	- %	\$ 6,047,469	17.2%
7/1/2013	-	929,915	929,915	- %	5,643,365	16.5%
7/1/2012	-	838,124	838,124	- %	6,194,206	13.5%
7/1/2011	-	879,060	879,060	- %	5,854,744	15.0%
7/1/2010	-	816,253	816,253	- %	4,538,934	18.0%
7/1/2009	-	881,268	881,268	- %	4,712,235	18.7%

The assumptions used in the preparation of the above schedule are disclosed in Note 8 in the Notes to the Financial Statements.

**COMBINING STATEMENTS
AND SCHEDULES**

CITY OF RIVERDALE, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

The **Emergency Communication Fund** accounts for the fee collection and operations of the Emergency 911 system within the City.

The **Hotel/Motel Tax Fund** accounts for the Hotel/Motel tax receipts and distributions of funds used to promote tourism within the City.

The **Confiscated Assets Fund** accounts for the collection and use of funds confiscated from convicted offenders.

The **Red Light Enforcement Fund** accounts for the collection and use of funds related to red light violation citations.

CAPITAL PROJECTS FUNDS

The **Capital Projects SPLOST Tax Fund** accounts for the financing and construction of facilities and improvements in accordance with sales tax referendums.

The **Recovery Bond Fund** accounts for the proceeds from the Series 2010A and 2010B revenue bonds issued to finance construction of a new parking garage for the Riverdale Town Center, as well as capital improvements to the City's Regional Park.

The **Capital Projects Fund** accounts for the proceeds from the 1998 issuance of Certificates of Participation used for financing the purchase of major items of machinery and equipment, and for the proceeds from grant revenues used for construction of major capital facilities.

CITY OF RIVERDALE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds				Capital Project Funds				Totals
	Emergency Communication Fund	Hotel/Motel Tax Fund	Confiscated Assets Fund	Red Light Enforcement Fund	SPLOST Tax Fund	Recovery Bond Fund	Capital Projects Fund		
ASSETS									
Cash and cash equivalents	\$ 263,677	\$ 24,285	\$ -	\$ 542	\$ -	\$ -	\$ -	\$ 288,504	
Taxes receivable	-	3,301	-	-	-	-	-	3,301	
Accounts receivable	33,091	-	-	-	-	-	-	33,091	
Due from other funds	-	-	90,316	-	-	-	219,772	310,088	
Restricted assets, cash	-	-	-	-	-	14,966	-	14,966	
Restricted assets, investments	-	-	-	-	-	-	585,850	585,850	
Total assets	\$ 296,768	\$ 27,586	\$ 90,316	\$ 542	\$ -	\$ 14,966	\$ 805,622	\$ 1,235,800	
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 6,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,425	
Accrued liabilities	7,712	89	-	-	-	-	-	7,801	
Due to other funds	138,132	19,146	-	-	-	-	-	157,278	
Total liabilities	152,269	19,235	-	-	-	-	-	171,504	
FUND BALANCES									
Restricted for:									
Emergency communications	144,499	-	-	-	-	-	-	144,499	
Law enforcement purposes	-	-	90,316	542	-	-	-	90,858	
Promotion of tourism	-	8,351	-	-	-	-	-	8,351	
Capital projects	-	-	-	-	-	14,966	805,622	820,588	
Total fund balances	144,499	8,351	90,316	542	-	14,966	805,622	1,064,296	
Total liabilities and fund balances	\$ 296,768	\$ 27,586	\$ 90,316	\$ 542	\$ -	\$ 14,966	\$ 805,622	\$ 1,235,800	

CITY OF RIVERDALE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				Capital Project Funds			Totals
	Emergency Communication Fund	Hotel/Motel Tax Fund	Confiscated Assets Fund	Red Light Enforcement Fund	SPLOST Tax Fund	Recovery Bond Fund	Capital Projects Fund	
Revenues:								
Other taxes	\$ -	\$ 23,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,607
Charges for services	231,250	-	-	-	-	-	-	231,250
Fines and forfeitures	-	-	72,128	6	-	-	-	72,134
Investment Income	-	-	-	-	-	26	11,125	11,151
Intergovernmental	-	-	-	-	1,262,838	-	-	1,262,838
Total revenues	<u>231,250</u>	<u>23,607</u>	<u>72,128</u>	<u>6</u>	<u>1,262,838</u>	<u>26</u>	<u>11,125</u>	<u>1,600,980</u>
Expenditures:								
Current:								
General Government	-	-	-	-	-	1,000	-	1,000
Public safety	505,573	-	35,383	5	-	-	-	540,961
Economic development	-	19,381	-	-	-	-	-	19,381
Capital Outlay	-	-	-	-	-	29,457	-	29,457
Debt Service:								
Principal	-	-	-	-	-	-	53,285	53,285
Interest	-	-	-	-	-	263,493	17,095	280,588
Total expenditures	<u>505,573</u>	<u>19,381</u>	<u>35,383</u>	<u>5</u>	<u>-</u>	<u>293,950</u>	<u>70,380</u>	<u>924,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(274,323)</u>	<u>4,226</u>	<u>36,745</u>	<u>1</u>	<u>1,262,838</u>	<u>(293,924)</u>	<u>(59,255)</u>	<u>676,308</u>
Other financing sources (uses)								
Transfers in	259,315	-	-	-	-	264,484	243,949	767,748
Transfers out	-	-	-	-	(2,274,190)	-	-	(2,274,190)
Total other financing sources (uses)	<u>259,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,274,190)</u>	<u>264,484</u>	<u>243,949</u>	<u>(1,506,442)</u>
Net change in fund balances	(15,008)	4,226	36,745	1	(1,011,352)	(29,440)	184,694	(830,134)
Fund balances, beginning of fiscal year	<u>159,507</u>	<u>4,125</u>	<u>53,571</u>	<u>541</u>	<u>1,011,352</u>	<u>44,406</u>	<u>620,928</u>	<u>1,894,430</u>
Fund balances, end of fiscal year	<u>\$ 144,499</u>	<u>\$ 8,351</u>	<u>\$ 90,316</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ 14,966</u>	<u>\$ 805,622</u>	<u>\$ 1,064,296</u>

**CITY OF RIVERDALE, GEORGIA
EMERGENCY COMMUNICATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Charges for services	\$ 200,000	\$ 234,100	\$ 231,250	\$ (2,850)
Total revenues	<u>200,000</u>	<u>234,100</u>	<u>231,250</u>	<u>(2,850)</u>
Expenditures				
Public safety	460,067	514,071	505,573	8,498
Total expenditures	<u>460,067</u>	<u>514,071</u>	<u>505,573</u>	<u>8,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(260,067)</u>	<u>(279,971)</u>	<u>(274,323)</u>	<u>5,648</u>
Other financing sources:				
Transfers in	260,066	260,066	259,315	(751)
Total other financing sources	<u>260,066</u>	<u>260,066</u>	<u>259,315</u>	<u>(751)</u>
Net change in fund balance	(1)	(19,905)	(15,008)	4,897
Fund balances, beginning of fiscal year	<u>159,507</u>	<u>159,507</u>	<u>159,507</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 159,506</u>	<u>\$ 139,602</u>	<u>\$ 144,499</u>	<u>\$ 4,897</u>

**CITY OF RIVERDALE, GEORGIA
HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, A78 AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Other taxes	\$ 15,336	\$ 15,336	\$ 23,607	\$ 8,271
Total revenues	<u>15,336</u>	<u>15,336</u>	<u>23,607</u>	<u>8,271</u>
Expenditures				
Economic development	21,387	21,387	19,381	2,006
Total expenditures	<u>21,387</u>	<u>21,387</u>	<u>19,381</u>	<u>2,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,051)</u>	<u>(6,051)</u>	<u>4,226</u>	<u>10,277</u>
Other financing sources:				
Transfers in	6,051	6,051	-	(6,051)
Total other financing sources	<u>6,051</u>	<u>6,051</u>	<u>-</u>	<u>(6,051)</u>
Net change in fund balance	-	-	4,226	4,226
Fund balances, beginning of fiscal year	<u>4,125</u>	<u>4,125</u>	<u>4,125</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 4,125</u>	<u>\$ 4,125</u>	<u>\$ 8,351</u>	<u>\$ 4,226</u>

**CITY OF RIVERDALE, GEORGIA
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Fines and forfeitures	\$ -	\$ 50,000	\$ 72,128	\$ 22,128
Total revenues	<u>-</u>	<u>50,000</u>	<u>72,128</u>	<u>22,128</u>
Expenditures				
Public safety	89,950	90,000	35,383	54,617
Total expenditures	<u>89,950</u>	<u>90,000</u>	<u>35,383</u>	<u>54,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,950)</u>	<u>(40,000)</u>	<u>36,745</u>	<u>76,745</u>
Net change in fund balance	(89,950)	(40,000)	36,745	76,745
Fund balances, beginning of fiscal year	<u>53,571</u>	<u>53,571</u>	<u>53,571</u>	<u>-</u>
Fund balances (deficits), end of fiscal year	<u>\$ (36,379)</u>	<u>\$ 13,571</u>	<u>\$ 90,316</u>	<u>\$ 76,745</u>

**CITY OF RIVERDALE, GEORGIA
RED LIGHT ENFORCEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Fines and forfeitures	\$ 6	\$ 6	\$ 6	\$ -
Total revenues	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Expenditures				
Current:				
Public safety	<u>6</u>	<u>6</u>	<u>5</u>	<u>1</u>
Total expenditures	<u>6</u>	<u>6</u>	<u>5</u>	<u>1</u>
Net change in fund balance	-	-	1	1
Fund balances, beginning of fiscal year	<u>541</u>	<u>541</u>	<u>541</u>	<u>-</u>
Fund balances, end of fiscal year	<u>\$ 541</u>	<u>\$ 541</u>	<u>\$ 542</u>	<u>\$ 1</u>

CITY OF RIVERDALE, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2008 Issue					
<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Fiscal Years</u>	<u>Current Fiscal Year</u>	<u>Total</u>
Road improvements	\$ 2,954,728	\$ 584,869	\$ -	\$ 40,041 (2)	\$ 40,041
Streetscapes	2,401,465	1,062,500	-	466,030 (3)	466,030
Park improvements	5,045,271	2,901,592	2,901,592 (4)	-	2,901,592
Community Center	4,000,000	14,284,741	12,010,551	2,274,190 (1)	14,284,741
Acquisition of land for parks and greenspace	<u>3,000,000</u>	<u>304,053</u>	<u>304,053 (4)</u>	<u>-</u>	<u>304,053</u>
Totals	<u>\$ 17,401,464</u>	<u>\$ 19,137,755</u>	<u>\$ 15,216,196</u>	<u>\$ 2,780,261</u>	<u>\$ 17,996,457</u>

Notes:

(1) - Current fiscal year expenditures of \$2,274,190 as shown above are reflected as a transfer out to the COPS 2009 Fund on the Statement of Revenues, Expenditures and Changes in Fund Balance for repayment of the debt associated with the construction of the Town Center.

(2) - Medical Way Road was resurfaced in fiscal year 2015 in which funding was from LMIG grant funds. Road improvements are scheduled to be completed during fiscal year 2016. Road projects will be funded from State LMIG grants.

(3) - A streetscape project adding stamped concrete sidewalks to Highway 85 was started in fiscal year 2015 and will be completed in fiscal year 2016. The funding is from a State transportation grant.

(4) - Land was purchased and construction of Riverdale Regional Park was completed in fiscal year 2012. The funding was provided from a Recovery Bond and a CDBG grant.

2015 Issue					
<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Fiscal Years</u>	<u>Current Fiscal Year</u>	<u>Total</u>
Communications Base Station	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 28,923	\$ 28,923
Resurfacing City Street	2,800,000	2,800,000	-	-	-
Median Enhancement/Beautification	250,000	250,000	-	-	-
Complete Phase 2 of Rvdle Park	2,200,000	2,200,000	-	-	-
Renovate or Replace Fire Station 2	2,500,000	2,500,000	-	-	-
Renovate and Expand City Hall Annex	1,500,000	1,500,000	-	4,800	4,800
New/Replacement Vehicles - PD	500,000	500,000	-	-	-
New/Replacement Vehicles - FD	500,000	500,000	-	-	-
New 4' Sidewalks-25% of City Streets	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 12,950,000</u>	<u>\$ 12,950,000</u>	<u>\$ -</u>	<u>\$ 33,723</u>	<u>\$ 33,723</u>

NOTE: Current fiscal year expenditures of \$1,526,933 as shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance includes the \$33,723 as noted above and also capital outlays of \$1,493,210 pertaining to equipment that is financed through a capital lease instead of SPLOST proceeds.

STATISTICAL SECTION

This part of the City of Riverdale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	58 - 63
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	64 - 68
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	69 - 71
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	72
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	73 - 76
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF RIVERDALE, GEORGIA

**NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 3,922,209	\$ 7,017,066	\$ 4,242,952	\$ 6,411,299	\$ 10,242,814	\$ 10,953,227	\$ 12,940,372	\$ 13,691,189	\$ 15,684,385	\$ 18,037,724
Restricted	1,267,166	45,030	-	264,461	1,318,609	230,669	1,257,973	2,185,176	2,035,396	1,267,649
Unrestricted	3,099,296	2,933,600	6,344,978	4,934,319	2,213,959	4,302,790	2,966,214	2,735,863	2,803,785	2,767,150
Total governmental activities net position	\$ 8,288,671	\$ 9,995,696	\$ 10,587,930	\$ 11,610,079	\$ 13,775,382	\$ 15,486,686	\$ 17,164,559	\$ 18,612,228	\$ 20,523,566	\$ 22,072,523
Business-type activities										
Investment in capital assets	\$ 14,406	\$ 13,583	\$ 12,760	\$ 11,936	\$ 11,113	\$ 10,290	\$ 9,467	\$ 8,644	\$ 7,821	\$ 6,998
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	12,710	176,507	312,500	434,173	540,937	747,804	859,165	1,286,216	629,382	366,597
Total business-type activities net position	\$ 27,116	\$ 190,090	\$ 325,260	\$ 446,109	\$ 552,050	\$ 758,094	\$ 868,632	\$ 1,294,860	\$ 637,203	\$ 373,595
Primary government										
Net investment in capital assets	\$ 3,936,615	\$ 7,030,649	\$ 4,255,712	\$ 6,423,235	\$ 10,253,927	\$ 10,963,517	\$ 12,949,839	\$ 13,699,833	\$ 15,692,206	\$ 18,044,722
Restricted	1,267,166	45,030	-	264,461	1,318,609	230,669	1,257,973	2,185,176	2,035,396	1,267,649
Unrestricted	3,112,006	3,110,107	6,657,478	5,368,492	2,754,896	5,050,594	3,825,379	4,022,079	3,433,167	3,133,747
Total primary government net position	\$ 8,315,787	\$ 10,185,786	\$ 10,913,190	\$ 12,056,188	\$ 14,327,432	\$ 16,244,780	\$ 18,033,191	\$ 19,907,088	\$ 21,160,769	\$ 22,446,118

Note: GASB 63 and 65 were implemented during fiscal year 2013.

CITY OF RIVERDALE, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 1,776,563	\$ 2,452,383	\$ 3,018,326	\$ 2,941,426	\$ 3,122,313	\$ 2,893,857	\$ 2,912,979	\$ 3,592,001	\$ 3,269,195	\$ 4,376,340
Judicial	-	469,683	526,835	604,712	1,600,470	669,343	630,083	732,181	714,796	675,361
Public safety	6,698,532	5,541,456	5,920,902	5,971,501	6,195,634	6,023,012	6,115,912	5,771,295	5,968,932	5,472,995
Public works	991,823	717,264	389,957	352,519	136,078	187,608	284,870	625,677	727,729	820,402
Culture and recreation	32,394	623,675	1,314,469	867,159	158,075	610,173	705,044	1,032,596	1,206,287	1,239,329
Economic development	359,149	4,600	74,717	55,470	904,257	896,357	1,094,948	703,097	926,796	728,187
Interest on long-term debt	66,772	63,059	55,990	386,349	896,089	841,790	820,677	884,667	742,968	689,162
Total governmental activities expenses	9,925,233	9,872,120	11,301,196	11,179,136	13,012,916	12,122,140	12,564,513	13,341,514	13,556,703	14,001,776
Business-type activities:										
Solid waste management	254,309	517,686	534,347	587,569	808,091	1,093,854	1,041,011	471,587	465,272	575,708
Total business-type activities expenses	254,309	517,686	534,347	587,569	808,091	1,093,854	1,041,011	471,587	465,272	575,708
Total primary government expenses	10,179,542	10,389,806	11,835,543	11,766,705	13,821,007	13,215,994	13,605,524	13,813,101	14,021,975	14,577,484
Program revenues										
Governmental activities:										
Charges for services:										
General government	56,610	154,202	415,245	353,985	349,130	352,035	474,938	359,688	391,346	272,290
Public safety	2,462,458	2,482,951	2,373,397	2,745,833	3,914,311	2,740,028	3,256,824	2,604,401	2,041,834	2,135,390
Public works	-	-	94,039	54,547	62,577	60,217	51,869	61,023	141,617	165,439
Parks and recreation	-	-	-	-	-	103,789	287,102	569,497	189,450	256,990
Economic development	323,348	-	28,158	29,351	44,481	55,230	37,693	25,126	26,320	-
Operating grants and contributions	60,504	81,932	32,981	47,021	110,203	94,316	122,515	194,951	125,854	102,031
Capital grants and contributions	271,534	75,040	259,350	683,922	2,700,785	2,826,965	3,223,703	2,757,325	2,430,831	2,696,178
Total governmental activities program revenues	3,174,454	2,794,125	3,203,170	3,914,659	7,181,487	6,232,580	7,454,644	6,572,011	5,347,252	5,628,318
Business-type activities:										
Charges for services	397,854	680,560	669,517	708,418	1,045,790	1,299,898	1,351,549	897,815	825,102	912,100
Operating grants and contributions	60,504	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	458,358	680,560	669,517	708,418	1,045,790	1,299,898	1,351,549	897,815	825,102	912,100
Total primary government program revenues	3,632,812	3,474,685	3,872,687	4,623,077	8,227,277	7,532,478	8,806,193	7,469,826	6,172,354	6,540,418
Net (expense)/revenue	(6,750,779)	(7,077,995)	(8,098,026)	(7,264,477)	(5,831,429)	(5,889,560)	(5,109,869)	(6,769,503)	(8,209,451)	(8,373,458)
Governmental activities	204,049	162,874	135,170	120,849	237,699	206,044	310,538	426,228	359,830	336,392
Business-type activities	(6,546,730)	(6,915,121)	(7,962,856)	(7,143,628)	(5,593,730)	(5,683,516)	(4,799,331)	(6,343,275)	(7,849,621)	(8,037,066)
Total primary government net expense										

(Continued)

CITY OF RIVERDALE, GEORGIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	2,444,245	2,752,436	2,986,777	2,835,424	2,606,937	2,359,879	2,194,301	2,705,058	2,836,393	2,695,103
Sales taxes	3,045,895	3,007,401	3,010,800	2,813,210	2,703,283	2,625,328	2,724,260	2,812,355	3,720,767	3,900,962
Franchise taxes	591,386	680,563	697,891	734,939	713,508	764,745	786,874	744,819	695,461	735,619
Occupational taxes	508,156	-	-	-	-	282,842	-	-	-	-
Insurance premium tax	624,942	653,845	682,034	698,371	691,819	671,713	709,848	753,977	780,672	822,344
Alcoholic beverage taxes	382,259	413,326	403,651	375,650	387,806	354,841	369,861	375,168	346,876	359,840
Other taxes	89,031	1,095,497	782,583	688,894	694,402	723,573	767,757	391,645	657,889	797,374
Miscellaneous	18,179	25,125	-	-	-	-	-	-	-	-
Unrestricted investment earnings	149,817	156,927	98,134	78,588	65,859	71,292	62,156	61,308	13,856	11,173
Gain on sale of capital assets	42,278	-	28,390	11,550	1,360	29,493	-	-	51,388	-
Transfers	166,823	(100)	-	-	131,758	-	200,000	-	1,017,487	600,000
Total governmental activities general revenues and other changes in net position	8,063,011	8,785,020	8,690,260	8,236,626	7,996,732	7,600,864	7,815,057	8,127,172	10,120,789	9,922,415
Business-type activities:										
Investment earnings	2,394	-	-	-	-	-	-	-	-	-
Transfers	(166,823)	100	-	-	(131,758)	-	(200,000)	-	(1,017,487)	(600,000)
Total business type activities general revenues and other changes in net position	(164,429)	100	-	-	(131,758)	-	(200,000)	-	(1,017,487)	(600,000)
Total primary government general revenues and other changes in net position	7,898,582	8,785,120	8,690,260	8,236,626	7,864,974	7,600,864	7,615,057	8,127,172	9,103,302	9,322,415
Change in net position										
Governmental activities	1,312,232	1,707,025	592,234	972,149	2,165,303	1,711,304	2,705,188	1,357,669	1,911,338	1,548,957
Business-type activities	39,620	162,974	135,170	120,849	105,941	206,044	110,538	426,228	(657,657)	(263,608)
Total primary government change in net position	\$ 1,351,852	\$ 1,869,999	\$ 727,404	\$ 1,092,998	\$ 2,271,244	\$ 1,917,348	\$ 2,815,726	\$ 1,783,897	\$ 1,253,681	\$ 1,285,349

CITY OF RIVERDALE, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS FISCAL YEARS 2006 - 2010

	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 444,365	\$ 259,087	\$ 180,393	\$ 324,781	\$ 256,931
Unreserved	3,623,115	4,499,412	4,089,676	4,134,857	3,401,640
Total General fund	<u>\$ 4,067,480</u>	<u>\$ 4,758,499</u>	<u>\$ 4,270,069</u>	<u>\$ 4,459,638</u>	<u>\$ 3,658,571</u>
All Other Governmental Funds					
Unreserved, reported in:					
Special revenue funds	\$ 199,640	\$ 948,086	\$ 976,928	\$ 646,666	\$ 593,519
Capital projects funds	874,734	831,357	1,347,725	17,556,176	5,628,291
Total all other governmental funds	<u>\$ 1,074,374</u>	<u>\$ 1,779,443</u>	<u>\$ 2,324,653</u>	<u>\$ 18,202,842</u>	<u>\$ 6,221,810</u>

Note: Amount of unreserved fund balance by type not available prior to 2006.

CITY OF RIVERDALE, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS CURRENT AND PRIOR FOUR FISCAL YEARS

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 247,706	\$ 317,845	\$ 351,008	\$ 337,727	\$ 397,176
Restricted	-	-	91,388	190,662	-
Unassigned	2,204,550	3,069,041	1,996,304	2,796,074	2,669,186
Total General Fund	<u>\$ 2,452,256</u>	<u>\$ 3,386,886</u>	<u>\$ 2,438,700</u>	<u>\$ 3,324,463</u>	<u>\$ 3,066,362</u>
All Other Governmental Funds					
Nonspendable, reported in:					
Special revenue funds	\$ -	\$ -	\$ 2,265	\$ 5,290	\$ -
Capital project funds	-	-	200,000	-	-
Restricted, reported in:					
Special revenue funds	151,483	44,998	257,486	212,454	243,708
Capital project funds	6,070,803	4,352,502	3,623,238	1,811,721	1,839,912
Committed, reported in:					
Special revenue funds	-	-	556	-	-
Capital project funds	-	-	836,417	596,735	196,735
Assigned, reported in:					
Special revenue funds	59,469	380,251	-	-	-
Capital project funds	788,686	596,735	-	-	-
Unassigned (deficit), reported in:					
Special revenue funds	(2,195)	(13,919)	(40,190)	-	-
Capital project funds	-	-	-	-	(94,543)
Total all other governmental funds	<u>\$ 7,068,246</u>	<u>\$ 5,360,567</u>	<u>\$ 4,879,772</u>	<u>\$ 2,626,200</u>	<u>\$ 2,185,812</u>

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF RIVERDALE, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 7,711,595	\$ 8,138,608	\$ 8,344,262	\$ 7,962,354	\$ 7,789,960	\$ 7,573,484	\$ 7,575,147	\$ 8,097,695	\$ 8,404,363	\$ 8,606,011
Licenses and permits	323,348	373,705	324,787	266,167	289,219	315,875	288,431	282,842	348,414	302,024
Intergovernmental	298,132	156,972	273,473	659,901	2,726,135	3,057,459	3,327,139	2,962,070	2,545,160	2,658,723
Charges for services	362,451	355,953	513,494	513,690	474,219	524,651	653,521	904,671	583,054	627,162
Fines, forfeitures, and fees	2,224,364	2,222,713	2,018,225	2,388,661	3,584,387	2,307,477	2,993,431	2,423,615	2,561,516	2,566,879
Investment earnings	149,729	156,927	98,134	76,588	65,859	71,292	62,156	61,308	13,856	11,173
Miscellaneous	42,030	25,125	101,581	26,514	26,974	38,416	143,873	52,644	63,415	18,688
Total revenues	11,111,649	11,430,003	11,673,956	11,895,875	14,956,753	13,888,654	15,023,698	14,784,845	14,539,798	14,790,660
Expenditures:										
General government	1,864,107	2,387,395	2,838,844	2,822,119	2,871,716	3,198,537	3,116,073	3,544,925	3,255,615	4,555,409
Judicial	825,046	454,913	514,076	591,127	1,582,394	677,397	632,219	676,651	688,974	654,954
Public safety	5,899,321	5,170,877	5,727,710	5,569,540	5,722,595	5,488,204	4,989,339	5,417,121	5,583,790	5,089,958
Public works	921,828	656,396	408,017	297,026	85,674	117,184	69,668	79,003	138,413	218,681
Culture and recreation	27,535	617,083	1,100,065	861,852	149,666	636,404	641,944	902,585	1,036,844	1,068,180
Economic development	361,631	4,600	92,500	45,614	893,991	836,451	627,425	700,401	925,343	719,699
Capital outlay	45,061	645,768	730,447	4,397,803	13,912,491	5,296,331	2,395,556	2,048,237	1,986,698	2,121,651
Debt service:										
Principal	111,872	123,707	147,394	126,812	1,760,527	2,270,000	2,445,000	2,545,000	2,591,663	2,488,285
Interest and fiscal charges	64,506	60,932	58,123	238,320	892,916	968,163	998,082	904,275	776,679	673,337
Insurance costs	-	-	-	637,941	-	249,625	-	-	-	-
Total expenditures	10,120,907	10,121,671	11,617,176	15,588,154	27,871,970	19,698,296	15,915,306	16,818,198	16,964,019	17,590,154
Excess (deficiency) of revenues over (under) expenditures	990,742	1,308,332	56,780	(3,692,279)	(12,915,217)	(5,809,642)	(891,608)	(2,033,353)	(2,444,221)	(2,799,494)
Other financing sources (uses)										
Proceeds from the issuance of debt	-	87,856	-	19,697,078	-	5,399,981	-	-	-	-
Proceeds from sale of capital assets	65,528	-	-	12,959	1,360	49,782	3,900	8,283	58,925	7,795
Proceeds from capital leases	-	-	-	-	-	-	-	596,089	-	1,493,210
Insurance reimbursements	51,025	-	-	-	-	-	-	-	-	-
Transfers in	166,823	1,045,624	1,486,901	1,486,901	4,755,466	4,012,238	3,931,642	4,548,494	4,986,044	4,687,321
Transfers out	-	(1,045,724)	(1,486,901)	(1,486,901)	(4,623,708)	(4,012,238)	(3,731,842)	(4,548,494)	(3,968,557)	(4,087,321)
Total other financing sources (uses)	283,376	87,756	-	19,710,037	133,118	5,449,763	203,900	604,372	1,076,412	2,101,005
Net change in fund balances	\$ 1,274,118	\$ 1,396,088	\$ 56,780	\$ 16,017,758	\$ (12,782,099)	\$ (359,879)	\$ (687,708)	\$ (1,428,981)	\$ (1,367,809)	\$ (698,489)
Debt service as a percentage of noncapital expenditures	1.83%	1.95%	1.87%	8.91%	18.94%	24.66%	26.16%	23.37%	22.57%	20.87%
Total debt service expenditures	176,378	184,639	205,517	1,003,073	2,653,443	3,487,788	3,443,082	3,449,275	3,368,342	3,161,622
Total non-capital expenditures	9,633,155	9,475,903	11,003,608	11,253,646	14,009,782	14,143,902	13,162,734	14,760,893	14,923,142	15,148,474

CITY OF RIVERDALE, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX DIGEST YEARS

Tax Digest Year	Real and Personal Property	Motor Vehicles	Public Utility	Less: Taxpayer Exemptions	Net Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2005	\$ 312,555,583	\$ 22,912,020	\$ 3,360,807	\$ (792,551)	\$ 338,035,859	7.50	\$ 847,071,025	40%
2006	336,047,298	21,153,260	3,654,056	(756,414)	360,098,200	7.50	902,036,535	40%
2007	347,088,353	23,187,360	3,156,395	(798,206)	372,633,902	7.50	933,580,270	40%
2008	354,555,207	22,500,660	4,153,520	(826,083)	380,383,304	7.50	953,023,468	40%
2009	335,635,644	22,228,660	4,188,365	-	362,052,669	7.50	905,131,673	40%
2010	293,480,487	19,513,950	4,188,360	(640,214)	316,542,583	7.50	792,956,993	40%
2011	275,570,541	18,169,900	4,203,858	(28,140,867)	269,803,432	7.50	674,508,580	40%
2012	240,441,693	26,412,300	6,400,050	(27,823,089)	245,430,954	9.98	613,577,385	40%
2013	229,470,100	28,023,150	6,741,259	(26,079,127)	238,155,382	9.98	595,388,455	40%
2014	231,508,281	23,530,010	6,742,051	(6,399,174)	255,381,168	9.98	638,452,920	40%

Note: Tax rates are per \$1,000 of assessed value.

Source: Clayton County Tax Commissioner

CITY OF RIVERDALE, GEORGIA

PROPERTY TAX RATES LAST TEN TAX DIGEST YEARS

Tax Digest Year	State of Georgia	City of Riverdale			Clayton County	School District	Total Millage Rate
		Maintenance and Operations	Sales Tax Reduction	Total City			
2005	0.250	-	-	7.50	7.781	18.92	34.45
2006	0.250	14.80	7.30	7.50	8.764	18.92	35.43
2007	0.250	15.74	8.24	7.50	8.535	20.00	36.29
2008	0.250	15.23	7.73	7.50	8.963	19.84	36.55
2009	0.250	15.93	8.43	7.50	11.436	19.84	39.03
2010	0.250	16.37	8.87	7.50	11.327	20.00	39.08
2011	0.250	15.30	7.80	7.50	15.813	20.00	43.56
2012	0.200	18.30	8.32	9.98	14.912	20.00	45.09
2013	0.150	20.95	10.97	9.98	14.661	20.00	44.79
2014	0.100	23.05	13.07	9.98	14.869	20.00	44.95

Source: Clayton County Tax Commissioner.

Note: Information regarding components of City rates not available prior to 2006.

CITY OF RIVERDALE, GEORGIA

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Tramlaw LP	\$ 6,326	1	2.477%	\$		
HD Development of Maryland	3,484	2	1.364%			
Wal Mart Supercenter	3,433	3	1.344%	3,414	5	1.00%
Riverdale Market Owners LLC	2,492	4	0.976%			
315 Upper Riverdale Rd LLC	1,726	5	0.676%			
Home Depot Inc	1,719	6	0.673%			
Cawthon & Hollums Prop	1,608	7	0.630%			
Riverdale Holdings LLC	1,600	8	0.627%			
SSC Realty	1,418	9	0.555%			
Riverdale Road Self	1,160	10	0.454%			
Chateau Forrest Associates LP				7,382	1	2.20%
Edward C & Clarice B Ellis				5,523	2	1.60%
Brooks Crossing Apts				4,324	3	1.30%
IPF Merchants LP				3,647	4	1.10%
Wells Fargo Bank Minnesota				2,580	6	0.80%
Albion Pacific Property				2,241	7	0.70%
Institute for Radiation				2,231	8	0.70%
Georgia Power Company				2,220	9	0.70%
Frank B Flanders Jr & Etal				2,035	10	0.60%
Total	\$ 24,966		9.776%	\$ 32,183		10.70%

Source: City of Riverdale tax records.

CITY OF RIVERDALE, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied (1)(2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2006	\$ 2,333,063	\$ 2,250,107	96.44%	\$ 31,678	\$ 2,281,785	97.80%
2007	2,343,613	2,254,666	96.20%	82,801	2,337,467	99.74%
2008	2,416,377	2,110,139	87.33%	300,110	2,410,249	99.75%
2009	2,592,901	2,435,314	93.92%	153,839	2,589,153	99.86%
2010	2,374,069	2,339,869	98.56%	21,698	2,361,567	99.47%
2011	2,230,527	1,905,031	85.41%	312,867	2,217,898	99.43%
2012	2,721,710	1,946,162	71.51%	755,980	2,702,142	99.28%
2013	2,328,747	2,224,716	95.53%	69,163	2,293,879	98.50%
2014	2,250,734	2,153,307	95.67%	87,032	2,240,339	99.54%
2015	2,548,704	2,132,674	83.68%	-	2,132,674	83.68%

Source: City of Riverdale, Georgia's tax records.

Notes:

- (1) Includes only real and personal property. Does not include motor vehicle assessments.
- (2) Amounts include the State of Georgia Property Tax Relief Grant.

CITY OF RIVERDALE, GEORGIA

**LOCAL OPTION SALES TAX HISTORY
LAST TEN FISCAL YEARS**

Month	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
July	\$ 245,122	\$ 243,399	\$ 226,243	\$ 295,465	\$ 197,211	\$ 178,791	\$ 220,980	\$ 230,136	\$ 208,776	\$ 329,401
August	254,520	246,578	209,473	243,640	271,417	213,764	236,392	222,554	282,189	314,547
September	241,795	299,373	235,595	303,520	239,166	204,668	225,280	211,924	287,024	330,413
October	290,360	280,150	282,265	288,907	227,532	199,768	176,187	211,897	289,650	299,451
November	258,340	320,254	234,307	198,126	240,286	193,986	186,298	202,957	276,377	314,841
December	253,802	186,560	252,340	267,135	236,917	298,740	196,786	257,800	337,517	348,938
January	207,160	236,504	223,146	209,355	211,529	227,762	240,721	246,294	280,440	322,948
February	285,760	267,811	234,204	165,211	236,184	239,511	275,437	256,005	296,592	325,494
March	252,086	211,423	230,511	289,328	220,880	240,873	215,409	214,999	330,615	338,743
April	138,594	210,772	304,153	223,019	206,017	224,796	234,656	339,290	312,953	318,337
May	347,384	247,498	281,196	234,654	210,608	230,855	272,608	205,641	328,611	322,742
June	274,357	263,495	292,412	94,849	273,493	220,980	236,518	212,858	307,285	333,783
Adjustment	-	12,067	4,955	-	-	-	-	-	(1)	1,324
Total	\$ 3,049,280	\$ 3,025,884	\$ 3,010,800	\$ 2,813,210	\$ 2,771,240	\$ 2,674,494	\$ 2,717,272	\$ 2,812,355	\$ 3,720,767	\$ 3,900,962

Notes:

(1) The City's percentage of the total LOST distribution for Clayton County increased in Fiscal Year 2014. The County sent a check to adjust the amount received by the City for the months before the State accepted the new Certificate.

Source: City of Riverdale, Georgia's records.

CITY OF RIVERDALE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita	Personal Income (Thousands)	Population
	Certificates of Participation	Contracts Payable	Notes Payable	Capital Leases						
2006	\$ 1,022,000	\$ -	\$ 330,584	\$ -	\$ 1,352,584	0.15%	0.22%	87	\$ 611,727	15,475
2007	1,022,000	-	216,236	78,497	1,316,733	0.14%	0.21%	85	612,794	15,502
2008	1,022,000	-	97,168	50,171	1,169,339	0.12%	0.19%	75	615,079	15,548
2009	20,447,000	-	-	20,527	20,467,527	2.26%	2.58%	1,074	792,258	19,063
2010	18,707,000	-	-	-	18,707,000	2.36%	2.68%	997	698,061	18,755
2011	16,437,000	5,500,000	-	-	21,937,000	3.25%	3.71%	1,431	591,783	15,326
2012	14,092,000	5,400,000	-	-	19,492,000	3.18%	3.44%	1,278	565,965	15,251
2013	11,862,766	5,211,033	-	596,089	17,669,888	2.97%	2.94%	1,141	601,950	15,493
2014	9,302,308	5,216,134	-	544,426	15,062,868	2.53%	2.50%	969	603,659	15,537
2015	6,851,081	5,221,235	-	1,984,351	14,056,667	2.20%	2.32%	900	606,056	15,620

Notes:

(1) Details regarding the City's long term debt can be found in the notes to the financial statements

CITY OF RIVERDALE, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Fiscal Year	Assessed value of taxable property	Debt Limit (10% of assessed value)	Amount of outstanding debt applicable to debt limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2006	\$ 338,035,859	\$ 33,803,586	-	\$ 33,803,586	0.00%
2007	360,098,200	36,009,820	-	36,009,820	0.00%
2008	372,633,902	37,263,390	-	37,263,390	0.00%
2009	380,383,304	38,038,330	-	38,038,330	0.00%
2010	362,052,669	36,205,267	-	36,205,267	0.00%
2011	316,542,583	31,654,258	-	31,654,258	0.00%
2012	269,803,432	26,980,343	-	26,980,343	0.00%
2013	338,035,859	33,803,586	-	33,803,586	0.00%
2014	238,155,382	23,815,538	-	23,815,538	0.00%
2015	255,381,168	25,538,117	-	25,538,117	0.00%

Note:

(1) The City has no general obligation debt that is subject to the debt limitation.

CITY OF RIVERDALE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2015

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Riverdale ^(a)	Amount Applicable to the City of Riverdale
Clayton County, Georgia- Overlapping Debt	\$ 48,566,565	4.80%	<u>\$ 2,329,888</u>
Subtotal Overlapping Debt			2,329,888
City of Riverdale, Georgia- Direct Debt	14,056,667	100.00%	<u>14,056,667</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,386,555</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of June 30, 2015) and City Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that could place burden on the residents and businesses of the City of Riverdale. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

^(a) The percentage of overlapping debt applicable is estimated using the assessed gross digest. Applicable percentages were estimated by determining the portion of the City's assessed taxable value that is within the County's boundaries and dividing it by the County's total gross digest.

CITY OF RIVERDALE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Total Personal (1)	Per Capita Personal Income (1)	Median Age(1)	Unemployment Rate (2)	School Enrollment (3)
2006	15,475	\$ 611,727	\$ 39,530	29.50	5.30%	4,373
2007	15,502	612,794	39,530	29.50	5.95%	4,481
2008	15,548	615,079	39,560	29.50	6.01%	4,458
2009	19,063	792,258	41,560	30.40	10.90%	8,583
2010	18,755	698,061	37,220	30.40	13.75%	8,355
2011	15,326	591,783	38,613	29.50	11.90%	4,682
2012	15,251	565,965	37,110	32.30	11.20%	4,349
2013	15,493	601,950	38,853	32.80	11.20%	4,588
2014	15,537	603,659	38,853	32.80	11.10%	4,527
2015	15,620	606,056	38,800	33.00	9.40%	4,574

Sources:

- (1) U.S. Census Bureau
- (2) State of Georgia Department of Labor
- (3) Clayton County Board of Education

CITY OF RIVERDALE, GEORGIA

TEN LARGEST EMPLOYERS IN RIVERDALE CURRENT YEAR AND EIGHT YEARS AGO

<u>Business</u>	<u>2015</u>			<u>2007</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Wal-Mart	349	1	5.67%	341	1	5.00%
City of Riverdale	175	2	2.84%	123	4	1.80%
Riverdale Center	149	3	2.42%			
Kroger	142	4	2.31%	126	3	1.85%
Riverdale Senior High School	125	5	2.03%	143	2	2.10%
Home Depot	102	6	1.66%	118	5	1.73%
Church Street Elementary	90	7	1.46%	100	8	1.47%
Riverdale Dwarf House	75	8	1.22%			
Super H Mart	70	9	1.14%			
Automobile Acceptance Corp	65	10	1.06%			
Lowes				105	7	1.54%
Cattle Exchange, Inc.				106	6	1.55%
Riverdale Elementary School				92	9	1.35%
Publix				90	10	1.32%
Totals	<u>1,342</u>		<u>21.79%</u>	<u>1,344</u>		<u>19.70%</u>

Source: Georgia Department of Labor

Note: Information prior to 2007 was not available.

CITY OF RIVERDALE, GEORGIA

FULL TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT LAST TEN FISCAL YEARS

Fiscal Year	General Government	Police Department	Fire Department	Cultural/ Recreation	Public Works	Community Development	E-911	Total
2006	20	43	28	-	10	4	11	116
2007	17	44	30	-	13	10	11	125
2008	17	48	29	-	15	9	10	128
2009	27	52	31	-	7	12	9	138
2010	24	52	31	-	2	11	9	129
2011	24	53	27	10	4	10	10	138
2012	25	51	27	11	4	10	10	138
2013	20	52	24	12	4	9	9	130
2014	28	48	23	13	4	9	9	134
2015	30	48	23	13	8	10	9	141

- (1) During fiscal year 2009, the City reduced the number of employees in its Public Works Department and used prison labor as an alternative.
- (2) During fiscal year 2011, the City opened its new Town Center complex, thus increasing the number of employees needed for staffing of special events.
- (3) During fiscal year 2015, four employees were hired in Public Works to bring the mowing of City street in house and replace a mowing contractor.

Source: City of Riverdale, Georgia's Finance Department

CITY OF RIVERDALE, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Physical arrests	2,030	2,054	2,367	2,464	2,656	2,787	2,568	2,671	2,175	2,453
Traffic violations	12,152	21,302	18,483	19,263	19,518	17,199	16,016	15,802	12,979	14,646
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of fire related calls	374	359	285	317	333	370	301	441	1,571	1,003
Number of EMS related calls	1,748	1,678	1,758	1,712	2,063	2,455	2,296	1,988	2,010	3,000
Inspections	245	214	180	517	339	353	439	671	684	642
Public Works										
Street resurfacing (miles)	3.41	5.00	-	-	-	0.09	-	-	0.34	1.32
Potholes repaired	18	24	-	-	-	28	32	26	151	85
Community Development										
Business licenses issued	294	1,214	1,150	1,089	1,252	1,243	1,267	1,078	1,001	1,037
Building permits issued	144	67	66	45	60	44	44	96	101	202

Source: City of Riverdale, Georgia's records.

Note: Records related to Community Development activities were not available prior to 2006.

CITY OF RIVERDALE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

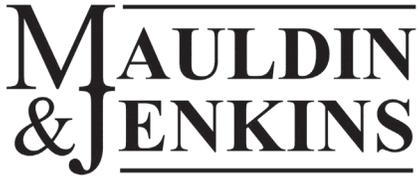
Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol units	34	35	35	38	38	41	40	40	40	40
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works										
Streets (miles)	5.45	5.45	5.45	5.45	5.45	5.70	5.70	5.70	5.70	5.70
Parks and recreation										
Acres	2.27	2.27	2.27	0.00	(2)	0.00	16.50	16.50	(4)	17.59
Playgrounds	1	1	1	0	0	1	1	1	1	1

Source: Various City of Riverdale departments.

Notes:

- (1) No capital asset indicators are available for the general government functions. Number of patrol units not available for year 2005.
- (2) During fiscal year 2009, construction on the new Town Center project began, utilizing the City's sole park.
- (3) During fiscal year 2011, the City's new Town Center plaza and park were opened.
- (4) During fiscal year 2014, the City received a donation of 1.09 acres of land which is being used as a park.

COMPLIANCE SECTION



**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**

**To the Honorable Mayor and Members
of the City Council
Riverdale, Georgia**

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 the City of Riverdale, Georgia (the "City") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Riverdale, Georgia'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described the accompanying schedule of findings and responses as item 2015-001.

The City's Response to Finding

The City of Riverdale, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City'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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2015

**CITY OF RIVERDALE, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings and Responses

2015-001 Governmental Budgets Compliance

Criteria: State of Georgia law (OCGA 36-81-3) states: a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article; and b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances are equal to appropriations.

Condition: State law requires local governments to adopt annual appropriated budgets for the general fund, each special revenue fund, and each debt service fund. We noted, during our audit, the City did adopt a budget for the Confiscated Asset Fund. However, in the Confiscated Assets Fund, the beginning fund balance (original budget) of \$53,571 plus the original budgeted expenditures of \$89,950 resulted in an ending original budgeted fund balance deficit of \$36,379.

Context/Cause: Due to an oversight by management, the City adopted an original budget for the Confiscated Asset Fund that was not balanced. Appropriations for the fund exceeded the sum of revenues (in which no revenues were originally budgeted) and available fund balance by \$36,379.

Effects: Because the appropriations for the fund exceeded the sum of revenues and available fund balance, the original budget for the fund was not in compliance with State of Georgia Law O.C.G.A. §36-81-3.

Recommendation: We recommend management of the City carefully review all budgets prior to presenting the amounts to the City Council for passage of budget ordinances to ensure budgets are in compliance with State Law.

Auditee's Response: We concur with the finding. We will take necessary steps to ensure all budgets comply with the requirements of State of Georgia Law O.C.G.A. §36-81-3 in future periods.

**CITY OF RIVERDALE, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

None Reported