

**CITY OF RIVERDALE, GEORGIA**

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**Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2010

**Prepared by the Finance Department**



**CITY OF RIVERDALE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2010**

Prepared by:  
Riverdale Finance Department



# CITY OF RIVERDALE, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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**CITY OF RIVERDALE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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## **INTRODUCTORY SECTION**





**CITY OF RIVERDALE**  
6690 CHURCH STREET  
RIVERDALE, GEORGIA 30274

EMERGENCY DIAL 911  
Police – 770-996-3382  
Fire – 770-996-1912  
City Hall – 770-997-8989

December 31, 2010

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, 2010.

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, 2010, 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, 2010, 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. The City is not required to undergo a single audit, which is designed to meet the special needs of federal grantor agencies, since the City does not receive federal funding at a level which requires a single audit.

## 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 continuing expansion of the City of Riverdale's economic base has had a positive impact on the growth occurring in the central business district. During Fiscal Year 2010 several business establishments were completed and added to the tax rolls.

The Riverdale Town Center will be constructed in two parts: the Civic buildings and private development. The City of Riverdale will pay for the construction of the public buildings, which consist of a community center amphitheater, public plaza and new city hall. The cost of these buildings is estimated between \$17-\$22 million dollars.

The City of Riverdale will use a combination of funds obtained from the Community Development Block Grant (CDBG) administered by the Clayton County Economic Development Incentive Grant from U. S. Department of Housing & Urban Development, and from the Certificates of Participation bonds financed through the Georgia Municipal Association.

The City of Riverdale welcomes 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 Centre 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 FY2010. 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's tax base.

### **Relevant Financial Policies**

The City of Riverdale entered into an agreement with Georgia Municipal Association, Inc. (GMA) for issuance of the \$19,425,000 Certificate of Participations (COPS), Series 2009. The following actions by a Resolution of the Board of Directors were duly authorized under the laws of the State of Georgia:

- Public Purpose Master Lease dated as of February 1, 2009 between GMA and the City of Riverdale, GA relating to the Certificates;
- Indenture of Trust and Assignment of Public Purpose Master Lease, dated as of February 1, 2009 between GMA and Wells Fargo Bank, National Association as trustee;
- Deed to secure debt and security agreement, dated as of February 1, 2009 between GMA and the Trustee;

- Certificate Purchase Agreement, dated January 30, 2009, among Wachovia Bank, National Association, GMA and the City;
- Ground Lease dated February 1, 2009 by and between the City and GMA.

### **Restricted Funds**

Governmental Funds restricted assets at the year end, June 30, 2010, were \$6,464,879. These funds were proceeds from the issuance of the 2009 Certificate of Participation (COPS) 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 Promenade Project

### **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.

### **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**

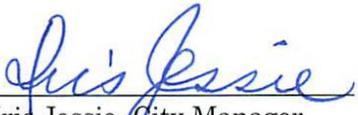
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverdale for its comprehensive annual financial report for the year ended June 30, 2009. This was the ninth consecutive year that the government has received this 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.

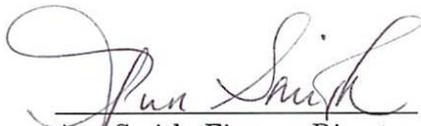
The preparation of this report would not have been possible without the efficient and dedicated services of the Director and Staff of the finance department. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report.

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



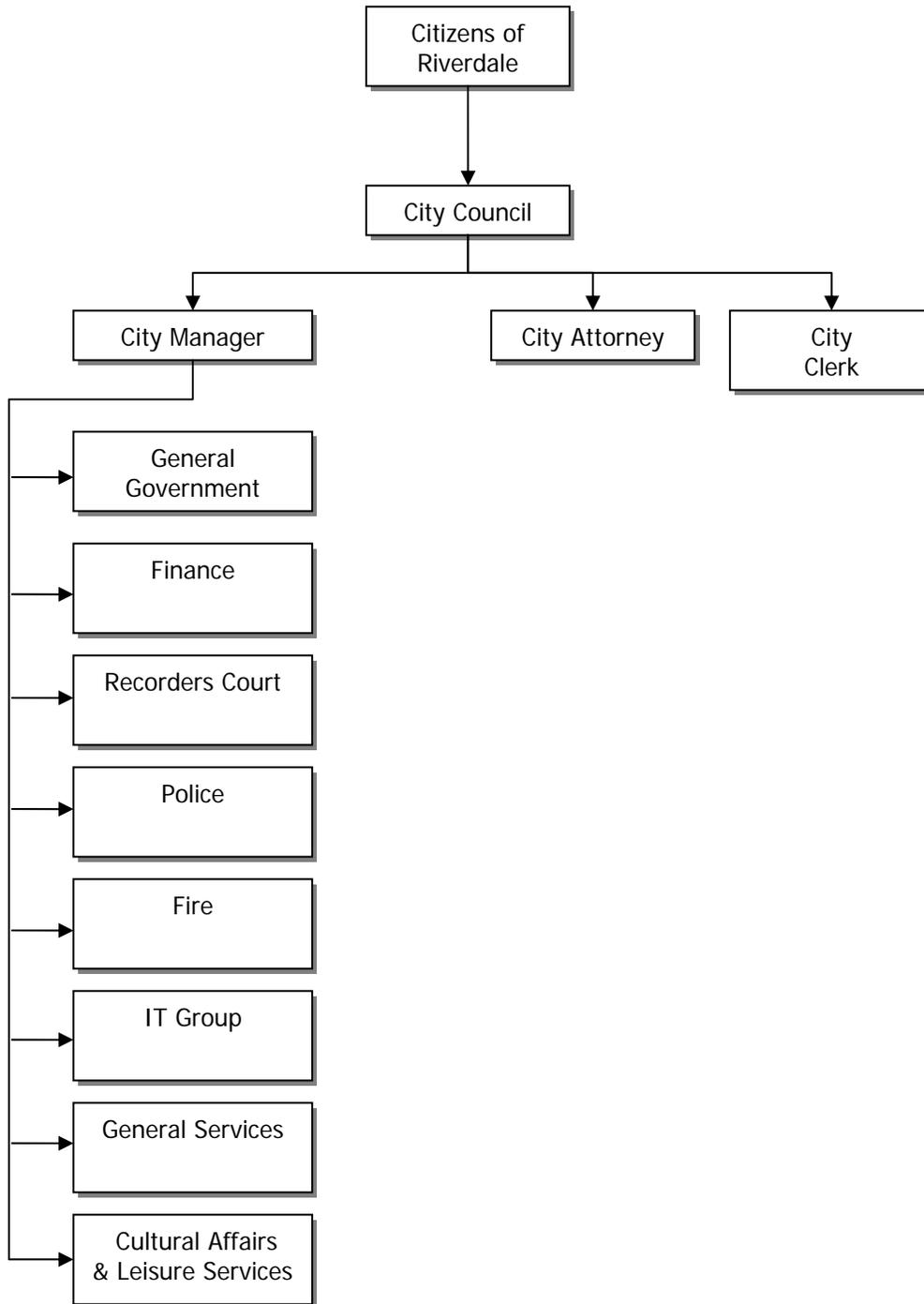
Ann Smith, Finance Director

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# CITY OF RIVERDALE, GEORGIA

## ORGANIZATIONAL CHART JUNE 30, 2010

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# CITY OF RIVERDALE, GEORGIA

## PRINCIPAL OFFICIALS JUNE 30, 2010

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### LEGISLATIVE BRANCH

#### CITY COUNCIL

Dr. Evelyn Wynn-Dixon	Mayor
Wanda Wallace	Mayor Pro Tem
Cynthia Stamps-Jones	Council Member
Wayne Hall	Council Member
Kenneth Ruffin	Council Member

#### OFFICERS OF THE COUNCIL

Deana Johnson	City Attorney
Stephanie Thomas	City Clerk

### JUDICIAL BRANCH

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

### EXECUTIVE BRANCH

Iris Jessie	City Manager
Douglas Manning	Assistant City Manager, General Services
Lonnie Ballard	Assistant City Manager, Cultural Affairs
Ann Lashelle Smith	Finance Director
Samuel Patterson	Director of Public Safety-Police Chief
DeWayne Ernest	Fire Chief
Lemmy Paskel	IT Director

# 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, 2009

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.



A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

President

A handwritten signature in black ink, appearing to read "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, 2010, 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, 2010, 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 28, 2010, 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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The Management's Discussion and Analysis (on pages 3 – 10) is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Riverdale, Georgia. 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 combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 28, 2010

## **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, 2010. 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, 2010 by \$14,327,432. Of this amount unrestricted net assets of \$2,754,896 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$2,271,244. Of this amount an increase of \$2,165,303 was associated with governmental activities, and an increase of \$105,941 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 \$9,880,381, a decrease of \$12,782,099 in comparison with the prior year. Of this amount \$9,623,450 is unreserved and available for spending and \$256,931 is reserved for other specific future uses.
- At the end of the current year, unreserved fund balance for the general fund was \$3,401,640 or 31.6% of total General Fund expenditures.
- The City of Riverdale's total debt obligations (including accrued compensated absences) decreased by the net amount of \$1,764,131. This decrease is due to the certificates of participation debt reduction of \$1,740,000, less the increase in deferred value of the interest rate swap of \$65,741, plus the reduction of the unamortized premium of \$9,302 on financing of the Town Center Project. Other debt, including accrued compensated absences increased by \$50,912, or 6.3%.

### **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 three major governmental funds. The City's major governmental funds are the General Fund, the Capital Projects SPLOST Fund, and the Certificates of Participation (COPS 2009) Fund which was created during fiscal year 2009 to account for the funding and the construction of the Town Center Project. 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, except the Confiscated Assets Fund and the LCI Grant Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the FY10 budget. A project length budget has been adopted for the Capital Projects SPLOST Fund and the COPS 2009 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 enterprise funds 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, both of which are considered to be major funds of the City of Riverdale.

**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, 2010, the City's assets exceeded liabilities by \$14,327,432. The City's net assets reflects its investment in capital assets (71.6 percent), 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, \$2,754,896 is unrestricted.

### City of Riverdale's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 14,746,271	\$ 26,081,550	\$ 989,248	\$ 839,718	\$ 15,735,519	\$ 26,921,268
Capital assets	<u>22,523,502</u>	<u>9,211,746</u>	<u>11,113</u>	<u>11,936</u>	<u>22,534,615</u>	<u>9,223,682</u>
Total assets	<u>37,269,773</u>	<u>35,293,296</u>	<u>1,000,361</u>	<u>851,654</u>	<u>38,270,134</u>	<u>36,144,950</u>
Current liabilities	3,854,026	2,154,129	448,311	405,545	4,302,337	2,559,674
Long-term liabilities	<u>19,640,365</u>	<u>21,529,088</u>	<u>-</u>	<u>-</u>	<u>19,640,365</u>	<u>21,529,088</u>
Total liabilities	<u>23,494,391</u>	<u>23,683,217</u>	<u>448,311</u>	<u>405,545</u>	<u>23,942,702</u>	<u>24,088,762</u>
Net assets:						
Invested in capital assets, net of related debt	10,242,814	6,411,299	11,113	11,936	10,253,927	6,423,235
Restricted	1,318,609	264,461	-	-	1,318,609	264,461
Unrestricted	<u>2,213,959</u>	<u>4,934,319</u>	<u>540,937</u>	<u>434,173</u>	<u>2,754,896</u>	<u>5,368,492</u>
Total net assets	<u>\$ 13,775,382</u>	<u>\$ 11,610,079</u>	<u>\$ 552,050</u>	<u>\$ 446,109</u>	<u>\$ 14,327,432</u>	<u>\$ 12,056,188</u>

In the current year \$1,318,609 or 9.2% of the net assets are subject to external restrictions on how they may be used. The balance of unrestricted net assets (\$2,754,896) may be used to meet the government's ongoing obligations to citizens and creditors.

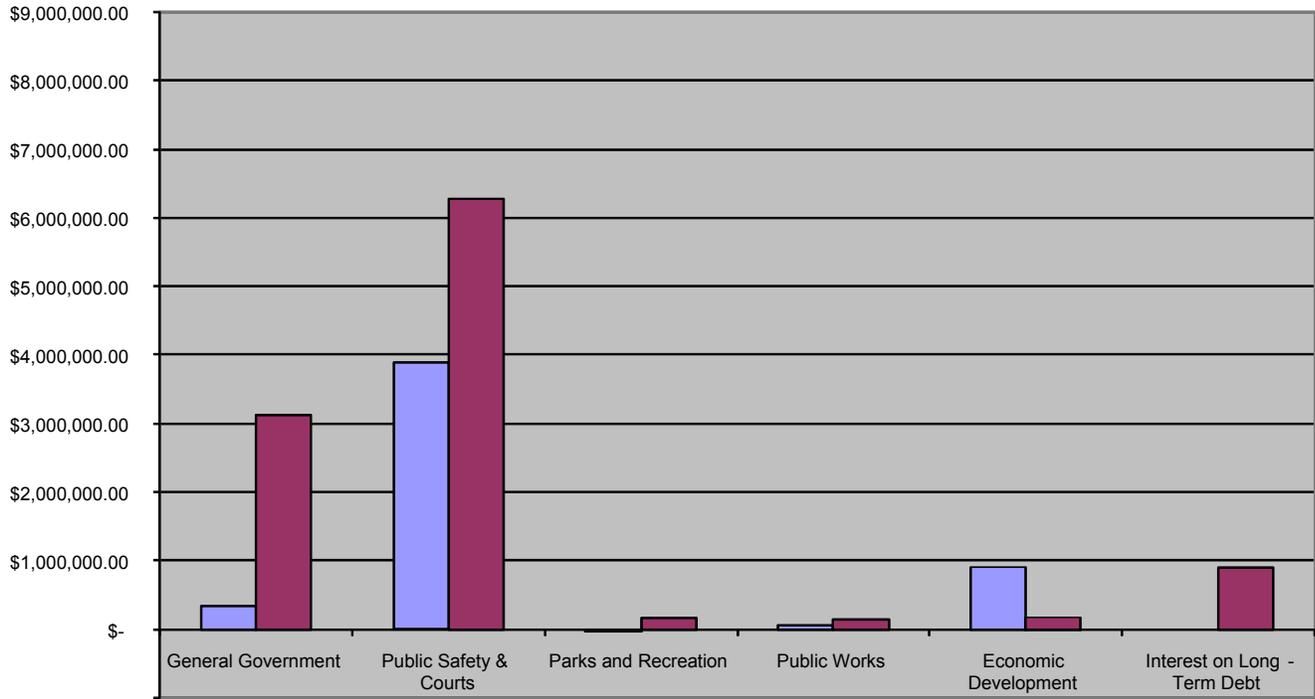
**Governmental activities.** Governmental activities increased the City of Riverdale's net assets by \$2,165,303, thereby accounting for 95.3% of the total increase in the net assets of the City of Riverdale. Key elements of this increase are as follows:

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues -						
Charges for services	\$ 4,370,499	\$ 3,183,716	\$ 1,045,790	\$ 708,418	\$ 5,416,289	\$ 3,892,134
Operating grants and contributions	110,203	47,021	-	-	110,203	47,021
Capital grants and contributions	2,700,785	683,922	-	-	2,700,785	683,922
General Revenues-						
Property taxes	2,606,937	2,835,424	-	-	2,606,937	2,835,424
Other taxes	5,190,818	5,311,064	-	-	5,190,818	5,311,064
Investment earnings	65,859	78,588	-	-	65,859	78,588
Other	1,360	11,550	-	-	1,360	11,550
Total Revenues	<u>15,046,461</u>	<u>12,151,285</u>	<u>1,045,790</u>	<u>708,418</u>	<u>16,092,251</u>	<u>12,859,703</u>
Expenses:						
General government	3,122,313	2,941,426	-	-	3,122,313	2,941,426
Judicial	1,600,470	604,712	-	-	1,600,470	604,712
Public safety	6,195,634	5,971,501	-	-	6,195,634	5,971,501
Parks and recreation	158,075	867,159	-	-	158,075	867,159
Public works	136,078	352,519	-	-	136,078	352,519
Economic development	904,257	55,470	-	-	904,257	55,470
Interest on long-term debt	896,089	386,349	-	-	896,089	386,349
Solid waste	-	-	808,091	587,569	808,091	587,569
Total Expenses	<u>13,012,916</u>	<u>11,179,136</u>	<u>808,091</u>	<u>587,569</u>	<u>13,821,007</u>	<u>11,766,705</u>
Increase in net assets before transfers	2,033,545	972,149	237,699	120,849	2,271,244	1,092,998
Transfers	131,758	-	(131,758)	-	-	-
Increase in net assets	2,165,303	972,149	105,941	120,849	2,271,244	1,092,998
Net assets - beginning of year	11,610,079	10,587,930	446,109	325,260	12,056,188	10,913,190
Prior period adjustment	-	50,000	-	-	-	50,000
Net assets - beginning of year, as restated	<u>11,610,079</u>	<u>10,637,930</u>	<u>446,109</u>	<u>325,260</u>	<u>12,056,188</u>	<u>10,963,190</u>
Net assets - end of year	<u>\$ 13,775,382</u>	<u>\$ 11,610,079</u>	<u>\$ 552,050</u>	<u>\$ 446,109</u>	<u>\$14,327,432</u>	<u>\$12,056,188</u>

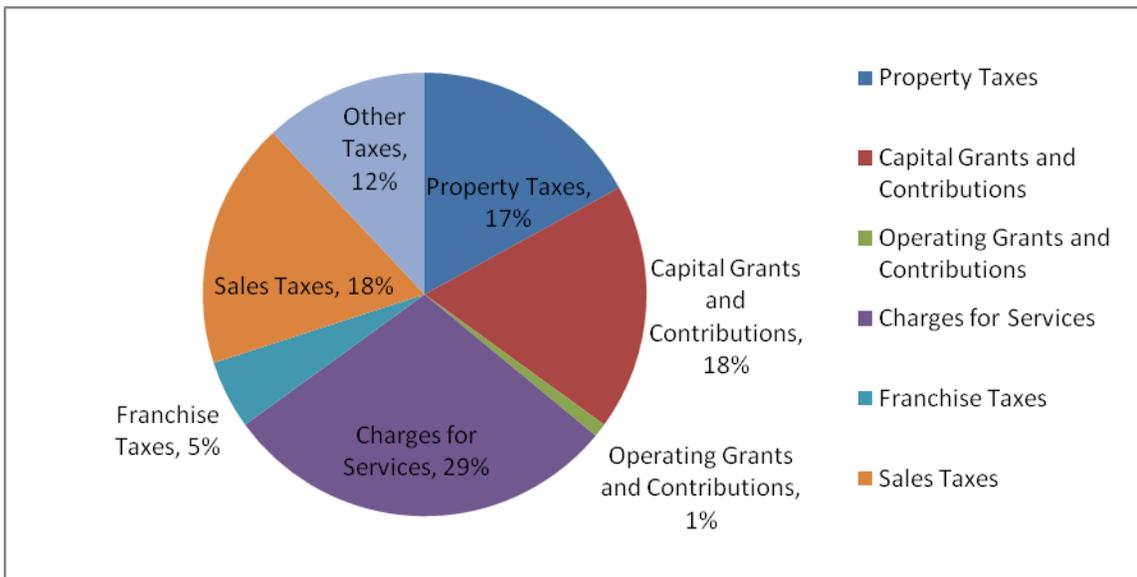
- Fines and forfeitures increased by \$1,195,726 or 50.1% due to active collections by court staff. Public Safety expenditures increased by 3.8% or \$224,133 due to increased cost of operations.
- Property taxes decreased 8.0%, or \$228,487. This decrease is the result of the current economic conditions and the decrease in the assessed value of property. The millage rate of 7.5 mills remained the same as the previous year.
- In addition, local option sales taxes decreased approximately \$23,179, or less than 1%. The distribution of the local option sales taxes decreased due to a change in the Department of Revenue's payment schedule.

### Expenses and Program Revenues-Governmental Activities for F/Y/E 2010



■ Revenues ■ Expenditures

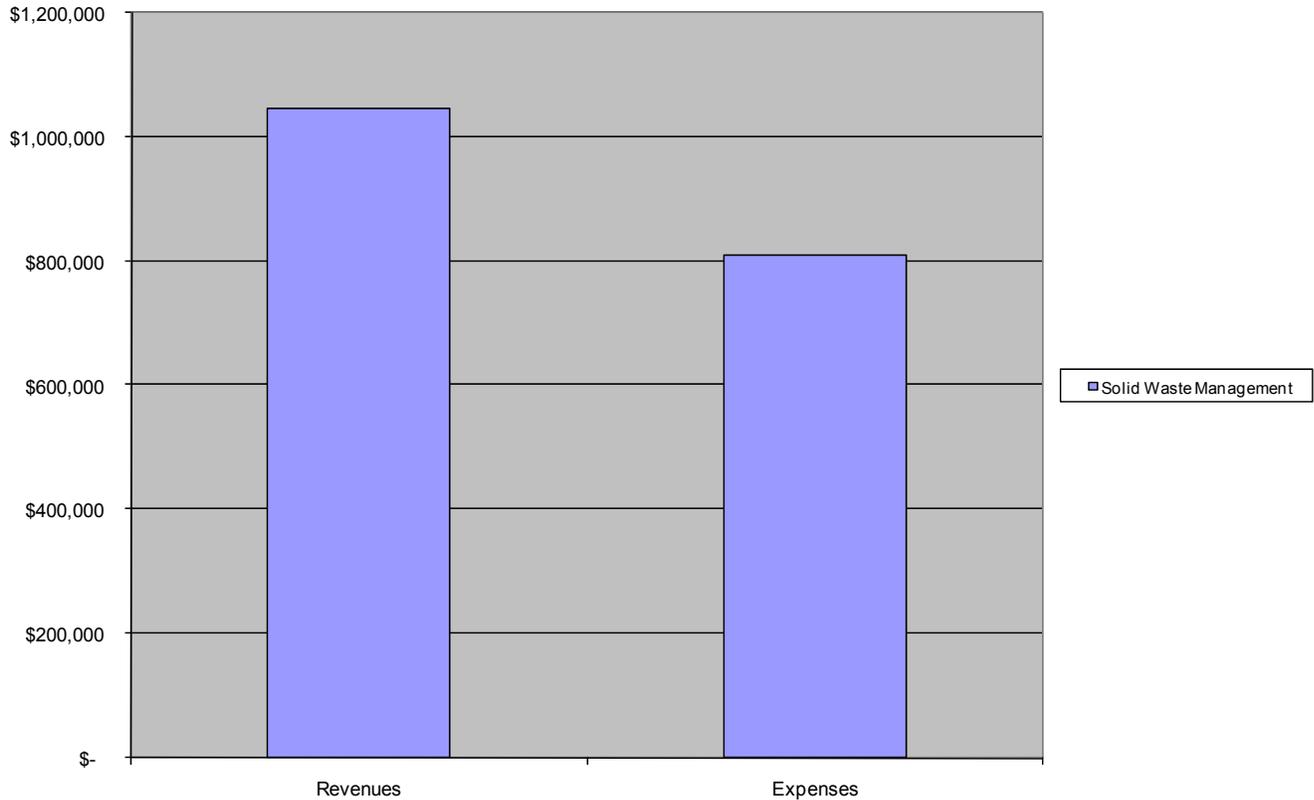
### Revenue by Source-Governmental Activities for F/Y/E 2010



**Business-type activities.** Business-type activities increased the City’s net assets by \$105,941. During FY10 the City continues to see an increase in commercial solid waste services, along with its residential services. The City uses an outside contractor to provide these services.

**Expenses and Program Revenues-Business-Type Activities for F/Y/E 2010**

Solid Waste Management



**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, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2010, the City’s governmental funds reported combined ending balances of \$9,880,381, a decrease of \$12,782,099 in comparison to the prior year. Of this amount, \$9,623,450 (97.4%) is unreserved fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for prepaid expenses which are not available for current government’s spending discretion (\$256,931).

The general fund is the City’s chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,401,640 while the total fund balance totaled \$3,658,571. As a measure of the general fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31.6% of the total general fund expenditures, while total fund balance represents 34.0% of that same amount.

During the current fiscal year, the fund balance of the City’s general fund decreased by \$801,067. The revenues increased by \$1,179,544 or 10.9%, and the expenditures increased by \$784,104 or 7.9% resulting in an excess of revenues over expenditures of \$1,189,529. In addition, the General Fund transferred a net of \$1,991,956 to other funds.

The Capital Projects SPLOST Fund has a total fund balance of \$627,611, which is an increase of \$363,150 over the prior year. This increase is due to a substantial increase in SPLOST funding from Clayton County.

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.

**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 \$540,937.

**General Fund Budgetary Highlights**

Actual revenues exceeded the original budgeted revenues of \$11,086,527, due to an unanticipated increase in fines and forfeitures. Original budgeted expenditures of \$10,554,910 were amended to \$11,039,550 to account for anticipated increases in expenditures of the Finance and Public Works departments. The final budget expected a net change in fund balance of \$(325,166), but the General Fund ended up with a net change in fund balance of \$(801,067). The major variance was transfers out to other funds, which were not budgeted.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at June 30, 2010 amounts to \$22,523,502 (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:

- \$13,124,448 was spent on construction in progress at the Town Center Project.
- Land for the Town Center Project 'Promenade' was purchased for \$465,915.
- \$271,825 was spent on vehicles, including related equipment, for Public Safety

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 \$19,640,365 in outstanding debt consisting of the following:

**City of Riverdale's Outstanding Debt**

	Balance
Governmental Activities -	
Certificates of Participation, net of unamortized premium	\$18,775,567
Accrued compensated absences	723,441
Postretirement benefit obligation	141,357
Total	\$19,640,365

The City's total debt decreased by a net amount of \$1,764,131. During FY09 the City issued certificates of participation in the amount of \$19,425,000 for the construction and acquisition of the Town Center Promenade. 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 \$36,205,267, 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 13.8%, which is higher than the state and national rate of 9.8%. The rate increased in FY2010 due to the loss of the C-Tran bus system.
- Building permits, both commercial and residential, increased. The creation of a cosmetic permit has caused the increase in required permit for all changes.
- The occupancy rate of the City's central business district has remained steady. The number of businesses opening in the City was eight (8) less than those closing – 118 vs. 126.
- Sales tax receipts have increased as the result of a full year of SPLOST (Special Purpose Local Option Sales Tax) revenues. The City did not have SPLOST revenues until FY2009.

FY2010 welcomes continued prosperity with the construction of 'The Promenade', the City of Riverdale's Town Center Project. The Town Center Project is located within the heart of the City and near the City's major commercial corridor. The completed project will include the following: Government Civic Center (City Hall, Community Center, and Public Plaza/Amphitheater); Mix-Use Commercial Space; and Residential Housing. Private developers will pay for the construction of the retail and residential components of the project. The Town Center Project will attract new business and economic development opportunities to the City of Riverdale.

## **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) 909-5504 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, 2010

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	Downtown Development Authority
Cash and cash equivalents	\$ 5,279,362	\$ 57,879	\$ 5,337,241	\$ 133,045
Investments	1,108,458	-	1,108,458	-
Taxes receivable	569,637	-	569,637	-
Accounts receivable	640,218	80,378	720,596	-
Internal balances	(850,991)	850,991	-	-
Due from other governments	381,386	-	381,386	-
Due from component unit	200,000	-	200,000	-
Prepaid items	276,827	-	276,827	-
Other assets	646,495	-	646,495	-
Restricted assets, cash	6,494,879	-	6,494,879	-
Capital assets:				
Nondepreciable	18,623,171	-	18,623,171	-
Depreciable, net of accumulated depreciation	3,900,331	11,113	3,911,444	10,683
Total assets	37,269,773	1,000,361	38,270,134	143,728
<b>LIABILITIES</b>				
Accounts payable	2,622,714	104,830	2,727,544	10,237
Retainage payable	691,534	-	691,534	-
Accrued liabilities	349,445	-	349,445	-
Due to primary government	-	-	-	200,000
Unearned revenues	190,333	343,481	533,814	-
Certificates of participation due within one year	2,279,302	-	2,279,302	-
Certificates of participation due in more than one year	16,496,265	-	16,496,265	-
Capital leases due within one year	-	-	-	1,512
Capital leases due in more than one year	-	-	-	4,536
Compensated absences due within one year	408,573	-	408,573	-
Compensated absences due in more than one year	314,868	-	314,868	-
Postretirement benefit obligation due in more than one year	141,357	-	141,357	-
Total liabilities	23,494,391	448,311	23,942,702	216,285
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	10,242,814	11,113	10,253,927	4,635
Restricted for capital projects	1,318,609	-	1,318,609	-
Unrestricted	2,213,959	540,937	2,754,896	(77,192)
Total net assets	\$ 13,775,382	\$ 552,050	\$ 14,327,432	\$ (72,557)

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, 2010**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Unit Downtown Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 3,122,313	\$ 349,130	\$ -	\$ -	\$ (2,773,183)	\$ -	\$ (2,773,183)	\$ -
Judicial	1,600,470	-	-	-	(1,600,470)	-	(1,600,470)	-
Public safety	6,195,634	3,914,311	108,850	34,558	(2,137,915)	-	(2,137,915)	-
Public works	136,078	62,577	-	-	(73,501)	-	(73,501)	-
Parks and recreation	158,075	-	1,353	-	(156,722)	-	(156,722)	-
Economic development	904,257	44,481	-	2,666,227	1,806,451	-	1,806,451	-
Interest on long-term debt	896,089	-	-	-	(896,089)	-	(896,089)	-
Total governmental activities	<u>13,012,916</u>	<u>4,370,499</u>	<u>110,203</u>	<u>2,700,785</u>	<u>(5,831,429)</u>	<u>-</u>	<u>(5,831,429)</u>	<u>-</u>
Business-type activities:								
Solid waste management	808,091	1,045,790	-	-	-	237,699	237,699	-
Total business-type activities	<u>808,091</u>	<u>1,045,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>237,699</u>	<u>237,699</u>	<u>-</u>
Total primary government	<u>\$ 13,821,007</u>	<u>\$ 5,416,289</u>	<u>\$ 110,203</u>	<u>\$ 2,700,785</u>	<u>(5,831,429)</u>	<u>237,699</u>	<u>(5,593,730)</u>	<u>-</u>
<b>Component unit:</b>								
Downtown Development Authority	<u>\$ 137,410</u>	<u>\$ -</u>	<u>\$ 178,000</u>	<u>\$ -</u>				<u>\$ 40,590</u>
General revenues:								
Property taxes					2,606,937	-	2,606,937	-
Sales taxes					2,703,283	-	2,703,283	-
Insurance premium tax					691,819	-	691,819	-
Alcoholic beverage taxes					387,806	-	387,806	-
Other taxes					694,402	-	694,402	-
Franchise taxes					713,508	-	713,508	-
Unrestricted investment earnings					65,859	-	65,859	-
Gain on sale of assets					1,360	-	1,360	-
Transfers					131,758	(131,758)	-	-
Total general revenues and transfers					<u>7,996,732</u>	<u>(131,758)</u>	<u>7,864,974</u>	<u>-</u>
Change in net assets					2,165,303	105,941	2,271,244	40,590
Net assets, beginning of year					11,610,079	446,109	12,056,188	(113,147)
Net assets, end of year					<u>\$ 13,775,382</u>	<u>\$ 552,050</u>	<u>\$ 14,327,432</u>	<u>\$ (72,557)</u>

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

**CITY OF RIVERDALE, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Projects SPLOST Fund</b>	<b>COPS 2009 Fund</b>	<b>Other Governmental Funds</b>	<b>Totals Governmental Funds</b>
Cash and cash equivalents	\$ 3,590,251	\$ 406,003	\$ -	\$ 1,281,756	\$ 5,278,010
Investments	347,406	-	-	761,052	1,108,458
Taxes receivable	566,145	-	-	3,492	569,637
Accounts receivable	612,814	-	-	27,404	640,218
Due from other governments	-	265,691	-	115,695	381,386
Due from component unit	-	-	-	200,000	200,000
Due from other funds	527,500	-	2,160	390,706	920,366
Prepaid items	256,931	-	-	-	256,931
Restricted assets, cash	-	-	6,494,879	-	6,494,879
Total assets	<u>\$ 5,901,047</u>	<u>\$ 671,694</u>	<u>\$ 6,497,039</u>	<u>\$ 2,780,105</u>	<u>\$ 15,849,885</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 255,332	\$ -	\$ 2,205,478	\$ 152,784	\$ 2,613,594
Retainage payable	-	-	691,534	-	691,534
Accrued liabilities	81,095	-	-	1,654	82,749
Deferred revenues	669,992	44,083	-	96,195	810,270
Due to other funds	1,236,057	-	14,070	521,230	1,771,357
Total liabilities	<u>2,242,476</u>	<u>44,083</u>	<u>2,911,082</u>	<u>771,863</u>	<u>5,969,504</u>
<b>FUND BALANCES</b>					
Fund balances:					
Reserved for:					
Prepaid expenditures	256,931	-	-	-	256,931
Unreserved, reported in:					
General fund	3,401,640	-	-	-	3,401,640
Special revenue funds	-	-	-	593,519	593,519
Capital projects funds	-	627,611	3,585,957	1,414,723	5,628,291
Total fund balances	<u>3,658,571</u>	<u>627,611</u>	<u>3,585,957</u>	<u>2,008,242</u>	<u>9,880,381</u>
Total liabilities and fund balances	<u>\$ 5,901,047</u>	<u>\$ 671,694</u>	<u>\$ 6,497,039</u>	<u>\$ 2,780,105</u>	

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.	22,523,502
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	619,937
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.	646,495
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.	(125,615)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	<u>(19,769,318)</u>
Net assets of governmental activities	<u>\$ 13,775,382</u>

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

**CITY OF RIVERDALE, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>General Fund</b>	<b>Capital Projects SPLOST Fund</b>	<b>COPS 2009 Fund</b>	<b>Other Governmental Funds</b>	<b>Totals Governmental Funds</b>
<b>Revenues</b>					
Property taxes	\$ 2,580,351	\$ -	\$ -	\$ -	\$ 2,580,351
Sales taxes	2,722,074	-	-	-	2,722,074
Other taxes	1,748,527	-	-	25,500	1,774,027
Charges for services	212,111	-	-	262,108	474,219
Licenses and permits	289,219	-	-	-	289,219
Intergovernmental	140,461	2,390,544	-	195,130	2,726,135
Franchise fees	713,508	-	-	-	713,508
Fines and forfeitures	3,517,945	-	-	66,442	3,584,387
Interest revenue	2,073	-	4,761	59,025	65,859
Other revenues	26,958	16	-	-	26,974
Total revenues	<u>11,953,227</u>	<u>2,390,560</u>	<u>4,761</u>	<u>608,205</u>	<u>14,956,753</u>
<b>Expenditures</b>					
Current:					
General government	2,871,716	-	-	-	2,871,716
Judicial	1,582,394	-	-	-	1,582,394
Public safety	5,087,486	-	-	635,109	5,722,595
Public works	85,674	-	-	-	85,674
Culture and recreation	149,666	-	-	-	149,666
Economic development	842,212	-	-	51,779	893,991
Capital outlay	144,550	-	12,873,499	894,442	13,912,491
Debt service:					
Principal	-	-	1,740,000	20,527	1,760,527
Interest	-	-	843,319	49,597	892,916
Total expenditures	<u>10,763,698</u>	<u>-</u>	<u>15,456,818</u>	<u>1,651,454</u>	<u>27,871,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,189,529</u>	<u>2,390,560</u>	<u>(15,452,057)</u>	<u>(1,043,249)</u>	<u>(12,915,217)</u>
<b>Other financing sources (uses)</b>					
Proceeds from sale of assets	1,360	-	-	-	1,360
Transfers in	232,686	-	2,583,319	1,939,461	4,755,466
Transfers out	(2,224,642)	(2,027,410)	-	(371,656)	(4,623,708)
Total other financing sources (uses)	<u>(1,990,596)</u>	<u>(2,027,410)</u>	<u>2,583,319</u>	<u>1,567,805</u>	<u>133,118</u>
Net change in fund balances	(801,067)	363,150	(12,868,738)	524,556	(12,782,099)
<b>Fund balances, beginning of year</b>	<u>4,459,638</u>	<u>264,461</u>	<u>16,454,695</u>	<u>1,483,686</u>	<u>22,662,480</u>
<b>Fund balances, end of year</b>	<u>\$ 3,658,571</u>	<u>\$ 627,611</u>	<u>\$ 3,585,957</u>	<u>\$ 2,008,242</u>	<u>\$ 9,880,381</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, 2010

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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	\$ (12,782,099)
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.	13,311,756
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	88,348
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.	1,760,527
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities.	(138,617)
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>(74,612)</u>
	<u>\$ 2,165,303</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, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 3,220,527	\$ 3,220,527	\$ 2,580,351	\$ (640,176)
Sales taxes	3,000,000	3,000,000	2,722,074	(277,926)
Other taxes	1,786,428	1,786,428	1,748,527	(37,901)
Charges for services	207,509	207,509	212,111	4,602
Licenses and permits	305,310	305,310	289,219	(16,091)
Intergovernmental	-	-	140,461	140,461
Franchise fees	706,311	706,311	713,508	7,197
Fines and forfeitures	1,833,442	1,833,442	3,517,945	1,684,503
Interest revenue	12,500	12,500	2,073	(10,427)
Other revenues	14,500	14,500	26,958	12,458
Total revenues	<u>11,086,527</u>	<u>11,086,527</u>	<u>11,953,227</u>	<u>866,700</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Mayor / Commission	128,494	127,802	129,392	(1,590)
General administration	623,668	611,320	623,718	(12,398)
Finance	2,435,131	2,053,928	2,118,606	(64,678)
Total general government	<u>3,187,293</u>	<u>2,793,050</u>	<u>2,871,716</u>	<u>(78,666)</u>
<b>Judicial:</b>				
Municipal court	<u>679,692</u>	<u>1,484,788</u>	<u>1,582,394</u>	<u>(97,606)</u>
<b>Public safety:</b>				
Police	3,093,405	3,093,523	3,133,157	(39,634)
Fire	1,982,657	1,936,978	1,954,329	(17,351)
Total public safety	<u>5,076,062</u>	<u>5,030,501</u>	<u>5,087,486</u>	<u>(56,985)</u>
<b>Public works:</b>				
Administration	<u>84,700</u>	<u>87,416</u>	<u>85,674</u>	<u>1,742</u>
<b>Parks and recreation</b>	<u>226,341</u>	<u>141,224</u>	<u>149,666</u>	<u>(8,442)</u>
<b>Economic development</b>	<u>804,203</u>	<u>862,152</u>	<u>842,212</u>	<u>19,940</u>
<b>Capital outlay</b>	<u>-</u>	<u>144,550</u>	<u>144,550</u>	<u>-</u>
<b>Debt service</b>	<u>496,619</u>	<u>495,869</u>	<u>-</u>	<u>495,869</u>
Total expenditures	<u>10,554,910</u>	<u>11,039,550</u>	<u>10,763,698</u>	<u>275,852</u>
Excess of revenues over expenditures	<u>531,617</u>	<u>46,977</u>	<u>1,189,529</u>	<u>1,142,552</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, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	\$ 12,000	\$ 12,000	\$ 1,360	\$ (10,640)
Transfers in	158,300	1,120,238	232,686	(887,552)
Transfers out	(701,917)	(1,504,381)	(2,224,642)	(720,261)
Total other financing sources (uses)	<u>(531,617)</u>	<u>(372,143)</u>	<u>(1,990,596)</u>	<u>(1,618,453)</u>
Net change in fund balances	-	(325,166)	(801,067)	(475,901)
<b>Fund balances, beginning of year</b>	<u>4,459,638</u>	<u>4,459,638</u>	<u>4,459,638</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 4,459,638</u>	<u>\$ 4,134,472</u>	<u>\$ 3,658,571</u>	<u>\$ (475,901)</u>

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

**CITY OF RIVERDALE, GEORGIA**

**STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2010**

		<b>Business-type Activities - Enterprise Fund Solid Waste Management</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 57,879	\$ 1,352
Accounts receivable, net of allowance for uncollectible accounts		80,378	-
Prepaid items		-	19,896
Due from other funds		850,991	-
Total current assets		<u>989,248</u>	<u>21,248</u>
<b>NONCURRENT ASSETS</b>			
Capital assets - depreciable, net		<u>11,113</u>	<u>-</u>
Total assets		<u>1,000,361</u>	<u>21,248</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		104,830	9,120
Accrued liabilities		-	137,743
Unearned revenues		343,481	-
Total current liabilities		<u>448,311</u>	<u>146,863</u>
<b>NET ASSETS</b>			
Invested in capital assets		11,113	-
Unrestricted (deficit)		540,937	(125,615)
Total net assets (deficit)		<u>\$ 552,050</u>	<u>\$ (125,615)</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, 2010**

	<b>Business-type Activities - Enterprise Fund Solid Waste Management</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,045,790	\$ -
Other	-	47,490
Total operating revenues	<u>1,045,790</u>	<u>47,490</u>
 <b>OPERATING EXPENSES</b>		
Purchased or contracted services	807,268	10,734
Claims expense	-	175,373
Depreciation	823	-
Total operating expenses	<u>808,091</u>	<u>186,107</u>
 Operating income (loss)	237,699	(138,617)
 Transfers in	100	-
Transfers out	<u>(131,858)</u>	<u>-</u>
 Change in net assets	<u>105,941</u>	<u>(138,617)</u>
 <b>NET ASSETS, beginning of year</b>	<u>446,109</u>	<u>13,002</u>
 <b>NET ASSETS (DEFICIT), end of year</b>	<u><u>\$ 552,050</u></u>	<u><u>\$ (125,615)</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, 2010

	<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	\$ 953,387	\$ -
Receipts from interfund services provided	-	47,490
Payments to suppliers	(769,493)	(46,138)
Net cash provided by operating activities	183,894	1,352
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers from other funds	100	-
Transfers to other funds	(131,858)	-
Net cash used in noncapital financing activities	(131,758)	-
Net increase in cash and cash equivalents	52,136	1,352
<b>Cash and cash equivalents:</b>		
Beginning of year	5,743	-
End of year	\$ 57,879	\$ 1,352
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 237,699	\$ (138,617)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	823	-
Changes in assets and liabilities:		
Increase in accounts receivable	(36,820)	-
Increase in prepaid insurance	-	(526)
Increase in due from other funds	(60,574)	-
Increase in accounts payable	37,775	3,452
Increase in deferred liabilities	4,991	137,043
Net cash provided by operating activities	\$ 183,894	\$ 1,352

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, 2010**

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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, 2010, 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. Separate financial statements are prepared for the Downtown Development Authority and may be obtained from Riverdale's City Hall, 7200 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 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.

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.

## 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)

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.

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

#### 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)

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

During fiscal year 2010, annual budgets were not legally adopted for the Confiscated Assets Fund, LCI Grant Fund, or 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, 2010:

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 2009 Certificates of Participation are classified as restricted assets on the balance sheet because their use is limited to construction and acquisition of the City's Town Center Promenade project.

#### 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, 2010.

## 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

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

#### 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net 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 \$19,769,318 difference are as follows:

Certificates of participation	\$ (18,707,000)
Plus: Issuance premium (to be amortized against interest expense)	(258,900)
Less: Deferred fair value of interest rate swap	190,333
Compensated absences	(723,441)
Accrued interest	(128,953)
Postretirement benefit obligation	(141,357)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ (19,769,318)

Another element of this reconciliation explains that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$619,937 difference are as follows:

Deferred property tax revenue	\$ 178,556
Deferred sales tax revenue	93,249
Deferred fines and forfeitures	442,270
Deferred grant revenues	96,195
Deferred fair value of interest rate swap	(190,333)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ 619,937

## 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 \$13,311,756 difference are as follows:

Capital outlay	\$ 13,862,188
Depreciation expense	<u>(550,432)</u>
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>	<u><u>\$ 13,311,756</u></u>

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 \$1,760,527 difference are as follows:

Principal repayments	
Certificates of participation	\$ 1,740,000
Capital lease	<u>20,527</u>
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>	<u><u>\$ 1,760,527</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 (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 \$74,612 difference are as follows:

Change in accrued interest	\$ 11,600
Amortization of debt issuance costs/premium	(14,773)
Change in compensated absences	(11,248)
Depreciation expense	(60,191)
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>	\$ (74,612)

### NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2010, are summarized as follows:

As reported in the Statement of Net Assets:	
Cash and cash equivalents	\$ 5,337,241
Restricted assets, cash	6,494,879
Investments	1,108,458
	\$ 12,940,578
Cash deposited with financial institutions	\$ 10,959,832
Guaranteed Investment Contract	761,052
Money Market funds	872,288
Cash deposited with Georgia Fund 1	347,406
	\$ 12,940,578

**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, 2010, the City had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>More than 10</u>
Guaranteed Investment Contract	\$ 761,052	\$ -	\$ 761,052
Georgia Fund 1	347,406	347,406	-
Total	<u>\$ 1,108,458</u>	<u>\$ 347,406</u>	<u>\$ 761,052</u>

As of June 30, 2010, 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 Treasury and Fiscal Services. 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, 2010, 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 75%; and 3) state investment pools 10%. As of June 30, 2010, approximately 31% of the City's investments were in the State of Georgia's investment pool. In addition, approximately 69% 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, 2010, including the applicable allowances for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Solid Waste Management Fund</b>
Receivables:			
Taxes	\$ 579,216	\$ 3,492	\$ -
Accounts	1,055,084	27,404	117,161
	1,634,300	30,896	117,161
Less: Allowance for uncollectible accounts	(455,341)	-	(36,783)
	\$ 1,178,959	\$ 30,896	\$ 80,378

### Property Taxes

Property taxes were levied on September 15, 2009, (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 15, 2009, and payable on or before November 16, 2009, for the fiscal year 2009 tax. Taxes not paid within 30 days of the November 16th due date are subject to property tax liens on February 15, 2010. Property tax revenues are recognized when levied to the extent they result in current receivables.

The tax rate levied during fiscal year 2010 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, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,587,328	\$ 465,915	\$ -	\$ 2,053,243
Construction in progress	3,445,480	13,124,448	-	16,569,928
Total capital assets, not being depreciated	<u>5,032,808</u>	<u>13,590,363</u>	<u>-</u>	<u>18,623,171</u>
Capital assets, being depreciated:				
Buildings and improvements	3,503,738	-	-	3,503,738
Improvements other than buildings	17,813	-	-	17,813
Infrastructure	636,328	-	-	636,328
Vehicles and related equipment	3,111,221	254,358	-	3,365,579
Furniture and other equipment	2,601,806	17,467	-	2,619,273
Total capital assets, being depreciated	<u>9,870,906</u>	<u>271,825</u>	<u>-</u>	<u>10,142,731</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,415,286)	(79,145)	-	(1,494,431)
Improvements other than buildings	(7,032)	(810)	-	(7,842)
Infrastructure	(130,492)	(15,909)	-	(146,401)
Vehicles and related equipment	(2,620,652)	(162,601)	-	(2,783,253)
Furniture and other equipment	(1,518,506)	(291,967)	-	(1,810,473)
Total accumulated depreciation	<u>(5,691,968)</u>	<u>(550,432)</u>	<u>-</u>	<u>(6,242,400)</u>
Total capital assets, being depreciated, net	<u>4,178,938</u>	<u>(278,607)</u>	<u>-</u>	<u>3,900,331</u>
Total capital assets, net	<u>\$ 9,211,746</u>	<u>\$ 13,311,756</u>	<u>\$ -</u>	<u>\$ 22,523,502</u>

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

Governmental activities:	
General government	\$ 48,065
Judicial	10,962
Public safety	427,286
Public works	50,398
Parks and recreation	3,455
Economic development	10,266
Total depreciation - governmental activities	<u>\$ 550,432</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	(4,528)	(823)	-	(5,351)
Total accumulated depreciation	<u>(4,528)</u>	<u>(823)</u>	<u>-</u>	<u>(5,351)</u>
Total capital assets, being depreciated, net	<u>11,936</u>	<u>(823)</u>	<u>-</u>	<u>11,113</u>
Total capital assets, net	<u>\$ 11,936</u>	<u>\$ (823)</u>	<u>\$ -</u>	<u>\$ 11,113</u>

Capital asset activity for the Downtown Development Authority for the fiscal year ended June 30, 2010, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Furniture and other equipment	\$ 7,916	\$ 6,048	\$ -	\$ 13,964
Total capital assets, being depreciated	<u>7,916</u>	<u>6,048</u>	<u>-</u>	<u>13,964</u>
Less accumulated depreciation for:				
Furniture and other equipment	(1,742)	(1,539)	-	(3,281)
Total accumulated depreciation	<u>(1,742)</u>	<u>(1,539)</u>	<u>-</u>	<u>(3,281)</u>
Total capital assets, being depreciated, net	<u>6,174</u>	<u>4,509</u>	<u>-</u>	<u>10,683</u>
Total capital assets, net	<u>\$ 6,174</u>	<u>\$ 4,509</u>	<u>\$ -</u>	<u>\$ 10,683</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2010, 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>					
Certificates of participation	\$ 20,447,000	\$ -	\$ (1,740,000)	\$ 18,707,000	\$ 2,270,000
Less deferred value of interest rate swap	(124,592)	(65,741)	-	(190,333)	-
Plus unamortized premium	268,202	-	(9,302)	258,900	9,302
Certificates of participation, net	20,590,610	(65,741)	(1,749,302)	18,775,567	2,279,302
Capital lease	20,527	-	(20,527)	-	-
Compensated absences	712,193	396,673	(385,425)	723,441	408,573
Postretirement benefit obligation	81,166	98,216	(38,025)	141,357	-
Governmental activity Long-term liabilities	<u>\$ 21,404,496</u>	<u>\$ 429,148</u>	<u>\$ (2,193,279)</u>	<u>\$ 19,640,365</u>	<u>\$ 2,687,875</u>

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

The beginning balance of governmental activities above has been decreased by \$124,592 to properly reflect the implementation of GASB 53 and the recording of the City's interest rate swap agreement.

The following is a summary of long-term debt activity for the Downtown Development Authority for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital lease payable	\$ -	\$ 6,048	\$ -	\$ 6,048	\$ 1,512
Long-term liabilities	<u>\$ -</u>	<u>\$ 6,048</u>	<u>\$ -</u>	<u>\$ 6,048</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. 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 Aa3 by Moody's. At June 30, 2010, the floating rate being paid by the City is 0.56% and the market value of the agreement is \$190,333, an increase of \$65,741 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, 2010 based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt 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
2011	\$ 2,270,000	\$ 822,264	\$ 3,092,264
2012	2,345,000	731,464	3,076,464
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 - 2020	760,000	1,646,119	2,406,119
2021 - 2025	935,000	1,465,756	2,400,756
2026 - 2030	2,232,000	1,099,254	3,331,254
2031 - 2035	1,575,000	589,875	2,164,875
2036 - 2038	1,170,000	130,900	1,300,900
	\$ 18,707,000	\$ 8,101,424	\$ 26,808,424

**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.

## NOTES TO FINANCIAL STATEMENTS

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

The following is an analysis of the leased equipment under capital lease as of June 30, 2010:

Equipment	\$	6,048
Less: Accumulated depreciation		(302)
		5,746
	\$	5,746

The following is a schedule of future minimum lease payments under the capital lease at June 30, 2010:

Fiscal year ending June 30,		
2011	\$	1,512
2012		1,512
2013		1,512
2014		1,512
		6,048
Total depreciation - governmental activities	\$	6,048

### 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:

Participant's Salary Reduction Amount	City's Contribution
2% of employee's regular bi-weekly wages	4% of employee's regular bi-weekly wages

## NOTES TO FINANCIAL STATEMENTS

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

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:

<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, 2010, was \$191,246. This contribution represented approximately 4.00% of the City's current year payroll for all eligible employees which was approximately \$5,825,647. Contributions from employees were approximately \$100,404 representing 2.00% 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, 2009, monthly premium rates were \$246 for medical and \$29 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, 2010 was \$38,025. Six 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, 2009, (the most recent actuarial valuation date) and the changes in the City's net OPEB obligation:

#### Derivation of Annual OPEB Cost

	July 1, 2009	July 1, 2008
Annual Required Contribution	\$ 99,187	\$ 98,534
Interest on Net OPEB Obligation	4,058	-
Amortization of Net Pension Obligation	(5,029)	-
Annual OPEB Cost	\$ 98,216	\$ 98,534

#### Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Year	\$ 98,216
Actual Employer Contributions Made	(38,025)
Increase in Net OPEB Obligation	60,191
Net OPEB Obligation - June 30, 2009	81,166
Net OPEB Obligation - June 30, 2010	\$ 141,357

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 were as follows:

Fiscal Year	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 98,216	\$ 38,025	38.7%	\$ 141,357

## NOTES TO FINANCIAL STATEMENTS

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

**Funded Status and Funding Progress.** As of July 1, 2009, 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
6/30/2010	\$ -	\$ 881,268	\$ 881,268	- %	\$ 4,712,235	18.7%

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.

**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, 2009 actuarial valuation are as follows:

**Basis of Valuation**

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

## 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, 2010, expenditures exceeded budget appropriations in the General Fund, as follows:

<u>Department</u>	<u>Excess</u>
Mayor/Commission	\$ 1,590
General administration	12,398
Finance	64,678
Municipal court	97,606
Police	39,634
Fire	17,351
Parks and recreation	8,442

These overexpenditures were funded by underexpenditures in other departments and available fund balance.

#### B. Deficit Fund Equity

The following fund had a deficit fund balance at June 30, 2010:

<u>Fund</u>	<u>Deficit</u>
LCI Grant Fund	\$ 1,309
EDI Grant Fund	96,111

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, 2010, are as follows:

<u>Due To</u>	<u>Due From</u>			<u>Total</u>
	<u>General Fund</u>	<u>COPS 2009 Fund</u>	<u>Nonmajor Governmental</u>	
General Fund	\$ -	\$ 14,070	\$ 513,430	\$ 527,500
COPS 2009 Fund	2,160	-	-	2,160
Nonmajor Governmental Funds	382,906	-	7,800	390,706
Solid Waste Management Fund	850,991	-	-	850,991
Total	<u>\$ 1,236,057</u>	<u>\$ 14,070</u>	<u>\$ 521,230</u>	<u>\$ 1,771,357</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, 2010, consisted of the following:

<u>Transfer from</u>	<u>Transfer to</u>				<u>Total</u>
	<u>General Fund</u>	<u>2009 COPS Fund</u>	<u>Nonmajor Governmental</u>	<u>Solid Waste Fund</u>	
General Fund	\$ -	\$ 556,009	\$ 1,668,633	\$ -	\$ 2,224,642
SPLOST Capital Projects Fund	-	2,027,310	-	100	2,027,410
Nonmajor Governmental Funds	100,828	-	270,828	-	371,656
Solid Waste Management Fund	131,858	-	-	-	131,858
Total	<u>\$ 232,686</u>	<u>\$ 2,583,319</u>	<u>\$ 1,939,461</u>	<u>\$ 100</u>	<u>\$ 4,755,566</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

### 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,	
	2010	2009
Balance - beginning of year	\$ 700	\$ 21,480
Current year claims and changes in estimates	175,373	(2,092)
Claim payments	(38,330)	(18,688)
	\$ 137,743	\$ 700

### NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. For the fiscal year ended June 30, 2010, \$25,500 of hotel/motel tax was collected. A total of \$24,830, or 97.4%, 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, 2010.

## 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, 2010, 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.

In connection with the Town Center Promenade Project, the City has entered into a construction contract with a total value of \$15,648,665. As of June 30, 2010, \$13,830,686 of costs had been incurred. At June 30, 2010, \$2,097,173 is owed under this contract as accounts payable and \$691,534 is owed as retainage payable on the statement of net assets.

### **NOTE 15. SUBSEQUENT EVENT**

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

**REQUIRED SUPPLEMENTARY INFORMATION**



# CITY OF RIVERDALE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION

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### 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>
6/30/2010	\$ -	\$ 881,268	\$ 881,268	- %	\$ 4,712,235	18.7%
6/30/2009	-	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 **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 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 **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, 2010**

ASSETS	Special Revenue Funds				
	Emergency Communication Fund	Hotel/ Motel Tax Fund	Confiscated Assets Fund	LCI Grant Fund	Red Light Enforcement Fund
Cash and cash equivalents	\$ 272	\$ 18,325	\$ 69,814	\$ 41	\$ 465,485
Investments	-	-	-	-	-
Taxes receivable	-	3,492	-	-	-
Accounts receivable	27,404	-	-	-	-
Due from other governments	-	-	-	-	-
Due from component unit	-	-	-	-	-
Due from other funds	-	11,594	21,312	-	-
<b>Total assets</b>	<b>\$ 27,676</b>	<b>\$ 33,411</b>	<b>\$ 91,126</b>	<b>\$ 41</b>	<b>\$ 465,485</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 13,558	\$ 728	\$ -	\$ 3
Accrued expenses	1,654	-	-	-	-
Deferred revenues	-	-	-	-	-
Due to other funds	-	-	-	1,350	6,927
<b>Total liabilities</b>	<b>1,654</b>	<b>13,558</b>	<b>728</b>	<b>1,350</b>	<b>6,930</b>
<b>FUND BALANCES (DEFICIT)</b>					
Unreserved	26,022	19,853	90,398	(1,309)	458,555
<b>Total fund balances (deficit)</b>	<b>26,022</b>	<b>19,853</b>	<b>90,398</b>	<b>(1,309)</b>	<b>458,555</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 27,676</b>	<b>\$ 33,411</b>	<b>\$ 91,126</b>	<b>\$ 41</b>	<b>\$ 465,485</b>

<b>Capital Project Funds</b>					
<b>Capital Projects Fund</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>
\$ 107,899	\$ 596,735	\$ -	\$ 84	\$ 23,101	\$ 1,281,756
761,052	-	-	-	-	761,052
-	-	-	-	-	3,492
-	-	-	-	-	27,404
-	-	19,500	96,195	-	115,695
-	-	-	-	200,000	200,000
357,800	-	-	-	-	390,706
<u>\$ 1,226,751</u>	<u>\$ 596,735</u>	<u>\$ 19,500</u>	<u>\$ 96,279</u>	<u>\$ 223,101</u>	<u>\$ 2,780,105</u>
\$ 33,525	\$ -	\$ 8,775	\$ 96,195	\$ -	\$ 152,784
-	-	-	-	-	1,654
-	-	-	96,195	-	96,195
502,228	-	10,725	-	-	521,230
<u>535,753</u>	<u>-</u>	<u>19,500</u>	<u>192,390</u>	<u>-</u>	<u>771,863</u>
690,998	596,735	-	(96,111)	223,101	2,008,242
690,998	596,735	-	(96,111)	223,101	2,008,242
<u>\$ 1,226,751</u>	<u>\$ 596,735</u>	<u>\$ 19,500</u>	<u>\$ 96,279</u>	<u>\$ 223,101</u>	<u>\$ 2,780,105</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, 2010**

	<b>Special Revenue Funds</b>				
	<b>Emergency Communication Fund</b>	<b>Hotel/ Motel Tax Fund</b>	<b>Confiscated Assets Fund</b>	<b>LCI Grant Fund</b>	<b>Red Light Enforcement Fund</b>
<b>Revenues:</b>					
Other taxes	\$ -	\$ 25,500	\$ -	\$ -	\$ -
Charges for services	262,108	-	-	-	-
Fines and forfeitures	-	-	57,407	-	9,035
Intergovernmental	-	-	-	-	-
Interest revenue	226	-	-	-	-
Total revenues	<u>262,334</u>	<u>25,500</u>	<u>57,407</u>	<u>-</u>	<u>9,035</u>
<b>Expenditures:</b>					
Current:					
Public safety	505,100	-	81,645	-	48,364
Economic development	-	24,830	-	-	-
Capital outlay	26,099	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>531,199</u>	<u>24,830</u>	<u>81,645</u>	<u>-</u>	<u>48,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(268,865)</u>	<u>670</u>	<u>(24,238)</u>	<u>-</u>	<u>(39,329)</u>
<b>Other financing sources (uses)</b>					
Transfers in	278,615	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>278,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,750	670	(24,238)	-	(39,329)
<b>Fund balances (deficit), beginning of year</b>	<u>16,272</u>	<u>19,183</u>	<u>114,636</u>	<u>(1,309)</u>	<u>497,884</u>
<b>Fund balances (deficit), end of year</b>	<u>\$ 26,022</u>	<u>\$ 19,853</u>	<u>\$ 90,398</u>	<u>\$ (1,309)</u>	<u>\$ 458,555</u>

Capital Project Funds					
Capital Projects Fund	Capital Budget Reserve Fund	CDBG Grant Fund	EDI Grant Fund	Economic Development Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,500
-	-	-	-	-	262,108
-	-	-	-	-	66,442
-	-	195,130	-	-	195,130
58,799	-	-	-	-	59,025
<u>58,799</u>	<u>-</u>	<u>195,130</u>	<u>-</u>	<u>-</u>	<u>608,205</u>
-	-	-	-	-	635,109
-	-	-	-	26,949	51,779
577,018	-	195,130	96,195	-	894,442
20,527	-	-	-	-	20,527
49,597	-	-	-	-	49,597
<u>647,142</u>	<u>-</u>	<u>195,130</u>	<u>96,195</u>	<u>26,949</u>	<u>1,651,454</u>
<u>(588,343)</u>	<u>-</u>	<u>-</u>	<u>(96,195)</u>	<u>(26,949)</u>	<u>(1,043,249)</u>
1,321,846	289,000	-	-	50,000	1,939,461
(100,828)	(270,828)	-	-	-	(371,656)
<u>1,221,018</u>	<u>18,172</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>1,567,805</u>
632,675	18,172	-	(96,195)	23,051	524,556
58,323	578,563	-	84	200,050	1,483,686
<u>\$ 690,998</u>	<u>\$ 596,735</u>	<u>\$ -</u>	<u>\$ (96,111)</u>	<u>\$ 223,101</u>	<u>\$ 2,008,242</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Charges for services	\$ 250,000	\$ 250,000	\$ 262,108	\$ 12,108
Interest revenue	60	60	226	166
Total revenues	<u>250,060</u>	<u>250,060</u>	<u>262,334</u>	<u>12,274</u>
<b>Expenditures</b>				
Public safety	<u>531,704</u>	<u>531,704</u>	<u>531,199</u>	<u>505</u>
Total expenditures	<u>531,704</u>	<u>531,704</u>	<u>531,199</u>	<u>505</u>
Deficiency of revenues under expenditures	<u>(281,644)</u>	<u>(281,644)</u>	<u>(268,865)</u>	<u>12,779</u>
<b>Other financing sources:</b>				
Transfers in	<u>281,644</u>	<u>281,644</u>	<u>278,615</u>	<u>(3,029)</u>
Total other financing sources	<u>281,644</u>	<u>281,644</u>	<u>278,615</u>	<u>(3,029)</u>
Net change in fund balance	-	-	9,750	9,750
<b>Fund balances, beginning of year</b>	<u>16,272</u>	<u>16,272</u>	<u>16,272</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 16,272</u>	<u>\$ 16,272</u>	<u>\$ 26,022</u>	<u>\$ 9,750</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Other taxes	\$ 25,230	\$ 25,230	\$ 25,500	\$ 270
Total revenues	<u>25,230</u>	<u>25,230</u>	<u>25,500</u>	<u>270</u>
<b>Expenditures</b>				
Economic development	31,000	31,000	24,830	6,170
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>24,830</u>	<u>6,170</u>
Excess (deficiency) of revenues over (under) expenditures	(5,770)	(5,770)	670	6,440
<b>Other financing sources:</b>				
Transfers in	5,770	5,770	-	(5,770)
Total other financing sources	<u>5,770</u>	<u>5,770</u>	<u>-</u>	<u>(5,770)</u>
Net change in fund balance	-	-	670	670
<b>Fund balances, beginning of year</b>	<u>19,183</u>	<u>19,183</u>	<u>19,183</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 19,183</u>	<u>\$ 19,183</u>	<u>\$ 19,853</u>	<u>\$ 670</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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Fines and forfeitures	\$ 72,000	\$ 72,000	\$ 9,035	\$ (62,965)
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>9,035</u>	<u>(62,965)</u>
<b>Expenditures</b>				
Public safety	75,733	75,733	48,364	27,369
Total expenditures	<u>75,733</u>	<u>75,733</u>	<u>48,364</u>	<u>27,369</u>
Deficiency of revenues under expenditures	<u>(3,733)</u>	<u>(3,733)</u>	<u>(39,329)</u>	<u>(35,596)</u>
<b>Other financing sources</b>				
Transfers in	3,733	3,733	-	(3,733)
Total other financing sources	<u>3,733</u>	<u>3,733</u>	<u>-</u>	<u>(3,733)</u>
Net change in fund balance	-	-	(39,329)	(39,329)
<b>Fund balances, beginning of year</b>	<u>497,884</u>	<u>497,884</u>	<u>497,884</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 497,884</u>	<u>\$ 497,884</u>	<u>\$ 458,555</u>	<u>\$ (39,329)</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, 2010**

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<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	\$ 2,954,728	\$ -	\$ -	\$ -
Streetscapes	2,401,465	2,401,465	-	-	-
Park improvements	5,045,271	5,045,271	-	-	-
Community Center	4,000,000	4,000,000	-	2,027,410	2,027,410
Acquisition of land for parks and greenspace	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 17,401,464</u>	<u>\$ 17,401,464</u>	<u>\$ -</u>	<u>\$ 2,027,410</u>	<u>\$ 2,027,410</u>

Note: The balance of prior years has been adjusted to reflect a reimbursement for bank charges.

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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>56 - 60</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>61 - 66</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>67 - 69</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>70 and 71</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>72 - 74</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 SEVEN FISCAL YEARS**

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>							
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
Restricted	1,245,430	884,358	1,267,166	45,030	-	264,461	1,318,609
Unrestricted	3,135,700	2,013,891	3,099,296	2,933,600	6,344,978	4,934,319	2,213,959
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>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$ 16,052	\$ 15,229	\$ 14,406	\$ 13,583	\$ 12,760	\$ 11,936	\$ 11,113
Restricted	-	-	-	-	-	-	-
Unrestricted	51,552	32,771	12,710	176,507	312,500	434,173	540,937
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>
<b>Primary government</b>							
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
Restricted	1,245,430	884,358	1,267,166	45,030	-	264,461	1,318,609
Unrestricted	3,187,252	2,046,662	3,112,006	3,110,107	6,657,478	5,368,492	2,754,896
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>

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

**CITY OF RIVERDALE, GEORGIA**

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

Expenses	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
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
Judicial	-	-	-	469,683	526,835	604,712	1,600,470
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
Highways and streets	1,210,422	1,164,175	991,823	717,264	389,957	352,519	136,078
Parks and recreation	9,538	6,015	32,394	623,675	1,314,469	867,159	158,075
Community development	325,594	345,623	359,149	4,600	74,717	55,470	904,257
Interest on long-term debt	76,091	75,378	66,772	63,059	55,990	386,349	896,089
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
Business-type activities:							
Solid waste management	214,111	14,941	254,309	517,686	534,347	587,569	808,091
Total business-type activities expenses	214,111	14,941	254,309	517,686	534,347	587,569	808,091
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
<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
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
Highways and streets	-	-	-	-	94,039	54,547	62,577
Community development	182,566	151,251	323,348	-	28,158	29,351	44,481
Operating grants and contributions	-	-	60,504	81,932	32,981	47,021	110,203
Capital grants and contributions	230,708	137,606	271,534	75,040	259,350	683,922	2,700,785
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
Business-type activities:							
Charges for services	330,526	183,939	397,854	680,560	669,517	708,418	1,045,790
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
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
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)
Business-type activities	123,915	168,998	204,049	162,874	135,170	120,849	237,699
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)

(Continued)

**CITY OF RIVERDALE, GEORGIA**

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

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<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
Sales taxes	2,613,731	2,703,653	3,045,895	3,007,401	3,010,800	2,813,210	2,703,283
Franchise taxes	526,519	626,884	591,386	680,563	697,891	734,939	713,508
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
Alcoholic beverage taxes	394,605	391,749	382,259	413,326	403,651	375,650	387,806
Other taxes	99,614	71,101	89,031	1,095,497	782,583	688,894	694,402
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
Gain on sale of assets	13,885	-	42,278	-	28,390	11,550	1,360
Transfers	56,311	197,873	166,823	(100)	-	-	131,758
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>
Business-type activities:							
Investment earnings	-	9,271	2,394	-	-	-	-
Transfers	(56,311)	(197,873)	(166,823)	100	-	-	(131,758)
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>
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>
<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
Business-type activities	67,604	(19,604)	39,620	162,974	135,170	120,849	105,941
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>

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

**CITY OF RIVERDALE, GEORGIA**

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 293,491	\$ 430,855	\$ 915,023	\$ 642,829	\$ 441,885	\$ 444,365	\$ 259,087	\$ 180,393	\$ 324,781	\$ 256,931
Unreserved	3,439,342	3,261,400	4,144,638	2,913,300	2,541,493	3,623,115	4,499,412	4,089,676	4,134,857	3,401,640
Total General fund	<u>\$ 3,732,833</u>	<u>\$ 3,692,255</u>	<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:	\$ 552,809	\$ 839,217	\$ 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>\$ 552,809</u>	<u>\$ 839,217</u>	<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**

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

	Fiscal Year										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
<b>Revenues:</b>											
Taxes	\$ 4,041,067	\$ 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	
Licenses and permits	802,201	947,441	1,076,319	273,213	257,641	323,348	373,705	324,787	266,167	289,219	
Intergovernmental	65,349	125,580	88,986	175,708	137,606	298,132	156,972	273,473	659,901	2,726,135	
Charges for services	724,061	694,286	824,551	307,937	303,691	362,451	355,953	513,494	513,690	474,219	
Fines, forfeitures, and fees	2,237,612	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	
Investment earnings	235,191	143,644	93,269	107,096	131,172	149,729	156,927	98,134	78,588	65,859	
Miscellaneous	58,155	97,998	48,649	46,391	38,972	42,030	25,125	101,581	26,514	26,974	
<b>Total revenues</b>	<b>8,163,636</b>	<b>9,785,308</b>	<b>10,814,718</b>	<b>10,088,920</b>	<b>9,781,337</b>	<b>11,111,649</b>	<b>11,430,003</b>	<b>11,673,956</b>	<b>11,895,875</b>	<b>14,956,753</b>	
<b>Expenditures:</b>											
General government	866,676	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	
Judicial	945,404	923,264	1,017,959	891,283	812,225	825,046	454,913	514,076	591,127	1,582,394	
Public safety	4,896,194	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	
Public works	1,324,609	1,519,492	1,466,378	1,081,953	1,062,864	921,828	656,396	408,017	297,026	85,674	
Parks and recreation	-	-	-	2,500	-	-	27,535	617,083	1,100,065	861,852	149,666
Community development	-	376,409	495,409	323,903	347,536	361,631	4,600	92,500	45,614	893,991	
Capital outlay	774,870	90,834	908,251	576,805	792,287	45,061	645,768	730,447	4,397,803	13,912,491	
Debt service:											
Principal	81,570	86,568	125,654	156,957	111,495	111,872	123,707	147,394	126,812	1,760,527	
Interest and fiscal charges	101,199	100,388	61,250	25,444	69,452	64,506	60,932	58,123	238,320	892,916	
Issuance costs	-	-	-	-	-	-	-	-	637,941	#REF!	
<b>Total expenditures</b>	<b>8,990,522</b>	<b>9,542,528</b>	<b>11,435,333</b>	<b>10,884,099</b>	<b>11,020,376</b>	<b>10,120,907</b>	<b>10,121,671</b>	<b>11,617,176</b>	<b>15,588,154</b>	<b>#REF!</b>	
Excess (deficiency) of revenues over (under) expenditures	(826,886)	242,780	(620,615)	(795,179)	(1,239,039)	990,742	1,308,332	56,780	(3,692,279)	#REF!	
Other financing sources (uses)											
Proceeds from the issuance of debt	41,086	-	-	-	-	-	87,856	-	19,697,078	-	
Proceeds from the sale of capital assets	-	3,050	-	13,885	-	65,528	-	-	12,959	1,360	
Insurance reimbursements	-	-	-	-	-	51,025	-	-	-	-	
Transfers in	-	-	-	-	197,873	166,823	1,045,624	1,486,901	1,486,901	4,755,466	
Transfers out	-	-	(8,015)	(5,938)	-	-	(1,045,724)	(1,486,901)	(1,486,901)	(4,623,708)	
<b>Total other financing sources (uses)</b>	<b>41,086</b>	<b>3,050</b>	<b>(8,015)</b>	<b>7,947</b>	<b>197,873</b>	<b>283,376</b>	<b>87,756</b>	<b>-</b>	<b>19,710,037</b>	<b>133,118</b>	
<b>Net change in fund balances</b>	<b>\$ (785,800)</b>	<b>\$ 245,830</b>	<b>\$ (628,630)</b>	<b>\$ (787,232)</b>	<b>\$ (1,041,166)</b>	<b>\$ 1,274,118</b>	<b>\$ 1,396,088</b>	<b>\$ 56,780</b>	<b>\$ 16,017,758</b>	<b>\$ #REF!</b>	
Debt service as a percentage of noncapital expenditures	2.22%	1.98%	1.78%	1.77%	1.77%	1.75%	1.95%	1.89%	8.96%	#REF!	

# CITY OF RIVERDALE, GEORGIA

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

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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
2000	\$ 192,938,854	\$ 19,844,551	\$ 3,248,161	\$ (264,056)	215,767,510	1.00
2001	224,654,238	22,602,214	3,181,553	(337,332)	250,100,673	5.00
2002	263,243,357	24,001,160	3,245,608	(398,886)	290,091,239	6.50
2003	293,267,647	23,542,870	3,253,383	(723,880)	319,340,020	7.50
2004	296,516,069	23,542,870	3,345,333	(723,880)	322,680,392	7.50
2005	312,555,583	22,912,020	3,360,807	(792,551)	338,035,859	7.50
2006	336,047,298	21,153,260	3,654,056	(756,414)	360,098,200	7.50
2007	347,088,353	23,187,360	3,156,395	(798,206)	372,633,902	7.50
2008	354,555,207	22,500,660	4,153,520	(826,083)	380,383,304	7.50
2009	335,635,644	22,228,660	4,188,365	-	362,052,669	7.50

**Notes:**

(1) Assessed Value is Calculated at 40% of Estimated Actual Value

**Source:** Clayton County Tax Commissioner

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	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
\$	86,307,004	40%
	100,040,269	40%
	116,036,496	40%
	127,736,008	40%
	129,072,157	40%
	135,214,344	40%
	144,039,280	40%
	149,053,561	40%
	152,153,322	40%
	144,821,068	40%

# CITY OF RIVERDALE, GEORGIA

## PROPERTY TAX RATES LAST TEN TAX DIGEST YEARS

<u>Tax Digest Year</u>	<u>State of Georgia</u>	<u>City of Riverdale</u>	<u>Clayton County</u>	<u>School District</u>	<u>Total Millage Rate</u>
2000	0.250	1.00	3.91	17.92	23.08
2001	0.250	5.00	4.05	17.92	27.22
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	7.50	8.76	18.92	35.43
2007	0.250	7.50	13.45	20.00	41.20
2008	0.250	7.50	13.45	19.84	41.04
2009	0.250	7.50	16.45	19.84	44.04

**Source:** Clayton County Tax Commissioner.

**CITY OF RIVERDALE, GEORGIA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND THREE YEARS AGO**  
**(amounts expressed in thousands)**

Taxpayer	2010			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Chateau Forrest Associates LP	\$ 48,960	1	0.014%	\$ 55,367	1	0.015%
Ellis Edward C & Clarice B	42,627	2	0.012%	49,405	2	0.013%
Lowes	39,533	3	0.011%	19,748	9	0.005%
Brookscrossing Apts Ltd	32,427	4	0.009%	32,427	6	0.009%
HD Development of Maryland Inc.	25,703	5	0.007%			
Wal Mart Supercenter	22,592	6	0.006%	26,998	7	0.007%
More Cherry Hill Plaza LLC	18,692	7	0.005%			
Wrens Crossing LLC	16,758	8	0.005%	16,758	10	0.004%
Home Depot	16,315	9	0.005%	48,800	3	0.013%
SSC Realty LLC	16,067	10	0.004%			
IPF / Merchants LP				36,765	4	0.010%
H/S Riverlo LLC				32,579	5	0.009%
Georgia Power				21,240	8	0.006%
Total	<u>\$ 279,674</u>		<u>0.077%</u>	<u>\$ 340,087</u>		<u>0.091%</u>

**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
2001	\$ 187,692	\$ 184,744	98.43%	\$ 2,948	\$ 187,692	100.00%
2002	1,123,380	1,089,884	97.02%	33,496	1,123,380	100.00%
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%	130,992	2,385,658	101.79%
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%	207,082	2,642,396	101.91%
2010	2,374,069	2,339,869	98.56%	88,893	2,428,762	102.30%

**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 SEVEN FISCAL YEARS

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

**Notes:**

(1) Detailed monthly amounts were not available prior to fiscal year 2004; therefore, only the last seven 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 SEVEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita	Personal Income (thousands of dollars)	Population
	Certificates of Participation	Notes Payable	Capital Leases						
2004	\$ 1,022,000	\$ 545,828	\$ 8,124	\$ 1,575,952	0.49%	3.99%	\$ 90.05	\$ 39,530	17,500
2005	1,022,000	440,382	2,074	1,464,456	0.45%	3.70%	100.44	39,530	14,580
2006	1,022,000	330,584	-	1,352,584	0.40%	3.42%	87.40	39,530	15,475
2007	1,022,000	216,236	78,497	1,316,733	0.37%	3.33%	84.94	39,530	15,502
2008	1,022,000	97,168	50,171	1,169,339	0.31%	2.96%	75.21	39,560	15,548
2009	20,447,000	-	20,527	20,467,527	5.38%	49.25%	1,073.68	41,560	19,063
2010	18,707,000	-	-	18,707,000	5.17%	50.26%	997.44	37,220	18,755

**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
2001	\$ 215,767,510	\$ 21,576,751	\$ -	\$ 21,576,751	\$ 0.00%
2002	250,100,673	25,010,067	-	25,010,067	0.00%
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%

**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, 2010

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>	\$ 35,724,744	4.33%	<u>\$ 1,547,215</u>
Subtotal Overlapping Debt			1,547,215
<b>City of Riverdale, Georgia- Direct Debt</b>	18,707,000	100.00%	<u>18,707,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 20,254,215</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of June 30, 2010) 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 Income (thousands) (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age(1)</b>	<b>Unemployment Rate (2)</b>	<b>School Enrollment (3)</b>
2001	10,601	229,893	21,686	32.20	3.90%	4,397
2002	12,478	277,997	22,279	29.50	4.90%	4,447
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

**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 THREE YEARS AGO

<b>Business</b>	<b>2010</b>			<b>2007</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Wal-Mart	379	1	4.36%	341	1	5.00%
City of Riverdale	136	2	1.57%	123	4	1.80%
Kroger	130	3	1.50%	126	3	1.85%
Riverdale Senior High School	128	4	1.47%	143	2	2.10%
Publix	98	5	1.13%	90	10	1.32%
Church Street Elementary	92	6	1.06%	100	6	1.47%
Home Depot	89	7	1.02%	118	5	1.73%
Riverdale Elementary School	88	8	1.01%	92	9	1.35%
Lowe's	87	9	1.00%	105	7	1.54%
Cattle Exchange, Inc.	72	10	0.83%	106	8	1.55%

**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 SIX FISCAL YEARS

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<u>Fiscal Year</u>	<u>General Government</u>	<u>Police Department</u>	<u>Fire Department</u>	<u>Public Works</u>	<u>Community Development</u>	<u>E-911</u>	<u>Total</u>
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

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

# CITY OF RIVERDALE, GEORGIA

## OPERATING INDICATORS BY FUNCTION LAST NINE FISCAL YEARS

Function	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Police</b>									
Number of stations	1	1	1	1	1	1	1	1	1
Physical arrests	2,812	2,213	1,862	848	2,030	2,054	2,367	2,464	2,656
Traffic violations	20,236	15,806	11,070	6,760	12,152	21,302	18,483	19,263	19,518
<b>Fire</b>									
Number of stations	2	2	2	2	2	2	2	2	2
Number of fire related calls	448	156	247	789	374	359	285	317	333
Number of EMS related calls	1,417	1,605	1,817	1,621	1,748	1,678	1,758	1,712	2,063
Inspections	578	891	910	565	245	214	180	517	339
<b>Public Works</b>									
Street resurfacing (miles)	2.29	1.97	3.03	3.87	3.41	5.00	-	-	-
Potholes repaired	34	52	38	20	18	24	-	-	-
<b>Community Development</b>									
Business licenses issued	N/A	N/A	N/A	N/A	294	1,214	1,150	1,089	1,252
Building permits issued	N/A	N/A	N/A	N/A	144	67	66	45	60

**Source:** City of Riverdale records.

**Note:** Information prior to 2002 was not available for Police, Fire, and Public Works. Records related to Community Development activities were not available prior to 2006.

## CITY OF RIVERDALE, GEORGIA

### CAPITAL ASSET STATISTICS BY FUNCTION LAST SEVEN FISCAL YEARS

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

**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.

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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, 2010, which collectively comprise the City of Riverdale, Georgia's basic financial statements and have issued our report thereon dated December 28, 2010. 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**

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 responses, 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.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-1 through 2010-3 to be material weaknesses.

A *significant deficiency* is a deficiency or 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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2010-4 through 2010-6 to be significant deficiencies.

### **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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2010-6.

We also noted certain matters that we reported to management of the City of Riverdale, Georgia in a separate letter dated December 28, 2010.

The City of Riverdale, Georgia's responses to the findings identified in our audit is 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.

*Mauldin & Jenkins, LLC*

# CITY OF RIVERDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2010

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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

There was not an audit of major federal award programs as of June 30, 2010 due to the total amount expended being less than \$500,000.

### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### 2010 – 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 did not properly address the above criteria as of June 30, 2010 as it relates to accounts payable items within the Solid Waste Management Fund.

**Context:** We addressed this matter with City personnel who were able to determine the accounts payable balance that should be recorded in the Solid Waste Management Fund as of June 30, 2010.

**Effect:** An audit adjustment was required to be recorded in the Solid Waste Fund to increase accounts payable and expenses by \$34,840.

**Recommendation:** We recommend the City begin recognizing and recording accounts payable as required, and record the necessary adjustments to properly reflect the accounts payable balances at the conclusion of each financial reporting cycle.

**Views of Responsible Officials and Planned Corrective Action:** The City of Riverdale has implemented accounting procedures that recognize and record accounts payable to properly reflect the accounts payable balances at the end of each financial reporting cycle.

**CITY OF RIVERDALE, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

**2010 - 2. Capital Asset Management**

**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, 2010.

**Context:** During the current year, the City implemented a new system for maintenance of capital asset records. In the process, it was determined that (1) assets disposed of in prior years were still in service and therefore included on the FY2010 detailed listing of capital assets; (2) assets added in prior years were omitted from the FY2010 detailed listing of capital assets; (3) assets added in prior years but not on detailed asset listings of previous years were included on the FY2010 detailed listing of capital assets as current year additions; (4) depreciation was incorrectly calculated on a parcel of land in FY2010; and (5) asset lives were incorrectly entered for five assets.

**Effect:** Adjustments to decrease capital assets in the amount of \$15,437 and to decrease accumulated depreciation in the amount of \$1,554,028 were required in the governmental activities.

**Recommendation:** We recommend the City reconcile 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.

**2010 - 3. Recording of Deferred Revenue**

**Criteria:** Governmental funds are reported using the modified accrual basis of accounting where revenues are recognized as soon as they are both measurable and available. Revenues are considered 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 collectible within 60 days of the end of the current fiscal period.

**Condition:** The City did not properly address the above criteria as of June 30, 2010 as it relates to grant revenue reported in the EDI Grant Fund. Grant revenue was not received within 60 days of the end of the current fiscal period.

**CITY OF RIVERDALE, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

**2010 - 3. Recording of Deferred Revenue (continued)**

**Context:** We addressed this matter with City officials who were able to determine the amount of deferred revenue that should be recorded in the EDI Grant Fund as of June 30, 2010.

**Effect:** An audit adjustment to decrease revenue and increase deferred revenue in the amount of \$96,195 was required to be recorded in the above referenced fund.

**Recommendation:** We recommend the City begin recognizing and recording deferred revenue as required, and record the necessary adjustments to reflect the deferred revenue balances at the conclusion of each financial reporting cycle.

**Views of Responsible Officials and Planned Corrective Action:** The City has implemented procedures that will ensure that deferred revenue is recognized and recorded at the conclusion of each financial reporting cycle. Grant revenues will continue to be recognized in the period in which all eligible requirements imposed by the grantor have been met.

**2010 – 4. Fraud Risk Assessment Program - Repeat Finding**

**Criteria:** The City should have a program in place that would identify areas within the City's operations where fraud could occur and not be found within a reasonable amount of time. The program should also provide methods of strengthening controls over susceptible areas so fraud would not likely occur.

**Condition:** The City does not currently have a fraud risk assessment program in place to identify areas where fraud may occur and to implement measures that would strengthen controls to prevent fraud activities.

**Context:** See above condition.

**Effect:** The City does not have a program to identify areas of operations that are susceptible to fraud.

**Recommendation:** We recommend the City implement a fraud risk program.

**Views of Responsible Officials and Planned Corrective Action:** The City will develop and implement a fraud risk program.

**CITY OF RIVERDALE, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

**2010 - 5. 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 during the year ended June 30, 2010.

**Context:** We addressed this matter with City officials and they were able to determine the appropriate adjustments to revenues and receivables.

**Effect:** An audit adjustment was required to be recorded in the Solid Waste Management Fund to decrease revenues and receivables in the amount of \$12,449.

**Recommendation:** We recommend the City establish procedures whereby receivables and revenues are reconciled to the general ledger on a monthly basis.

**Views of Responsible Officials and Planned Corrective Action:** The City has implemented accounting procedures whereby receivables and revenues are reconciled to the general ledger on a monthly basis.

**2010 - 6. Special Revenue Fund Budget – Repeat Finding**

**Criteria:** House Bill 1324 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the general fund, each special revenue fund and each debt service fund and requires a project length balanced budget for each capital projects fund.

**Condition:** For the fiscal year ending June 30, 2010, the City did not adopt a budget for its Confiscated Assets Fund or its LCI Grant Fund (special revenue funds) in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

**Context:** See above condition.

**Effect:** The City is not in compliance with the Official Code of Georgia Sections 36-81-2 through 36-81-6.

**CITY OF RIVERDALE, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

**2010 - 6. Special Revenue Fund Budget – Repeat Finding (continued)**

**Recommendation:** The City should adopt a balanced budget for each special revenue fund.

**Views of Responsible Officials and Planned Corrective Action:** The City will adopt and implement budgetary procedures to ensure that the City adopts a balanced budget for each special revenue fund.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not Applicable

# CITY OF RIVERDALE, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

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### 2009 - 1. Advance of Funds to Downtown Development Authority

**Condition:** During the prior year, the City advanced the Downtown Development Authority (the “DDA”) \$735,750 to purchase properties for the City. The Intergovernmental Agreement between the City and the Downtown Development Authority specified that the Authority would reimburse the City for this advance. This amount was recorded as a receivable at June 30, 2008. The purchased properties and remaining funds were returned to the City during the current year. However, the receivable was not properly removed.

**Status:** Resolved.

### 2009 – 2. Recording of Accounts Payable-Repeat Finding

**Condition:** Generally accepted accounting principles require reporting of all current liabilities when goods have been received or services have been performed. The City did not properly address this criteria as of June 30, 2009 as it relates to accounts payable items within the General Fund and COPS 2009 Fund. Additionally, the City incorrectly recorded a liability for certain capital asset purchases not received as of June 30, 2009.

**Status:** Unresolved. See current year finding 2010-1.

### 2009 – 3. Management of Interfund Transfers and Due To/From (Interfund) Accounts

**Condition:** During the prior year audit procedures, while reviewing the aging and nature of such amounts along with the potential for payment to the receivable funds, it became apparent that some of the receivable amounts should have been written off (as an operating transfer) due to the inability of the payable funds to honor such obligations.

**Status:** Resolved.

### 2009 – 4. Recording of Revenues and Receivables-Repeat Finding

**Condition:** The City did not properly record revenues in the Capital Projects Fund for expenditures reimbursed by grant funding prior to June 30, 2009. Rather, the reimbursements were credited to expenditure accounts.

**Status:** Unresolved. See current year finding 2010-5.

# CITY OF RIVERDALE, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

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### 2009 - 5. Maintenance of Payroll Liability Accounts-Repeat Finding

**Condition:** During our audit, we noted one payroll liability account with an unusually large balance as of June 30, 2009. Upon further investigation and discussions with City staff, it was determined that postings had been made in error during the year causing this balance to be incorrect.

**Status:** Resolved.

### 2009 - 6. Fraud Risk Assessment Program-Repeat Finding

**Condition:** The City does not currently have a fraud risk assessment program in place to identify areas where fraud may occur and to implement measures that would strengthen controls to prevent fraud activities.

**Status:** Unresolved. See current year finding 2010-4.

### 2009 - 7. Special Revenue Fund Budgets

**Condition:** For the fiscal year ending June 30, 2009, the City did not adopt a budget for its Special Revenue Funds in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

**Status:** Unresolved. See current year finding 2010-6.

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