

**CITY OF RIVERDALE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2016**



Prepared by:  
Riverdale Finance Department

# CITY OF RIVERDALE, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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**CITY OF RIVERDALE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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## **INTRODUCTORY SECTION**



December 14, 2016

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, 2016.

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, 2016, 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, 2016, 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 Cookout, a Burger King, a Bojangles 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. During fiscal year 2016, the Riverdale Town Centre had many exciting activities for the whole family including concerts, classes and athletic events.

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 2016. 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. Phase two of the park will begin in fiscal year 2017 with the planned construction of a skateboard park next to the baseball field.

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, 2016, were \$3,347,100. 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**

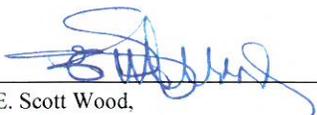
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverdale for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the seventeenth consecutive year that the City has received 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.

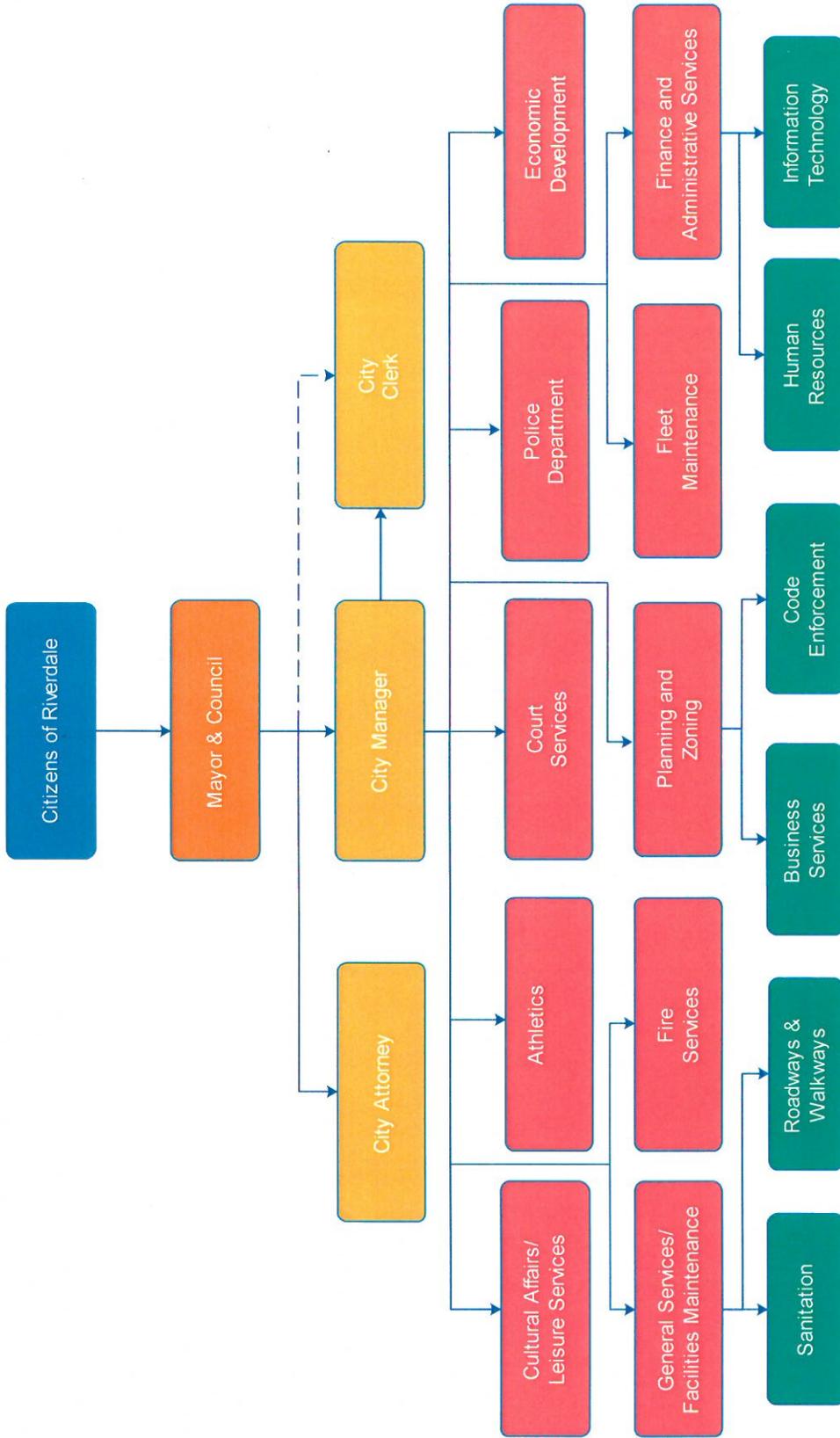
We also thank the Finance Staff, Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City in a professional, responsible and progressive manner.

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, 2016

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### LEGISLATIVE BRANCH

#### CITY COUNCIL

Dr. Evelyn Wynn-Dixon	Mayor
Cynthia Stamps-Jones	Mayor Pro Tem
An'Cel Davis	Council Member
Wanda Wallace	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
Donald G. Turner	Director of Finance & Administrative Services
Chantell Glenn	Director of Economic Development
Todd Spivey	Police Chief
Brenda Willis	Fire Chief
Alan Dotson	Director of Recreation and Cultural Affairs
Jackquiline Smith	Fleet Maintenance Manager
Linda Johnson	Human Resources Manager
Adrian Campbell	Information Technology Manager
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, 2015**

Executive Director/CEO

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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

### ***Management's Responsibility for the Financial Statements***

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. 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.

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***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, 2016, 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.

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*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 14, 2016 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 14, 2016

**CITY OF RIVERDALE, GEORGIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- The assets of the City exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$24,855,955.
- The total net position increased by \$2,409,837. Of this amount, an increase of \$2,040,861 was associated with governmental activities and an increase of \$368,976 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 \$7,036,479, an increase of \$1,784,305 in comparison with the prior fiscal year. Of this amount, \$3,072,720 is unassigned and available for spending; \$616,659 is nonspendable; and \$3,347,100 is restricted for specific uses.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,072,720 or 27.6% of total General Fund expenditures.
- The City's total debt obligations (including compensated absences) decreased by the net amount of \$533,509. This decrease includes a certificates of participation debt reduction of \$152,172 and decrease in capital lease obligations of \$249,890.
- In the current fiscal year, \$2,534,389 or 10.2% of the net position are subject to external restrictions on how they may be used. The balance of unrestricted net position \$4,033,887 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 two (2) major governmental funds. The City's major governmental funds are the General Fund and the Capital Projects 2015 SPLOST 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 2016 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, 2016, the City's assets exceeded deferred inflows of resources and liabilities by \$24,855,955. The City's net position reflects its investment in capital assets (73.6%), 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, \$4,033,887 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Current and other assets	\$ 7,157,755	\$ 8,967,305	\$ 770,428	\$ 1,139,361	\$ 7,928,183	\$ 10,106,666
Capital assets	<u>31,237,077</u>	<u>30,973,500</u>	<u>6,998</u>	<u>6,174</u>	<u>31,244,075</u>	<u>30,979,674</u>
Total assets	<u>38,394,832</u>	<u>39,940,805</u>	<u>777,426</u>	<u>1,145,535</u>	<u>39,172,258</u>	<u>41,086,340</u>
Current liabilities	2,024,772	938,416	403,831	402,964	2,428,603	1,341,380
Long-term liabilities	<u>14,014,892</u>	<u>14,508,908</u>	<u>-</u>	<u>-</u>	<u>14,014,892</u>	<u>14,508,908</u>
Total liabilities	<u>16,039,664</u>	<u>15,447,324</u>	<u>403,831</u>	<u>402,964</u>	<u>16,443,495</u>	<u>15,850,288</u>
Deferred inflows of resources	<u>282,645</u>	<u>380,097</u>	<u>-</u>	<u>-</u>	<u>282,645</u>	<u>380,097</u>
Net position:						
Net investment in capital assets	18,037,724	18,281,505	6,998	6,174	18,044,722	18,287,679
Restricted	1,267,649	2,534,389	-	-	1,267,649	2,534,389
Unrestricted	<u>2,767,150</u>	<u>3,297,490</u>	<u>366,597</u>	<u>736,397</u>	<u>3,133,747</u>	<u>4,033,887</u>
Total net position	<u>\$ 22,072,523</u>	<u>\$ 24,113,384</u>	<u>\$ 373,595</u>	<u>\$ 742,571</u>	<u>\$ 22,446,118</u>	<u>\$ 24,855,955</u>

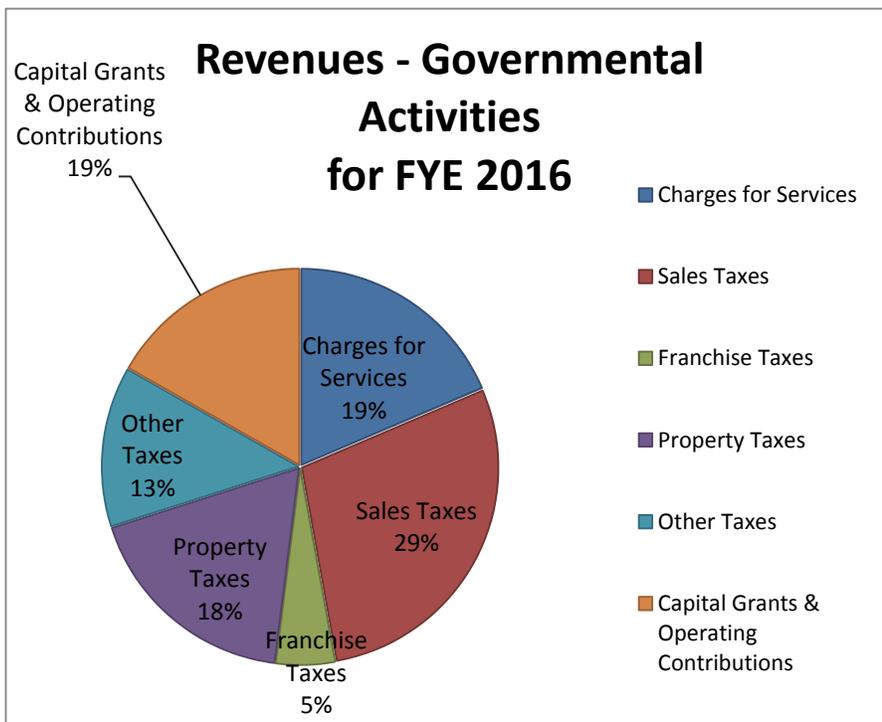
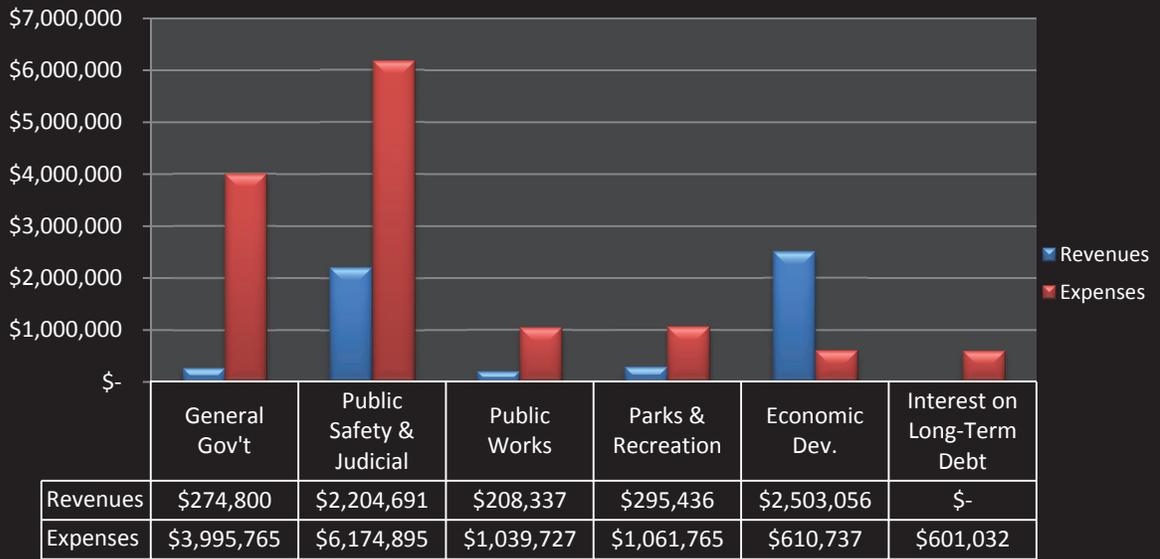
**Governmental activities.** Governmental activities increased the City's net position by \$2,040,861. Key elements of this increase are as follows:

**City of Riverdale, Georgia's Summary Statement of Activities**

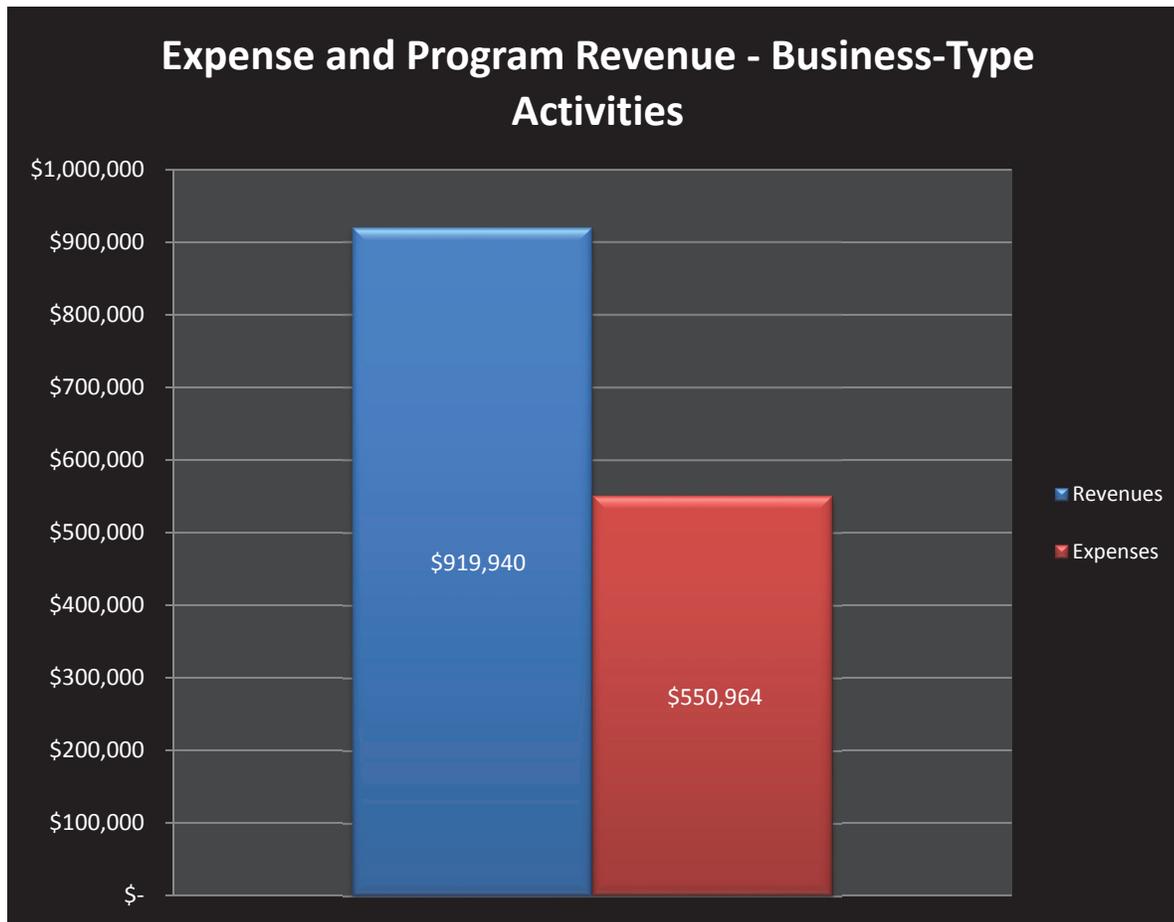
	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenues:						
Program Revenues -						
Charges for services	\$ 2,830,109	\$ 2,883,275	\$ 912,100	\$ 919,940	\$ 3,742,209	\$ 3,803,215
Operating grants and contributions	102,031	99,989	-	-	102,031	99,989
Capital grants and contributions	2,696,178	2,503,056	-	-	2,696,178	2,503,056
General Revenues-						
Property taxes	2,695,103	2,805,912	-	-	2,695,103	2,805,912
Other taxes	6,616,139	7,201,928	-	-	6,616,139	7,201,928
Gain on sale of capital assets	-	19,449	-	-	-	19,449
Investment earnings	11,173	11,173	-	-	11,173	11,173
Total Revenues	14,950,733	15,524,782	912,100	919,940	15,862,833	16,444,722
Expenses:						
General government	4,376,340	3,995,765	-	-	4,376,340	3,995,765
Judicial	675,361	676,672	-	-	675,361	676,672
Public safety	5,472,995	5,498,223	-	-	5,472,995	5,498,223
Parks and recreation	1,239,329	1,061,765	-	-	1,239,329	1,061,765
Public works	820,402	1,039,727	-	-	820,402	1,039,727
Economic development	728,187	610,737	-	-	728,187	610,737
Interest on long-term debt	689,162	601,032	-	-	689,162	601,032
Solid waste	-	-	575,708	550,964	575,708	550,964
Total Expenses	14,001,776	13,483,921	575,708	550,964	14,577,484	14,034,885
Increase in net position						
before transfers	948,957	2,040,861	336,392	368,976	1,285,349	2,409,837
Transfers	600,000	-	(600,000)	-	-	-
Increase (decrease) in net position	1,548,957	2,040,861	(263,608)	368,976	1,285,349	2,409,837
Net position- beginning of fiscal year	20,523,566	22,072,523	637,203	373,595	21,160,769	22,446,118
Net position - end of fiscal year	\$ 22,072,523	\$ 24,113,384	\$ 373,595	\$ 742,571	\$ 22,446,118	\$ 24,855,955

- General government expenses decreased by 8.7% or \$380,575 primarily due to a reduction in force for fiscal year 2016 and the transfer of some duties to public works.
- Public works expenses increased \$219,325 or 26.7% due to the transfer of some duties from general government.
- Economic development expenses decreased \$117,450 or 16.1% due to the loss of several positions as part of the reduction in force.
- Property taxes increased 4.1%, or \$110,809 due an ongoing initiative to increase collections of delinquent taxes.
- In addition, other taxes increased \$585,789, or 8.9%, due primarily to local option sales tax collections increasing as a result of an improving economy and an increased distribution percentage for fiscal year 2016.
- Charges for services for governmental activities increased by \$53,166 or 1.9% due primarily to an increase in rentals at the Town Center.

## Expenses and Program Revenues - Governmental Activities for FYE 2016



**Business-type activities.** Business-type activities increased the City’s net position by \$368,976 during the current fiscal year. During fiscal year ended 2016, 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, 2016, the City’s governmental funds reported combined ending balances of \$7,036,479, an increase of \$1,784,305 in comparison to the prior fiscal year due primarily to the collection of SPLOST 2015 funds. Of the total fund balance, \$3,072,720 (43.67%) 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 (\$3,963,759).

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 \$3,072,720, while the total fund balance totaled \$3,448,124. 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 27.59% of the total General Fund expenditures, while total fund balance represents 30.96% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$381,762. Revenues for the current fiscal year were \$12,540,317, an increase of \$644,513 or 5.4% due primarily to an increase in sales tax collections. Expenditures were \$11,136,007, a decrease of \$612,562 or 5.2% largely due to a reduction in force where 8 full time and 3 part time positions were eliminated. The result of these changes is revenues exceeding expenditures by \$1,404,310.

The Capital Projects 2015 SPLOST Fund has a total fund balance of \$2,529,706. The 2015 SPLOST started in January 2015 and will run for six years.

**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 \$736,397 an increase of \$369,800 from the prior fiscal year. Revenues for the current fiscal year were \$919,940 with expenses at \$550,964 resulting in operating income in which operating revenues exceeded operating expenses by \$368,976.

### **General Fund Budgetary Highlights**

Actual revenues exceeded the budgeted revenues by \$138,609. This was due largely to property taxes being \$37,398 more than anticipated, other taxes exceeding the budget by \$176,451 and sales taxes being higher by \$238,045. Intergovernmental revenues were \$401,723 less than anticipated.

Actual expenditures were less than budgeted by \$471,652 which was primarily due to a concerted effort to hold expenditures down.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2016 amounts to \$30,973,500 and \$6,174 (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:

- \$540,620 was spent on sidewalks.
- \$249,800 was spent on vehicles for the police and fire departments.
- \$144,804 was spent on Furniture & Equipment.

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 \$14,508,908 in outstanding debt consisting of the following:

**City of Riverdale's Outstanding Debt**

	Balance
Governmental Activities -	
Certificates of Participation, net of unamortized premium	\$ 6,698,909
Contracts payable, net of unamortized discount	5,071,336
Capital leases	1,734,461
Compensated absences	470,946
Other postretirement benefit obligation	533,256
Total	\$ 14,508,908

The City's total debt decreased by a net amount of \$533,509. 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 \$25,638,684, 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 8.5%, which is higher than the State rate of 5.6%.

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

The occupancy rate for the City's central business district has declined. The total number of businesses in the City decreased by 67.

In fiscal year 2016, we celebrated three new restaurants coming to the City. A Burger King, a Bojangles and a Cookout were completed 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  
 971 Wilson Road  
 Riverdale, GA, 30274

# CITY OF RIVERDALE, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2016

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total Primary Government
Cash and cash equivalents	\$ 5,404,758	\$ -	\$ 5,404,758
Investments	1,055,779	-	1,055,779
Taxes receivable, net of allowance	699,755	-	699,755
Accounts receivable, net of allowance	643,088	40,876	683,964
Internal balances	(1,098,485)	1,098,485	-
Due from other governments	588,416	-	588,416
Prepaid items	616,659	-	616,659
Restricted assets, cash	56	-	56
Restricted assets, investments	677,182	-	677,182
Other assets	380,097	-	380,097
Capital assets:			
Nondepreciable	1,876,106	-	1,876,106
Depreciable, net of accumulated depreciation	29,097,394	6,174	29,103,568
Total assets	39,940,805	1,145,535	41,086,340
<b>LIABILITIES</b>			
Accounts payable	293,842	41,995	335,837
Accrued interest payable	141,794	-	141,794
Accrued liabilities	502,780	1,146	503,926
Unearned revenues	-	359,823	359,823
Certificates of participation due within one year	145,000	-	145,000
Certificates of participation due in more than one year	6,553,909	-	6,553,909
Capital leases due within one year	257,445	-	257,445
Capital leases due in more than one year	1,477,016	-	1,477,016
Contracts payable due within one year	160,000	-	160,000
Contracts payable due in more than one year	4,911,336	-	4,911,336
Compensated absences due within one year	423,851	-	423,851
Compensated absences due in more than one year	47,095	-	47,095
Other postretirement benefit obligation (OPEB) due in more than one year	533,256	-	533,256
Total liabilities	15,447,324	402,964	15,850,288
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Cumulative change in fair value of effective hedge	380,097	-	380,097
Total deferred inflows of resources	380,097	-	380,097
<b>NET POSITION</b>			
Net investment in capital assets	18,281,505	6,174	18,287,679
Restricted for:			
Capital projects	2,288,451	-	2,288,451
Emergency communications	149,020	-	149,020
Law enforcement purposes	88,934	-	88,934
Tourism	7,984	-	7,984
Unrestricted	3,297,490	736,397	4,033,887
Total net position	\$ 24,113,384	\$ 742,571	\$ 24,855,955

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, 2016

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,995,765	\$ 274,800	-	-	\$ (3,720,965)	\$ -	\$ (3,720,965)
Judicial	676,672	-	-	-	(676,672)	-	(676,672)
Public safety	5,498,223	2,104,702	99,989	-	(3,293,532)	-	(3,293,532)
Public works	1,039,727	208,337	-	-	(831,390)	-	(831,390)
Parks and recreation	1,061,765	295,436	-	-	(766,329)	-	(766,329)
Economic development	610,737	-	-	2,503,056	1,892,319	-	1,892,319
Interest on long-term debt	601,032	-	-	-	(601,032)	-	(601,032)
Total governmental activities	13,483,921	2,883,275	99,989	2,503,056	(7,997,601)	-	(7,997,601)
<b>Business-type activities:</b>							
Solid waste management	550,964	919,940	-	-	-	368,976	368,976
Total business-type activities	550,964	919,940	-	-	-	368,976	368,976
Total primary government	\$ 14,034,885	\$ 3,803,215	\$ 99,989	\$ 2,503,056	(7,997,601)	368,976	(7,628,625)
General revenues:							
Property taxes					2,805,912	-	2,805,912
Sales taxes					4,438,045	-	4,438,045
Insurance premium tax					877,847	-	877,847
Alcoholic beverage taxes					374,693	-	374,693
Other taxes					760,551	-	760,551
Franchise taxes					750,792	-	750,792
Gain on sale of capital assets					19,449	-	19,449
Unrestricted investment earnings					11,173	-	11,173
Total general revenues					10,038,462	-	10,038,462
Change in net position					2,040,861	368,976	2,409,837
Net position, beginning of fiscal year					22,072,523	373,595	22,446,118
Net position, end of fiscal year					\$ 24,113,384	\$ 742,571	\$ 24,855,955

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

**CITY OF RIVERDALE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Projects 2015 SPLOST Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals Governmental Funds</b>
Cash and cash equivalents	\$ 2,406,443	\$ 2,455,321	\$ 542,994	\$ 5,404,758
Investments	1,055,779	-	-	1,055,779
Taxes receivable	698,150	-	1,605	699,755
Accounts receivable	611,067	-	32,021	643,088
Due from other governments	-	346,518	241,898	588,416
Due from other funds	1,161,063	-	241,279	1,402,342
Prepaid items	375,404	241,255	-	616,659
Restricted assets, cash	-	-	56	56
Restricted assets, investments	-	-	677,182	677,182
Total assets	<u>\$ 6,307,906</u>	<u>\$ 3,043,094</u>	<u>1,737,035</u>	<u>\$ 11,088,035</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 275,145	\$ -	\$ 18,697	\$ 293,842
Accrued liabilities	490,766	-	12,014	502,780
Due to other funds	1,339,764	513,388	647,675	2,500,827
Total liabilities	<u>2,105,675</u>	<u>513,388</u>	<u>678,386</u>	<u>3,297,449</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	161,580	-	-	161,580
Unavailable revenue - fines	592,527	-	-	592,527
	<u>754,107</u>	<u>-</u>	<u>-</u>	<u>754,107</u>
 <b>FUND BALANCES</b>				
Fund balances:				
Nonspendable:				
Prepaid items	375,404	241,255	-	616,659
Restricted for:				
Capital projects	-	2,288,451	812,711	3,101,162
Emergency communications	-	-	149,020	149,020
Law enforcement purposes	-	-	88,934	88,934
Promotion of tourism	-	-	7,984	7,984
Unassigned	3,072,720	-	-	3,072,720
Total fund balances	<u>3,448,124</u>	<u>2,529,706</u>	<u>1,058,649</u>	<u>7,036,479</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,307,906</u>	<u>\$ 3,043,094</u>	<u>\$ 1,737,035</u>	
 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.				30,973,500
Fair value of interest rate swap agreement on Certificates of Participation.				380,097
Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				754,107
Interest rate swaps (cumulative change in fair value) are reported as deferred inflows of resources for governmental activities.				(380,097)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.				<u>(14,650,702)</u>
Net position of governmental activities				<u>\$ 24,113,384</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  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>General Fund</b>	<b>Capital Projects 2015 SPLOST Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals Governmental Funds</b>
<b>Revenues</b>				
Property taxes	\$ 2,742,398	\$ -	\$ -	\$ 2,742,398
Sales taxes	4,438,045	-	-	4,438,045
Other taxes	1,993,351	-	19,740	2,013,091
Charges for services	421,842	-	232,057	653,899
Licenses and permits	355,437	-	-	355,437
Intergovernmental	99,989	2,025,135	613,807	2,738,931
Franchise fees	750,792	-	-	750,792
Fines and forfeitures	1,712,090	-	85,463	1,797,553
Investment income	-	-	11,173	11,173
Other revenues	26,373	-	-	26,373
<b>Total revenues</b>	<u>12,540,317</u>	<u>2,025,135</u>	<u>962,240</u>	<u>15,527,692</u>
<b>Expenditures</b>				
Current:				
General government	3,974,450	38	5,088	3,979,576
Judicial	675,375	-	-	675,375
Public safety	4,453,150	-	546,980	5,000,130
Public works	483,854	-	-	483,854
Parks and recreation	888,114	-	-	888,114
Economic development	589,479	-	20,107	609,586
Capital outlay	-	238,410	725,815	964,225
Debt service:				
Principal	54,958	194,932	295,000	544,890
Interest	16,627	44,647	555,812	617,086
<b>Total expenditures</b>	<u>11,136,007</u>	<u>478,027</u>	<u>2,148,802</u>	<u>13,762,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,404,310</u>	<u>1,547,108</u>	<u>(1,186,562)</u>	<u>1,764,856</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	19,449	-	-	19,449
Transfers in	49,543	-	1,091,540	1,141,083
Transfers out	(1,091,540)	-	(49,543)	(1,141,083)
<b>Total other financing sources (uses)</b>	<u>(1,022,548)</u>	<u>-</u>	<u>1,041,997</u>	<u>19,449</u>
Net change in fund balances	381,762	1,547,108	(144,565)	1,784,305
<b>Fund balances, beginning of fiscal year</b>	<u>3,066,362</u>	<u>982,598</u>	<u>1,203,214</u>	<u>5,252,174</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 3,448,124</u>	<u>\$ 2,529,706</u>	<u>\$ 1,058,649</u>	<u>\$ 7,036,479</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, 2016**

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

Net change in fund balances - total governmental funds	\$	1,784,305
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 depreciation exceeded capital outlays in the current period.		(263,577)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
June 30, 2015 Deferred inflows of resources - Unavailable revenue	\$ (776,466)	
June 30, 2016 Deferred inflows of resources - Unavailable revenue	<u>754,107</u>	(22,359)
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.		544,890
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.		<u>(2,398)</u>
Net change in net position - governmental activities	\$	<u><u>2,040,861</u></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, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 2,625,000	\$ 2,705,000	\$ 2,742,398	\$ 37,398
Sales taxes	4,200,000	4,427,830	4,438,045	10,215
Other taxes	1,816,900	1,816,900	1,993,351	176,451
Charges for services	443,417	443,417	421,842	(21,575)
Licenses and permits	344,567	344,567	355,437	10,870
Intergovernmental	401,723	501,712	99,989	(401,723)
Franchise fees	668,000	668,000	750,792	82,792
Fines and forfeitures	1,753,800	1,753,800	1,712,090	(41,710)
Investment income	400	400	-	(400)
Other revenues	15,500	17,300	26,373	9,073
Total revenues	<u>12,269,307</u>	<u>12,678,926</u>	<u>12,540,317</u>	<u>(138,609)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and Council	132,706	130,271	120,635	9,636
General administration	887,222	777,169	713,961	63,208
Finance	2,344,061	2,246,935	2,151,888	95,047
General government buildings	1,081,771	1,031,970	987,966	44,004
Total general government	<u>4,445,760</u>	<u>4,186,345</u>	<u>3,974,450</u>	<u>211,895</u>
<b>Judicial:</b>				
Municipal court	<u>703,747</u>	<u>723,247</u>	<u>675,375</u>	<u>47,872</u>
<b>Public safety:</b>				
Police	2,579,804	2,563,819	2,514,247	49,572
Fire	1,769,539	1,948,874	1,938,903	9,971
Total public safety	<u>4,349,343</u>	<u>4,512,693</u>	<u>4,453,150</u>	<u>59,543</u>
<b>Public works:</b>				
Administration	<u>368,992</u>	<u>532,964</u>	<u>483,854</u>	<u>49,110</u>
Total public works	<u>368,992</u>	<u>532,964</u>	<u>483,854</u>	<u>49,110</u>
<b>Parks and recreation</b>	<u>789,055</u>	<u>929,495</u>	<u>888,114</u>	<u>41,381</u>
<b>Economic development</b>	<u>572,987</u>	<u>648,916</u>	<u>589,479</u>	<u>59,437</u>
<b>Debt service</b>	<u>1,039,423</u>	<u>73,999</u>	<u>71,585</u>	<u>2,414</u>
Total expenditures	<u>12,269,307</u>	<u>11,607,659</u>	<u>11,136,007</u>	<u>471,652</u>
Excess of revenues over expenditures	<u>-</u>	<u>1,071,267</u>	<u>1,404,310</u>	<u>333,043</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, 2016**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 19,449	\$ 19,449
Transfers in	-	-	49,543	49,543
Transfers out	-	(1,117,901)	(1,091,540)	26,361
Total other financing sources (uses)	-	(1,117,901)	(1,022,548)	95,353
Net change in fund balances	-	(46,634)	381,762	428,396
<b>Fund balances, beginning of fiscal year</b>	<u>3,066,362</u>	<u>3,066,362</u>	<u>3,066,362</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 3,066,362</u>	<u>\$ 3,019,728</u>	<u>\$ 3,448,124</u>	<u>\$ 428,396</u>

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

**CITY OF RIVERDALE, GEORGIA**

**STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 JUNE 30, 2016**

		<b>Business-type            Activities -            Enterprise Fund            Solid Waste            Management</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Accounts receivable, net of allowance for uncollectible accounts		\$ 40,876
Due from other funds		1,098,485
Total current assets		<u>1,139,361</u>
<b>NONCURRENT ASSETS</b>		
Capital assets - depreciable, net		<u>6,174</u>
Total assets		<u>1,145,535</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		41,995
Accrued liabilities		1,146
Unearned revenues		359,823
Total current liabilities		<u>402,964</u>
<b>NET POSITION</b>		
Investment in capital assets		6,174
Unrestricted		736,397
Total net position		<u>\$ 742,571</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, 2016**

	<b>Business-type Activities - Enterprise Fund Solid Waste Management</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 919,940
Total operating revenues	919,940
 <b>OPERATING EXPENSES</b>	
Cost of sales and services	507,221
Personnel services	42,276
Other operating expenses	643
Depreciation	824
Total operating expenses	550,964
Operating income	368,976
Change in net position	368,976
<b>NET POSITION, beginning of fiscal year</b>	<b>373,595</b>
<b>NET POSITION, end of fiscal year</b>	<b>\$ 742,571</b>

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, 2016**

	<b>Business-type            Activities -            Enterprise Fund            Solid Waste            Management</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 914,596
Payments to suppliers	(508,519)
Payments to employees	(42,118)
Net cash provided by operating activities	<u>363,959</u>
<b>CASH FLOWS FROM NON-CAPITAL            FINANCING ACTIVITIES:</b>	
Payment of interfund borrowings	<u>(363,959)</u>
Net cash used in non-capital financing activities	<u>(363,959)</u>
 Net increase (decrease) in cash and cash equivalents	 -
<b>Cash and cash equivalents:</b>	
Beginning of fiscal year	<u>-</u>
End of fiscal year	<u><u>\$ -</u></u>
 <b>Reconciliation of operating income to net cash provided by            operating activities:</b>	
Operating income	\$ 368,976
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation expense	824
Changes in assets and liabilities:	
Increase in accounts receivable	(4,974)
Decrease in accounts payable	(655)
Increase in accrued liabilities	159
Decrease in unearned revenues	(371)
Net cash provided by operating activities	<u><u>\$ 363,959</u></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, 2016**

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**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. 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

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### 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. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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. Property taxes are recognized as revenues in the fiscal year for which they were levied if they are collected within sixty (60) days of fiscal year-end. Also, probation fines are recognized as revenues if they are collected within sixty (60) days of fiscal year-end. All other revenues are considered to be available when they are collectible within one hundred eighty (180) days of fiscal year-end. 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

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### 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 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

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### 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. All transfers of budgeted amounts between departments require 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

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### 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.

#### 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 local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of fiscal year-end and the City's investment in Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The City's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. GASB Statement No. 72, "Fair Value Measurement and Application" defines fair value as "the price that would be received to sell an asset." Increases or decrease in the fair value of the City's investments during the fiscal year are recognized as a component of investment income.

## NOTES TO FINANCIAL STATEMENTS

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### 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 \$5,000 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 acquisition 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

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### 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

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### 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 employed by the City for purchases over \$1,000. There were no outstanding encumbrances as of June 30, 2016.

#### 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

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### 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

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### 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 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 \$14,650,702 difference are as follows:

Certificates of participation	\$	(6,532,000)
Plus: Issuance premium (to be amortized against interest expense)		(166,909)
Capital lease payable		(1,734,461)
Contracts payable		(5,145,000)
Less: Issuance discount (to be amortized against interest expense)		73,664
Compensated absences		(470,946)
Accrued interest		(141,794)
Other postretirement benefit obligation (OPEB)		(533,256)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	(14,650,702)

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 \$754,107 difference are as follows:

Unavailable property tax revenue	\$	161,580
Unavailable fines and forfeitures		592,527
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position- governmental activities</i>	\$	754,107

#### 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 \$263,577 difference are as follows:

## 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)

Capital outlay	\$ 1,130,650
Depreciation expense	(1,394,227)
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>	\$ (263,577)

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 \$544,890 difference are as follows:

Principal repayments:	
Certificates of participation	\$ 140,000
Capital lease payables	249,890
Contracts payable	155,000
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>	\$ 544,890

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 \$2,398 difference are as follows:

Change in accrued interest	\$ 8,983
Amortization of premium	12,172
Amortization of discount	(5,101)
Change in compensated absences	65,315
Change in OPEB obligation	(83,767)
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>	\$ (2,398)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS

**Credit risk.** State statutes authorize the City to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

**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.

As of June 30, 2016, information on the credit risk and interest rate risk related to the City's deposits and investments is disclosed as follows:

<u>Deposits and Investments</u>	<u>Maturities</u>	<u>Credit Rating</u>	<u>Fair Value</u>
Cash deposited with financial institutions	---	N/A	\$ 5,253,242
Cash deposited with Georgia Fund 1	42 day average maturity	AAAF	350,890
Money Market funds	---	(a)	151,571
Investment in U.S. Government Securities	503 day weighted average	AAA	704,890
Guaranteed Investment Contract	June 1, 2028	(b)	677,182
Total			<u>\$ 7,137,775</u>
<b>As reported in the Statement of Net Position:</b>			
Cash and cash equivalents			\$ 5,404,758
Investments			1,055,779
Restricted assets, cash			56
Restricted assets, investments			677,182
Total			<u>\$ 7,137,775</u>

N/A - Not applicable

(a) These are money market mutual funds and are therefore not rated.

(b) This is a guaranteed contract with the Georgia Municipal Association (GMA) and is not rated.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

**Fair Value Measurements:** The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. At June 30, 2016, the City had the following recurring fair value investments:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
U.S. Treasury Bonds	\$ 704,890	\$ -	\$ -	\$ 704,890
Total investments measured at fair value	<u>\$ 704,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 704,890</u>
Investments (or cash equivalents) not subject to level disclosure:				
Georgia Fund 1				350,890
Investments recorded at cost:				
Guaranteed Investment Contract				<u>677,182</u>
Total investments				<u>\$ 1,732,962</u>
Fair value hedging derivative:				
Interest rate swap agreement	<u>\$ -</u>	<u>\$ 380,097</u>	<u>\$ -</u>	<u>\$ 380,097</u>

The United State Treasury Bonds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The interest rate swap agreement is classified as an other asset as more fully described in Note 6. The fair value of the interest rate swap agreement classified as Level 2 of the fair value hierarchy is valued using an option-adjusted discounted cash flow model.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

The Guaranteed Investment Contract is a nonparticipating interest earning investment contact and, accordingly, is recorded at cost.

**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 and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities. As of June 30, 2016, the City's deposits were fully secured or collateralized within state statutes.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES

Receivables as of June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Solid Waste Management Fund</b>
Receivables:			
Taxes	\$ 773,807	\$ 1,605	\$ -
Accounts	1,203,594	32,021	133,876
	1,977,401	33,626	133,876
Less: Allowance for uncollectible accounts	(668,184)	-	(93,000)
	\$ 1,309,217	\$ 33,626	\$ 40,876

### Property Taxes

Property taxes were levied on October 1, 2015 (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 1, 2015, and payable on or before December 1, 2015, for the 2015 taxes. Taxes not paid within 90 days of the December 1 due date were subject to property tax liens on February 1, 2016. Property tax revenues are recognized when levied to the extent they result in current receivables.

The tax rate levied during fiscal year 2016 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, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,821,094	\$ -	\$ -	\$ -	\$ 1,821,094
Construction in progress	466,030	540,620	-	(951,638)	55,012
Total capital assets, not being depreciated	<u>2,287,124</u>	<u>540,620</u>	<u>-</u>	<u>(951,638)</u>	<u>1,876,106</u>
Capital assets, being depreciated:					
Buildings and improvements	25,839,829	82,951	-	-	25,922,780
Improvements other than buildings	3,233,366	112,475	-	-	3,345,841
Infrastructure	1,285,930	-	-	951,638	2,237,568
Vehicles and related equipment	3,052,830	249,800	(22,211)	(75,072)	3,205,347
Furniture and other equipment	5,047,935	144,804	(88,396)	75,072	5,179,415
Total capital assets, being depreciated	<u>38,459,890</u>	<u>590,030</u>	<u>(110,607)</u>	<u>951,638</u>	<u>39,890,951</u>
Less accumulated depreciation for:					
Buildings and improvements	(3,961,340)	(647,752)	-	-	(4,609,092)
Improvements other than buildings	(430,121)	(165,551)	-	-	(595,672)
Infrastructure	(319,600)	(36,666)	-	-	(356,266)
Vehicles and related equipment	(2,033,320)	(133,514)	22,211	-	(2,144,623)
Furniture and other equipment	(2,765,556)	(410,744)	88,396	-	(3,087,904)
Total accumulated depreciation	<u>(9,509,937)</u>	<u>(1,394,227)</u>	<u>110,607</u>	<u>-</u>	<u>(10,793,557)</u>
Total capital assets, being depreciated, net	<u>28,949,953</u>	<u>(804,197)</u>	<u>-</u>	<u>951,638</u>	<u>29,097,394</u>
Total capital assets, net	<u>\$ 31,237,077</u>	<u>\$ (263,577)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,973,500</u>

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

Governmental activities:	
General government	\$ 180,267
Public safety	484,055
Public works	555,644
Parks and recreation	173,110
Economic development	1,151
Total depreciation - governmental activities	<u>\$ 1,394,227</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
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	(9,466)	(824)	-	(10,290)
Total accumulated depreciation	<u>(9,466)</u>	<u>(824)</u>	<u>-</u>	<u>(10,290)</u>
Total capital assets, being depreciated, net	<u>6,998</u>	<u>(824)</u>	<u>-</u>	<u>6,174</u>
Total capital assets, net	<u>\$ 6,998</u>	<u>\$ (824)</u>	<u>\$ -</u>	<u>\$ 6,174</u>

### NOTE 6. LONG-TERM DEBT

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
2009 Certificates of participation	\$ 5,650,000	\$ -	\$ (140,000)	\$ 5,510,000	\$ 145,000
Plus unamortized premium	179,081	-	(12,172)	166,909	-
1998 Certificates of participation	<u>1,022,000</u>	<u>-</u>	<u>-</u>	<u>1,022,000</u>	<u>-</u>
Certificates of participation, net	6,851,081	-	(152,172)	6,698,909	145,000
Contracts payable	5,300,000	-	(155,000)	5,145,000	160,000
Less unamortized discount	<u>(78,765)</u>	<u>-</u>	<u>5,101</u>	<u>(73,664)</u>	<u>-</u>
Contracts payable, net	5,221,235	-	(149,899)	5,071,336	160,000
Capital leases	1,984,351	-	(249,890)	1,734,461	257,445
Compensated absences	536,261	268,424	(333,739)	470,946	423,851
Other postretirement benefit obligation (OPEB)	<u>449,489</u>	<u>110,213</u>	<u>(26,446)</u>	<u>533,256</u>	<u>-</u>
Governmental activities Long-term liabilities	<u>\$ 15,042,417</u>	<u>\$ 378,637</u>	<u>\$ (912,146)</u>	<u>\$ 14,508,908</u>	<u>\$ 986,296</u>

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

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2016, the floating rate being paid by the City is 0.72% and the market value of the agreement is \$380,097, an increase of \$97,452 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, 2016, 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, 2016, the General Fund will repay the Capital Projects Fund by fiscal year ending June 30, 2017.

**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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	170,000	310,051	480,051
2022 - 2026	980,000	1,419,538	2,399,538
2027 - 2031	2,297,000	1,099,254	3,396,254
2032 - 2036	1,665,000	503,975	2,168,975
2037 - 2038	800,000	66,550	866,550
	<u>\$ 6,532,000</u>	<u>\$ 4,704,624</u>	<u>\$ 11,236,624</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

**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.

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
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	170,000	235,655	405,655
2022 - 2026	925,000	1,062,420	1,987,420
2027 - 2031	1,055,000	820,523	1,875,523
2032 - 2036	1,220,000	522,050	1,742,050
2037 - 2040	1,120,000	160,313	1,280,313
	\$ 5,145,000	\$ 3,804,893	\$ 8,949,893

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

**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, 2016, 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, 2016:

Vehicles and related equipment	\$	2,089,299
Less: beginning accumulated depreciation		(167,324)
Less: current year depreciation		(211,822)
Net Book Value	\$	<u>1,710,153</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,		
2017	\$	309,960
2018		309,960
2019		309,960
2020		309,960
2021		309,960
2022 - 2023		380,337
Total minimum lease payments		<u>1,930,137</u>
Less amount representing interest		195,676
Present value of future minimum lease payments	\$	<u>1,734,461</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:

<b>Participant's Salary Reduction Amount</b>	<b>City's Contribution</b>
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:

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

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2016, was \$110,604. This contribution represented approximately 1.53% of the City's current fiscal year payroll for all eligible employees, which was \$7,223,665. Contributions from employees were \$110,604 representing approximately 1.53% 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, 2015, monthly premium rates were \$342.42 for medical and prescription drug, \$27.43 for dental, and \$121.80 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 fiscal year ended June 30, 2016 was \$26,446. There are 127 active participants and 8 retirees in the Plan for a total of 135 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, 2015, (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 ended June 30, 2016	\$	116,979
Interest on Net OPEB Obligation		22,474
Adjustment to annual required contribution		(29,240)
Annual OPEB Cost	\$	110,213

#### Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Fiscal Year	\$	110,213
Actual Employer Contributions Made		(26,446)
Increase in Net OPEB Obligation		83,767
Net OPEB Obligation - June 30, 2015		449,489
Net OPEB Obligation - June 30, 2016	\$	533,256

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
2014	\$ 108,830	\$ 39,542	36.3%	\$ 368,929
2015	115,819	35,259	30.4%	449,489
2016	110,213	26,446	24.0%	533,256

**Funded Status and Funding Progress.** As of July 1, 2015, 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
7/1/2015	\$ -	\$ 909,818	\$ 909,818	- %	\$ 7,223,665	12.6%

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2015 actuarial valuation are as follows:

<b>Basis of Valuation</b>	
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, 2015 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. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2016, are as follows:

<u>Due From</u>	<u>Due To</u>			<u>Total</u>
	General Fund	Nonmajor Governmental	Solid Waste Management Fund	
General Fund	\$ -	\$ 241,279	\$ 1,098,485	\$ 1,339,764
2015 SPLOST Fund	513,388	-	-	513,388
Nonmajor Governmental Funds	647,675	-	-	647,675
Total	\$ 1,161,063	\$ 241,279	\$ 1,098,485	\$ 2,500,827

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.

Interfund transfers for the fiscal year ended June 30, 2016, consisted of the following:

<u>Transfer From</u>	<u>Transfer In</u>		
	General Fund	Nonmajor Governmental	Total
General Fund	\$ -	\$ 1,091,540	\$ 1,091,540
Nonmajor governmental funds	49,543	-	49,543
Total	\$ 49,543	\$ 1,091,540	\$ 1,141,083

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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. 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.

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, 2016, the City has reported \$295,545 of such claims as a liability in the General Fund which are expected to be paid within one (1) fiscal year. The accrued claims liability includes related claim settlement costs. The changes in the balance of claims liabilities during the fiscal year are as follows:

	<b>June 30,</b>	
	<b>2016</b>	<b>2015</b>
Balance - beginning of fiscal year	\$ 118,859	\$ 97,062
Current year claims and changes in estimates	569,591	304,047
Claim payments	(392,905)	(282,250)
Balance - end of fiscal year	\$ 295,545	\$ 118,859

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 11. HOTEL/MOTEL LODGING TAX**

The City has levied a 3% lodging tax. For the fiscal year ended June 30, 2016, \$19,740 of hotel/motel tax was collected. A total of \$20,107, or 102%, 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, 2016.

### **NOTE 12. 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, 2016, 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.

### **NOTE 13. 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**

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<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll</u>
7/1/2015	\$ -	\$ 909,818	\$ 909,818	- %	\$ 7,223,665	12.6%
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%

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, 2016**

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**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 **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 **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 **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, 2016**

	Special Revenue Funds				Capital Project Funds				Totals	
	Emergency Communication Fund	Hotel/Motel Tax Fund	Confiscated Assets Fund	Red Light Enforcement Fund	Recovery Bond Fund	COPS 2009 Fund	Capital Budget Reserve	Transportation Grants Fund		Capital Projects Fund
<b>ASSETS</b>										
Cash and cash equivalents	\$ 496,731	\$ 45,721	\$ -	\$ 542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 542,994
Taxes receivable	-	1,605	-	-	-	-	-	-	-	1,605
Accounts receivable	32,021	-	-	-	-	-	-	-	-	32,021
Due from other governments	-	-	-	-	-	-	-	241,898	-	241,898
Due from other funds	-	-	105,806	-	-	-	-	-	135,473	241,279
Restricted assets, cash	-	-	-	-	-	56	-	-	-	56
Restricted assets, investments	-	-	-	-	-	-	-	-	677,182	677,182
Total assets	\$ 528,752	\$ 47,326	\$ 105,806	\$ 542	\$ -	\$ 56	\$ -	\$ 241,898	\$ 812,655	\$ 1,737,035
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts payable	\$ 1,283	\$ -	\$ 17,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,697
Accrued liabilities	11,856	158	-	-	-	-	-	-	-	12,014
Due to other funds	366,593	39,184	-	-	-	-	-	241,898	-	647,675
Total liabilities	379,732	39,342	17,414	-	-	-	-	241,898	-	678,386
<b>FUND BALANCES</b>										
Restricted for:										
Emergency communications	149,020	-	-	-	-	-	-	-	-	149,020
Law enforcement purposes	-	-	88,392	542	-	-	-	-	-	88,934
Promotion of tourism	-	7,984	-	-	-	-	-	-	-	7,984
Capital projects	-	-	-	-	-	56	-	-	812,655	812,711
Total fund balances	149,020	7,984	88,392	542	-	56	-	-	812,655	1,058,649
Total liabilities and fund balances	\$ 528,752	\$ 47,326	\$ 105,806	\$ 542	\$ -	\$ 56	\$ -	\$ 241,898	\$ 812,655	\$ 1,737,035

CITY OF RIVERDALE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds				Capital Project Funds				Totals	
	Emergency Fund	Hotel/ Motel Tax Fund	Confiscated Assets Fund	Red Light Enforcement Fund	Recovery Bond Fund	COPS 2009 Fund	Capital Budget Reserve	Transportation Grants Fund		Capital Projects Fund
<b>Revenues:</b>										
Other taxes	\$ -	\$ 19,740	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 19,740
Charges for services	232,057	-	-	-	-	-	-	-	-	232,057
Fines and forfeitures	-	-	85,463	-	-	-	-	-	-	85,463
Investment income	-	-	-	-	4	48	-	-	11,121	11,173
Intergovernmental	-	-	-	-	-	-	-	613,807	-	613,807
Total revenues	232,057	19,740	85,463	-	4	48	-	613,807	11,121	962,240
<b>Expenditures:</b>										
Current:										
General government	-	-	-	-	1,000	-	-	-	4,088	5,088
Public safety	459,593	-	87,387	-	-	-	-	-	-	546,980
Economic development	-	20,107	-	-	-	-	-	-	-	20,107
Capital outlays	-	-	-	-	14,968	36,705	147,192	526,950	-	725,815
Debt Service:										
Principal	-	-	-	-	155,000	140,000	-	-	-	295,000
Interest	-	-	-	-	263,493	292,319	-	-	-	555,812
Total expenditures	459,593	20,107	87,387	-	434,461	469,024	147,192	526,950	4,088	2,148,802
Excess (deficiency) of revenues over (under) expenditures	(227,536)	(367)	(1,924)	-	(434,457)	(468,976)	(147,192)	86,857	7,033	(1,186,562)
<b>Other financing sources (uses)</b>										
Transfers in	232,057	-	-	-	419,491	432,306	-	7,686	-	1,091,540
Transfers out	-	-	-	-	-	-	(49,543)	-	-	(49,543)
Total other financing sources (uses)	232,057	-	-	-	419,491	432,306	(49,543)	7,686	-	1,041,997
Net change in fund balances	4,521	(367)	(1,924)	-	(14,966)	(36,670)	(196,735)	94,543	7,033	(144,565)
<b>Fund balances (deficits), beginning of fiscal year</b>	144,499	8,351	90,316	542	14,966	36,726	196,735	(94,543)	805,622	1,203,214
<b>Fund balances, end of fiscal year</b>	\$ 149,020	\$ 7,984	\$ 88,392	\$ 542	\$ -	\$ 56	\$ -	\$ -	\$ 812,655	\$ 1,058,649

**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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Charges for services	\$ 206,355	\$ 234,200	\$ 232,057	\$ (2,143)
Total revenues	<u>206,355</u>	<u>234,200</u>	<u>232,057</u>	<u>(2,143)</u>
<b>Expenditures</b>				
Public safety	466,355	494,200	459,593	34,607
Total expenditures	<u>466,355</u>	<u>494,200</u>	<u>459,593</u>	<u>34,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(260,000)</u>	<u>(260,000)</u>	<u>(227,536)</u>	<u>32,464</u>
<b>Other financing sources:</b>				
Transfers in	260,000	260,000	232,057	(27,943)
Total other financing sources	<u>260,000</u>	<u>260,000</u>	<u>232,057</u>	<u>(27,943)</u>
Net change in fund balance	-	-	4,521	4,521
<b>Fund balances, beginning of fiscal year</b>	<u>144,499</u>	<u>144,499</u>	<u>144,499</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 144,499</u>	<u>\$ 144,499</u>	<u>\$ 149,020</u>	<u>\$ 4,521</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Other taxes	\$ 17,300	\$ 17,251	\$ 19,740	\$ 2,489
Total revenues	<u>17,300</u>	<u>17,251</u>	<u>19,740</u>	<u>2,489</u>
<b>Expenditures</b>				
Economic development	23,351	23,351	20,107	3,244
Total expenditures	<u>23,351</u>	<u>23,351</u>	<u>20,107</u>	<u>3,244</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,051)</u>	<u>(6,100)</u>	<u>(367)</u>	<u>5,733</u>
<b>Other financing sources:</b>				
Transfers in	6,051	6,100	-	(6,100)
Total other financing sources	<u>6,051</u>	<u>6,100</u>	<u>-</u>	<u>(6,100)</u>
Net change in fund balance	-	-	(367)	(367)
<b>Fund balances, beginning of fiscal year</b>	<u>8,351</u>	<u>8,351</u>	<u>8,351</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 8,351</u>	<u>\$ 8,351</u>	<u>\$ 7,984</u>	<u>\$ (367)</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 85,463	\$ (14,537)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>85,463</u>	<u>(14,537)</u>
<b>Expenditures</b>				
Public safety	100,000	100,000	87,387	12,613
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>87,387</u>	<u>12,613</u>
Net change in fund balance	-	-	(1,924)	(1,924)
<b>Fund balances, beginning of fiscal year</b>	<u>90,316</u>	<u>90,316</u>	<u>90,316</u>	<u>-</u>
<b>Fund balances, end of fiscal year</b>	<u>\$ 90,316</u>	<u>\$ 90,316</u>	<u>\$ 88,392</u>	<u>\$ (1,924)</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, 2016**

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

CITY OF RIVERDALE, GEORGIA

SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<b>2008 Issue</b>					
<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	\$ 170,852	\$ 40,041	\$ 130,811 (1)	\$ 170,852
Streetscapes	2,401,465	1,062,500	466,030	596,740 (2)	1,062,770
Park improvements	5,045,271	2,901,592	2,901,592 (3)	-	2,901,592
Community Center	4,000,000	14,284,741	14,284,741	-	14,284,741
Acquisition of land for parks and greenspace	<u>3,000,000</u>	<u>304,053</u>	<u>304,053 (3)</u>	<u>-</u>	<u>304,053</u>
Totals	<u>\$ 17,401,464</u>	<u>\$ 18,723,738</u>	<u>\$ 17,996,457</u>	<u>\$ 727,551</u>	<u>\$ 18,724,008</u>

**Notes:**

(1) - Bethsaida Rd, Camp St, and Taylor Rd. were resurfaced in fiscal year 2016. Funding was from LMIG grants.

(2) - A streetscape project adding stamped concrete sidewalks to Highway 85 was started in fiscal year 2015 and was completed in fiscal year 2016. Funding was from a State transportation grant.

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

<b>2015 Issue</b>					
<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	\$ 239,617	\$ 268,540
Resurfacing City Street	2,800,000	2,800,000	-	-	-
Median Enhancement/Beautification	250,000	250,000	-	3,950	3,950
Complete Phase 2 of Rvdle Park	2,200,000	2,200,000	-	1,650	1,650
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	-	151,418	151,418
New/Replacement Vehicles - FD	500,000	500,000	-	81,392	81,392
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>\$ 33,723</u>	<u>\$ 478,027</u>	<u>\$ 511,750</u>

**NOTE:** Current fiscal year expenditures of \$478,027 as shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance includes the \$239,579 debt service payment pertaining to communications equipment that was financed through a capital lease. All debt service payments on this lease will be funded from SPLOST proceeds.

# STATISTICAL SECTION

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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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	<b>58 - 63</b>
<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>	
<b>Revenue Capacity</b> .....	<b>64 - 68</b>
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
<b>Debt Capacity</b> .....	<b>69 - 71</b>
<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>	
<b>Demographic and Economic Information</b> .....	<b>72</b>
<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>	
<b>Operating Information</b> .....	<b>73 - 76</b>
<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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 18,281,505
Restricted	45,030	-	264,461	1,318,609	230,669	1,257,973	2,185,176	2,035,396	1,267,649	2,934,389
Unrestricted	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	3,297,490
Total governmental activities net position	\$ 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	\$ 24,113,384
<b>Business-type activities</b>										
Investment in capital assets	\$ 13,583	\$ 12,760	\$ 11,936	\$ 11,113	\$ 10,290	\$ 9,467	\$ 8,644	\$ 7,821	\$ 6,998	\$ 6,174
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	176,507	312,500	434,173	540,937	747,804	859,165	1,286,216	629,382	366,597	736,397
Total business-type activities net position	\$ 190,090	\$ 325,260	\$ 446,109	\$ 552,050	\$ 758,094	\$ 868,632	\$ 1,294,860	\$ 637,203	\$ 373,595	\$ 742,571
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 18,287,679
Restricted	45,030	-	264,461	1,318,609	230,669	1,257,973	2,185,176	2,035,396	1,267,649	2,534,389
Unrestricted	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	4,033,887
Total primary government net position	\$ 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	\$ 24,855,955

**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 3,985,765
Judicial	469,683	526,835	604,712	1,600,470	669,343	630,083	732,181	714,796	675,361	676,672
Public safety	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	5,498,223
Public works	717,264	389,957	352,519	136,078	187,608	284,870	625,677	727,729	820,402	1,039,727
Parks and recreation	623,675	1,314,469	867,159	158,075	610,173	705,044	1,032,596	1,206,287	1,239,329	1,061,765
Economic development	4,600	74,717	55,470	904,257	896,357	1,094,948	703,097	926,796	728,187	610,737
Interest on long-term debt	63,059	55,990	386,349	896,089	841,790	820,677	884,667	742,968	689,162	601,032
Total governmental activities expenses	9,872,120	11,301,196	11,179,136	13,012,916	12,122,140	12,564,513	13,341,514	13,566,703	14,001,776	13,483,921
Business-type activities:										
Solid waste management	517,686	534,347	587,569	808,091	1,093,854	1,041,011	471,587	465,272	575,708	560,964
Total business-type activities expenses	517,686	534,347	587,569	808,091	1,093,854	1,041,011	471,587	465,272	575,708	560,964
Total primary government expenses	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	14,034,885
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	154,202	415,245	353,985	349,130	352,035	474,938	359,688	391,346	272,290	274,800
Public safety	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	2,104,702
Public works	-	94,039	54,547	62,577	60,217	51,869	61,023	141,617	165,439	208,337
Parks and recreation	-	-	-	-	103,789	287,102	569,497	189,450	256,990	295,436
Economic development	-	28,158	29,351	44,481	55,230	37,693	25,126	26,320	-	-
Operating grants and contributions	81,932	32,981	47,021	110,203	94,316	122,515	194,951	125,854	102,031	99,989
Capital grants and contributions	75,040	259,350	683,922	2,700,785	2,826,965	3,223,703	2,757,325	2,430,831	2,696,178	2,503,056
Total governmental activities program revenues	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	5,486,320
Business-type activities:										
Charges for services	680,560	669,517	708,418	1,045,790	1,299,898	1,351,549	897,815	825,102	912,100	919,940
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	680,560	669,517	708,418	1,045,790	1,299,898	1,351,549	897,815	825,102	912,100	919,940
Total primary government program revenues	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	6,406,260
Net (expense)/revenue	(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)	(7,997,601)
Governmental activities	162,874	135,170	120,849	237,699	206,044	310,538	426,228	359,830	336,392	368,976
Business-type activities	(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)	(7,628,625)
Total primary government net expense										

(Continued)

**CITY OF RIVERDALE, GEORGIA**

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	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	2,805,912
Sales taxes	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	4,438,045
Franchise taxes	680,563	697,891	734,939	713,508	764,745	786,874	744,819	695,461	735,619	750,792
Occupational taxes	-	-	-	-	-	-	282,842	-	-	-
Insurance premium tax	663,845	682,034	698,371	691,819	671,713	709,848	753,977	780,672	822,344	877,847
Alcoholic beverage taxes	413,326	403,651	375,650	387,806	354,841	369,861	375,168	346,876	359,840	374,693
Other taxes	1,095,497	782,583	688,894	694,402	723,573	767,757	391,645	667,889	797,374	760,551
Miscellaneous	25,125	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	156,927	98,134	78,588	65,859	71,292	62,156	61,308	13,856	11,173	11,173
Gain on sale of capital assets	-	28,390	11,550	1,360	29,493	-	-	51,388	-	19,449
Transfers	(100)	-	-	131,758	-	200,000	-	1,017,487	600,000	-
Total governmental activities general revenues and other changes in net position	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	10,038,462
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	-	-	-
Transfers	100	-	-	(131,758)	-	(200,000)	-	(1,017,487)	(600,000)	-
Total business type activities general revenues and other changes in net position	100	-	-	(131,758)	-	(200,000)	-	(1,017,487)	(600,000)	-
Total primary government general revenues and other changes in net position	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	10,038,462
<b>Change in net position</b>										
Governmental activities	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	2,040,861
Business-type activities	162,974	135,170	120,849	105,941	206,044	110,538	426,228	(657,657)	(263,608)	368,976
Total primary government change in net position	\$ 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	\$ 2,409,837

# CITY OF RIVERDALE, GEORGIA

## FUND BALANCES, GOVERNMENTAL FUNDS FISCAL YEARS 2007 - 2010

	2007	2008	2009	2010
General Fund				
Reserved	\$ 259,087	\$ 180,393	\$ 324,781	\$ 256,931
Unreserved	4,499,412	4,089,676	4,134,857	3,401,640
Total General fund	<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	\$ 948,086	\$ 976,928	\$ 646,666	\$ 593,519
Capital projects funds	831,357	1,347,725	17,556,176	5,628,291
Total all other governmental funds	<u>\$ 1,779,443</u>	<u>\$ 2,324,653</u>	<u>\$ 18,202,842</u>	<u>\$ 6,221,810</u>

# CITY OF RIVERDALE, GEORGIA

## FUND BALANCES, GOVERNMENTAL FUNDS CURRENT AND PRIOR FIVE FISCAL YEARS

	Fiscal Year					
	2011	2012	2013	2014	2015	2016
General Fund						
Nonspendable	\$ 247,706	\$ 317,845	\$ 351,008	\$ 337,727	\$ 397,176	\$ 375,404
Restricted	-	-	91,388	190,662	-	-
Unassigned	2,204,550	3,069,041	1,996,304	2,796,074	2,669,186	3,072,720
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>	<u>\$ 3,448,124</u>
All Other Governmental Funds						
Nonspendable, reported in:						
Special revenue funds	\$ -	\$ -	\$ 2,265	\$ 5,290	\$ -	\$ -
Capital project funds	-	-	200,000	-	-	241,255
Restricted, reported in:						
Special revenue funds	151,483	44,998	257,486	212,454	243,708	245,938
Capital project funds	6,070,803	4,352,502	3,623,238	1,811,721	1,839,912	3,101,162
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>	<u>\$ 3,588,355</u>

**Note:** GASB 54 was implemented during fiscal year 2011.

CITY OF RIVERDALE, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues:</b>										
Taxes	\$ 8,138,608	\$ 8,344,262	\$ 7,962,354	\$ 7,789,960	\$ 7,573,484	\$ 7,575,147	\$ 8,097,695	\$ 8,404,383	\$ 8,606,011	\$ 9,193,534
Licenses and permits	373,705	324,187	286,167	289,219	315,875	288,431	282,842	348,414	302,024	355,437
Intergovernmental	156,972	273,473	699,901	2,726,135	3,057,459	3,327,139	2,962,070	2,545,160	2,658,723	2,738,931
Charges for services	355,953	513,494	513,690	474,219	524,651	653,521	904,671	583,054	627,162	653,899
Fines, forfeitures, and fees	2,222,713	2,018,225	2,388,661	3,584,387	2,307,477	2,993,431	2,423,615	2,561,516	2,666,879	2,548,345
Investment earnings	156,927	98,134	78,568	65,859	71,292	62,156	61,308	13,856	11,173	11,173
Miscellaneous	25,125	101,581	26,514	26,974	38,416	143,873	52,644	83,415	18,688	26,373
Total revenues	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	15,527,692
<b>Expenditures:</b>										
General government	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	3,979,576
Judicial	454,913	514,076	591,127	1,582,394	677,397	632,219	676,651	688,974	654,954	675,375
Public safety	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	5,000,130
Public works	656,396	408,017	297,026	85,674	117,184	69,668	79,003	138,413	218,681	483,854
Parks and recreation	617,083	1,100,065	861,852	149,666	636,404	641,944	902,585	1,036,844	1,068,180	888,114
Economic development	4,600	92,500	45,614	893,991	836,451	627,425	700,401	925,343	719,699	964,225
Capital outlay	645,768	730,447	4,397,803	13,912,491	5,256,331	2,395,556	2,048,237	1,986,698	2,121,651	609,586
Debt service:										
Principal	123,707	147,394	126,812	1,760,527	2,270,000	2,445,000	2,545,000	2,591,663	2,488,285	544,890 (1)
Interest and fiscal charges	60,832	58,123	238,320	892,916	968,163	998,082	904,275	776,679	673,337	617,086
Insurance costs	-	-	637,941	-	249,625	-	-	-	-	-
Total expenditures	10,121,871	11,617,176	15,588,154	27,871,970	19,698,296	15,915,306	16,818,198	16,984,019	17,590,154	13,762,836
Excess (deficiency) of revenues over (under) expenditures	1,308,332	56,780	(3,692,279)	(12,915,217)	(5,809,642)	(891,608)	(2,033,353)	(2,444,221)	(2,798,494)	1,764,856
Other financing sources (uses)										
Proceeds from the issuance of debt	87,856	-	19,697,078	-	5,399,981	-	-	-	-	-
Proceeds from sale of capital assets	-	-	12,959	1,360	49,782	3,900	8,283	58,925	7,795	19,449
Proceeds from capital leases	-	-	-	-	-	-	596,089	-	1,493,210	-
Transfers in	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	1,141,083
Transfers out	(1,045,724)	(1,486,901)	(1,486,901)	(4,623,709)	(4,012,238)	(3,731,642)	(4,548,494)	(3,988,557)	(4,087,321)	(1,141,083)
Total other financing sources (uses)	87,756	-	19,710,037	133,118	5,449,763	203,900	604,372	1,076,412	2,101,005	19,449
Net change in fund balances	\$ 1,396,088	\$ 56,780	\$ 16,017,758	\$ (12,782,099)	\$ (359,879)	\$ (687,708)	\$ (1,428,981)	\$ (1,367,809)	\$ (698,489)	\$ 1,794,305
Debt service as a percentage of noncapital expenditures	1.95%	1.87%	8.91%	18.94%	24.66%	26.16%	23.37%	22.57%	20.87%	9.20%
Total debt service expenditures	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	1,161,976
Total non-capital expenditures	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	12,632,186

(1) Total principal payments decreased from \$2,488,285 to \$544,890 in fiscal year 2016 due to the scheduled principal payment on the 2009 COPs debt decreasing significantly as scheduled on the payment amortization schedule. In fiscal year 2015, the City was required to pay \$2,435,000 in principal payments on the 2009 COPs debt but in fiscal year 2016, the City was only required to pay \$140,000. The subsequent payments range from \$145,000 to \$410,000 (fiscal year 2038).

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
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%
2015	240,508,749	12,532,610	6,797,008	(3,451,528)	256,386,839	9.98	640,967,098	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			
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
2015	0.050	24.55	14.57	9.98	15.862	19.80	45.70

**Source:** Clayton County Tax Commissioner.

# CITY OF RIVERDALE, GEORGIA

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Tramlaw LP	\$ 5,764	1	2.397%	\$		
Suso 3 Riverdale LP	3,657	2	1.521%			
HD Development of Maryland	3,484	3	1.449%			
Brooks Crossing Atlanta	3,200	4	1.331%	4,324	3	1.30%
Wal Mart Supercenter	2,953	5	1.228%	3,414	5	1.00%
Riverdale Market Owners LLC	2,492	6	1.036%			
River Run Investors LLC	1,962	7	0.816%			
Lowes Home Centers	1,944	8	0.808%			
Home Depot Inc	1,709	9	0.711%			
Wrens Crossing LLC	1,689	10	0.702%			
Chateau Forrest Associates LP				7,382	1	2.20%
Edward C & Clarice B Ellis				5,523	2	1.60%
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%
<b>Total</b>	<b>\$ 28,854</b>		<b>11.997%</b>	<b>\$ 27,859</b>		<b>10.70%</b>

**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
2007	2,343,613	2,254,666	96.20%	85,196	2,339,862	99.84%
2008	2,416,377	2,110,139	87.33%	302,487	2,412,626	99.84%
2009	2,592,901	2,435,314	93.92%	153,349	2,588,663	99.84%
2010	2,374,069	2,339,869	98.56%	24,252	2,364,121	99.58%
2011	2,230,527	1,905,031	85.41%	304,176	2,209,207	99.04%
2012	2,721,710	1,946,162	71.51%	751,467	2,697,629	99.12%
2013	2,328,747	2,224,716	95.53%	66,433	2,291,149	98.39%
2014	2,250,734	2,153,307	95.67%	48,545	2,201,852	97.83%
2015	2,548,704	2,132,674	83.68%	354,581	2,487,255	97.59%
2016	2,558,741	2,382,797	93.12%	-	2,382,797	93.12%

**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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
July	\$ 243,399	\$ 226,243	\$ 295,465	\$ 197,211	\$ 178,791	\$ 220,980	\$ 230,136	\$ 208,776	\$ 329,401	\$ 333,783
August	246,578	209,473	243,640	271,417	213,764	236,392	222,554	282,189	314,547	425,240
September	299,373	235,595	303,520	239,166	204,668	225,280	211,924	287,024	330,413	380,098
October	280,150	282,265	288,907	227,532	199,768	176,187	211,897	289,650	299,451	371,775
November	320,254	234,307	198,126	240,286	193,986	186,298	202,957	276,377	314,841	370,428
December	186,560	252,340	267,135	236,917	298,740	196,786	257,800	337,517	348,938	354,363
January	236,504	223,146	209,355	211,529	227,762	240,721	246,294	280,440	322,948	422,004
February	267,811	234,204	165,211	236,184	239,511	275,437	256,005	296,592	325,494	322,210
March	211,423	230,511	289,328	220,880	240,873	215,409	214,999	330,615	338,743	296,427
April	210,772	304,153	223,019	206,017	224,796	234,656	339,290	312,953	318,337	360,163
May	247,498	281,196	234,654	210,608	230,855	272,608	205,641	328,611	322,742	367,483
June	263,495	292,412	94,849	273,493	220,980	236,518	212,858	307,285	333,783	374,534
Adjustment	12,067	4,955	-	-	-	-	-	(1)	1,324	2,544
<b>Total</b>	<b>\$ 3,025,884</b>	<b>\$ 3,010,800</b>	<b>\$ 2,813,210</b>	<b>\$ 2,771,240</b>	<b>\$ 2,674,494</b>	<b>\$ 2,717,272</b>	<b>\$ 2,812,355</b>	<b>\$ 3,720,767</b>	<b>\$ 3,900,962</b>	<b>\$ 4,381,052</b>

**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						
2007	\$ 1,022,000	\$ -	\$ 216,236	\$ 78,497	\$ 1,238,236	0.13%	0.20%	80	\$ 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	2.36%	2.50%	969	603,659	15,537
2015	6,851,081	5,221,235	-	1,984,351	14,056,667	2.53%	2.32%	900	606,056	15,620
2016	6,698,909	5,071,336	-	1,734,461	13,504,706	2.11%	2.46%	845	549,286	15,989

**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
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%
2016	256,386,839	25,638,684	-	25,638,684	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, 2016

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Riverdale <sup>(a)</sup>	Amount Applicable to the City of Riverdale
<b>Clayton County, Georgia- Overlapping Debt</b>	\$ 105,548,059	4.80%	<u>\$ 5,063,467</u>
Subtotal Overlapping Debt			5,063,467
<b>City of Riverdale, Georgia- Direct Debt</b>	13,504,706	100.00%	<u>13,504,706</u>
Total Direct and Overlapping Debt			<u><u>\$ 18,568,173</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, 2016) 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.

<sup>(a)</sup> 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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Total Personal (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age(1)</b>	<b>Unemployment Rate (2)</b>	<b>School Enrollment (3)</b>
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
2016	15,989	549,286	34,354	33.00	8.50%	4,580

**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 NINE YEARS AGO

<u>Business</u>	<u>2016</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	5.13%	341	1	5.00%
City of Riverdale	167	2	2.46%	123	4	1.80%
Riverdale Center	148	3	2.18%			
Kroger	139	4	2.04%	126	3	1.85%
Home Depot	134	5	1.97%	118	5	1.73%
Riverdale Senior High School	125	6	1.84%	143	2	2.10%
Automobile Acceptance Corp	102	7	1.50%			
Church Street Elementary	90	8	1.32%	100	8	1.47%
Riverdale Dwarf House	75	9	1.10%			
Super H Mart	70	10	1.03%			
Cattle Exchange, Inc.				106	6	1.55%
Lowe's				105	7	1.54%
Riverdale Elementary School				92	9	1.35%
Publix				90	10	1.32%
Totals	<u>1,399</u>		<u>20.57%</u>	<u>1,344</u>		<u>19.70%</u>

**Source:** Georgia Department of Labor

## 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	Planning & Zoning	E-911	Total
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	56	23	13	4	9	9	142
2015	34	56	23	15	8	7	9	152
2016	31	55	22	12	9	6	9	144

- (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.
- (4) For the 2016 fiscal year, the City had a reorganization which included a reduction in force. Eight full time positions were eliminated.

**Source:** City of Riverdale, Georgia's Finance Department

# CITY OF RIVERDALE, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Physical arrests	2,054	2,367	2,464	2,656	2,787	2,568	2,671	2,175	2,453	2,837
Traffic violations	21,302	18,483	19,263	19,518	17,199	16,016	15,802	12,979	14,646	13,292
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of fire related calls	359	285	317	333	370	301	441	571	562	646
Number of EMS related calls	1,678	1,758	1,712	2,063	2,455	2,296	1,988	2,010	1,728	2,452
Inspections	214	180	517	339	353	439	671	684	642	547
Public Works										
Street resurfacing (miles)	5.00	-	-	-	0.09	-	-	0.34	1.32	0.96
Potholes repaired	24	-	-	-	28	32	26	151	85	11
Community Development										
Business licenses issued	1,214	1,150	1,089	1,252	1,243	1,267	1,078	1,001	1,037	970
Building permits issued	67	66	45	60	44	44	96	101	202	227

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

CITY OF RIVERDALE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

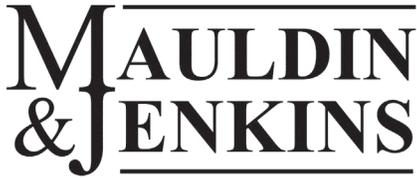
Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1
Patrol units	35	35	38	38	41	40	40	40	40	40
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works										
Streets (miles)	5.45	5.45	5.45	5.45	5.70	5.70	5.70	5.70	5.70	5.70
Parks and recreation										
Acres	2.27	2.27	0.00	0.00	16.50	16.50	16.50	17.59	17.59	17.59
Playgrounds	1	1	0	0	1	1	1	1	1	1

Source: Various City of Riverdale departments.

Notes:

- (1) During fiscal year 2009, construction on the new Town Center project began, utilizing the City's sole park.
- (2) During fiscal year 2011, the City's new Town Center plaza and park were opened.
- (3) 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**

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**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, 2016, 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 14, 2016.

**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.

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## **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 no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

## **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 14, 2016

**CITY OF RIVERDALE, GEORGIA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION I –SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ yes X no

Significant deficiencies identified?

\_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_ yes X no

**Federal Awards**

There was not an audit of major federal award programs required as of June 30, 2016 due to the total amount expended being less than \$750,000.

**Section II – Financial Statement Findings and Responses**

None reported