

**CITY OF RIVERDALE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2012**

Prepared by:  
Riverdale Finance Department



# CITY OF RIVERDALE, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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**CITY OF RIVERDALE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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## **INTRODUCTORY SECTION**





December 27, 2012

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

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 for the fiscal year ended June 30, 2012

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 of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Riverdale has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Riverdale's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Riverdale'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 of Riverdale's financial statements have been audited by Mauldin & Jenkins, 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 of Riverdale for the fiscal year ended June 30, 2012, 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 unqualified opinion that the City of Riverdale's financial statements for the fiscal year ended June 30, 2012, 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 available under a separate cover.

### **Profile of the Government**

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 regulations.

The City of Riverdale provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; 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 of Riverdale's financial planning and control. All funds and departments of the City are required to submit requests for appropriation to the City Manager in April of each year. The City Manager uses these requests 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 of Riverdale's fiscal year. The appropriated budget is prepared by fund and department. Department supervisors 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 16 for the General Fund and beginning on page 52 for the special revenue funds.

On January 3, 1996 the City of Riverdale 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 of Riverdale operates.

### **Local Economy**

The City of Riverdale, like other municipalities, is still being impacted by the slow economic recovery and the lingering effects of the nationwide housing meltdown. While existing businesses are continuing to remodel and expand albeit on a smaller scale, the City is fortunate to have new businesses such as a funeral home, several retail establishments to include one national store 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.

Although the construction of new residential housing is slow, a subdivision for 55+ that had stalled; leaving twelve unfinished units has been completely built out and occupied.

Construction on the New Riverdale Town Center was completed in FY 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 the 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. The Riverdale Town Centre has exciting activities for the whole family,

Economic Development within the City of Riverdale accelerated in FY2012. We have many new projects in the works. The Riverdale Downtown Development Authority (RDDA) is a non-profit volunteer-based organization established to

enhance Riverdale's economic environment as a center of commerce, while maintaining the character and integrity of the City's central business district as an attractive place to live, work, and visit.

RDDA is a member of the Georgia Department of Community Affairs Downtown Development Initiative and has adopted certain goals by following the four-point approach developed by the National Main Street Center. The organization's activities are focused in the areas of economic development, design, promotion and organization. Leadership of the RDDA is provided by a volunteer Board of Directors, an active committee structure, as well as an Executive Director, Administrative Assistant, and numerous volunteers.

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.

#### **Relevant Financial Policies**

The City of Riverdale entered into an agreement with Development Authority of Clayton County for the issuance of the \$5,500,000 Series 2010 Recovery Fund Bonds to be used for the construction of a public park and parking deck. The following actions by a Resolution of the Board of Directors were duly authorized under the laws of the State of Georgia:

- September 27, 2010, resolution to authorize the execution of an intergovernmental contract between the City and the Development Authority of Clayton County to secure payment of the bonds.
- October 1, 2010 Intergovernmental Contract was executed.

#### **Restricted Funds**

Governmental Funds restricted assets at the year end, June 30, 2011, were \$10,283,801. These funds were proceeds from the issuance of the 2009 Certificate of Participation (COPS) and the 2010 Series Recovery Bonds and are classified as restricted assets on the balance sheet because their use is limited to construction and acquisition of the City's Town Center, Park and Parking Deck Projects.

#### **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 or substitution of assets from collateral pool further protects bondholders. Annual SPLOST proceeds, authorized through December 31, 2014, are expected to pay 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.

The construction of Phase I of the Riverdale Park was completed this fiscal year. Phase I consists of a baseball field, multipurpose field for football, soccer and other activities, concession, restroom building and play area which opened to the public in August 2012. Football games were played on the football field this fall with the return of teams based out of the City of Riverdale.

Phase I of the Riverdale Park was constructed with the proceeds of Recovery Bond Funds.

### **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 of Riverdale's MD&A can be found immediately following the report of the independent auditors.

### **Awards and Acknowledgements**

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 year ended June 30, 2011. This was the twelfth consecutive year that the government 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 both 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.

I also thank the Finance Director, 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,

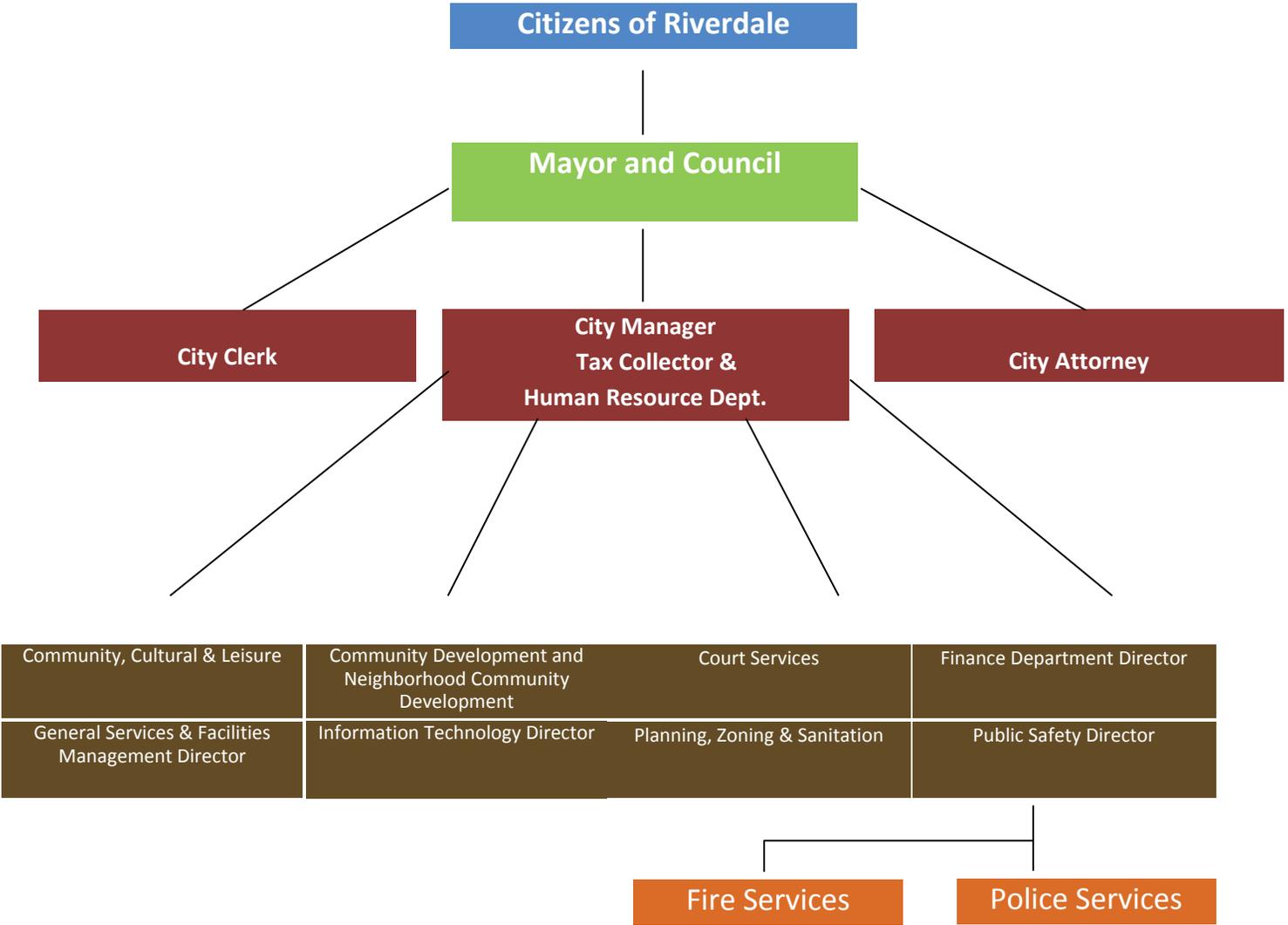


Iris Jessie City Manager



Lolita Grant, CPA  
Finance Director

# City of Riverdale Organizational Chart



Community, Cultural & Leisure	Community Development and Neighborhood Community Development	Court Services	Finance Department Director
General Services & Facilities Management Director	Information Technology Director	Planning, Zoning & Sanitation	Public Safety Director

# CITY OF RIVERDALE, GEORGIA

## PRINCIPAL OFFICIALS JUNE 30, 2012

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### LEGISLATIVE BRANCH

#### CITY COUNCIL

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

#### OFFICERS OF THE COUNCIL

David Johnson	City Attorney
Stephanie Thomas	City Clerk

### JUDICIAL BRANCH

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

### EXECUTIVE BRANCH

Iris Jessie	City Manager
Carol McGhee	Cultural Affairs
Lolita Grant, CPA	Finance Director
Samuel Patterson	Director of Public Safety-Police Chief
Brenda Willis	Fire Chief
Lemmy Paskel	Director of Information Technology
Renee Wheeler	Director of Human Resources
Camilla Moore	Director of Planning, Zoning & Development
Karl Kelly	City Engineer/Project Manager
Bennie Rose	Director of General Services & Facility Management

# 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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

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## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Riverdale, Georgia** (the "City"), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Riverdale, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverdale, Georgia as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-10 and Other Post-Employment Benefits Plan - Schedule of Funding Progress on page 49 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.

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 nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organization*, and is also not a required part of the financial statements of the City of Riverdale, Georgia. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

**CITY OF RIVERDALE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Riverdale, we offer readers of the City of Riverdale's financial statements this narrative overview and analysis of the financial activities of the City of Riverdale for the fiscal year ended June 30, 2012. 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 of Riverdale exceeded its liabilities at June 30, 2012 by \$19,060,506.
- The total net assets increased by \$2,815,726. Of this amount, an increase of \$2,705,188 was associated with governmental activities, and an increase of \$110,538 was associated with business-type activities.
- As of the close of the current fiscal year, the City of Riverdale's governmental funds reported combined ending fund balances of \$8,832,794, a decrease of \$687,708 in comparison with the prior year. Of this amount \$2,955,218 is unassigned and available for spending; \$317,845 is non-spendable; \$4,582,745 is restricted for specific uses; and \$976,986 is assigned for special future uses.
- At the end of the current year, unassigned fund balance for the General Fund was \$2,970,446 or 31.57% of total General Fund expenditures.
- The City of Riverdale's total debt obligations (including accrued compensated absences) decreased by the net amount of \$2,452,738. This decrease is due to the certificates of participation debt reduction of \$2,354,302, plus the decrease in Recovery Bond debts of \$100,000. Other debt, including accrued compensated absences, decreased by a net of \$1,564.

**Overview of the Financial Statements**

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

The statement of net assets presents information on all of the city's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets 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 of Riverdale include general government, public safety and courts, highways and streets, parks and recreation, community development, and debt service. 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 of Riverdale can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains five major governmental funds. The City's major governmental funds are the General Fund, the Capital Projects SPLOST Fund, the Certificates of Participation (COPS 2009) Fund, the Recovery Bond Fund, and the Capital Improvement 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 of Riverdale 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 FY12 budget. A project length budget has been adopted for the Capital Projects SPLOST Fund, the COPS 2009 Fund, and the Recovery Bond Fund.

**Proprietary funds.** The City of Riverdale maintains two different types of proprietary funds. 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. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Workers Compensation Insurance 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 and the Workers Compensation Insurance 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 year comparisons.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2012, the City's assets exceeded liabilities by \$19,046,587. The City's net assets reflects its investment in capital assets (66.5%), 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 assets, \$6,039,925 is unrestricted.

### City of Riverdale's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 11,868,384	\$ 12,149,755	\$ 1,279,800	\$ 1,209,356	\$ 13,148,184	\$ 13,359,111
Capital assets	<u>28,143,974</u>	<u>27,427,169</u>	<u>9,467</u>	<u>10,290</u>	<u>28,153,441</u>	<u>27,437,459</u>
Total assets	<u>40,012,358</u>	<u>39,576,924</u>	<u>1,289,267</u>	<u>1,219,646</u>	<u>41,301,625</u>	<u>40,796,570</u>
Current liabilities	4,289,398	1,108,119	420,635	461,552	4,710,033	1,569,671
Long-term liabilities	<u>17,531,086</u>	<u>22,982,119</u>	<u>-</u>	<u>-</u>	<u>17,531,086</u>	<u>22,982,119</u>
Total liabilities	<u>21,820,484</u>	<u>24,090,238</u>	<u>420,635</u>	<u>461,552</u>	<u>22,241,119</u>	<u>24,551,790</u>
Net assets:						
Invested in capital assets, net of related debt	12,767,036	10,953,227	9,467	10,290	12,776,503	10,963,517
Restricted	230,159	230,669	-	-	230,159	230,669
Unrestricted	<u>5,194,679</u>	<u>4,302,790</u>	<u>859,165</u>	<u>747,804</u>	<u>6,053,844</u>	<u>5,050,594</u>
Total net assets	<u>\$ 18,191,874</u>	<u>\$ 15,486,686</u>	<u>\$ 868,632</u>	<u>\$ 758,094</u>	<u>\$ 19,060,506</u>	<u>\$ 16,244,780</u>

In the current year \$230,159 or 1.0% of the net assets are subject to external restrictions on how they may be used. The balance of unrestricted net assets \$6,039,925 may be used to meet the government's ongoing obligations to citizens and creditors.

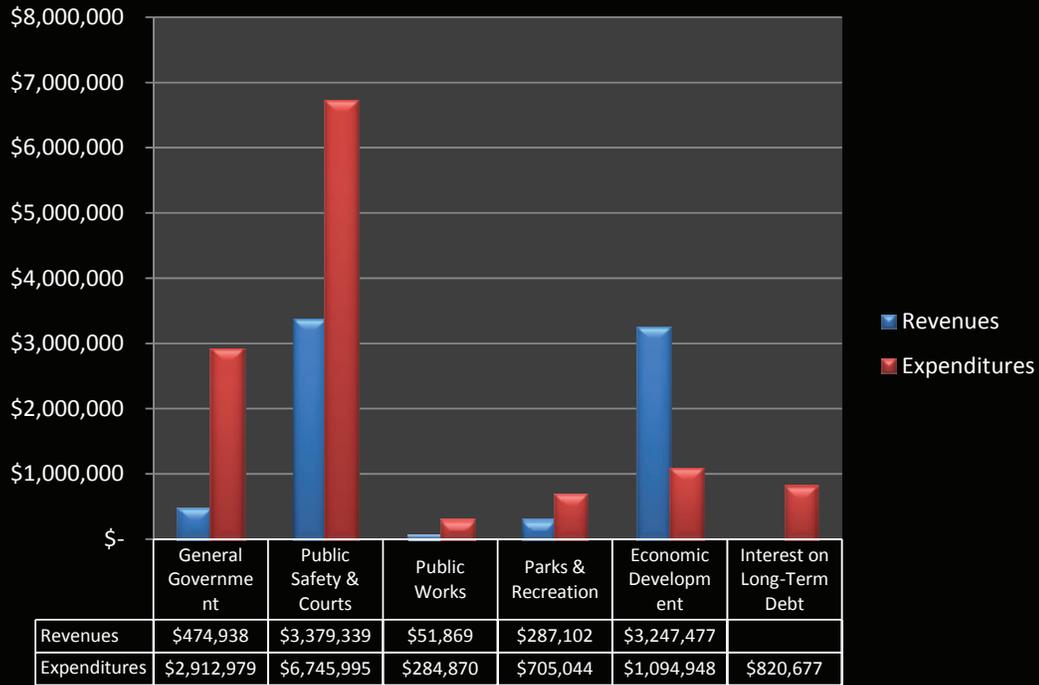
**Governmental activities.** Governmental activities increased the City of Riverdale's net assets by \$2,691,269. Key elements of this increase are as follows:

**City of Riverdale's Change in Net Assets**

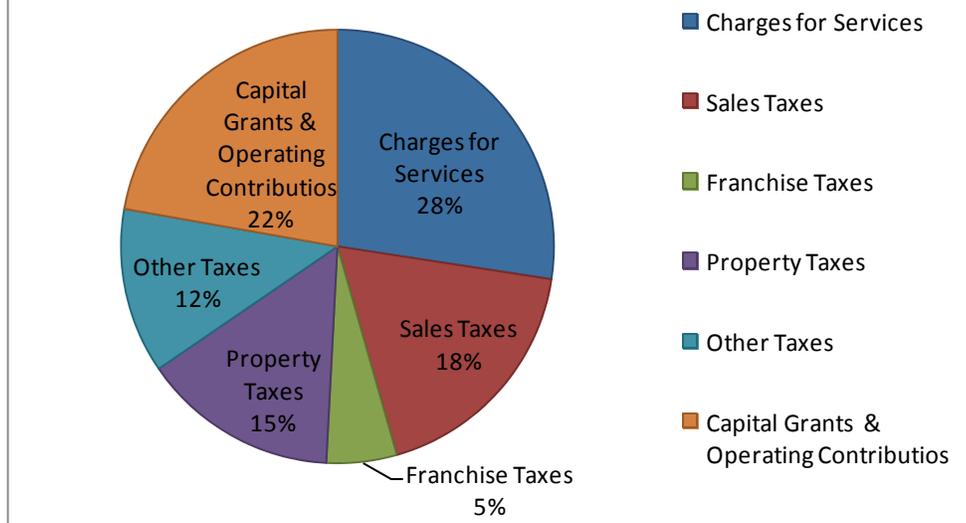
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program Revenues -						
Charges for services	\$ 4,108,426	\$ 3,311,299	\$ 1,351,549	\$ 1,299,898	\$ 5,459,975	\$ 4,611,197
Operating grants and contributions	122,515	94,316	-	-	122,515	94,316
Capital grants and contributions	3,223,703	2,826,965	-	-	3,223,703	2,826,965
General Revenues-						
Property taxes	2,194,301	2,359,879	-	-	2,194,301	2,359,879
Other taxes	5,358,600	5,140,200	-	-	5,358,600	5,140,200
Investment earnings	62,156	71,292	-	-	62,156	71,292
Other	-	29,493	-	-	-	29,493
<b>Total Revenues</b>	<b>15,069,701</b>	<b>13,833,444</b>	<b>1,351,549</b>	<b>1,299,898</b>	<b>16,421,250</b>	<b>15,133,342</b>
<b>Expenses:</b>						
General government	2,912,979	2,893,857	-	-	2,912,979	2,893,857
Judicial	630,083	669,343	-	-	630,083	669,343
Public safety	6,115,912	6,023,012	-	-	6,115,912	6,023,012
Parks and recreation	284,870	610,173	-	-	284,870	610,173
Public works	705,044	187,608	-	-	705,044	187,608
Economic development	1,094,948	896,357	-	-	1,094,948	896,357
Interest on long-term debt	820,677	841,790	-	-	820,677	841,790
Solid waste	-	-	1,041,011	1,093,854	1,041,011	1,093,854
<b>Total Expenses</b>	<b>12,564,513</b>	<b>12,122,140</b>	<b>1,041,011</b>	<b>1,093,854</b>	<b>13,605,524</b>	<b>13,215,994</b>
Increase in net assets before transfers	2,505,188	1,711,304	310,538	206,044	2,815,726	1,917,348
Transfers	200,000	-	(200,000)	-	-	-
Increase in net assets	2,705,188	1,711,304	110,538	206,044	2,815,726	1,917,348
Net assets - beginning of year	15,486,686	13,775,382	758,094	552,050	16,244,780	14,327,432
<b>Net assets - end of year</b>	<b>\$ 18,191,874</b>	<b>\$ 15,486,686</b>	<b>\$ 868,632</b>	<b>\$ 758,094</b>	<b>\$ 19,060,506</b>	<b>\$ 16,244,780</b>

- Fines and forfeitures decreased by \$714,438 or 32% - due to increased fine and forfeiture fees. Public Safety expenses decreased by 7% or 426,439 due to a decrease in personnel as a result of a hiring freeze.
- Property taxes decreased 7%, or \$167,571. This decrease is the result of the current economic conditions and a decrease in the assessed value of property. The millage rate of 7.5 mills remained the same as the previous year.
- Local option sales taxes increased approximately \$49,766, or 1.9%. The distribution of the local option sales taxes increased as a result of a slight upswing in the current economic conditions.

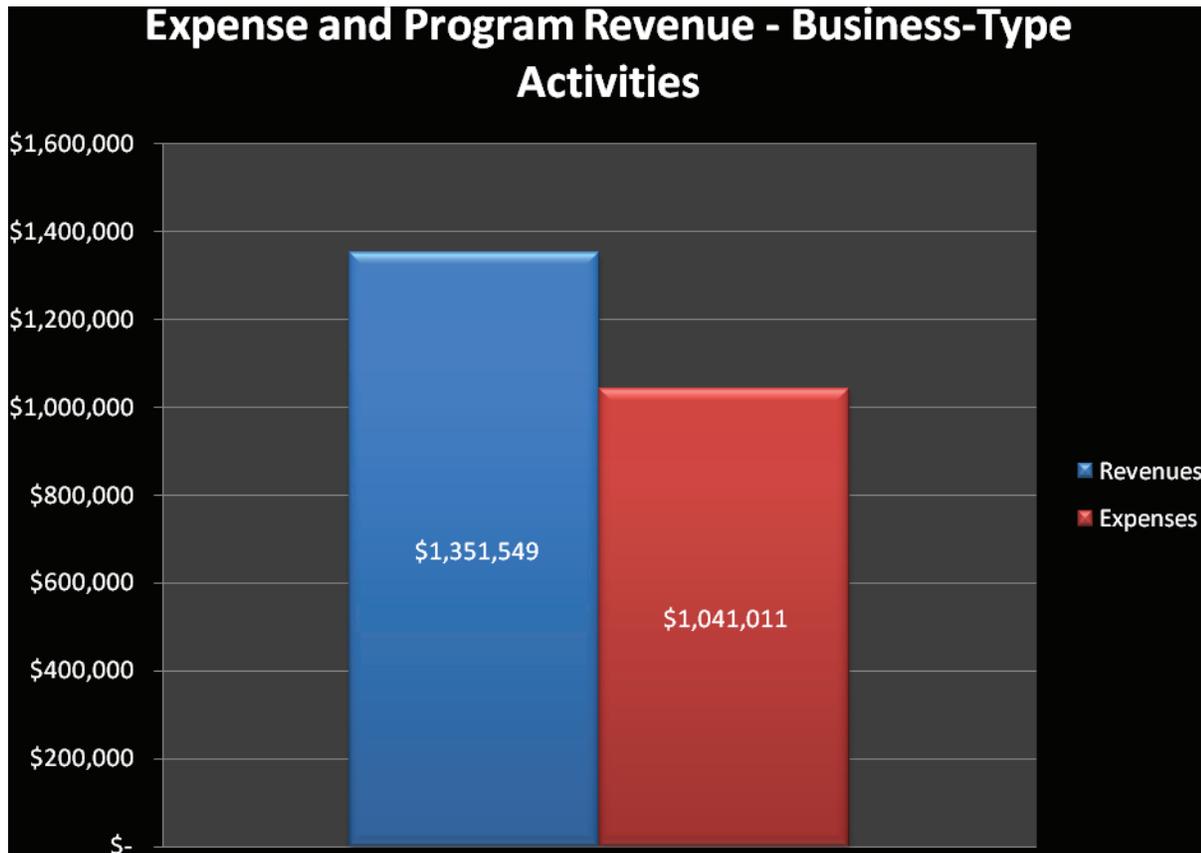
## Expenses and Program Revenues - Governmental Activities for FYE 2012



## Revenues - Governmental Activities for FYE 2012



**Business-type activities.** Business-type activities increased the City’s net assets by \$110,538. During FY12, 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 Government’s Funds**

As noted earlier, the City of Riverdale 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, 2012, the City’s governmental funds reported combined ending fund balances of \$8,832,794, a decrease of \$687,708 in comparison to the prior year. Of this amount, \$2,955,218 (33%) is unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is not available for new spending because it has already been committed, restricted or assigned to pay for prepaid and future expenses which are not available for current government’s spending discretion (\$5,877,576).

The General Fund is the City’s chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,970,446, while the total fund balance was \$3,288,291. 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 32% of the total general fund expenditures, while total fund balance represents 35% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$836,035. The revenues increased by \$632,724 or 6.05%, and the expenditures decreased by \$1,231,059 or 11.56%, resulting in revenues exceeding expenditures by \$1,678,035. In addition, the General Fund transferred a net of \$845,900 to other funds.

The Capital Projects SPLOST Fund has a total fund balance of \$1,027,814, which is an increase of \$59,329 over the prior year. This increase is temporary and due to a decrease in bond interest payments.

The Certificates of Participation Fund (COPS) was created during FY09 to account for the proceeds of the COPS that are to be used for the planning and construction of the City's New Town Center Project. The Project consists of the construction of a new administration building and community center. The total amount of the 2009 COPS lease purchase agreement is \$19,425,000.

The Recovery Bond Fund was created during FY11 to account for bond proceeds to be used to finance construction of various improvements to the Town Center and Park.

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

Unrestricted net assets of the Solid Waste fund at the end of the year were \$859,165.

### General Fund Budgetary Highlights

Actual revenues fell short of the budgeted revenues by \$243,666. The decrease was due in part to decreased property and sales taxes, and an unanticipated decrease in licenses and permits. Original budgeted expenditures of \$9,993,542 were amended to \$10,119,187 to account for anticipated increases in expenditures of the Public Safety and General Government Building departments. The final budget did not expect a change in fund balance, but the General Fund ended up with a net change in fund balance of \$836,035. The major variance was transfers out to other funds.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2012 amounts to \$28,153,441 (net of accumulated depreciation). 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:

- \$2,250,561 was spent on construction in progress at the new Riverdale Park.
- \$296,915 was spent on vehicles, including related equipment, for Public Safety.
- \$530,460 was a result of revisiting and adjusting capital asset inventory.

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 \$20,161,933 in outstanding debt consisting of the following:

	<u>Balance</u>
Governmental Activities -	
Certificates of Participation, net of unamortized premium	\$ 13,964,848
Bonds payable, net of unamortized discount	5,305,898
Accrued compensated absences	644,309
Postretirement benefit obligation	<u>246,878</u>
Total	<u><u>\$ 20,161,933</u></u>

The City's total debt decreased by a net amount of \$2,452,738. 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 of Riverdale is \$29,740,369 which is significantly in excess of the City of Riverdale's outstanding general obligation debt.

#### **Status of the City of Riverdale's Economy**

- The unemployment rate for the City of Riverdale is currently 11.9%, which is higher than the state and national rate of 9.1%.
- Building permits, both commercial and residential, decreased due to the overall state of the economy.
- The occupancy rate for the City's central business district has declined. The total number of businesses opening in the City was 75 less than those closing – 103 vs 178.
- Sales tax receipts have decreased due to the overall state of the economy.

FY12 welcomes continued prosperity with the completion of Phase I of the City of Riverdale's New Park Project. The Park opened August 2012 and has hosted football sporting events. The completed project includes a football and baseball field, a concession stand and a walking trail. Future revenues from sporting and other events are expected to help subsidize repair and maintenance expenditures for park operations.

#### **Requests for Information**

This financial report is designed to provide a general overview of the City of Riverdale'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) 909-5507 or at the following address:

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

**CITY OF RIVERDALE, GEORGIA**

**STATEMENT OF NET ASSETS  
JUNE 30, 2012**

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	Downtown Development Authority
Cash and cash equivalents	\$ 3,728,928	\$ 366,557	\$ 4,095,485	\$ 2,223
Investments	1,810,594	-	1,810,594	-
Taxes receivable	469,205	-	469,205	-
Accounts receivable	870,711	76,216	946,927	-
Internal balances	(837,027)	837,027	-	-
Due from other governments	476,974	-	476,974	-
Due from component unit	200,000	-	200,000	-
Prepaid items	370,110	-	370,110	1,011
Inventory	-	-	-	563
Other assets	833,203	-	833,203	600
Restricted assets, cash	3,578,238	-	3,578,238	-
Fair market value of interest rate swap	367,448	-	367,448	-
Capital assets:				
Nondepreciable	4,272,634	-	4,272,634	20,289
Depreciable, net of accumulated depreciation	23,871,340	9,467	23,880,807	13,359
Total assets	<u>40,012,358</u>	<u>1,289,267</u>	<u>41,301,625</u>	<u>38,045</u>
<b>LIABILITIES</b>				
Accounts payable	884,885	69,724	954,609	9,125
Accrued liabilities	406,218	-	406,218	18,519
Due to primary government	-	-	-	200,000
Unearned revenues	-	350,911	350,911	-
Certificates of participation due within one year	2,454,302	-	2,454,302	-
Certificates of participation due in more than one year	11,877,994	-	11,877,994	-
Capital leases due within one year	-	-	-	1,512
Capital leases due in more than one year	-	-	-	1,512
Bonds payable due within one year	96,619	-	96,619	-
Bonds payable due in more than one year	5,209,279	-	5,209,279	-
Compensated absences due within one year	433,455	-	433,455	-
Compensated absences due in more than one year	210,854	-	210,854	-
Postretirement benefit obligation due in more than one year	246,878	-	246,878	-
Total liabilities	<u>21,820,484</u>	<u>420,635</u>	<u>22,241,119</u>	<u>230,668</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	12,767,036	9,467	12,776,503	30,624
Restricted for:				
Emergency communications	124,456	-	124,456	-
Public safety	100,571	-	100,571	-
Tourism	5,132	-	5,132	-
Unrestricted	5,194,679	859,165	6,053,844	(223,247)
Total net assets	<u>\$ 18,191,874</u>	<u>\$ 868,632</u>	<u>\$ 19,060,506</u>	<u>\$ (192,623)</u>

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, 2012**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit
	Expenses	Operating Grants and Contributions		Primary Government			
		Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 2,912,979	\$ 474,938	\$ -	\$ (2,438,041)	\$ -	\$ (2,438,041)	\$ -
Judicial	630,083	-	-	(630,083)	-	(630,083)	-
Public safety	6,115,912	3,256,824	122,515	(2,736,573)	-	(2,736,573)	-
Public works	284,870	51,869	-	(233,001)	-	(233,001)	-
Parks and recreation	705,044	287,102	-	(417,942)	-	(417,942)	-
Economic development	1,094,948	37,693	3,223,703	2,166,448	-	2,166,448	-
Interest on long-term debt	820,677	-	-	(820,677)	-	(820,677)	-
Total governmental activities	12,564,513	4,108,426	122,515	(5,109,869)	-	(5,109,869)	-
<b>Business-type activities:</b>							
Solid waste management	1,041,011	1,351,549	-	-	310,538	310,538	-
Total business-type activities	1,041,011	1,351,549	-	-	310,538	310,538	-
Total primary government	\$ 13,605,524	\$ 5,459,975	\$ 3,223,703	\$ (5,109,869)	\$ 310,538	\$ (4,799,331)	\$ -
<b>Component unit:</b>							
Downtown Development Authority	\$ 173,136	\$ 47,409	\$ 102,390	\$ -	\$ -	\$ -	\$ (23,337)
General revenues:							
Property taxes				2,194,301		2,194,301	
Sales taxes				2,724,260		2,724,260	
Insurance premium tax				709,848		709,848	
Alcoholic beverage taxes				369,861		369,861	
Other taxes				767,757		767,757	
Franchise taxes				786,874		786,874	
Unrestricted investment earnings				62,156		62,156	
Transfers				200,000	(200,000)	-	
Total general revenues				7,815,057	(200,000)	7,615,057	
Change in net assets				2,705,188	110,538	2,815,726	(23,337)
Net assets, beginning of year				15,486,686	758,094	16,244,780	(169,286)
Net assets, end of year				\$ 18,191,874	\$ 868,632	\$ 19,060,506	\$ (192,623)

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

**CITY OF RIVERDALE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Project: SPLOST Fund</b>	<b>COPS 2009 Fund</b>	<b>Recovery Bond Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Totals Governmental Funds</b>
Cash and cash equivalents	\$ 1,800,835	\$ 662,137	\$ -	\$ -	\$ 275,265	\$ 985,701	\$ 3,723,938
Investments	1,127,576	-	-	-	683,018	-	1,810,594
Taxes receivable	465,169	-	-	-	-	4,036	469,205
Accounts receivable	841,588	-	-	-	-	29,123	870,711
Due from other governments	-	463,055	-	-	-	13,919	476,974
Due from component unit	-	-	-	-	-	200,000	200,000
Due from other funds	888,265	-	2,160	-	-	33,034	923,459
Prepaid items	317,845	-	-	-	-	28,163	346,008
Restricted assets, cash	-	-	306,206	3,272,032	-	-	3,578,238
<b>Total assets</b>	<b>\$ 5,441,278</b>	<b>\$ 1,125,192</b>	<b>\$ 308,366</b>	<b>\$ 3,272,032</b>	<b>\$ 958,283</b>	<b>\$ 1,293,976</b>	<b>\$ 12,399,127</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 318,054	\$ -	\$ 19,785	\$ 491,164	\$ -	\$ 41,785	\$ 870,788
Accrued liabilities	159,861	-	-	-	-	3,628	163,489
Deferred revenues	757,651	-	-	-	-	13,919	771,570
Due to other funds	917,421	97,378	14,070	9,224	679,750	42,643	1,760,486
<b>Total liabilities</b>	<b>2,152,987</b>	<b>97,378</b>	<b>33,855</b>	<b>500,388</b>	<b>679,750</b>	<b>101,975</b>	<b>3,566,333</b>
<b>FUND BALANCES</b>							
Fund balances:							
Nonspendable:							
Prepaid expenditures	317,845	-	-	-	-	-	317,845
Restricted for:							
Capital projects	-	1,027,814	274,511	2,771,644	278,533	-	4,352,502
Emergency communications	-	-	-	-	-	124,456	124,456
Federal programs	-	-	-	-	-	84	84
Law enforcement purposes	-	-	-	-	-	100,571	100,571
Promotion of tourism	-	-	-	-	-	5,132	5,132
Assigned to:							
Capital projects	-	-	-	-	-	596,735	596,735
Culture and recreation	-	-	-	-	-	185,161	185,161
Economic development	-	-	-	-	-	195,090	195,090
Unassigned	2,970,446	-	-	-	-	(15,228)	2,955,218
<b>Total fund balances</b>	<b>3,288,291</b>	<b>1,027,814</b>	<b>274,511</b>	<b>2,771,644</b>	<b>278,533</b>	<b>1,192,001</b>	<b>8,832,794</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,441,278</b>	<b>\$ 1,125,192</b>	<b>\$ 308,366</b>	<b>\$ 3,272,032</b>	<b>\$ 958,283</b>	<b>\$ 1,293,976</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	28,143,974
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	771,570
Debt issuance costs are considered other financing uses in governmental funds in the year incurred, but are deferred costs and are amortized over the life of the related debt in the statement of net assets	833,203
Internal service funds are used by management to charge the costs of workers' compensation insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(85,341)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds	<u>(20,304,326)</u>
<b>Net assets of governmental activities</b>	<b>\$ 18,191,874</b>

**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, 2012**

	<b>General Fund</b>	<b>Capital Projects SPLOST Fund</b>	<b>COPS 2009 Fund</b>	<b>Recovery Bond Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Totals Governmental Funds</b>
<b>Revenues</b>							
Property taxes	\$ 2,216,547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,216,547
Sales taxes	2,724,260	-	-	-	-	-	2,724,260
Other taxes	1,828,557	-	-	-	-	18,909	1,847,466
Charges for services	192,564	-	-	-	-	460,957	653,521
Licenses and permits	268,431	-	-	-	-	-	268,431
Intergovernmental	117,355	2,605,129	-	118,574	-	486,081	3,327,139
Franchise fees	786,874	-	-	-	-	-	786,874
Fines and forfeitures	2,944,766	-	-	-	-	48,665	2,993,431
Investment income	-	-	43	3,617	58,496	-	62,156
Other revenues	19,469	-	114,100	-	-	10,304	143,873
Total revenues	<u>11,098,823</u>	<u>2,605,129</u>	<u>114,143</u>	<u>122,191</u>	<u>58,496</u>	<u>1,024,916</u>	<u>15,023,698</u>
<b>Expenditures</b>							
Current:							
General government	3,115,073	-	-	1,000	-	-	3,116,073
Judicial	632,219	-	-	-	-	-	632,219
Public safety	4,501,329	-	-	-	-	488,010	4,989,339
Public works	69,668	-	-	-	-	-	69,668
Culture and recreation	480,531	-	-	-	-	161,413	641,944
Economic development	561,831	-	-	-	-	65,594	627,425
Capital outlay	60,137	-	19,784	1,777,828	37,807	500,000	2,395,556
Debt service:							
Principal	-	-	2,345,000	100,000	-	-	2,445,000
Interest	-	-	682,919	266,618	48,545	-	998,082
Total expenditures	<u>9,420,788</u>	<u>-</u>	<u>3,047,703</u>	<u>2,145,446</u>	<u>86,352</u>	<u>1,215,017</u>	<u>15,915,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,678,035</u>	<u>2,605,129</u>	<u>(2,933,560)</u>	<u>(2,023,255)</u>	<u>(27,856)</u>	<u>(190,101)</u>	<u>(891,608)</u>
<b>Other financing sources (uses)</b>							
Proceeds from sale of assets	3,900	-	-	-	-	-	3,900
Transfers in	269,971	-	3,027,919	249,177	-	384,575	3,931,642
Transfers out	<u>(1,115,871)</u>	<u>(2,545,800)</u>	<u>-</u>	<u>-</u>	<u>(69,971)</u>	<u>-</u>	<u>(3,731,642)</u>
Total other financing sources (uses)	<u>(842,000)</u>	<u>(2,545,800)</u>	<u>3,027,919</u>	<u>249,177</u>	<u>(69,971)</u>	<u>384,575</u>	<u>203,900</u>
Net change in fund balances	836,035	59,329	94,359	(1,774,078)	(97,827)	194,474	(687,708)
<b>Fund balances, beginning of year</b>	<u>2,452,256</u>	<u>968,485</u>	<u>180,152</u>	<u>4,545,722</u>	<u>376,360</u>	<u>997,527</u>	<u>9,520,502</u>
<b>Fund balances, end of year</b>	<u>\$ 3,288,291</u>	<u>\$ 1,027,814</u>	<u>\$ 274,511</u>	<u>\$ 2,771,644</u>	<u>\$ 278,533</u>	<u>\$ 1,192,001</u>	<u>\$ 8,832,794</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, 2012

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

Net change in fund balances - total governmental funds	\$	(687,708)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		1,240,044
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(523,239)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		46,003
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, 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.		2,445,000
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenues of certain activities of internal service funds are reported with		5,866
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>179,222</u>
	\$	<u><u>2,705,188</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, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 2,391,462	\$ 2,391,462	\$ 2,216,547	\$ (174,915)
Sales taxes	3,000,000	3,000,000	2,724,260	(275,740)
Other taxes	1,694,800	1,694,800	1,828,557	133,757
Charges for services	166,800	166,800	192,564	25,764
Licenses and permits	397,300	397,300	268,431	(128,869)
Intergovernmental	65,500	65,500	117,355	51,855
Franchise fees	760,000	760,000	786,874	26,874
Fines and forfeitures	2,807,127	2,807,127	2,944,766	137,639
Investment income	300	300	-	(300)
Other revenues	59,200	59,200	19,469	(39,731)
Total revenues	<u>11,342,489</u>	<u>11,342,489</u>	<u>11,098,823</u>	<u>(243,666)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor and Council	132,131	132,131	128,911	3,220
General administration	744,048	744,048	605,776	138,272
Finance	1,687,073	1,687,073	1,503,999	183,074
General government buildings	848,085	899,721	876,387	23,334
Total general government	<u>3,411,337</u>	<u>3,462,973</u>	<u>3,115,073</u>	<u>347,900</u>
<b>Judicial:</b>				
Municipal court	608,197	629,931	632,219	(2,288)
<b>Public safety:</b>				
Police	2,761,691	2,941,570	2,954,884	(13,314)
Fire	1,604,976	1,604,976	1,546,445	58,531
Total public safety	<u>4,366,667</u>	<u>4,546,546</u>	<u>4,501,329</u>	<u>45,217</u>
<b>Public works:</b>				
Administration	118,528	91,637	69,668	21,969
<b>Parks and recreation</b>	<u>587,994</u>	<u>587,994</u>	<u>480,531</u>	<u>107,463</u>
<b>Economic development</b>	<u>565,818</u>	<u>567,307</u>	<u>561,831</u>	<u>5,476</u>
<b>Capital outlay</b>	<u>700</u>	<u>60,137</u>	<u>60,137</u>	<u>-</u>
<b>Debt service</b>	<u>334,301</u>	<u>172,662</u>	<u>-</u>	<u>172,662</u>
Total expenditures	<u>9,993,542</u>	<u>10,119,187</u>	<u>9,420,788</u>	<u>698,399</u>
Excess of revenues over expenditures	<u>1,348,947</u>	<u>1,223,302</u>	<u>1,678,035</u>	<u>454,733</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	\$ 15,000	\$ 15,000	\$ 3,900	\$ (11,100)
Transfers in	168,266	168,266	269,971	101,705
Transfers out	(1,532,213)	(1,406,568)	(1,115,871)	290,697
Total other financing sources (uses)	<u>(1,348,947)</u>	<u>(1,223,302)</u>	<u>(842,000)</u>	<u>381,302</u>
Net change in fund balances	-	-	836,035	836,035
<b>Fund balances, beginning of year</b>	<u>2,452,256</u>	<u>2,452,256</u>	<u>2,452,256</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,452,256</u>	<u>\$ 2,452,256</u>	<u>\$ 3,288,291</u>	<u>\$ 836,035</u>

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

**CITY OF RIVERDALE, GEORGIA**

**STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2012**

		<b>Business-type Activities - Enterprise Fund Solid Waste Management</b>	<b>Governmental Activities - Internal Service Fund</b>
		<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 366,557	\$ 4,990
Accounts receivable, net of allowance for uncollectible accounts		76,216	-
Prepaid items		-	24,102
Due from other funds		882,227	-
Total current assets		<u>1,325,000</u>	<u>29,092</u>
<b>NONCURRENT ASSETS</b>			
Capital assets - depreciable, net		<u>9,467</u>	<u>-</u>
Total assets		<u>1,334,467</u>	<u>29,092</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		69,724	14,097
Accrued liabilities		-	100,336
Unearned revenues		350,911	-
Due to other funds		45,200	-
Total current liabilities		<u>465,835</u>	<u>114,433</u>
<b>NET ASSETS</b>			
Invested in capital assets		9,467	-
Unrestricted (deficit)		859,165	(85,341)
Total net assets (deficit)		<u>\$ 868,632</u>	<u>\$ (85,341)</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 ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Business-type Activities - Enterprise Fund Solid Waste Management</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,351,549	\$ -
Other	-	183,302
Total operating revenues	<u>1,351,549</u>	<u>183,302</u>
<b>OPERATING EXPENSES</b>		
Purchased or contracted services	1,040,188	34,963
Claims expense	-	142,473
Depreciation	823	-
Total operating expenses	<u>1,041,011</u>	<u>177,436</u>
Operating income before transfers	310,538	5,866
Transfers out	<u>(200,000)</u>	<u>-</u>
Change in net assets	<u>110,538</u>	<u>5,866</u>
<b>NET ASSETS (DEFICIT), beginning of year</b>	<u>758,094</u>	<u>(91,207)</u>
<b>NET ASSETS (DEFICIT), end of year</b>	<u><u>\$ 868,632</u></u>	<u><u>\$ (85,341)</u></u>

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

**CITY OF RIVERDALE, GEORGIA**

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Business-type Activities - Enterprise Fund Solid Waste Management</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 1,429,019	\$ -
Receipts from interfund services provided	-	183,302
Payments to suppliers	(1,092,307)	(183,221)
Net cash provided by operating activities	<u>336,712</u>	<u>81</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to other funds	(200,000)	-
Net cash used in noncapital financing activities	<u>(200,000)</u>	<u>-</u>
Net increase in cash and cash equivalents	136,712	81
<b>Cash and cash equivalents:</b>		
Beginning of year	<u>229,845</u>	<u>4,910</u>
End of year	<u>\$ 366,557</u>	<u>\$ 4,991</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 310,538	\$ 5,866
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	823	-
Changes in assets and liabilities:		
Increase in accounts receivable	(17,110)	-
Increase in prepaid insurance	-	(2,316)
Decrease in due from other funds	38,178	-
Increase (decrease) in accounts payable	(52,119)	13,228
Increase (decrease) in deferred liabilities	11,202	(16,697)
Increase in due to other funds	45,200	-
Net cash provided by operating activities	<u>\$ 336,712</u>	<u>\$ 81</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, 2012**

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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.

Governmental Accounting Standards Board (GASB) Statement 14, as amended by GASB Statement 39, defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. At June 30, 2012, the City's only component unit is the Riverdale Downtown Development Authority.

The Riverdale Downtown Development Authority (the "Downtown Development Authority") was created to revitalize and redevelop the City's central business district. Board members are appointed by the City of Riverdale, and the City provides an annual supplement to cover the cost of operations. Separate financial statements are prepared for the Downtown Development Authority and may be obtained from Riverdale's City Hall, 6690 Church Street, Riverdale, Georgia 30274.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. *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.

## 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, franchise taxes, licenses, 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.

## 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)

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 SPLOST fund** accounts for the financing and construction of facilities and improvements in accordance with sales tax referendums.

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

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

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 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.

The **Workers' Compensation internal service fund** is used by management to charge costs associated with providing workers' compensation insurance benefits to other departments or funds of the City on a cost reimbursement basis.

## 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)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Proprietary funds distinguish *operating* revenues and expenses from *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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Budgets and Budgetary Accounting (Continued)

4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of \$5,000 between departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any department or fund must be approved by the City Council. The City Council made several immaterial supplemental budget appropriations during the year.
5. Formal budgetary integration is employed as a management control device during the year for all the governmental funds and the enterprise fund. The budget for the enterprise fund is prepared for planning and control purposes only.
6. Budgets for the governmental funds and the enterprise fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

During fiscal year 2012, annual budgets were not legally adopted for the capital projects funds.

#### E. Cash and Investments

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

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

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of June 30, 2012:

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

## NOTES TO FINANCIAL STATEMENTS

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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 assets. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net assets 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 are classified as restricted assets on the balance sheet because their use is limited to specific construction and acquisition activity.

#### I. Capital Assets

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. No interest was capitalized during the fiscal year ended June 30, 2012.

## 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 assets. Bond premiums and discounts, as well as issuance costs and deferred charges, 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 reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as 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 not employed by the City.

#### M. Fund Equity

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

**Fund Balance** – Generally, fund balance represents the difference between the assets 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 (Continued)

- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City 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 action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- **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, 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 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 Assets** - Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, 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 assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Use of 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 and liabilities, the disclosure of contingent assets 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.

### 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 assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. 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 \$20,304,326 difference are as follows:

Certificates of participation	\$ (14,092,000)
Plus: Issuance premium (to be amortized against interest expense)	(240,296)
Less: Deferred fair value of interest rate sweep	367,448
Bonds payable	(5,400,000)
Less: Issuance Discount (to be amortized against interest expense)	94,102
Compensated absences	(644,309)
Accrued interest	(142,393)
Postretirement benefit obligation	<u>(246,878)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u><u>\$ (20,304,326)</u></u>

Another element of this reconciliation explains that “other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.” The details of this \$771,570 difference are as follows:

Deferred property tax revenue	\$ 132,071
Deferred grant revenue	13,919
Deferred fines and forfeitures	<u>625,580</u>
 Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u><u>\$ 771,570</u></u>

## 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

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 assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$1,240,044 difference are as follows:

Capital outlay	\$ 2,752,572
Depreciation expense	(1,512,528)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 1,240,044

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 assets.” The details of this \$2,445,000 difference are as follows:

Principal repayments	
Certificates of participation	\$ 2,345,000
Bonds payable	100,000
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 2,445,000

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$179,222 difference are as follows:

Change in accrued interest	\$ 15,863
Amortization of debt issuance costs	(32,513)
Amortization of premium	9,302
Amortization of discount	(3,381)
Amortization of deferred fair value of interest rate swap	188,134
Change in compensated absences	59,353
Change in OPEB obligation	(57,536)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	\$ 179,222

### NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2012, are summarized as follows:

As reported in the Statement of Net Assets:	
Cash and cash equivalents	\$ 4,095,485
Investments	1,810,594
Restricted assets, cash	3,578,238
	\$ 9,484,317
Cash deposited with financial institutions	\$ 7,585,797
Cash deposited with Georgia Fund 1	348,447
Money Market funds	87,926
Investment in U.S. Government Securities	779,129
Guaranteed Investment Contract	683,018
	\$ 9,484,317

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

## NOTES TO FINANCIAL STATEMENTS

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

At June 30, 2012, the City had the following investments:

Investments	Maturities	Fair Value
Georgia Fund 1	48 day average maturity	\$ 348,447
U.S. Government Securities	323 day weighted average	779,129
Guaranteed Investment Contract	June 1, 2028	683,018
Total		\$ 1,810,594

As of June 30, 2012, the City's investment in Georgia Fund 1 was rated AAAm by Standard & Poor's, and the City's investment in the Guaranteed Investment Contract was rated A+ by Standard & Poor's.

Georgia Fund 1 was created under OCGA 36-83-8 and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. 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 value). Net 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 fair value of the City's position in the pool is the same as the value of pool shares (\$1 per share value). The pool is regulated by the Georgia Office of the State Treasurer. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1.00 per share.

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

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. As of June 30, 2012, the deposits of the City were properly collateralized as defined by GASB pronouncements and the State of Georgia.

## NOTES TO FINANCIAL STATEMENTS

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

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

**Concentration of Credit Risk.** The City's investment policy sets a maximum percentage of certain investments to total investments on the following investment types: 1) repurchase agreements 25%; 2) certificates of deposit 65%; and 3) state investment pools 10%. As of June 30, 2012, approximately 20% of the City's investments were in the State of Georgia's investment pool. In addition, approximately 39% of the City's investments were in repurchase agreements (the guaranteed investment contract). However, the repurchase agreement was obtained in connection with the 1998 issuance of the certificates of participation and was approved by the City Council.

### NOTE 4. RECEIVABLES

Receivables as of June 30, 2012, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Governmental Funds	Solid Waste Management Fund
Receivables:			
Taxes	\$ 489,171	\$ 4,036	\$ -
Accounts	1,467,168	29,123	121,227
	1,956,339	33,159	121,227
Less: Allowance for uncollectible accounts	(649,582)	-	(45,011)
	\$ 1,306,757	\$ 33,159	\$ 76,216

#### Property Taxes

Property taxes were levied on September 17, 2011 (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 September 17, 2011, and payable on or before November 17, 2011, for the 2011 taxes. Taxes not paid within 30 days of the November 17th due date were subject to property tax liens on May 30, 2012. Property tax revenues are recognized when levied to the extent they result in current receivables.

The tax rate levied during fiscal year 2012 for the City's operations was 7.5 mills (mill equals \$1 per thousand dollars of assessed value).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,340,954	\$ -	\$ (530,460)	\$ -	\$ 1,810,494
Construction in progress	211,579	2,250,561	-	-	2,462,140
Total capital assets, not being depreciated	<u>2,552,533</u>	<u>2,250,561</u>	<u>(530,460)</u>	<u>-</u>	<u>4,272,634</u>
Capital assets, being depreciated:					
Buildings and improvements	23,521,802	22,664	-	-	23,544,466
Improvements other than buildings	51,338	-	(14,539)	-	36,799
Infrastructure	1,285,930	-	-	-	1,285,930
Vehicles and related equipment	3,174,367	296,915	(50,050)	-	3,421,232
Furniture and other equipment	3,158,905	196,971	(5,500)	-	3,350,376
Total capital assets, being depreciated	<u>31,192,342</u>	<u>516,550</u>	<u>(70,089)</u>	<u>-</u>	<u>31,638,803</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,623,451)	(534,045)	-	-	(2,157,496)
Improvements other than buildings	(9,405)	-	7,221	-	(2,184)
Infrastructure	(185,240)	(20,819)	-	-	(206,059)
Vehicles and related equipment	(2,417,760)	(411,860)	50,050	-	(2,779,570)
Furniture and other equipment	(2,081,850)	(545,804)	5,500	-	(2,622,154)
Total accumulated depreciation	<u>(6,317,706)</u>	<u>(1,512,528)</u>	<u>62,771</u>	<u>-</u>	<u>(7,767,463)</u>
Total capital assets, being depreciated, net	<u>24,874,636</u>	<u>(995,978)</u>	<u>(7,318)</u>	<u>-</u>	<u>23,871,340</u>
Total capital assets, net	<u>\$ 27,427,169</u>	<u>\$ 1,254,583</u>	<u>\$ (537,778)</u>	<u>\$ -</u>	<u>\$ 28,143,974</u>

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

Governmental activities:	
General government	\$ 148,885
Judicial	18,901
Public safety	604,452
Public works	214,712
Parks and recreation	58,055
Economic development	467,523
Total depreciation - governmental activities	<u>\$ 1,512,528</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	(6,174)	(823)	-	(6,997)
Total accumulated depreciation	<u>(6,174)</u>	<u>(823)</u>	<u>-</u>	<u>(6,997)</u>
Total capital assets, being depreciated, net	<u>10,290</u>	<u>(823)</u>	<u>-</u>	<u>9,467</u>
Total capital assets, net	<u>\$ 10,290</u>	<u>\$ (823)</u>	<u>\$ -</u>	<u>\$ 9,467</u>

Capital asset activity for the Downtown Development Authority for the fiscal year ended June 30, 2012, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 20,289	\$ -	\$ -	\$ 20,289
Total capital assets, not being depreciated	<u>20,289</u>	<u>-</u>	<u>-</u>	<u>20,289</u>
Capital assets, being depreciated:				
Furniture and other equipment	18,255	4,498	-	22,753
Total capital assets, being depreciated	<u>18,255</u>	<u>4,498</u>	<u>-</u>	<u>22,753</u>
Less accumulated depreciation for:				
Furniture and other equipment	(6,003)	(3,391)	-	(9,394)
Total accumulated depreciation	<u>(6,003)</u>	<u>(3,391)</u>	<u>-</u>	<u>(9,394)</u>
Total capital assets, being depreciated, net	<u>12,252</u>	<u>1,107</u>	<u>-</u>	<u>13,359</u>
Total capital assets, net	<u>\$ 32,541</u>	<u>\$ 1,107</u>	<u>\$ -</u>	<u>\$ 33,648</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2012, 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	\$ 15,415,000	\$ -	\$ (2,345,000)	\$ 13,070,000	\$ 2,445,000
Plus unamortized premium	249,598	-	(9,302)	240,296	9,302
1998 Certificates of participation	1,022,000	-	-	1,022,000	-
Certificates of participation, net	16,686,598	-	(2,354,302)	14,332,296	2,454,302
Bonds payable	5,500,000	-	(100,000)	5,400,000	100,000
Less unamortized discount	(97,483)	-	3,381	(94,102)	(3,381)
Bonds payable, net	5,402,517	-	(96,619)	5,305,898	96,619
Compensated absences	703,662	420,830	(480,183)	644,309	433,455
Postretirement benefit obligation	189,342	106,773	(49,237)	246,878	-
Governmental activity Long-term liabilities	<u>\$ 22,982,119</u>	<u>\$ 527,603</u>	<u>\$ (2,980,341)</u>	<u>\$ 20,529,381</u>	<u>\$ 2,984,376</u>

Compensated absences and the postretirement benefit obligation are generally liquidated by the General Fund.

The following is a summary of long-term debt activity for the Downtown Development Authority for the year ended June 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital lease payable	\$ 4,536	\$ -	\$ (1,512)	\$ 3,024	\$ 1,512
Due to City of Riverdale	200,000	-	-	200,000	-
Long-term liabilities	<u>\$ 204,536</u>	<u>\$ -</u>	<u>\$ (1,512)</u>	<u>\$ 203,024</u>	<u>\$ 1,512</u>

## 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, 2012, the floating rate being paid by the City is 0.49% and the market value of the agreement is \$367,448, an increase of \$188,134 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, 2012, based on the derivative contract. This market value is reported as an asset in the statement of net assets. 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 deferred revenue in the statement of net assets.

## 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. The repayment period is determined by the estimated useful life of the asset purchased.

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

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

Fiscal Year	Principal	Interest	Total
2013	\$ 2,445,000	\$ 637,664	\$ 3,082,664
2014	2,540,000	539,864	3,079,864
2015	2,435,000	438,264	2,873,264
2016	140,000	340,864	480,864
2017	145,000	335,264	480,264
2018 - 2022	825,000	1,582,444	2,407,444
2023 - 2027	1,030,000	1,369,413	2,399,413
2028 - 2032	2,367,000	868,595	3,235,595
2033 - 2037	1,755,000	412,775	2,167,775
2038 - 2039	410,000	22,550	432,550
	\$ 14,092,000	\$ 6,547,697	\$ 20,639,697

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

## NOTES TO FINANCIAL STATEMENTS

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

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

Fiscal Year	Principal	Interest	Total
2013	\$ 100,000	\$ 265,242	\$ 365,242
2014	-	263,493	263,493
2015	-	263,492	263,492
2016	155,000	263,493	418,493
2017	160,000	259,230	419,230
2018 - 2022	840,000	1,209,042	2,049,042
2023 - 2027	950,000	1,018,940	1,968,940
2028 - 2032	1,085,000	765,743	1,850,743
2033 - 2037	1,255,000	454,625	1,709,625
2038 - 2040	855,000	97,313	952,313
	<u>\$ 5,400,000</u>	<u>\$ 4,860,613</u>	<u>\$ 10,260,613</u>

**Capital Lease.** During the fiscal year ended June 30, 2010, the Downtown Development Authority entered in a lease agreement for financing the acquisition of certain office equipment. The lease agreement qualifies 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. The lease does not bear interest.

The following is an analysis of the leased equipment under capital lease as of June 30, 2012:

Equipment	\$ 6,048
Less: Accumulated depreciation	(2,722)
	<u>\$ 3,326</u>

The following is a schedule of future minimum lease payments under the capital lease at June 30, 2012:

Fiscal year ending June 30,	
2013	\$ 1,512
2014	1,512
Total future minimum lease payments	<u>\$ 3,024</u>

## NOTES TO FINANCIAL STATEMENTS

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

**Due to City of Riverdale.** In fiscal years 2008 and 2009, the Authority received a total of \$200,000 from the City to fund its operational expenses. The 2007 Intergovernmental Agreement, as amended, requires that the loan be repaid by the Authority as the funds become available, up to but not exceeding, 50 years. The outstanding balance of the loan at June 30, 2012 is \$200,000.

### NOTE 7. EMPLOYEE BENEFIT PLANS

#### **Deferred Compensation 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). This plan is not reported in these financial statements.

#### **Defined Contribution Plan**

As authorized by City Council, the City provides pension benefits for all of its full-time employees through a defined contribution plan, City of Riverdale Pension 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 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:

<u>Participant's Salary Reduction Amount</u>	<u>City's Contribution</u>
2% of employee's regular bi-weekly wages	4% 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:

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. EMPLOYEE BENEFIT PLANS (CONTINUED)

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

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 required and actual contribution to the plan for the year ended June 30, 2012, was \$67,566. This contribution represented approximately 1.20% of the City's current year payroll for all eligible employees, which was \$5,854,744. Contributions from employees were \$56,390 representing approximately 1.00% of covered payroll.

### NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

#### Plan Description

The City of Riverdale Postretirement Medical 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. A complete report of the plan can be obtained from the City Clerk's office. The City pays 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, 2011, monthly premium rates were \$252 for medical and \$27 for dental.

#### Funding Policy

The provisions and obligations to contribute are established and may be amended by City Council. The City finances the plan on a pay-as-you-go basis. The amount paid for these benefits for the year ended June 30, 2012 was \$49,237. Nine individuals are currently eligible to receive these benefits.

## NOTES TO FINANCIAL STATEMENTS

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

**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, 2011, (the most recent actuarial valuation date) and the changes in the City's net OPEB obligation:

#### Derivation of Annual OPEB Cost

Annual Required Contribution for fiscal year ending June 30, 2012	\$	109,036
Interest on Net OPEB Obligation		9,467
Adjustment to annual required contribution		(11,730)
Annual OPEB Cost	\$	106,773

#### Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Year	\$	106,773
Actual Employer Contributions Made		(49,237)
Increase in Net OPEB Obligation		57,536
Net OPEB Obligation - June 30, 2011		189,342
Net OPEB Obligation - June 30, 2012	\$	246,878

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
2009	\$ 98,534	\$ 17,368	17.6%	\$ 81,166
2010	98,216	38,025	38.7%	141,357
2011	91,456	43,471	47.5%	189,342
2012	106,773	49,237	46.1%	246,878

## NOTES TO FINANCIAL STATEMENTS

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

**Funded Status and Funding Progress.** As of July 1, 2011, 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
7/1/2011	\$ -	\$ 879,060	\$ 879,060	- %	\$ 5,854,744	15.0%

**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 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, 2011 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 net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. BUDGET COMPLIANCE AND DEFICIT FUND EQUITY

#### A. Excess of Expenditures over Appropriations

For the year ended June 30, 2012, expenditures exceeded budget appropriations, as follows:

<u>Department</u>	<u>Excess</u>
General Fund:	
Police	\$ 13,314
Municipal court	2,288
Confiscated Assets Fund:	
Public safety	12,924
Cultural/Recreational Fund:	
Culture and recreation	15,628
Red Light Enforcement Fund:	
Capital outlay	132

These overexpenditures were funded by greater than anticipated revenues, underexpenditures in other departments, and available fund balance.

#### B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2012:

<u>Fund</u>	<u>Deficit</u>
LCI Grant Fund	\$ 1,309
CDBG Grant Fund	13,919

These deficits will be eliminated through future grant revenues.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2012, are as follows:

<u>Due From</u>	<u>Due To</u>				<u>Total</u>
	<u>General Fund</u>	<u>COPS 2009 Fund</u>	<u>Nonmajor Governmental</u>	<u>Solid Waste Management Fund</u>	
General Fund	\$ -	\$ 2,160	\$ 33,034	\$ 882,227	\$ 917,421
SPLOST Fund	97,378	-	-	-	97,378
COPS 2009 Fund	14,070	-	-	-	14,070
Recovery Bond Fund	9,224	-	-	-	9,224
Capital Projects Fund	679,750	-	-	-	679,750
Nonmajor Governmental Funds	42,643	-	-	-	42,643
Solid Waste Management Fund	45,200	-	-	-	45,200
Total	<u>\$ 888,265</u>	<u>\$ 2,160</u>	<u>\$ 33,034</u>	<u>\$ 882,227</u>	<u>\$ 1,805,686</u>

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

Interfund transfers for the year ended June 30, 2012, consisted of the following:

<u>Transfer from</u>	<u>General Fund</u>	<u>COPS 2009 Fund</u>	<u>Recovery Bond Fund</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
General Fund	\$ -	\$ 482,119	\$ 249,177	\$ 384,575	\$ 1,115,871
SPLOST Capital Projects Fund	-	2,545,800	-	-	2,545,800
Solid Waste Fund	200,000	-	-	-	200,000
Nonmajor Governmental Funds	69,971	-	-	-	69,971
Total	<u>\$ 269,971</u>	<u>\$ 3,027,919</u>	<u>\$ 249,177</u>	<u>\$ 384,575</u>	<u>\$ 3,931,642</u>

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RISK MANAGEMENT

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

On March 21, 1997, the City established its Workers' Compensation Insurance Internal Service Fund. Workers' Compensation claims exceeding \$225,000 are funded by private insurance carriers, whereas claims below \$225,000 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.

Changes in the balance of claims liabilities during the fiscal year are as follows:

	June 30,	
	2012	2011
Balance - beginning of year	\$ 117,033	\$ 137,743
Current year claims and changes in estimates	142,473	87,173
Claim payments	(159,170)	(107,883)
Balance - end of fiscal year	\$ 100,336	\$ 117,033

### NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. For the fiscal year ended June 30, 2012, \$18,906 of hotel/motel tax was collected. A total of \$23,533, or 124.5%, 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, 2012.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. JOINT VENTURES**

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). During its year ended June 30, 2012, 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 14. COMMITMENTS AND CONTINGENCIES**

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.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal 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**

<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>
7/1/2011	\$ -	\$ 879,060	\$ 879,060	- %	\$ 5,854,744	15.0%
7/1/2010	-	816,253	816,253	- %	4,538,934	18.0%
7/1/2009	-	881,268	881,268	- %	4,712,235	18.7%
7/1/2008	-	874,844	874,844	- %	N/A	N/A

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

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**COMBINING STATEMENTS  
AND SCHEDULES**



# CITY OF RIVERDALE, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted 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 **Cultural/Recreational Fund** accounts for the revenues and expenditures generated by the Riverdale Town Center.

The **LCI Grant Fund** accounts for the collection and use of grant funds received for various projects.

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

### CAPITAL PROJECTS FUNDS

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

The **CDBG Grant Fund** accounts for proceeds and expenditures of the Community Development Block Grants received from Clayton County, Georgia.

The **EDI Grant Fund** accounts for funds used in the design and construction of a multi-purpose facility for low- and moderate-income residents in accordance with grant proceeds received under an Economic Development Initiative-Special Project agreement with the US Department of Housing and Urban Development.

The **Economic Development Fund** accounts for activities that are directed toward economically developing the area encompassed by the government and providing assistance to, and opportunity for, economically disadvantaged persons and businesses.

**CITY OF RIVERDALE, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

ASSETS	Special Revenue Funds					
	Emergency Communication Fund	Hotel/ Motel Tax Fund	Confiscated Assets Fund	Cultural/ Recreational Fund	LCI Grant Fund	Red Light Enforcement Fund
Cash and cash equivalents	\$ 108,593	\$ 1,590	\$ 80,307	\$ 197,923	\$ 41	\$ 385
Taxes receivable	-	4,036	-	-	-	-
Accounts receivable	25,623	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Due from other funds	119	11,595	21,320	-	-	-
Prepaid expenditures	-	-	500	27,663	-	-
<b>Total assets</b>	<b>\$ 134,335</b>	<b>\$ 17,221</b>	<b>\$ 102,127</b>	<b>\$ 225,586</b>	<b>\$ 41</b>	<b>\$ 385</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 6,251	\$ 7,612	\$ 1,941	\$ 12,062	\$ -	\$ -
Accrued expenses	3,628	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	4,477	-	28,363	1,350	-
<b>Total liabilities</b>	<b>9,879</b>	<b>12,089</b>	<b>1,941</b>	<b>40,425</b>	<b>1,350</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>						
Restricted for:						
Emergency communications	124,456	-	-	-	-	-
Federal programs	-	-	-	-	-	-
Law enforcement purposes	-	-	100,186	-	-	385
Promotion of tourism	-	5,132	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Culture and recreation	-	-	-	185,161	-	-
Economic development	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,309)	-
<b>Total fund balances (deficit)</b>	<b>124,456</b>	<b>5,132</b>	<b>100,186</b>	<b>185,161</b>	<b>(1,309)</b>	<b>385</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 134,335</b>	<b>\$ 17,221</b>	<b>\$ 102,127</b>	<b>\$ 225,586</b>	<b>\$ 41</b>	<b>\$ 385</b>

<b>Capital Project Funds</b>				
<b>Capital Budget Reserve Fund</b>	<b>CDBG Grant Fund</b>	<b>EDI Grant Fund</b>	<b>Economic Development Fund</b>	<b>Totals</b>
\$ 596,735	\$ -	\$ 84	\$ 43	\$ 985,701
-	-	-	-	4,036
-	-	-	3,500	29,123
-	13,919	-	-	13,919
-	-	-	200,000	200,000
-	-	-	-	33,034
-	-	-	-	28,163
<u>\$ 596,735</u>	<u>\$ 13,919</u>	<u>\$ 84</u>	<u>\$ 203,543</u>	<u>\$ 1,293,976</u>
\$ -	\$ 13,919	\$ -	\$ -	\$ 41,785
-	-	-	-	3,628
-	13,919	-	-	13,919
-	-	-	8,453	42,643
<u>-</u>	<u>27,838</u>	<u>-</u>	<u>8,453</u>	<u>101,975</u>
-	-	-	-	124,456
-	-	84	-	84
-	-	-	-	100,571
-	-	-	-	5,132
596,735	-	-	-	596,735
-	-	-	-	185,161
-	-	-	195,090	195,090
-	(13,919)	-	-	(15,228)
<u>596,735</u>	<u>(13,919)</u>	<u>84</u>	<u>195,090</u>	<u>1,192,001</u>
<u>\$ 596,735</u>	<u>\$ 13,919</u>	<u>\$ 84</u>	<u>\$ 203,543</u>	<u>\$ 1,293,976</u>

**CITY OF RIVERDALE, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b>Special Revenue Funds</b>					
	<b>Emergency Communication Fund</b>	<b>Hotel/ Motel Tax Fund</b>	<b>Confiscated Assets Fund</b>	<b>Cultural/ Recreational Fund</b>	<b>LCI Grant Fund</b>	<b>Red Light Enforcement Fund</b>
<b>Revenues:</b>						
Other taxes	\$ -	\$ 18,906	\$ -	\$ 3	\$ -	\$ -
Charges for services	184,159	-	-	276,798	-	-
Fines and forfeitures	-	-	47,162	-	-	1,503
Intergovernmental	-	-	-	-	-	-
Other revenues	-	-	-	10,304	-	-
Total revenues	<u>184,159</u>	<u>18,906</u>	<u>47,162</u>	<u>287,105</u>	<u>-</u>	<u>1,503</u>
<b>Expenditures:</b>						
Current:						
Public safety	438,854	-	48,924	-	-	232
Culture and recreation	-	-	-	161,413	-	-
Economic development	-	23,533	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>438,854</u>	<u>23,533</u>	<u>48,924</u>	<u>161,413</u>	<u>-</u>	<u>232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(254,695)</u>	<u>(4,627)</u>	<u>(1,762)</u>	<u>125,692</u>	<u>-</u>	<u>1,271</u>
<b>Other financing sources (uses)</b>						
Transfers in	338,875	500	-	-	-	-
Total other financing sources (uses)	<u>338,875</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	84,180	(4,127)	(1,762)	125,692	-	1,271
<b>Fund balances (deficit), beginning of year</b>	<u>40,276</u>	<u>9,259</u>	<u>101,948</u>	<u>59,469</u>	<u>(1,309)</u>	<u>(886)</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 124,456</u>	<u>\$ 5,132</u>	<u>\$ 100,186</u>	<u>\$ 185,161</u>	<u>\$ (1,309)</u>	<u>\$ 385</u>

<b>Capital Project Funds</b>				
<b>Capital Budget Reserve Fund</b>	<b>CDBG Grant Fund</b>	<b>EDI Grant Fund</b>	<b>Economic Development Fund</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ 18,909
-	-	-	-	460,957
-	-	-	-	48,665
-	486,081	-	-	486,081
-	-	-	-	10,304
-	486,081	-	-	1,024,916
-	-	-	-	488,010
-	-	-	-	161,413
-	-	-	42,061	65,594
-	500,000	-	-	500,000
-	500,000	-	42,061	1,215,017
-	(13,919)	-	(42,061)	(190,101)
-	-	-	45,200	384,575
-	-	-	45,200	384,575
-	(13,919)	-	3,139	194,474
596,735	-	84	191,951	997,527
<u>\$ 596,735</u>	<u>\$ (13,919)</u>	<u>\$ 84</u>	<u>\$ 195,090</u>	<u>\$ 1,192,001</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Charges for services	\$ 245,175	\$ 245,175	\$ 184,159	\$ (61,016)
Total revenues	<u>245,175</u>	<u>245,175</u>	<u>184,159</u>	<u>(61,016)</u>
<b>Expenditures</b>				
Public safety	508,026	508,026	438,854	69,172
Total expenditures	<u>508,026</u>	<u>508,026</u>	<u>438,854</u>	<u>69,172</u>
Deficiency of revenues over expenditures	<u>(262,851)</u>	<u>(262,851)</u>	<u>(254,695)</u>	<u>8,156</u>
<b>Other financing sources:</b>				
Transfers in	262,851	262,851	338,875	76,024
Total other financing sources	<u>262,851</u>	<u>262,851</u>	<u>338,875</u>	<u>76,024</u>
Net change in fund balance	-	-	84,180	84,180
<b>Fund balances, beginning of year</b>	<u>40,276</u>	<u>40,276</u>	<u>40,276</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 40,276</u>	<u>\$ 40,276</u>	<u>\$ 124,456</u>	<u>\$ 84,180</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Other taxes	\$ 30,172	\$ 30,172	\$ 18,906	\$ (11,266)
Total revenues	<u>30,172</u>	<u>30,172</u>	<u>18,906</u>	<u>(11,266)</u>
<b>Expenditures</b>				
Economic development	30,172	30,172	23,533	6,639
Total expenditures	<u>30,172</u>	<u>30,172</u>	<u>23,533</u>	<u>6,639</u>
Deficiency of revenues over expenditures	-	-	(4,627)	(4,627)
<b>Other financing sources:</b>				
Transfers in	-	-	500	500
Total other financing sources	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Net change in fund balance	-	-	(4,127)	(4,127)
<b>Fund balances, beginning of year</b>	<u>9,259</u>	<u>9,259</u>	<u>9,259</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 9,259</u>	<u>\$ 9,259</u>	<u>\$ 5,132</u>	<u>\$ (4,127)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Fines and forfeitures	\$ 36,000	\$ 36,000	\$ 47,162	\$ 11,162
Total revenues	<u>36,000</u>	<u>36,000</u>	<u>47,162</u>	<u>11,162</u>
<b>Expenditures</b>				
Public safety	36,000	36,000	48,924	(12,924)
Total expenditures	<u>36,000</u>	<u>36,000</u>	<u>48,924</u>	<u>(12,924)</u>
Net change in fund balance	-	-	(1,762)	(1,762)
<b>Fund balances, beginning of year</b>	<u>101,948</u>	<u>101,948</u>	<u>101,948</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 101,948</u>	<u>\$ 101,948</u>	<u>\$ 100,186</u>	<u>\$ (1,762)</u>

**CITY OF RIVERDALE, GEORGIA  
CULTURAL/RECREATIONAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Other taxes	\$ -	\$ -	\$ 3	\$ 3
Charges for services	145,785	145,785	276,798	131,013
Other revenues	-	-	10,304	10,304
Total revenues	<u>145,785</u>	<u>145,785</u>	<u>287,105</u>	<u>141,320</u>
<b>Expenditures</b>				
Culture and recreation	145,785	145,785	161,413	(15,628)
Total expenditures	<u>145,785</u>	<u>145,785</u>	<u>161,413</u>	<u>(15,628)</u>
Net change in fund balance	-	-	125,692	125,692
<b>Fund balances, beginning of year</b>	<u>59,469</u>	<u>59,469</u>	<u>59,469</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 59,469</u>	<u>\$ 59,469</u>	<u>\$ 185,161</u>	<u>\$ 125,692</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Fines and forfeitures	\$ 100	\$ 100	\$ 1,503	\$ 1,403
Total revenues	<u>100</u>	<u>100</u>	<u>1,503</u>	<u>1,403</u>
<b>Expenditures</b>				
Current:				
Public safety	100	100	232	(132)
Total expenditures	<u>100</u>	<u>100</u>	<u>232</u>	<u>(132)</u>
Net change in fund balance	-	-	1,271	1,271
<b>Fund balances (deficit), beginning of year</b>	<u>(886)</u>	<u>(886)</u>	<u>(886)</u>	<u>-</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ (886)</u>	<u>\$ (886)</u>	<u>\$ 385</u>	<u>\$ 1,271</u>

**CITY OF RIVERDALE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Road improvements	\$ 2,954,728	\$ -	\$ -	\$ -	\$ -
Streetscapes	2,401,465	1,829,273	-	-	-
Park improvements	5,045,271	5,045,271	-	-	-
Community Center	4,000,000	9,825,456	4,391,951	2,545,800	6,937,751
Acquisition of land for parks and greenspace	<u>3,000,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 17,401,464</u>	<u>\$ 17,200,000</u>	<u>\$ 4,391,951</u>	<u>\$ 2,545,800</u>	<u>\$ 6,937,751</u>

**NOTE:** Current year expenditures of \$2,545,800 as shown above are reflected as a transfer out to the COPS 2009 Fund on the Statement of Revenues, Expenditures and Changes in Fund Balance for repayment of the debt associated with the construction of the Town Center.

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# 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>60 - 65</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>66 - 70</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>71 - 73</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>74 and 75</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>76 - 78</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. The City implemented GASB 34 in 2004; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

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**CITY OF RIVERDALE, GEORGIA**

**NET ASSETS BY ACTIVITY  
LAST NINE FISCAL YEARS**

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets, net of related debt	\$ 3,585,173	\$ 4,078,190	\$ 3,922,209	\$ 7,017,066	\$ 4,242,952	\$ 6,411,299	\$ 10,242,814	\$ 10,953,227	\$ 12,767,036
Restricted	1,245,430	884,358	1,267,166	45,030	-	264,461	1,318,609	230,669	124,456
Unrestricted	3,135,700	2,013,891	3,099,296	2,933,600	6,344,978	4,934,319	2,213,959	4,302,790	5,194,679
Total governmental activities net assets	<u>\$ 7,966,303</u>	<u>\$ 6,976,439</u>	<u>\$ 8,288,671</u>	<u>\$ 9,995,696</u>	<u>\$ 10,587,930</u>	<u>\$ 11,610,079</u>	<u>\$ 13,775,382</u>	<u>\$ 15,486,686</u>	<u>\$ 18,086,171</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 16,052	\$ 15,229	\$ 14,406	\$ 13,583	\$ 12,760	\$ 11,936	\$ 11,113	\$ 10,290	\$ 9,467
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	51,552	32,771	12,710	176,507	312,500	434,173	540,937	747,804	859,165
Total business-type activities net assets	<u>\$ 67,604</u>	<u>\$ 48,000</u>	<u>\$ 27,116</u>	<u>\$ 190,090</u>	<u>\$ 325,260</u>	<u>\$ 446,109</u>	<u>\$ 552,050</u>	<u>\$ 758,094</u>	<u>\$ 868,632</u>
Primary government									
Invested in capital assets, net of related debt	\$ 3,601,225	\$ 4,093,419	\$ 3,936,615	\$ 7,030,649	\$ 4,255,712	\$ 6,423,235	\$ 10,253,927	\$ 10,963,517	\$ 12,776,503
Restricted	1,245,430	884,358	1,267,166	45,030	-	264,461	1,318,609	230,669	124,456
Unrestricted	3,187,252	2,046,662	3,112,006	3,110,107	6,657,478	5,368,492	2,754,896	5,050,594	6,053,844
Total primary government net assets	<u>\$ 8,033,907</u>	<u>\$ 7,024,439</u>	<u>\$ 8,315,787</u>	<u>\$ 10,185,786</u>	<u>\$ 10,913,190</u>	<u>\$ 12,056,188</u>	<u>\$ 14,327,432</u>	<u>\$ 16,244,780</u>	<u>\$ 18,954,803</u>

**Note:** The City has elected to present nine years of data to correspond with the implementation of GASB-34 in FY 2004.

**CITY OF RIVERDALE, GEORGIA**

**CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS**

Expenses	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
General government	\$ 1,588,029	\$ 1,773,608	\$ 1,776,563	\$ 2,452,383	\$ 3,018,326	\$ 2,941,426	\$ 3,122,313	\$ 2,893,857	\$ 2,912,979
Judicial	-	-	-	469,683	526,835	604,712	1,600,470	669,343	630,083
Public safety and courts	7,584,870	7,379,922	6,698,532	5,541,456	5,920,902	5,971,501	6,195,634	6,023,012	6,115,912
Highways and streets	1,210,422	1,164,175	991,823	717,264	389,957	352,519	136,078	187,608	284,870
Parks and recreation	9,538	6,015	32,394	623,675	1,314,469	867,159	158,075	610,173	705,044
Community development	325,594	345,623	359,149	4,600	74,717	55,470	904,257	896,357	1,094,948
Interest on long-term debt	76,091	75,378	66,772	63,059	55,990	386,349	896,089	841,790	820,677
Total governmental activities expenses	10,794,544	10,744,721	9,925,233	9,872,120	11,301,196	11,179,136	13,012,916	12,122,140	12,564,513
Business-type activities:									
Solid waste management	214,111	14,941	254,309	517,686	534,347	587,569	808,091	1,093,854	1,041,011
Total business-type activities expenses	214,111	14,941	254,309	517,686	534,347	587,569	808,091	1,093,854	1,041,011
Total primary government expenses	11,008,655	10,759,662	10,179,542	10,389,806	11,835,543	11,766,705	13,821,007	13,215,994	13,605,524
<b>Program revenues</b>									
Governmental activities:									
Charges for services:									
General government	97,861	115,127	56,610	154,202	415,245	353,985	349,130	352,035	474,938
Public safety and courts	2,611,597	1,958,542	2,462,458	2,482,951	2,373,397	2,745,833	3,914,311	2,740,028	3,256,824
Highways and streets	-	-	-	-	94,039	54,547	62,577	60,217	51,869
Parks and recreation	-	-	-	-	-	-	-	103,789	287,102
Community development	182,566	151,251	323,348	-	28,158	29,351	44,481	55,230	37,693
Operating grants and contributions	-	-	60,504	81,932	32,981	47,021	110,203	94,316	122,515
Capital grants and contributions	230,708	137,606	271,534	75,040	259,350	683,922	2,700,785	2,826,965	3,223,703
Total governmental activities program revenues	3,122,732	2,362,526	3,174,454	2,794,125	3,203,170	3,914,659	7,181,487	6,232,580	7,454,644
Business-type activities:									
Charges for services	330,526	183,939	397,854	680,560	669,517	708,418	1,045,790	1,299,898	1,351,549
Operating grants and contributions	-	-	60,504	-	-	-	-	-	-
Capital grants and contributions	7,500	-	-	-	-	-	-	-	-
Total business-type activities program revenues	338,026	183,939	458,358	680,560	669,517	708,418	1,045,790	1,299,898	1,351,549
Total primary government program revenues	3,460,758	2,546,465	3,632,812	3,474,685	3,872,687	4,623,077	8,227,277	7,532,478	8,806,193
Net (expense)/revenue									
Governmental activities	(7,671,812)	(8,382,195)	(6,750,779)	(7,077,995)	(8,098,026)	(7,264,477)	(5,831,429)	(5,889,560)	(5,109,869)
Business-type activities	123,915	168,998	204,049	162,874	135,170	120,849	237,699	206,044	310,538
Total primary government net expense	(7,547,897)	(8,213,197)	(6,546,730)	(6,915,121)	(7,962,856)	(7,143,628)	(5,593,730)	(5,683,516)	(4,799,331)

(Continued)

**CITY OF RIVERDALE, GEORGIA**

**CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS**

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General revenues and other changes in net assets</b>									
Governmental activities:									
Taxes									
Property taxes	2,190,570	2,344,313	2,444,245	2,752,436	2,986,777	2,835,424	2,606,937	2,359,879	2,194,301
Sales taxes	2,613,731	2,703,653	3,045,895	3,007,401	3,010,800	2,813,210	2,703,283	2,625,328	2,724,260
Franchise taxes	526,519	626,884	591,386	680,563	697,891	734,939	713,508	764,745	786,874
Occupational taxes	469,768	511,688	508,156	-	-	-	-	-	-
Insurance premium tax	535,994	580,872	624,942	653,845	682,034	698,371	691,819	671,713	709,848
Alcoholic beverage taxes	394,605	391,749	382,259	413,326	403,651	375,650	387,806	354,841	369,861
Other taxes	99,614	71,101	89,031	1,095,497	782,583	688,894	694,402	723,573	767,757
Miscellaneous	40,088	39,134	18,179	25,125	-	-	-	-	-
Investment earnings	107,819	132,246	149,817	156,927	98,134	78,588	65,859	71,292	62,156
Gain on sale of assets	13,885	-	42,278	-	28,390	11,550	1,360	29,493	-
Transfers	56,311	197,873	166,823	(100)	-	-	131,758	-	200,000
Total governmental activities general revenues and other changes in net assets	<u>7,048,904</u>	<u>7,599,513</u>	<u>8,063,011</u>	<u>8,785,020</u>	<u>8,690,260</u>	<u>8,236,626</u>	<u>7,996,732</u>	<u>7,600,864</u>	<u>7,815,057</u>
Business-type activities:									
Investment earnings	-	9,271	2,394	-	-	-	-	-	-
Transfers	(56,311)	(197,873)	(166,823)	100	-	-	(131,758)	-	(200,000)
Total business type activities general revenues and other changes in net assets	<u>(56,311)</u>	<u>(188,602)</u>	<u>(164,429)</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>(131,758)</u>	<u>-</u>	<u>(200,000)</u>
Total primary government general revenues and other changes in net assets	<u>6,992,593</u>	<u>7,410,911</u>	<u>7,898,582</u>	<u>8,785,120</u>	<u>8,690,260</u>	<u>8,236,626</u>	<u>7,864,974</u>	<u>7,600,864</u>	<u>7,615,057</u>
<b>Change in net assets</b>									
Governmental activities	(622,908)	(782,682)	1,312,232	1,707,025	592,234	972,149	2,165,303	1,711,304	2,705,188
Business-type activities	67,604	(19,604)	39,620	162,974	135,170	120,849	105,941	206,044	110,538
Total primary government change in net assets	<u>\$ (555,304)</u>	<u>\$ (802,286)</u>	<u>\$ 1,351,852</u>	<u>\$ 1,869,999</u>	<u>\$ 727,404</u>	<u>\$ 1,092,998</u>	<u>\$ 2,271,244</u>	<u>\$ 1,917,348</u>	<u>\$ 2,815,726</u>

**Note:** The City has elected to present eight years of data to correspond with the implementation of GASB-34 in FY 2004.

**CITY OF RIVERDALE, GEORGIA**

**FUND BALANCES, GOVERNMENTAL FUNDS  
FISCAL YEARS 2003 - 2010**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund								
Reserved	\$ 915,023	\$ 642,829	\$ 441,885	\$ 444,365	\$ 259,087	\$ 180,393	\$ 324,781	\$ 256,931
Unreserved	<u>4,144,638</u>	<u>2,913,300</u>	<u>2,541,493</u>	<u>3,623,115</u>	<u>4,499,412</u>	<u>4,089,676</u>	<u>4,134,857</u>	<u>3,401,640</u>
Total General fund	<u>\$ 5,059,661</u>	<u>\$ 3,556,129</u>	<u>\$ 2,983,378</u>	<u>\$ 4,067,480</u>	<u>\$ 4,758,499</u>	<u>\$ 4,270,069</u>	<u>\$ 4,459,638</u>	<u>\$ 3,658,571</u>
All Other Governmental Funds								
Unreserved, reported in:	\$ 529,131	\$ 1,245,431	\$ 884,358	\$				
Special revenue funds	-	-	-	199,640	\$ 948,086	\$ 976,928	\$ 646,666	\$ 593,519
Capital projects funds	-	-	-	874,734	831,357	1,347,725	17,556,176	5,628,291
Total all other governmental funds	<u>\$ 529,131</u>	<u>\$ 1,245,431</u>	<u>\$ 884,358</u>	<u>\$ 1,074,374</u>	<u>\$ 1,779,443</u>	<u>\$ 2,324,653</u>	<u>\$ 18,202,842</u>	<u>\$ 6,221,810</u>

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

**CITY OF RIVERDALE, GEORGIA**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**CURRENT AND PRIOR FISCAL YEARS**

	Fiscal Year	
	2011	2012
General Fund		
Nonspendable	\$ 247,706	\$ 317,845
Unassigned	2,204,550	2,970,446
Total General Fund	<u>\$ 2,452,256</u>	<u>\$ 3,288,291</u>
All Other Governmental Funds		
Restricted, reported in:		
Special revenue funds	\$ 151,483	\$ 230,243
Capital project funds	6,070,803	4,352,502
Assigned, reported in:		
Special revenue funds	59,469	380,251
Capital project funds	788,686	596,735
Unassigned, reported in:		
Special revenue funds	(2,195)	(15,228)
Total all other governmental funds	<u>\$ 7,068,246</u>	<u>\$ 5,544,503</u>

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

**CITY OF RIVERDALE, GEORGIA**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>											
Taxes	\$ 4,938,194	\$ 5,538,768	\$ 6,860,170	\$ 7,189,197	\$ 7,711,595	\$ 8,138,608	\$ 8,344,262	\$ 7,962,354	\$ 7,789,960	\$ 7,573,484	\$ 7,575,147
Licenses and permits	947,441	1,076,319	273,213	257,641	323,348	373,705	324,787	266,167	289,219	315,875	268,431
Intergovernmental	125,580	88,986	175,708	137,606	298,132	156,972	273,473	659,901	2,726,135	3,057,459	3,327,139
Charges for services	694,286	824,551	307,937	303,691	362,451	355,953	513,494	513,690	474,219	524,651	653,521
Fines, forfeitures, and fees	2,838,165	3,144,176	2,318,405	1,723,058	2,224,364	2,222,713	2,018,225	2,388,661	3,584,387	2,307,477	2,993,431
Investment earnings	143,644	93,269	107,096	131,172	149,729	156,927	98,134	78,588	65,859	71,292	62,156
Miscellaneous	97,998	48,649	46,391	38,972	42,030	25,125	101,581	26,514	26,974	38,416	143,873
Total revenues	<u>9,785,308</u>	<u>10,814,718</u>	<u>10,088,920</u>	<u>9,781,337</u>	<u>11,111,649</u>	<u>11,430,003</u>	<u>11,673,956</u>	<u>11,895,875</u>	<u>14,956,753</u>	<u>13,888,654</u>	<u>15,023,698</u>
<b>Expenditures:</b>											
General government	979,829	1,130,724	1,539,608	1,640,892	1,864,107	2,387,395	2,838,844	2,822,119	2,871,716	3,198,537	3,116,073
Judicial	923,264	1,017,959	891,283	812,225	825,046	454,913	514,076	591,127	1,582,394	677,397	632,219
Public safety	5,465,744	6,229,708	6,285,646	6,183,625	5,899,321	5,170,877	5,727,710	5,569,540	5,722,595	5,488,204	4,989,339
Public works	1,519,492	1,466,378	1,081,953	1,062,864	921,828	656,396	408,017	297,026	85,674	117,184	69,668
Parks and recreation	-	-	2,500	-	27,535	617,083	1,100,065	861,852	149,666	636,404	641,944
Community development	376,409	495,409	323,903	347,536	361,631	4,600	92,500	45,614	893,991	836,451	627,425
Capital outlay	90,834	908,251	576,805	792,287	45,061	645,768	730,447	4,397,803	13,912,491	5,256,331	2,395,556
Debt service:											
Principal	86,568	125,654	156,957	111,495	111,872	123,707	147,394	126,812	1,760,527	2,270,000	2,445,000
Interest and fiscal charges	100,388	61,250	25,444	69,452	64,506	60,932	58,123	238,320	892,916	968,163	998,082
Issuance costs	-	-	-	-	-	-	-	637,941	-	249,625	-
Total expenditures	<u>9,542,528</u>	<u>11,435,333</u>	<u>10,884,099</u>	<u>11,020,376</u>	<u>10,120,907</u>	<u>10,121,671</u>	<u>11,617,176</u>	<u>15,588,154</u>	<u>27,871,970</u>	<u>19,698,296</u>	<u>15,915,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>242,780</u>	<u>(620,615)</u>	<u>(795,179)</u>	<u>(1,239,039)</u>	<u>990,742</u>	<u>1,308,332</u>	<u>56,780</u>	<u>(3,692,279)</u>	<u>(12,915,217)</u>	<u>(5,809,642)</u>	<u>(891,608)</u>
Other financing sources (uses)											
Proceeds from the issuance of debt	-	-	-	-	-	87,856	-	19,697,078	-	5,399,981	-
Proceeds from the sale of capital assets	3,050	-	13,885	-	65,528	-	-	12,959	1,360	49,782	3,900
Insurance reimbursements	-	-	-	-	51,025	-	-	-	-	-	-
Transfers in	-	-	-	197,873	166,823	1,045,624	1,486,901	1,486,901	4,755,466	4,012,238	3,931,642
Transfers out	-	(8,015)	(5,938)	-	-	(1,045,724)	(1,486,901)	(1,486,901)	(4,623,708)	(4,012,238)	(3,731,642)
Total other financing sources (uses)	<u>3,050</u>	<u>(8,015)</u>	<u>7,947</u>	<u>197,873</u>	<u>283,376</u>	<u>87,756</u>	<u>-</u>	<u>19,710,037</u>	<u>133,118</u>	<u>5,449,763</u>	<u>203,900</u>
Net change in fund balances	<u>\$ 245,830</u>	<u>\$ (628,630)</u>	<u>\$ (787,232)</u>	<u>\$ (1,041,166)</u>	<u>\$ 1,274,118</u>	<u>\$ 1,396,088</u>	<u>\$ 56,780</u>	<u>\$ 16,017,758</u>	<u>\$ (12,782,099)</u>	<u>\$ (359,879)</u>	<u>\$ (687,708)</u>
Debt service as a percentage of noncapital expenditures	1.98%	1.78%	1.77%	1.77%	1.75%	1.95%	1.89%	3.26%	19.01%	22.89%	26.16%

## 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 Vehicle	Public Utility	Less: Tax Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2002	\$ 263,243,357	\$ 24,001,160	\$ 3,245,608	\$ (398,886)	290,091,239	6.50	\$ 116,036,496	40%
2003	293,267,647	23,542,870	3,253,383	(723,880)	319,340,020	7.50	127,736,008	40%
2004	296,516,069	23,542,870	3,345,333	(723,880)	322,680,392	7.50	129,072,157	40%
2005	312,555,583	22,912,020	3,360,807	(792,551)	338,035,859	7.50	135,214,344	40%
2006	336,047,298	21,153,260	3,654,056	(756,414)	360,098,200	7.50	144,039,280	40%
2007	347,088,353	23,187,360	3,156,395	(798,206)	372,633,902	7.50	149,053,561	40%
2008	354,555,207	22,500,660	4,153,520	(826,083)	380,383,304	7.50	152,153,322	40%
2009	335,635,644	22,228,660	4,188,365	-	362,052,669	7.50	144,821,068	40%
2010	293,480,487	19,513,950	4,188,360	(640,214)	316,542,583	7.50	126,617,033	40%
2011	275,696,275	18,169,900	4,078,124	(540,608)	297,403,691	7.50	118,961,476	40%

**Notes:**

(1) Assessed Value is Calculated at 40% of Estimated Actual 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			
2002	0.250	-	-	6.50	5.88	17.92	30.55
2003	0.250	-	-	7.50	7.78	18.92	34.45
2004	0.250	-	-	7.50	7.78	18.92	34.45
2005	0.250	-	-	7.50	8.76	18.92	35.43
2006	0.250	14.80	7.30	7.50	8.76	18.92	35.43
2007	0.250	15.74	8.24	7.50	13.45	20.00	41.20
2008	0.250	15.23	7.73	7.50	13.45	19.84	41.04
2009	0.250	15.93	8.43	7.50	16.45	19.84	44.04
2010	0.250	16.37	8.87	7.50	16.45	20.00	44.20
2011	0.250	15.30	7.80	7.50	20.46	20.00	48.21

**Source:** Clayton County Tax Commissioner.

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

# CITY OF RIVERDALE, GEORGIA

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

Taxpayer	2012			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ellis Edward C & Clarice B	\$ 58,660	1	0.019%	\$ 49,405	2	0.013%
Chateau Forrest Associates LP	38,982	2	0.012%	55,367	1	0.015%
Georgia Power	34,593	3	0.011%	21,240	8	0.006%
Wal Mart Supercenter	34,479	4	0.011%	26,998	7	0.007%
HD Development of Maryland	32,914	5	0.010%			
IPF / Merchants LP	30,912	6	0.010%	36,765	4	0.010%
Institute of Radiation	23,734	7	0.007%			
Brooks Crossing of Atlanta	21,018	8	0.007%			
Riverdale Market Owners LLC	20,636	9	0.007%			
Home Depot Inc #178	20,267	10	0.006%	48,800	3	0.013%
Brookscrossing Apts Ltd				32,427	6	0.009%
H/S Riverlo LLC				32,579	5	0.009%
Wrens Crossing LLC				16,758	10	0.004%
Lowe's				19,748	9	0.005%
<b>Total</b>	<b>\$ 316,195</b>		<b>0.100%</b>	<b>\$ 340,087</b>		<b>0.091%</b>

**Source:** City of Riverdale tax records.

**Note:** Information not available prior to fiscal year 2007.

# 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
2003	\$ 1,627,445	\$ 1,565,923	96.22%	\$ 61,522	\$ 1,627,445	100.00%
2004	2,041,543	1,996,621	97.80%	41,343	2,037,964	99.82%
2005	2,237,853	2,188,429	97.79%	38,789	2,227,218	99.52%
2006	2,333,063	2,250,107	96.44%	51,278	2,301,385	98.64%
2007	2,343,613	2,254,666	96.20%	88,947	2,343,613	100.00%
2008	2,416,377	2,110,139	87.33%	153,542	2,263,681	93.68%
2009	2,592,901	2,435,314	93.92%	157,587	2,592,901	100.00%
2010	2,374,069	2,339,869	98.56%	34,200	2,374,069	100.00%
2011	2,230,527	1,905,031	85.41%	177,933	2,082,964	93.38%
2012	2,721,710	1,946,162	71.51%	164,840	2,111,002	77.56%

**Source:** City of Riverdale 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 NINE FISCAL YEARS

Month	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
July	\$ 213,514	\$ 233,207	\$ 245,122	\$ 243,399	\$ 226,243	\$ 295,465	\$ 197,211	\$ 178,791	\$ 220,980
August	210,086	198,079	254,520	246,578	209,473	243,640	271,417	213,764	236,392
September	205,186	268,309	241,795	299,373	235,595	303,520	239,166	204,668	225,280
October	213,699	248,033	290,360	280,150	282,265	288,907	227,532	199,768	176,187
November	224,234	229,773	258,340	320,254	234,307	198,126	240,286	193,986	186,298
December	177,046	223,412	253,802	186,560	252,340	267,135	236,917	298,740	196,786
January	229,305	30,503	207,160	236,504	223,146	209,355	211,529	227,762	240,721
February	216,306	245,955	285,760	267,811	234,204	165,211	236,184	239,511	275,437
March	231,232	185,124	252,086	211,423	230,511	289,328	220,880	240,873	215,409
April	204,340	245,389	138,594	210,772	304,153	223,019	206,017	224,796	234,656
May	226,323	254,058	347,384	247,498	281,196	234,654	210,608	230,855	272,608
June	237,492	262,612	274,357	263,495	292,412	94,849	273,493	220,980	236,518
Adjustment	17,282	10,845	-	12,067	4,955	-	-	-	-
<b>Total</b>	<u>\$ 2,606,045</u>	<u>\$ 2,635,299</u>	<u>\$ 3,049,280</u>	<u>\$ 3,025,884</u>	<u>\$ 3,010,800</u>	<u>\$ 2,813,210</u>	<u>\$ 2,771,240</u>	<u>\$ 2,674,494</u>	<u>\$ 2,717,272</u>

**Notes:**

(1) Detailed monthly amounts were not available prior to fiscal year 2004; therefore, only the last eight years are presented.

(2) The difference of \$67,957 in the total 2009 local option sales taxes as compared to the sales taxes reported in the General Fund for the year ended June 30, 2009, relates to deferred sales tax revenue recorded as of June 30, 2009.

(3) The difference of \$49,166 in the total 2010 local option sales taxes as compared to the sales taxes reported in the General Fund for the year ended June 30, 2010, relates to deferred sales tax revenue recorded as of June 30, 2010.

**Source:** City of Riverdale records.

## CITY OF RIVERDALE, GEORGIA

### RATIOS OF OUTSTANDING DEBT BY TYPE LAST NINE 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	Population
	Certificates of Participation	Bonds Payable	Notes Payable	Capital Leases						
2004	\$ 1,022,000	\$ -	\$ 545,828	\$ 8,124	\$ 1,575,952	0.49%	0.34%	\$ 90.05	\$ 458,532	17,500
2005	1,022,000	-	440,382	2,074	1,464,456	0.45%	0.21%	100.44	691,775	14,580
2006	1,022,000	-	330,584	-	1,352,584	0.40%	0.23%	87.40	576,347	15,475
2007	1,022,000	-	216,236	78,497	1,316,733	0.37%	0.22%	84.94	611,727	15,502
2008	1,022,000	-	97,168	50,171	1,169,339	0.31%	0.19%	75.21	612,794	15,548
2009	20,447,000	-	-	20,527	20,467,527	5.38%	3.33%	1,073.68	615,079	19,063
2010	18,707,000	-	-	-	18,707,000	5.17%	2.36%	997.44	792,258	18,755
2011	16,437,000	5,500,000	-	-	21,937,000	6.93%	3.14%	1,431.36	698,061	15,326
2012	14,092,000	5,400,000	-	-	19,492,000	6.55%	3.29%	1,278.08	591,783	15,251

**Notes:**

(1) Information prior to fiscal year 2004 was not available.

(2) 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
2003	\$ 290,091,239	\$ 29,009,124	\$ -	\$ 29,009,124	\$ 0.00%
2004	319,340,020	31,934,002	-	31,934,002	0.00%
2005	322,680,392	32,268,039	-	32,268,039	0.00%
2006	338,035,859	33,803,586	-	33,803,586	0.00%
2007	360,098,200	36,009,820	-	36,009,820	0.00%
2008	372,633,902	37,263,390	-	37,263,390	0.00%
2009	380,383,304	38,038,330	-	38,038,330	0.00%
2010	362,052,669	36,205,267	-	36,205,267	0.00%
2011	316,542,583	31,654,258	-	31,654,258	0.00%
2012	297,403,691	29,740,369	-	29,740,369	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, 2012

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>	\$ 34,169,223	4.80%	\$ 1,639,203
Subtotal Overlapping Debt			1,639,203
<b>City of Riverdale, Georgia- Direct Debt</b>	21,937,000	100.00%	21,937,000
Total Direct and Overlapping Debt			\$ 23,576,203

**Sources:** Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of June 30, 2012) 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>
2003	15,800	458,532	29,021	33.00	2.70%	4,200
2004	17,500	691,775	39,530	29.50	4.10%	4,503
2005	14,580	576,347	39,530	29.50	5.30%	4,292
2006	15,475	611,727	39,530	29.50	5.30%	4,373
2007	15,502	612,794	39,530	29.50	5.95%	4,481
2008	15,548	615,079	39,560	29.50	6.01%	4,458
2009	19,063	792,258	41,560	30.40	10.90%	8,583
2010	18,755	698,061	37,220	30.40	13.75%	8,355
2011	15,326	591,783	38,613	29.50	11.90%	4,682
2012	15,251	565,965	37,110	32.30	11.20%	4,349

**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 FIVE YEARS AGO

<u>Business</u>	<u>2012</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	5.57%	341	1	5.00%
City of Riverdale	141	2	2.25%	123	4	1.80%
Kroger	126	3	2.01%	126	3	1.85%
Riverdale Senior High School	124	4	1.98%	143	2	2.10%
Riverdale Place Care	113	5	1.80%			
Riverdale Elementary School	100	6	1.60%	92	9	1.35%
Home Depot	96	7	1.53%	118	5	1.73%
Church Street Elementary	90	8	1.44%	100	6	1.47%
Super H Mart	75	9	1.20%			
Riverdale Dwarf house	68	10	1.09%			
Lowes				105	7	1.54%
Cattle Exchange, Inc.				106	8	1.55%
Publix				90	10	1.32%

**Source:** Georgia Department of Labor

**Note:** Information prior to 2007 was not available.

## CITY OF RIVERDALE, GEORGIA

### FULL TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT LAST EIGHT FISCAL YEARS

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Fiscal Year	General Government	Police Department	Fire Department	Cultural/ Recreation	Public Works	Community Development	E-911	Total
2005	17	45	35	-	13	3	11	124
2006	20	43	28	-	10	4	11	116
2007	17	44	30	-	13	10	11	125
2008	17	48	29	-	15	9	10	128
2009	27	52	31	-	7	12	9	138
2010	24	52	31	-	2	11	9	129
2011	24	53	27	10	4	10	10	138
2012	25	51	27	11	4	10	10	138

(1) During FY2009, the City reduced the number of employees in its Public Works Department and used prison labor as an alternative.

(2) During FY2011, the City opened its new Town Center complex, thus increasing the number of employees needed for staffing of special events.

**Source:** City of Riverdale Finance Department

**Note:** Information prior to 2005 was not available.

# CITY OF RIVERDALE, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Physical arrests	2,213	1,862	848	2,030	2,054	2,367	2,464	2,656	2,787	2,568
Traffic violations	15,806	11,070	6,760	12,152	21,302	18,483	19,263	19,518	17,199	21,016
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of fire related calls	156	247	789	374	359	285	317	333	370	301
Number of EMS related calls	1,605	1,817	1,621	1,748	1,678	1,758	1,712	2,063	2,455	2,296
Inspections	891	910	565	245	214	180	517	339	353	439
Public Works										
Street resurfacing (miles)	1.97	3.03	3.87	3.41	5.00	-	-	-	0.09	-
Potholes repaired	52	38	20	18	24	-	-	-	28	32
Community Development										
Business licenses issued	N/A	N/A	N/A	294	1,214	1,150	1,089	1,252	1,243	1,267
Building permits issued	N/A	N/A	N/A	144	67	66	45	60	44	44

**Source:** City of Riverdale records.

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

**CITY OF RIVERDALE, GEORGIA**

**CAPITAL ASSET STATISTICS BY FUNCTION  
LAST NINE FISCAL YEARS**

<b>Function/Program</b>	<b>Fiscal Year</b>								
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Police</b>									
Stations	2	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1
Patrol units	N/A	N/A	34	35	35	38	38	41	40
<b>Fire stations</b>	2	2	2	2	2	2	2	2	2
<b>Public works</b>									
Streets (miles)	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.70	5.70
<b>Parks and recreation</b>									
Acreage	2.27	2.27	2.27	2.27	2.27	(3) 0.00	0.00	(4) 16.50	16.50
Playgrounds	1	1	1	1	1	0	0	1	1

**Source:** Various City of Riverdale departments

**Notes:**

(1) No capital asset indicators are available for the general government functions. Number of patrol units not available for years 2004 and 2005.

(2) Information not available prior to fiscal year 2004.

(3) During FY2009, construction on the new Town Center project began, utilizing the City's sole park.

(4) During FY2011, the City's new Town Center plaza and park were opened.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Riverdale, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Riverdale, Georgia's basic financial statements and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

Management of the City of Riverdale, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Riverdale, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Riverdale, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Riverdale, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedules of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 reasonably possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 2012-1 and 2012-2 that we consider to be significant deficiencies in internal control over financial reporting. 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.

#### **Compliance and Other Matters**

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

We also noted certain matters that we reported to management of the City of Riverdale, Georgia in a separate letter dated December 31, 2012.

The City of Riverdale, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of Riverdale, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, and the Mayor and City Council, of the City of Riverdale, Georgia, and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia  
December 31, 2012

*Mauldin & Jenkins, LLC*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Riverdale, Georgia with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Riverdale, Georgia's major federal programs for the year ended June 30, 2012. The City of Riverdale, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Riverdale, Georgia's management. Our responsibility is to express an opinion on the City of Riverdale, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Riverdale, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Riverdale, Georgia's compliance with those requirements.

In our opinion, the City of Riverdale, Georgia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

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Internal Control Over Compliance

Management of the City of Riverdale, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Riverdale, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Riverdale, Georgia's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Commissioners and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 31, 2012

**CITY OF RIVERDALE, GEORGIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor / Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through Clayton County, Georgia			
Community Development Block Grant	14.218	B09-UC-13-0005	\$ 300,000
Community Development Block Grant	14.218	B10-UC-13-0005	200,000
Total CDBG Entitlement Grants Cluster			<u>500,000</u>
Total U.S. Department of Housing and Urban Development			<u>500,000</u>
<b>U.S. Department of Justice</b>			
Direct Award			
ARRA Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-1151	6,022
ARRA Edward Byrne Memorial Justice Assistance Grant	16.803	B82-8-272	865
Edward Byrne Memorial Justice Assistance Grant	16.738	2011-DJ-BX-2985	12,614
Total Justice Assistance Grant (JAG) Cluster			<u>19,501</u>
ARRA - COPS Hiring Recovery Program	16.710	2009-RK-WX-0269	<u>102,684</u>
Total U.S. Department of Justice			<u>122,185</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 622,185</u></u>

# CITY OF RIVERDALE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### **Federal Awards**

Internal control over major programs:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for  
major programs Unqualified

Any audit findings disclosed that are required to  
be reported in accordance with OMB Circular  
A-133, Section 510(a)?  yes  no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG Entitlement Grants Cluster

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

Auditee qualified as low-risk auditee?  yes  no

**CITY OF RIVERDALE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2012 – 1. Recording of Revenues and Deferred Revenues**

**Criteria:** Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenses of the current period. For property taxes receivable, revenues are recognized if collected within 60 days of the end of the fiscal year.

**Condition:** The City did not properly adjust deferred property tax revenues for property tax receivable accounts collected within 60 days of year-end .

**Context:** We addressed this matter with City personnel who were able to determine the adjustment needed to properly reflect deferred taxes at June 30, 2012.

**Effect:** An audit adjustment was required to be recorded in the General Fund to decrease deferred tax revenues and increase revenue by \$24,002.

**Recommendation:** We recommend the City adjust the liability for deferred property tax revenue at least annually as part of the year end closeout process.

**Views of Responsible Officials and Planned Corrective Action:** The City of Riverdale will begin adjusting the deferred property tax liability account for receivables collected within 60 days of year end as part of its annual closeout procedures.

**2012 - 2. Capital Asset Management – Repeat Finding**

**Criteria:** Generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic rational manner.

**Condition:** During testing of capital assets, it was determined that (a) one nondepreciable asset was being depreciated, (b) four assets were being depreciated based on the incorrect depreciable basis, and (c) one asset had an incorrect salvage value.

**Context:** We addressed this matter with City personnel who were able to determine the corrections needed to the capital asset system to properly reflect accumulated depreciation and depreciation expense at June 30, 2012.

**Effect:** An adjustment to decrease accumulated depreciation and depreciation expense in the amount of \$132,048 was required to correct the general capital asset listing.

# CITY OF RIVERDALE, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2012

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

#### 2012 - 2. Capital Asset Management – Repeat Finding (continued)

**Recommendation:** We recommend the City review and record capital assets on a monthly basis in order to ensure proper recording of all capital asset activity throughout the year.

**Views of Responsible Officials and Planned Corrective Action:** The City will reconcile capital assets on a monthly basis.

### SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

# CITY OF RIVERDALE, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2012

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### 2011 – 1. Recording of Accounts Payable – Repeat Finding

**Criteria:** Generally accepted accounting principles require reporting of all current liabilities when goods have been received or services have been performed.

**Condition:** The City failed to properly record the payment of an accounts payable invoice in the proper period in the Solid Waste Management Fund.

**Status:** Resolved

### 2011 - 2. Recording of Receivables and Revenues – Repeat Finding

**Criteria:** Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenses of the current period.

**Condition:** The City did not properly record receivables and revenues in the Solid Waste Management Fund and General Fund during the year ended June 30, 2011.

**Status:** Resolved

### 2011 - 3. Capital Asset Management – Repeat Finding

**Criteria:** Generally accepted accounting principles require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic rational manner.

**Condition:** The historical cost of the capital assets of the governmental activities and the related accumulated depreciation balances were not correctly stated as of June 30, 2011.

**Status:** Unresolved. See current year finding 2012-2.

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