CITY OF RIVERDALE, GEORGIA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by the Finance Department

CITY OF RIVERDALE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

Prepared by:
Riverdale Finance Department

CITY OF RIVERDALE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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CITY OF RIVERDALE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

THE CITY OF
RIVERDALE
Georgia

December 31, 2011

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, 2011.

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, 2011, 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, 2011, 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 54 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 2011 several business establishments were completed and added to the tax rolls.

The Riverdale Town Center construction was completed in FY 2011. In includes the new Riverdale Centre for Arts, Business and Leisure Services. The state of the art multi-purpose civic facility, located in the heart of the Riverdale Town 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 FY2011. 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.

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

- September 27, 2010, resolution to authoring the execution of an intergovernmental contract between the City and the Development Authority of Clayton Count to secure payment of the bonds.

- October 1, 2010 Intergovernmental Contract.

Restricted Funds

Governmental Funds restricted assets at the year end, June 30, 2011, were $5,036,113. These funds were proceeds from the issuance of the 2009 Certificate of Participation (COPS) and the 2010 Series Recovery Bonds and are classified as restricted assets on the balance sheet because their use is limited to construction and acquisition of the City's Town Center Promenade, Park and Parking Deck Projects.

Major Initiatives

The COPS are secured by the City's pledge to annually appropriate rental payments, sufficient to pay debt service, and collateral is provided by a lien on the security interest in the financed assets and the land comprising the project site. Total assets available to certificate-holders, in the event of non-appropriation, provide 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, 2010. This was the tenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

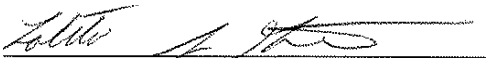
The preparation of this report would not have been possible without the efficient and dedicated services of the Director and Staff of the Finance department. I would like to express my appreciation to all members of the departments who assisted and contributed to the preparation of this report.

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

Respectfully submitted,



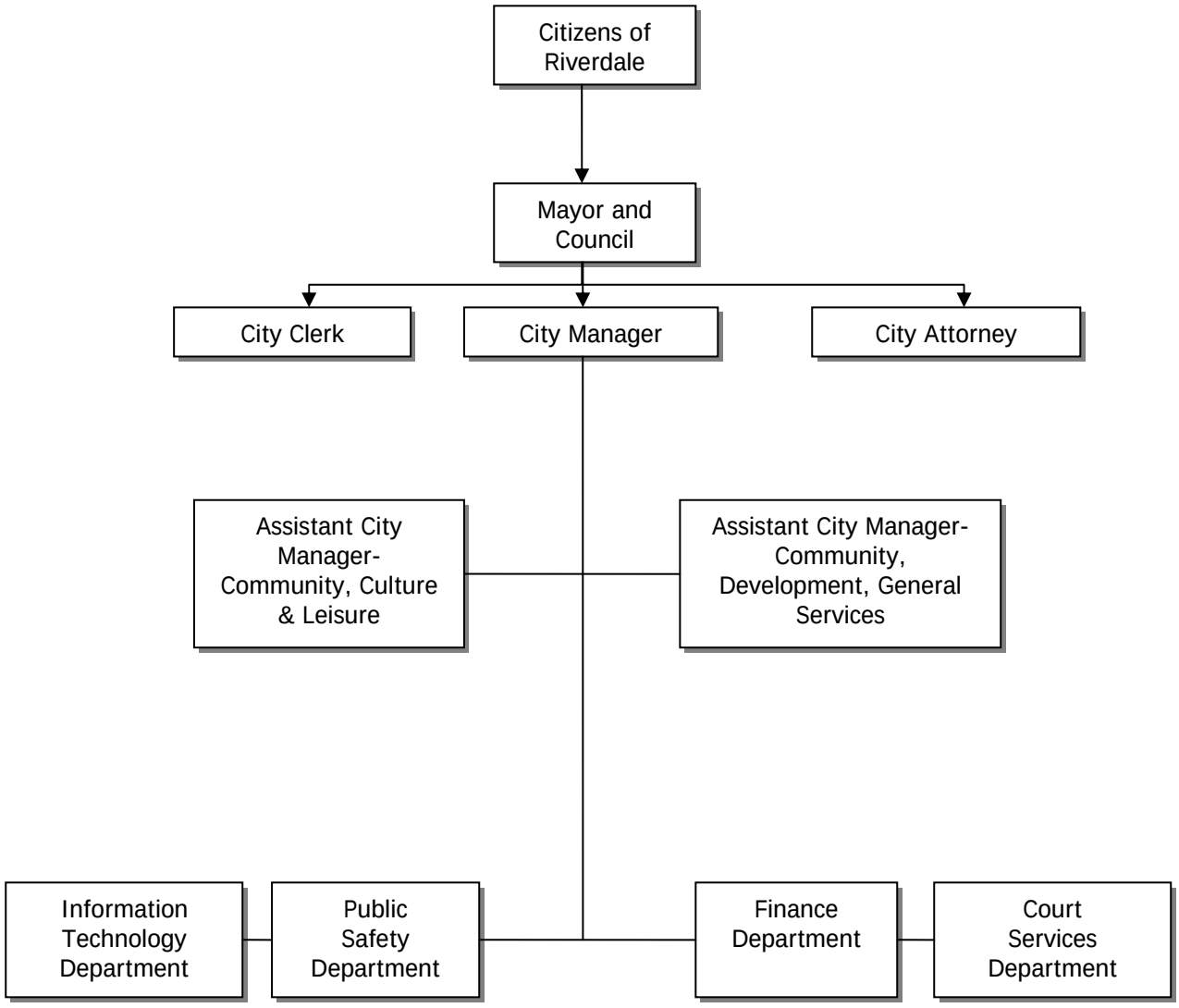
Iris Jessie, City Manager



Lolita Grant, CPA
Finance Director

CITY OF RIVERDALE, GEORGIA

ORGANIZATIONAL CHART
JUNE 30, 2011



CITY OF RIVERDALE, GEORGIA

PRINCIPAL OFFICIALS
JUNE 30, 2011

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

David Johnson	City Attorney
Stephanie Thomas	City Clerk

JUDICIAL BRANCH

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

EXECUTIVE BRANCH

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Riverdale

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davidson

President

Jeffrey R. Esser

Executive Director

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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, 2011, 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, 2011, 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.

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011, 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-10 and Other Post-Employment Benefits Plan-Schedule of Funding Progress on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Riverdale, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Riverdale Georgia's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mauldin & Jenkins, LLC

Macon, Georgia
December 29, 2011

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, 2011. 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, 2011 by $16,244,780.
- The total net assets increased by $1,917,348. Of this amount, an increase of $1,711,304 was associated with governmental activities, and an increase of $206,044 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 $9,520,502, a decrease of $359,879 in comparison with the prior year. Of this amount $2,202,355 is unassigned and available for spending; $247,706 is non-spendable; $6,222,286 is restricted for specific uses; and $848,155 is assigned for special future uses.
- At the end of the current year, unassigned fund balance for the General Fund was $2,204,550 or 20.7% of total General Fund expenditures.
- The City of Riverdale's total debt obligations (including accrued compensated absences) increased by the net amount of $3,162,440. This increase is due to the certificates of participation debt reduction of $2,270,000, less the decrease in deferred value of the interest rate swap of $11,019, plus the increase in Recovery Bond debts of $5,500,000. Other debt, including accrued compensated absences, decreased by $78,579.

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 four major governmental funds. The City's major governmental funds are the General Fund, the Capital Projects SPLOST Fund, the Certificates of Participation (COPS 2009) Fund, and the Recovery Bond Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds.

The City of Riverdale adopted an annual budget for its General Fund. Budgets were adopted for all special revenue funds, A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the FY11 budget. A project length budget has been adopted for the Capital Projects SPLOST Fund, the COPS 2009 Fund, and the Recovery Bond Fund.

Proprietary funds. The City of Riverdale maintains two different types of proprietary funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Solid Waste Management Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Workers Compensation Insurance Fund.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30. 2011, the City's assets exceeded liabilities by $16,244,780. The City's net assets reflects its investment in capital assets (67.5%), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Of the total net assets, $5,050,594 is unrestricted.

City of Riverdale's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 12,149,755	$ 14,746,271	$ 1,209,356	$ 989,248	$ 13,359,111	$ 15,735,519
Capital assets	27,427,169	22,523,502	10,290	11,113	27,437,459	22,534,615
Total assets	39,576,924	37,269,773	1,219,646	1,000,361	40,796,570	38,270,134
Current liabilities	1,108,119	3,854,026	461,552	448,311	1,569,671	4,302,337
Long-term liabilities	22,982,119	19,640,365	-	-	22,982,119	19,640,365
Total liabilities	24,090,238	23,494,391	461,552	448,311	24,551,790	23,942,702
Net assets:						
Invested in capital assets, net of related debt	10,953,227	10,242,814	10,290	11,113	10,963,517	10,253,927
Restricted	230,669	1,318,609	-	-	230,669	1,318,609
Unrestricted	4,302,790	2,213,959	747,804	540,937	5,050,594	2,754,896
Total net assets	$ 15,486,686	$ 13,775,382	$ 758,094	$ 552,050	$ 16,244,780	$ 14,327,432

In the current year $230,669 or 1.0% of the net assets are subject to external restrictions on how they may be used. The balance of unrestricted net assets $5,050,594 may be used to meet the government's ongoing obligations to citizens and creditors.

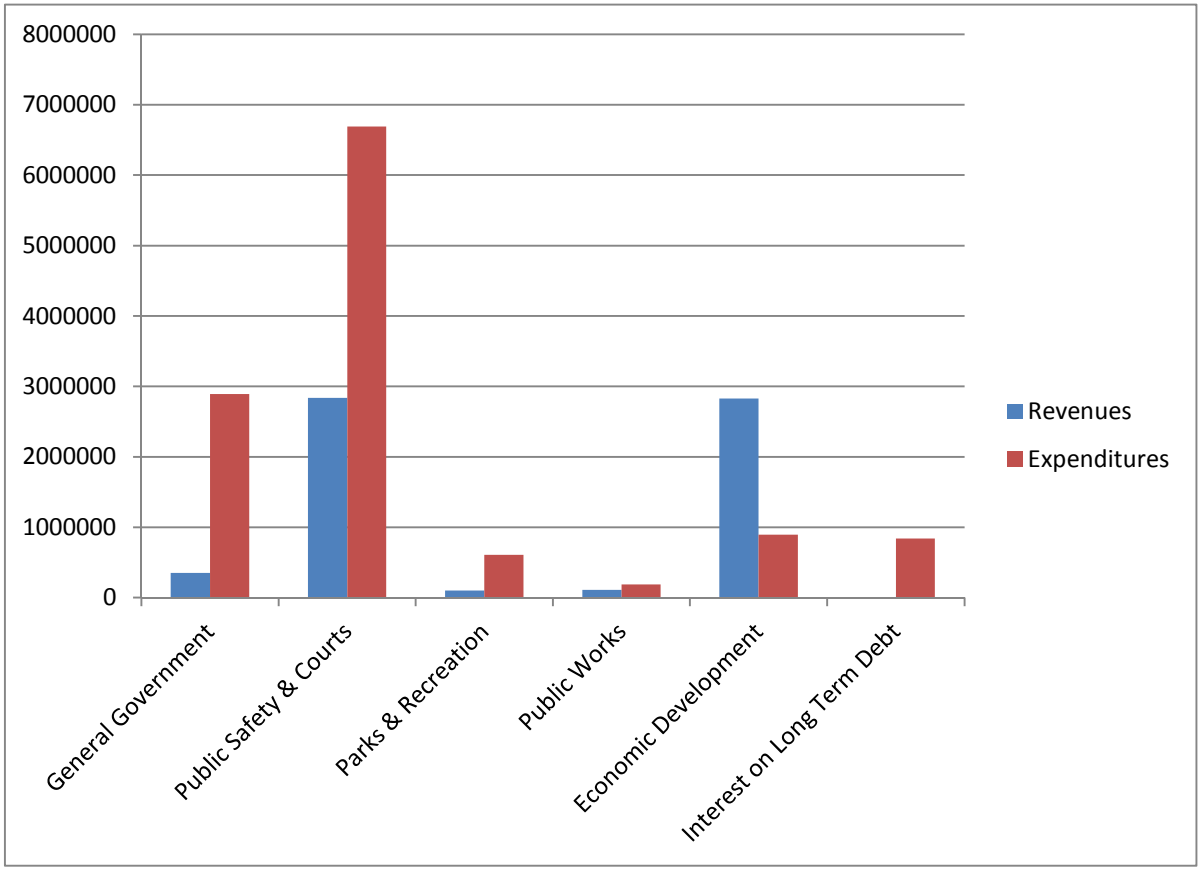
Governmental activities. Governmental activities increased the City of Riverdale's net assets by $1,711,304. Key elements of this increase are as follows:

City of Riverdale's Change in Net Assets

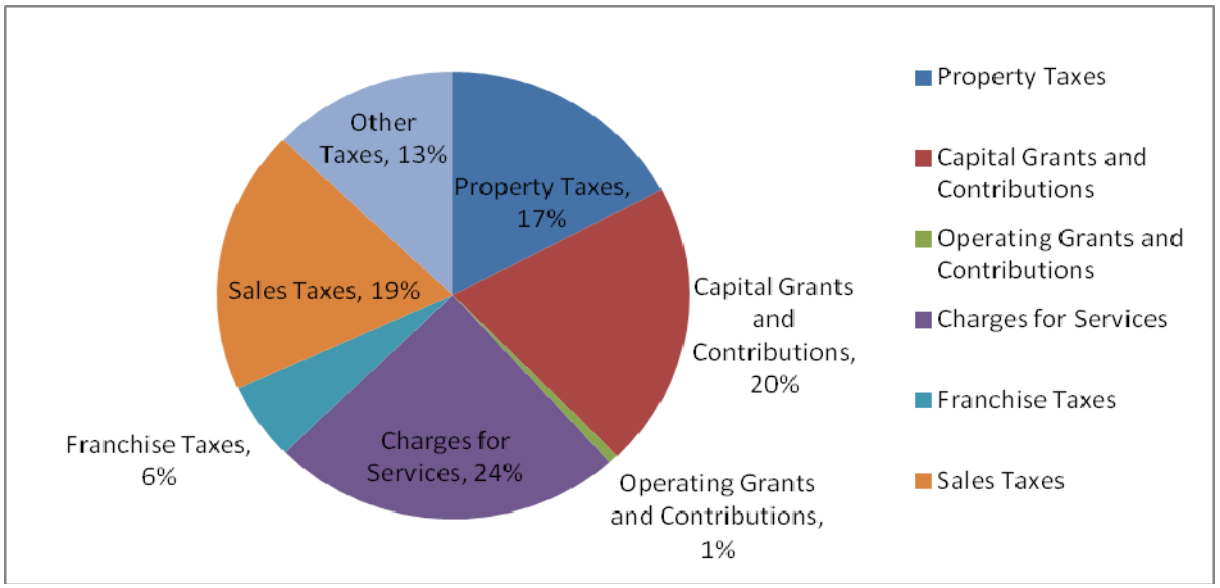
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues -						
Charges for services	$ 3,311,299	$ 4,370,499	$ 1,299,898	$ 1,045,790	$ 4,611,197	$ 5,416,289
Operating grants and contributions	94,316	110,203	-	-	94,316	110,203
Capital grants and contributions	2,826,965	2,700,785	-	-	2,826,965	2,700,785
General Revenues-						
Property taxes	2,359,879	2,606,937	-	-	2,359,879	2,606,937
Other taxes	5,140,200	5,190,818	-	-	5,140,200	5,190,818
Investment earnings	71,292	65,859	-	-	71,292	65,859
Other	29,493	1,360	-	-	29,493	1,360
Total Revenues	13,833,444	15,046,461	1,299,898	1,045,790	15,133,342	16,092,251
Expenses:						
General government	2,893,857	3,122,313	-	-	2,893,857	3,122,313
Judicial	669,343	1,600,470	-	-	669,343	1,600,470
Public safety	6,023,012	6,195,634	-	-	6,023,012	6,195,634
Parks and recreation	610,173	158,075	-	-	610,173	158,075
Public works	187,608	136,078	-	-	187,608	136,078
Economic development	896,357	904,257	-	-	896,357	904,257
Interest on long-term debt	841,790	896,089	-	-	841,790	896,089
Solid waste	-	-	1,093,854	808,091	1,093,854	808,091
Total Expenses	12,122,140	13,012,916	1,093,854	808,091	13,215,994	13,821,007
Increase in net assets before transfers	1,711,304	2,033,545	206,044	237,699	1,917,348	2,271,244
Transfers	-	131,758	-	(131,758)	-	-
Increase in net assets	1,711,304	2,165,303	206,044	105,941	1,917,348	2,271,244
Net assets - beginning of year	13,775,382	11,610,079	552,050	446,109	14,327,432	12,056,188
Net assets - end of year	$ 15,486,686	$ 13,775,382	$ 758,094	$ 552,050	$16,244,780	$14,327,432

- Fines and forfeitures decreased by $1,276,910 or 35.6% - due to excluding fees collected on behalf of other agencies from reported revenues. Public Safety expenses decreased by 2.8% or $ 172,622 due to a decrease in agency fees.
- Property taxes decreased 9.5%, or $247,058. 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 $47,580, or 1.7%. The distribution of the local option sales taxes decreased as a result of the current economic conditions.

Expenses and Program Revenues-Governmental Activities for F/Y/E 2011

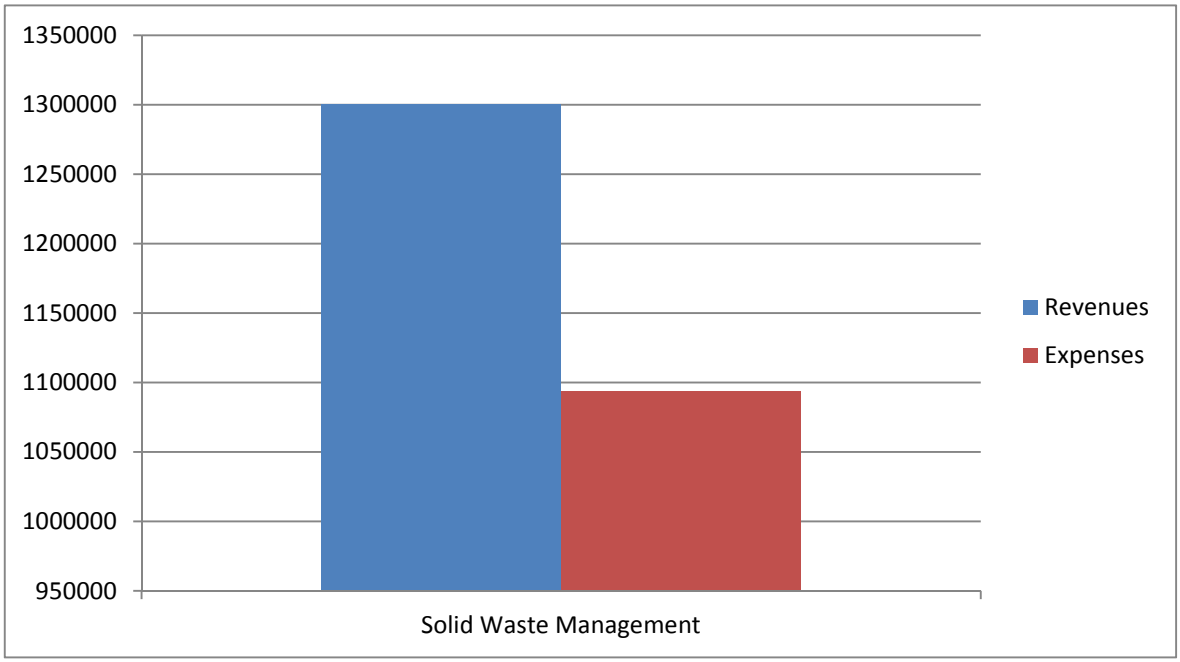


Revenue by Source-Governmental Activities for F/Y/E 2011



Business-type activities. Business-type activities increased the City's net assets by $206,044. During FY11, the City continued to see an increase in commercial solid waste services, along with its residential services. The City uses an outside contractor to provide these services.

Expenses and Program Revenues-Business-Type Activities for F/Y/E 2011



Financial Analysis of the Government's Funds

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

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

As of June 30, 2011, the City's governmental funds reported combined ending balances of $9,520,502, a decrease of $359,879 in comparison to the prior year. Of this amount, $2,202,355 (23.1%) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has already been committed, restricted or assigned to pay for prepaid and future expenses which are not available for current government's spending discretion ($7,318,147).

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,204,550, while the total fund balance totaled $2,452,256. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.7% of the total general fund expenditures, while total fund balance represents 23.0% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund decreased by $1,206,315. The revenues decreased by $1,487,128 or 12.4%, and the expenditures decreased by $111,851 or 1.0%, resulting in a deficiency in which expenditures exceed revenues by $185,748. In addition, the General Fund transferred a net of $1,070,349 to other funds.

The Capital Projects SPLOST Fund has a total fund balance of $968,485, which is an increase of $340,874 over the prior year. This increase is temporary and due to a decrease in bond interest payments.

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

The Recovery Bond Fund was created during FY2011 to account for bond proceeds to be used to finance construction of various improvements to the Town Center and Park.

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

Unrestricted net assets of the Solid Waste fund at the end of the year were $747,084.

General Fund Budgetary Highlights

Actual revenues fell short of the budgeted revenues by $1,055,251. The decrease was due in part to decreased property and sales taxes, and an unanticipated decrease in fines and forfeitures. Original budgeted expenditures of $11,139,876 were amended to $11,187,939 to account for anticipated increases in expenditures of the Finance, Public Safety and General Government Building departments. The final budget did not expect a change in fund balance, but the General Fund ended up with a net change in fund balance of $(1,206,315). The major variance was transfers out to other funds.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30,2011 amounts to $27,437,459 (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:

- $3,967,715 was spent on construction in progress at the Town Center Project.
- Land for the Town Center Project 'Promenade' was purchased for $308,000.
- $354,644 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 $22,802,805 in outstanding debt consisting of the following:

City of Riverdale's Outstanding Debt

	Balance
Governmental Activities -	
Certificates of Participation, net of unamortized premium	$16,507,284
Bonds payable, net of unamortized discount	5,402,517
Accrued compensated absences	703,662
Postretirement benefit obligation	189,342
Total	$22,802,805

The City's total debt increased by a net amount of $3,162,440. During FY11 the City issued revenue bonds in the amount of $5,500,000 for the construction related to 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 $31,654,258, which is significantly in excess of the City of Riverdale's outstanding general obligation debt.

Status of the City of Riverdale's Economy

- The unemployment rate for the City of Riverdale is currently 11.9%, which is higher than the state and national rate of 9.8%.
- Building permits, both commercial and residential, decreased due to the overall state of the economy.
- The occupancy rate for the City's central business district has declined. The total number of businesses opening in the City was 32 less than those closing – 104 vs 136.
- Sales tax receipts have decreased due to the overall state of the economy.

FY2011 welcomes continued prosperity with the completion of Phase I of the City of Riverdale's Town Center Project. The Town Center 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) 909-5507 or at the following address:

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

CITY OF RIVERDALE, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Unit
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total Primary Government**	**Downtown Development Authority**
Cash and cash equivalents	$ 3,074,039	$ 229,845	$ 3,303,884	$ 3,256
Investments	1,716,703	-	1,716,703	-
Taxes receivable	493,705	-	493,705	-
Accounts receivable	781,429	59,106	840,535	-
Internal balances	(920,405)	920,405	-	-
Due from other governments	437,349	-	437,349	-
Due from component unit	200,000	-	200,000	-
Due from primary government	-	-	-	12,000
Prepaid items	285,792	-	285,792	1,011
Inventory	-	-	-	563
Other assets	865,716	-	865,716	600
Restricted assets, cash	5,036,113	-	5,036,113	-
Fair market value of interest rate swap	179,314	-	179,314	-
Capital assets:				
Nondepreciable	2,552,533	-	2,552,533	20,289
Depreciable, net of accumulated depreciation	24,874,636	10,290	24,884,926	12,252
Total assets	39,576,924	1,219,646	40,796,570	49,971
LIABILITIES				
Accounts payable	478,920	121,843	600,763	11,438
Retainage payable	179,423	-	179,423	-
Accrued liabilities	437,776	-	437,776	3,283
Due to primary government	-	-	-	200,000
Due to component unit	12,000	-	12,000	-
Unearned revenues	-	339,709	339,709	-
Certificates of participation due within one year	2,354,302	-	2,354,302	-
Certificates of participation due in more than one year	14,332,296	-	14,332,296	-
Capital leases due within one year	-	-	-	1,512
Capital leases due in more than one year	-	-	-	3,024
Bonds payable due within one year	96,619	-	96,619	-
Bonds payable due in more than one year	5,305,898	-	5,305,898	-
Compensated absences due within one year	420,830	-	420,830	-
Compensated absences due in more than one year	282,832	-	282,832	-
Postretirement benefit obligation due in more than one year	189,342	-	189,342	-
Total liabilities	24,090,238	461,552	24,551,790	219,257
NET ASSETS				
Invested in capital assets, net of related debt	10,953,227	10,290	10,963,517	28,005
Restricted	230,669	-	230,669	-
Unrestricted	4,302,790	747,804	5,050,594	(197,291)
Total net assets	$ 15,486,686	$ 758,094	$ 16,244,780	$ (169,286)

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, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown Development Authority
Primary government:								
Governmental activities:								
General government	$ 2,893,857	$ 352,035	$ -	$ -	$ (2,541,822)	$ -	$ (2,541,822)	$ -
Judicial	669,343	-	-	-	(669,343)	-	(669,343)	-
Public safety	6,023,012	2,740,028	94,316	4,621	(3,184,047)	-	(3,184,047)	-
Public works	187,608	60,217	-	49,822	(77,569)	-	(77,569)	-
Parks and recreation	610,173	103,789	-	-	(506,384)	-	(506,384)	-
Economic development	896,357	55,230	-	2,772,522	1,931,395	-	1,931,395	-
Interest on long-term debt	841,790	-	-	-	(841,790)	-	(841,790)	-
Total governmental activities	12,122,140	3,311,299	94,316	2,826,965	(5,889,560)	-	(5,889,560)	-
Business-type activities:								
Solid waste management	1,093,854	1,299,898	-	-	-	206,044	206,044	-
Total business-type activities	1,093,854	1,299,898	-	-	-	206,044	206,044	-
Total primary government	$ 13,215,994	$ 4,611,197	$ 94,316	$ 2,826,965	(5,889,560)	206,044	(5,683,516)	-
Component unit:								
Downtown Development Authority	$ 211,236	$ 7,218	$ 87,000	$ 20,289				$ (96,729)
General revenues:								
Property taxes					2,359,879	-	2,359,879	-
Sales taxes					2,625,328	-	2,625,328	-
Insurance premium tax					671,713	-	671,713	-
Alcoholic beverage taxes					354,841	-	354,841	-
Other taxes					723,573	-	723,573	-
Franchise taxes					764,745	-	764,745	-
Unrestricted investment earnings					71,292	-	71,292	-
Gain on sale of assets					29,493	-	29,493	-
Total general revenues					7,600,864	-	7,600,864	-
Change in net assets					1,711,304	206,044	1,917,348	(96,729)
Net assets, beginning of year					13,775,382	552,050	14,327,432	(72,557)
Net assets, end of year					$ 15,486,686	$ 758,094	$ 16,244,780	$ (169,286)

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

CITY OF RIVERDALE, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

ASSETS	General Fund	Capital Projects SPLOST Fund	COPS 2009 Fund	Recovery Bond Fund	Other Governmental Funds	Totals Governmental Funds
Cash and cash equivalents	$ 1,410,044	$ 550,636	$ -	$ -	$ 1,108,449	$ 3,069,129
Investments	1,042,239	-	-	-	674,464	1,716,703
Taxes receivable	491,309	-	-	-	2,396	493,705
Accounts receivable	758,004	-	-	-	23,425	781,429
Due from other governments	-	417,849	-	-	19,500	437,349
Due from component unit	-	-	-	-	200,000	200,000
Due from other funds	699,325	-	2,160	-	41,324	742,809
Prepaid items	247,706	-	-	-	16,300	264,006
Restricted assets, cash	-	-	393,086	4,643,027	-	5,036,113
Total assets	$ 4,648,627	$ 968,485	$ 395,246	$ 4,643,027	$ 2,085,858	$ 12,741,243
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 342,772	$ -	$ 21,601	$ 83,620	$ 30,057	$ 478,050
Retainage payable	-	-	179,423	-	-	179,423
Accrued liabilities	159,943	-	-	-	2,544	162,487
Deferred revenues	725,567	-	-	-	-	725,567
Due to component unit	12,000	-	-	-	-	12,000
Due to other funds	956,089	-	14,070	13,685	679,370	1,663,214
Total liabilities	2,196,371	-	215,094	97,305	711,971	3,220,741
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid expenditures	247,706	-	-	-	-	247,706
Restricted for:						
Capital projects	-	968,485	180,152	4,545,722	376,360	6,070,719
Emergency communications	-	-	-	-	40,276	40,276
Federal programs	-	-	-	-	84	84
Law enforcement purposes	-	-	-	-	101,948	101,948
Promotion of tourism	-	-	-	-	9,259	9,259
Assigned to:						
Capital projects	-	-	-	-	596,735	596,735
Culture and recreation	-	-	-	-	59,469	59,469
Economic development	-	-	-	-	191,951	191,951
Unassigned	2,204,550	-	-	-	(2,195)	2,202,355
Total fund balances	2,452,256	968,485	180,152	4,545,722	1,373,887	9,520,502
Total liabilities and fund balances	$ 4,648,627	$ 968,485	$ 395,246	$ 4,643,027	$ 2,085,858	

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.	27,427,169
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	725,567
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.	865,716
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.	(91,207)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.	(22,961,061)
Net assets of governmental activities	$ 15,486,686

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, 2011

	General Fund	Capital Projects SPLOST Fund	COPS 2009 Fund	Recovery Bond Fund	Other Governmental Funds	Totals Governmental Funds
Revenues						
Property taxes	$ 2,384,118	$ -	$ -	$ -	$ -	$ 2,384,118
Sales taxes	2,674,494	-	-	-	-	2,674,494
Other taxes	1,723,461	-	-	-	26,666	1,750,127
Charges for services	191,779	-	-	-	332,872	524,651
Licenses and permits	315,875	-	-	-	-	315,875
Intergovernmental	144,659	2,705,415	-	64,885	142,500	3,057,459
Franchise fees	764,745	-	-	-	-	764,745
Fines and forfeitures	2,230,328	-	-	-	77,149	2,307,477
Investment income	218	-	821	8,644	61,609	71,292
Other revenues	36,422	-	-	-	1,994	38,416
Total revenues	10,466,099	2,705,415	821	73,529	642,790	13,888,654
Expenditures						
Current:						
General government	3,198,537	-	-	-	-	3,198,537
Judicial	677,397	-	-	-	-	677,397
Public safety	4,940,982	-	-	-	547,222	5,488,204
Public works	117,184	-	-	-	-	117,184
Culture and recreation	588,097	-	-	-	48,307	636,404
Economic development	640,925	-	-	-	195,526	836,451
Capital outlay	488,725	-	3,406,626	532,264	828,716	5,256,331
Debt service:						
Principal	-	-	2,270,000	-	-	2,270,000
Interest	-	-	773,719	145,899	48,545	968,163
Issuance costs	-	-	-	249,625	-	249,625
Total expenditures	10,651,847	-	6,450,345	927,788	1,668,316	19,698,296
Excess (deficiency) of revenues over (under) expenditures	(185,748)	2,705,415	(6,449,524)	(854,259)	(1,025,526)	(5,809,642)
Other financing sources (uses)						
Proceeds from sale of assets	49,782	-	-	-	-	49,782
Transfers in	288,674	-	3,043,719	-	679,845	4,012,238
Transfers out	(1,359,023)	(2,364,541)	-	-	(288,674)	(4,012,238)
Issuance of bonds payable	-	-	-	5,500,000	-	5,500,000
Discount on issuance of bonds payable	-	-	-	(100,019)	-	(100,019)
Total other financing sources (uses)	(1,020,567)	(2,364,541)	3,043,719	5,399,981	391,171	5,449,763
Net change in fund balances	(1,206,315)	340,874	(3,405,805)	4,545,722	(634,355)	(359,879)
Fund balances, beginning of year	3,658,571	627,611	3,585,957	-	2,008,242	9,880,381
Fund balances, end of year	$ 2,452,256	$ 968,485	$ 180,152	$ 4,545,722	$ 1,373,887	$ 9,520,502

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, 2011

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

Net change in fund balances - total governmental funds	$	(359,879)
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.		4,923,956
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(20,289)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		105,630
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(2,880,356)
Internal service funds are used by management to charge costs of various services and benefits to individual funds. The net revenues of certain activities of internal service funds are reported with		34,408
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.		(92,166)
	$	1,711,304

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, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 3,252,955	$ 3,252,955	$ 2,384,118	$ (868,837)
Sales taxes	2,811,449	2,811,449	2,674,494	(136,955)
Other taxes	1,792,000	1,792,000	1,723,461	(68,539)
Charges for services	164,357	164,357	191,779	27,422
Licenses and permits	323,000	323,000	315,875	(7,125)
Intergovernmental	-	68,300	144,659	76,359
Franchise fees	714,311	714,311	764,745	50,434
Fines and forfeitures	2,369,978	2,369,978	2,230,328	(139,650)
Investment income	-	3,000	218	(2,782)
Other revenues	22,000	22,000	36,422	14,422
Total revenues	11,450,050	11,521,350	10,466,099	(1,055,251)
Expenditures:				
Current:				
General government:				
Mayor and Council	139,969	139,969	140,841	(872)
General administration	614,207	614,207	593,953	20,254
Finance	1,810,820	2,046,820	1,773,259	273,561
General government buildings	539,687	653,213	690,484	(37,271)
Total general government	3,104,683	3,454,209	3,198,537	255,672
Judicial:				
Municipal court	703,779	703,779	677,397	26,382
Public safety:				
Police	3,247,668	3,250,017	3,163,489	86,528
Fire	1,904,809	1,888,609	1,777,493	111,116
Total public safety	5,152,477	5,138,626	4,940,982	197,644
Public works:				
Administration	159,500	157,500	117,184	40,316
Parks and recreation	600,939	600,939	588,097	12,842
Economic development	741,237	674,485	640,925	33,560
Capital outlay	268,401	268,401	488,725	(220,324)
Debt service	408,860	190,000	-	190,000
Total expenditures	11,139,876	11,187,939	10,651,847	536,092
Excess (deficiency) of revenues over (under) expenditures	310,174	333,411	(185,748)	(519,159)

(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, 2011

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses)				
Proceeds from sale of assets	$ 16,202	$ 16,202	$ 49,782	$ 33,580
Transfers in	270,360	1,744,823	288,674	(1,456,149)
Transfers out	(596,736)	(2,094,436)	(1,359,023)	735,413
Total other financing sources (uses)	(310,174)	(333,411)	(1,020,567)	(687,156)
Net change in fund balances	-	-	(1,206,315)	(1,206,315)
Fund balances, beginning of year	3,658,571	3,658,571	3,658,571	-
Fund balances, end of year	$ 3,658,571	$ 3,658,571	$ 2,452,256	$ (1,206,315)

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

CITY OF RIVERDALE, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Fund Solid Waste Management	Governmental Activities - Internal Service Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 229,845	$ 4,910
Accounts receivable, net of allowance for uncollectible accounts	59,106	-
Prepaid items	-	21,786
Due from other funds	920,425	-
Total current assets	1,209,376	26,696
NONCURRENT ASSETS		
Capital assets - depreciable, net	10,290	-
Total assets	1,219,666	26,696
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	121,843	870
Accrued liabilities	-	117,033
Unearned revenues	339,709	-
Due to other funds	20	-
Total current liabilities	461,572	117,903
NET ASSETS		
Invested in capital assets	10,290	-
Unrestricted (deficit)	747,804	(91,207)
Total net assets (deficit)	$ 758,094	$ (91,207)

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, 2011

	Business-type Activities - Enterprise Fund Solid Waste Management	Governmental Activities - Internal Service Fund
OPERATING REVENUES		
Charges for services	$ 1,299,898	$ -
Other	-	125,759
Total operating revenues	1,299,898	125,759
OPERATING EXPENSES		
Purchased or contracted services	1,093,031	4,178
Claims expense	-	87,173
Depreciation	823	-
Total operating expenses	1,093,854	91,351
Change in net assets	206,044	34,408
NET ASSETS (DEFICIT), beginning of year	552,050	(125,615)
NET ASSETS (DEFICIT), end of year	$ 758,094	$ (91,207)

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, 2011

	Business-type Activities - Enterprise Fund Solid Waste Management	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 1,247,984	$ -
Receipts from interfund services provided	-	125,759
Payments to suppliers	(1,076,018)	(122,201)
Net cash provided by operating activities	171,966	3,558
Net increase in cash and cash equivalents	171,966	3,558
Cash and cash equivalents:		
Beginning of year	57,879	1,352
End of year	$ 229,845	$ 4,910
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 206,044	$ 34,408
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	823	-
Changes in assets and liabilities:		
Decrease in accounts receivable	21,272	-
Increase in prepaid insurance	-	(1,890)
Increase in due from other funds	(69,434)	-
Increase (decrease) in accounts payable	17,013	(8,250)
Increase in due to other funds	20	-
Net cash provided by operating activities	$ 171,966	$ 3,558

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

NOTES TO FINANCIAL STATEMENTS

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, 2011, 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, 6690 Church Street, Riverdale, Georgia 30274.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

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

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

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

The 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.

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.

D. Budgets and Budgetary Accounting

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

1. Budget requests are completed in April.

2. Proposed budgets are reviewed and prepared by the Finance Director for submission to the City Manager, Mayor and the City Council in May.

3. Public hearings on the proposed budget are held in May and June.

4. The budget is legally adopted by the Mayor and City Council prior to June 30.

5. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgeted amounts in excess of $5,000 between departments requires the approval of the City Council. This is consistent with the legal level of budgetary control as the budget is adopted at the department level. Revisions that alter the total expenditures of any department or fund must be approved by the City Council. The City Council made several immaterial supplemental budget appropriations during the year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

6. Formal budgetary integration is employed as a management control device during the 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 2011, annual budgets were not legally adopted for the capital projects funds.

E. Cash and Investments

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

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

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of June 30, 2011:

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

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

G. Short-Term Interfund Receivables/Payables

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

H. Restricted Assets

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

I. Capital Assets

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

Major outlays for capital assets and major improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by offsetting interest expense incurred (from the date of borrowing until the date of completion of the project) with interest earned on investment proceeds over the same period. No interest was capitalized during the fiscal year ended June 30, 2011.

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.

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

The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as of July 1, 2010. This new standard changed the overall definitions and classifications of fund balances.

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

- ***Unassigned*** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "certain liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $22,961,061 difference are as follows:

Certificates of participation	$	(16,437,000)
Plus: Issuance premium (to be amortized against interest expense)		(249,598)
Less: Deferred fair value of interest rate swap		179,314
Bonds payable		(5,500,000)
Less: Issuance Discount (to be amortized against interest expense)		97,483
Compensated absences		(703,662)
Accrued interest		(158,256)
Postretirement benefit obligation		(189,342)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	(22,961,061)

Another element of this reconciliation explains that "other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds." The details of this $725,567 difference are as follows:

Deferred property tax revenue	$	154,317
Deferred fines and forfeitures		571,250
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$	725,567

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 $4,923,956 difference are as follows:

Capital outlay	$	5,554,394
Depreciation expense		(630,438)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	4,923,956

Another element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $2,880,356 difference are as follows:

Proceeds from debt:		
Bonds payable	$	(5,500,000)
Discount on bonds payable		100,019
Deferred charge for issuance costs		249,625
Principal repayments		
Certificates of participation		2,270,000
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(2,880,356)

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 $92,166 difference are as follows:

Change in accrued interest	$	(29,303)
Amortization of debt issuance costs		(30,404)
Amortization of premium		9,302
Amortization of discount		(2,536)
Amortization of deferred fair value of interest rate swap		(11,019)
Change in compensated absences		19,779
Change in OPEB obligation		(47,985)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(92,166)

NOTE 3. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2011, are summarized as follows:

As reported in the Statement of Net Assets:		
Cash and cash equivalents	$	3,303,884
Restricted assets, cash		5,036,113
Investments		1,716,703
	$	10,056,700
Cash deposited with financial institutions	$	8,162,911
Cash deposited with Georgia Fund 1		348,027
Money Market funds		177,086
Investment in U.S. Government Securities		694,212
Guaranteed Investment Contract		674,464
	$	10,056,700

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.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2011, the City had the following investments:

Investments	Maturities	Fair Value
Georgia Fund 1	59 day average maturity	$ 348,027
U.S. Government Securities	253 day weighted average	694,212
Guaranteed Investment Contract	June 1, 2028	674,464
Total		$ 1,716,703

As of June 30, 2011, 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, 2011, the deposits of the City were properly collateralized as defined by GASB pronouncements and the State of Georgia.

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, 2011, approximately 20% of the City's investments were in the State of Georgia's investment pool. In addition, approximately 39% of the City's investments were in repurchase agreements (the guaranteed investment contract). However, the repurchase agreement was obtained in connection with the 1998 issuance of the certificates of participation and was approved by the City Council.

NOTE 4. RECEIVABLES

Receivables as of June 30, 2011, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Nonmajor Govemmental Funds	Solid Waste Management Fund
Receivables:			
Taxes	$ 508,197	$ 2,396	$ -
Accounts	1,329,254	23,425	93,586
	1,837,451	25,821	93,586
Less: Allowance for uncollectible accounts	(588,138)	-	(34,480)
	$ 1,249,313	$ 25,821	$ 59,106

Property Taxes

Property taxes were levied on September 15, 2010 (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, 2010, and payable on or before November 16, 2010, for the fiscal year 2010 tax. Taxes not paid within 30 days of the November 16th due date are subject to property tax liens on February 15, 2011. Property tax revenues are recognized when levied to the extent they result in current receivables.

The tax rate levied during fiscal year 2011 for the City’s operations was 7.5 mills (mill equals $1 per thousand dollars of assessed value).

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 2,053,243	$ -	$ (20,289)	$ 308,000	$ 2,340,954
Construction in progress	16,569,928	3,967,715	-	(20,326,064)	211,579
Total capital assets, not being depreciated	18,623,171	3,967,715	(20,289)	(20,018,064)	2,552,533
Capital assets, being depreciated:					
Buildings and improvements	3,503,738	-	-	20,018,064	23,521,802
Improvements other than buildings	17,813	33,525	-	-	51,338
Infrastructure	636,328	649,602	-	-	1,285,930
Vehicles and related equipment	3,365,579	354,644	(545,856)	-	3,174,367
Furniture and other equipment	2,619,273	548,908	(9,276)	-	3,158,905
Total capital assets, being depreciated	10,142,731	1,586,679	(555,132)	20,018,064	31,192,342
Less accumulated depreciation for:					
Buildings and improvements	(1,494,431)	(129,020)	-	-	(1,623,451)
Improvements other than buildings	(7,842)	(1,563)	-	-	(9,405)
Infrastructure	(146,401)	(38,839)	-	-	(185,240)
Vehicles and related equipment	(2,783,253)	(180,363)	545,856	-	(2,417,760)
Furniture and other equipment	(1,810,473)	(280,653)	9,276	-	(2,081,850)
Total accumulated depreciation	(6,242,400)	(630,438)	555,132	-	(6,317,706)
Total capital assets, being depreciated, net	3,900,331	956,241	-	20,018,064	24,874,636
Total capital assets, net	$ 22,523,502	$ 4,923,956	$ (20,289)	$ -	$ 27,427,169

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

Governmental activities:	
General government	$ 69,616
Judicial	431
Public safety	425,158
Public works	66,086
Parks and recreation	9,241
Economic development	59,906
Total depreciation - governmental activities	$ 630,438

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings, grounds, and improvements	$ 16,464	$ -	$ -	$ 16,464
Total capital assets, being depreciated	16,464	-	-	16,464
Less accumulated depreciation for:				
Buildings, grounds, and improvements	(5,351)	(823)	-	(6,174)
Total accumulated depreciation	(5,351)	(823)	-	(6,174)
Total capital assets, being depreciated, net	11,113	(823)	-	10,290
Total capital assets, net	$ 11,113	$ (823)	$ -	$ 10,290

Capital asset activity for the Downtown Development Authority for the fiscal year ended June 30, 2011, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ -	$ 20,289	$ -	$ 20,289
Total capital assets, not being depreciated	-	20,289	-	20,289
Capital assets, being depreciated:				
Furniture and other equipment	13,964	4,291	-	18,255
Total capital assets, being depreciated	13,964	4,291	-	18,255
Less accumulated depreciation for:				
Furniture and other equipment	(3,281)	(2,722)	-	(6,003)
Total accumulated depreciation	(3,281)	(2,722)	-	(6,003)
Total capital assets, being depreciated, net	10,683	1,569	-	12,252
Total capital assets, net	$ 10,683	$ 21,858	$ -	$ 32,541

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
2009 Certificates of participation	$ 17,685,000	$ -	$ (2,270,000)	$ 15,415,000	$ 2,345,000
Plus unamortized premium	258,900	-	(9,302)	249,598	9,302
1998 Certificates of participation	1,022,000	-	-	1,022,000	-
Less deferred FV of interest rate swap	(190,333)	-	11,019	(179,314)	-
Certificates of participation, net	18,775,567	-	(2,268,283)	16,507,284	2,354,302
Bonds payable	-	5,500,000	-	5,500,000	100,000
Less unamortized discount	-	(100,019)	2,536	(97,483)	(3,381)
Bonds payable, net	-	5,399,981	2,536	5,402,517	96,619
Compensated absences	723,441	408,573	(428,352)	703,662	420,830
Postretirement benefit obligation	141,357	91,456	(43,471)	189,342	-
Governmental activity Long-term liabilities	$ 19,640,365	$ 5,900,010	$ (2,737,570)	$ 22,802,805	$ 2,871,751

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

The beginning balance of governmental activities above has been increased by $190,333 to properly reflect the reclassification 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, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital lease payable	$ 6,048	$ -	$ (1,512)	$ 4,536	$ 1,512
Due to City of Riverdale	200,000	-	-	200,000	-
Long-term liabilities	$ 206,048	$ -	$ (1,512)	$ 204,536	$ 1,512

NOTE 6. LONG-TERM DEBT (CONTINUED)

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

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the “Swap Payment”); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City’s obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap’s fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa1 by Moody’s. At June 30, 2011, the floating rate being paid by the City is 0.40% and the market value of the agreement is $179,314, a decrease of $11,019 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, 2011, based on the derivative contract. This market value is reported as an asset in the statement of net assets. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the statement of net assets.

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
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	140,000	340,864	480,864
2017 - 2021	790,000	1,615,306	2,405,306
2022 - 2026	980,000	1,419,538	2,399,538
2027 - 2031	2,297,000	985,671	3,282,671
2032 - 2036	1,665,000	503,975	2,168,975
2037 - 2038	800,000	66,550	866,550
	$ 16,437,000	$ 7,279,160	$ 23,716,160

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

NOTE 6. LONG-TERM DEBT (CONTINUED)

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

Fiscal Year	Principal	Interest	Total
2012	$ 100,000	$ 266,618	$ 366,618
2013	100,000	265,242	365,242
2014	-	263,493	263,493
2015	-	263,492	263,492
2016	155,000	263,493	418,493
2017 - 2021	825,000	1,239,587	2,064,587
2022 - 2026	925,000	1,062,420	1,987,420
2027 - 2031	1,055,000	820,523	1,875,523
2032 - 2036	1,220,000	522,050	1,742,050
2037 - 2040	1,120,000	160,313	1,280,313
	$ 5,500,000	$ 5,127,231	$ 10,627,231

Capital Lease. During the fiscal year ended June 30, 2010, the Downtown Development Authority entered in a lease agreement for financing the acquisition of certain office equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the lease inception date. The lease does not bear interest.

The following is an analysis of the leased equipment under capital lease as of June 30, 2011:

Equipment	$ 6,048
Less: Accumulated depreciation	(1,512)
	$ 4,536

The following is a schedule of future minimum lease payments under the capital lease at June 30, 2011:

Fiscal year ending June 30,	
2012	$ 1,512
2013	1,512
2014	1,512
Total future minimum lease payments	$ 4,536

NOTE 6. LONG-TERM DEBT (CONTINUED)

Due to City of Riverdale. In fiscal years 2008 and 2009, the Authority received a total of $200,000 from the City to fund its operational expenses. The 2007 Intergovernmental Agreement, as amended, requires that the loan be repaid by the Authority as the funds become available, up to but not exceeding, 50 years. The outstanding balance of the loan at June 30, 2011 is $200,000.

NOTE 7. EMPLOYEE BENEFIT PLANS

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all City employees permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency (as defined by IRS regulations). This plan is not reported in these financial statements.

Defined Contribution Plan

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

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

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

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

NOTE 7. EMPLOYEE BENEFIT PLANS (CONTINUED)

Completed Years Of Service	Vested Percentage
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, 2011, was $188,289. This contribution represented approximately 4.00% of the City's current year payroll for all eligible employees, which was $6,009,605. Contributions from employees were $99,515, representing approximately 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, 2010, monthly premium rates were $233 for medical and $27 for dental.

Funding Policy

The provisions and obligations to contribute are established and may be amended by City Council. The City finances the plan on a pay-as-you-go basis. The amount paid for these benefits for the year ended June 30, 2011 was $43,471. Nine individuals are currently eligible to receive these benefits.

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, 2010, (the most recent actuarial valuation date) and the changes in the City's net OPEB obligation:

Derivation of Annual OPEB Cost

	July 1, 2010
Annual Required Contribution	$ 93,146
Interest on Net OPEB Obligation	7,068
Amortization of Net Pension Obligation	(8,758)
Annual OPEB Cost	$ 91,456

Derivation of Net OPEB Obligation

Annual OPEB Cost for Current Year	$ 91,456
Actual Employer Contributions Made	(43,471)
Increase in Net OPEB Obligation	47,985
Net OPEB Obligation - June 30, 2010	141,357
Net OPEB Obligation - June 30, 2011	$ 189,342

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

Fiscal Year	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	$ 98,534	$ 17,368	17.6%	$ 81,166
2010	98,216	38,025	38.7%	141,357
2011	91,456	43,471	47.5%	189,342

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Funded Status and Funding Progress. As of July 1, 2010, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
7/1/2010	$ -	$ 816,253	$ 816,253	- %	$ 4,538,934	18.0%

Actuarial Methods and Assumptions. The investment return assumption (or discount rate) is to be selected as the estimated long-term investment return on the investments that are expected to be used to finance the payment of benefits. If the excess of the Annual Required Contribution over the current year's cost is set aside annually in a trust or other fund to pay future benefits, the discount rate represents the long-term rate of return expected to be earned on fund assets. If, however, benefits continue to be funded on a pay-as-you-go basis, the discount rate should reflect the return on unrestricted general funds of the employer. The assumptions used in the July 1, 2010 actuarial valuation are as follows:

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

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

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 9. BUDGET COMPLIANCE AND DEFICIT FUND EQUITY

A. Excess of Expenditures over Appropriations

For the year ended June 30, 2011, expenditures exceeded budget appropriations, as follows:

Department	Excess
General Fund:	
Mayor and council	$ 872
General government buildings	37,271
Capital outlay	220,324
Hotel/Motel Tax Fund:	
Economic development	6,256
Confiscated Assets Fund:	
Public safety	28,684
Cultural/Recreational Fund:	
Culture and recreation	38,307
Red Light Enforcement Fund:	
Capital outlay	157,945

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

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2011:

Fund	Deficit
LCI Grant Fund	$ 1,309
Red Light Enforcement Fund	886

These deficits will be eliminated through future grant and fine revenues.

NOTE 10. INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of June 30, 2011, are as follows:

	Due From					
	General Fund	COPS 2009 Fund	Recovery Bond Fund	Nonmajor Governmental	Solid Waste Management Fund	Total
Due To						
General Fund	$ -	$ 14,070	$ 13,685	$ 671,570	$ -	$ 699,325
COPS 2009 Fund	2,160	-	-	-	-	2,160
Nonmajor Governmental Funds	33,504	-	-	7,800	20	41,324
Solid Waste Management Fund	920,425	-	-	-	-	920,425
Total	$ 956,089	$ 14,070	$ 13,685	$ 679,370	$ 20	$ 1,663,234

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, 2011, consisted of the following:

	Transfer to			
	General Fund	COPS 2009 Fund	Nonmajor Governmental	Total
Transfer from				
General Fund	$ -	$ 679,178	$ 679,845	$ 1,359,023
SPLOST Capital Projects Fund	-	2,364,541	-	2,364,541
Nonmajor Governmental Funds	288,674	-	-	288,674
Total	$ 288,674	$ 3,043,719	$ 679,845	$ 4,012,238

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

NOTE 11. RISK MANAGEMENT

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

On March 21, 1997, the City established its Workers' Compensation Insurance Internal Service Fund. 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, 2011	June 30, 2010
Balance - beginning of year	$ 137,743	$ 700
Current year claims and changes in estimates	87,173	175,373
Claim payments	(107,883)	(38,330)
Balance - end of fiscal year	$ 117,033	$ 137,743

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 3% lodging tax. For the fiscal year ended June 30, 2011, $26,662 of hotel/motel tax was collected. A total of $37,256, or 139.7%, 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, 2011.

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, 2011, the City's membership dues were paid by Clayton County, Georgia on the City's behalf. Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA), Section 50-8-34, which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from: Atlanta Regional Commission, 3715 Northside Parkway, 200 North Creek Suite 300, Atlanta, Georgia 30327.

NOTE 14. COMMITMENTS AND CONTINGENCIES

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

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

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
7/1/2010	$ -	$ 816,253	$ 816,253	- %	$ 4,538,934	18.0%
7/1/2009	-	881,268	881,268	- %	4,712,235	18.7%
7/1/2008	-	874,844	874,844	- %	N/A	N/A

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

COMBINING STATEMENTS
AND SCHEDULES

CITY OF RIVERDALE, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

The **Cultural/Recreational Fund** accounts for the revenues and expenditures generated by the Riverdale Town Center.

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

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

CAPITAL PROJECTS FUNDS

The **Capital 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, 2011

	Special Revenue Funds					
ASSETS	**Emergency Communication Fund**	**Hotel/ Motel Tax Fund**	**Confiscated Assets Fund**	**Cultural/ Recreational Fund**	**LCI Grant Fund**	**Red Light Enforcement Fund**
Cash and cash equivalents	$ 35,313	$ 17,506	$ 82,776	$ 74,735	$ 41	$ 27
Investments	-	-	-	-	-	-
Taxes receivable	-	2,396	-	-	-	-
Accounts receivable	23,425	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due from component unit	-	-	-	-	-	-
Due from other funds	-	11,594	21,320	20	-	590
Prepaid expenditures	-	-	-	16,300	-	-
Total assets	$ 58,738	$ 31,496	$ 104,096	$ 91,055	$ 41	$ 617
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 22,237	$ 2,148	$ 1,025	$ -	$ 1,503
Accrued expenses	2,544	-	-	-	-	-
Due to other funds	15,918	-	-	30,561	1,350	-
Total liabilities	18,462	22,237	2,148	31,586	1,350	1,503
FUND BALANCES (DEFICIT)						
Restricted for:						
Capital projects	-	-	-	-	-	-
Emergency communications	40,276	-	-	-	-	-
Federal programs	-	-	-	-	-	-
Law enforcement purposes	-	-	101,948	-	-	-
Promotion of tourism	-	9,259	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Culture and recreation	-	-	-	59,469	-	-
Economic development	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,309)	(886)
Total fund balances (deficit)	40,276	9,259	101,948	59,469	(1,309)	(886)
Total liabilities and fund balances (deficit)	$ 58,738	$ 31,496	$ 104,096	$ 91,055	$ 41	$ 617

Capital Project Funds					
Capital Projects Fund	Capital Budget Reserve Fund	CDBG Grant Fund	EDI Grant Fund	Economic Development Fund	Totals
$ 301,184	$ 596,735	$ -	$ 84	$ 48	$ 1,108,449
674,464	-	-	-	-	674,464
-	-	-	-	-	2,396
-	-	-	-	-	23,425
-	-	19,500	-	-	19,500
-	-	-	-	200,000	200,000
7,800	-	-	-	-	41,324
-	-	-	-	-	16,300
$ 983,448	$ 596,735	$ 19,500	$ 84	$ 200,048	$ 2,085,858
$ -	$ -	$ -	$ -	$ 3,144	$ 30,057
-	-	-	-	-	2,544
607,088	-	19,500	-	4,953	679,370
607,088	-	19,500	-	8,097	711,971
376,360	-	-	-	-	376,360
-	-	-	-	-	40,276
-	-	-	84	-	84
-	-	-	-	-	101,948
-	-	-	-	-	9,259
-	596,735	-	-	-	596,735
-	-	-	-	-	59,469
-	-	-	-	191,951	191,951
-	-	-	-	-	(2,195)
376,360	596,735	-	84	191,951	1,373,887
$ 983,448	$ 596,735	$ 19,500	$ 84	$ 200,048	$ 2,085,858

CITY OF RIVERDALE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					
	Emergency Communication Fund	Hotel/ Motel Tax Fund	Confiscated Assets Fund	Cultural/ Recreational Fund	LCI Grant Fund	Red Light Enforcement Fund
Revenues:						
Other taxes	$ -	$ 26,662	$ -	$ 4	$ -	$ -
Charges for services	231,077	-	-	101,795	-	-
Fines and forfeitures	-	-	76,234	-	-	915
Intergovernmental	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenues	-	-	-	1,994	-	-
Total revenues	231,077	26,662	76,234	103,793	-	915
Expenditures:						
Current:						
Public safety	490,565	-	54,246	-	-	2,411
Culture and recreation	-	-	-	48,307	-	-
Economic development	-	37,256	-	-	-	-
Capital outlay	-	-	10,438	-	-	457,945
Debt service:						
Interest	-	-	-	-	-	-
Total expenditures	490,565	37,256	64,684	48,307	-	460,356
Excess (deficiency) of revenues over (under) expenditures	(259,488)	(10,594)	11,550	55,486	-	(459,441)
Other financing sources (uses)						
Transfers in	273,742	-	-	3,983	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	273,742	-	-	3,983	-	-
Net change in fund balances	14,254	(10,594)	11,550	59,469	-	(459,441)
Fund balances (deficit), beginning of year	26,022	19,853	90,398	-	(1,309)	458,555
Fund balances (deficit), end of year	$ 40,276	$ 9,259	$ 101,948	$ 59,469	$ (1,309)	$ (886)

Capital Project Funds					
Capital Projects Fund	Capital Budget Reserve Fund	CDBG Grant Fund	EDI Grant Fund	Economic Development Fund	Totals
$ -	$ -	$ -	$ -	$ -	$ 26,666
-	-	-	-	-	332,872
-	-	-	-	-	77,149
-	-	-	142,500	-	142,500
61,609	-	-	-	-	61,609
-	-	-	-	-	1,994
61,609	-	-	142,500	-	642,790
-	-	-	-	-	547,222
-	-		-	-	48,307
-	-	-	-	158,270	195,526
314,028	-	-	46,305	-	828,716
48,545	-	-	-	-	48,545
362,573	-	-	46,305	158,270	1,668,316
(300,964)	-	-	96,195	(158,270)	(1,025,526)
275,000	-	-	-	127,120	679,845
(288,674)	-	-	-	-	(288,674)
(13,674)	-	-	-	127,120	391,171
(314,638)	-	-	96,195	(31,150)	(634,355)
690,998	596,735	-	(96,111)	223,101	2,008,242
$ 376,360	$ 596,735	$ -	$ 84	$ 191,951	$ 1,373,887

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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Charges for services	$ 245,000	$ 245,000	$ 231,077	$ (13,923)
Investment income	191	191	-	(191)
Total revenues	245,191	245,191	231,077	(14,114)
Expenditures				
Public safety	544,106	544,106	490,565	53,541
Total expenditures	544,106	544,106	490,565	53,541
Deficiency of revenues under expenditures	(298,915)	(298,915)	(259,488)	39,427
Other financing sources:				
Transfers in	298,915	298,915	273,742	(25,173)
Total other financing sources	298,915	298,915	273,742	(25,173)
Net change in fund balance	-	-	14,254	14,254
Fund balances, beginning of year	26,022	26,022	26,022	-
Fund balances, end of year	$ 26,022	$ 26,022	$ 40,276	$ 14,254

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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Other taxes	$ 25,230	$ 25,230	$ 26,662	$ 1,432
Total revenues	25,230	25,230	26,662	1,432
Expenditures				
Economic development	31,000	31,000	37,256	(6,256)
Total expenditures	31,000	31,000	37,256	(6,256)
Deficiency of revenues under expenditures	(5,770)	(5,770)	(10,594)	(4,824)
Other financing sources:				
Transfers in	5,770	5,770	-	(5,770)
Total other financing sources	5,770	5,770	-	(5,770)
Net change in fund balance	-	-	(10,594)	(10,594)
Fund balances, beginning of year	19,853	19,853	19,853	-
Fund balances, end of year	$ 19,853	$ 19,853	$ 9,259	$ (10,594)

CITY OF RIVERDALE, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Fines and forfeitures	$ 36,000	$ 36,000	$ 76,234	$ 40,234
Total revenues	36,000	36,000	76,234	40,234
Expenditures				
Public safety	36,000	36,000	64,684	(28,684)
Total expenditures	36,000	36,000	64,684	(28,684)
Net change in fund balance	-	-	11,550	11,550
Fund balances, beginning of year	90,398	90,398	90,398	-
Fund balances, end of year	$ 90,398	$ 90,398	$ 101,948	$ 11,550

CITY OF RIVERDALE, GEORGIA
CULTURAL/RECREATIONAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Other taxes	$ -	$ -	$ 4	$ 4
Charges for services	10,000	10,000	101,795	91,795
Other revenues	-	-	1,994	1,994
Total revenues	10,000	10,000	103,793	93,793
Expenditures				
Culture and recreation	10,000	10,000	48,307	(38,307)
Total expenditures	10,000	10,000	48,307	(38,307)
Excess of revenues over expenditures	-	-	55,486	55,486
Other financing sources:				
Transfers in	-	-	3,983	3,983
Total other financing sources	-	-	3,983	3,983
Net change in fund balance	-	-	59,469	59,469
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	$ -	$ -	$ 59,469	$ 59,469

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, 2011

	Original Budget	Final Budget	Actual	Variance
Revenues				
Fines and forfeitures	$ -	$ -	$ 915	$ 915
Total revenues	-	-	915	915
Expenditures				
Current:				
Public safety	10,000	10,000	2,411	7,589
Capital outlay	300,000	300,000	457,945	(157,945)
Total expenditures	310,000	310,000	460,356	(150,356)
Deficiency of revenues under expenditures	(310,000)	(310,000)	(459,441)	151,271
Other financing sources				
Transfers in	10,000	10,000	-	(10,000)
Total other financing sources	10,000	10,000	-	(10,000)
Net change in fund balance	(300,000)	(300,000)	(459,441)	141,271
Fund balances, beginning of year	458,555	458,555	458,555	-
Fund balances (deficit), end of year	$ 158,555	$ 158,555	$ (886)	$ 141,271

CITY OF RIVERDALE, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
Road improvements	$ 2,954,728	$ -	$ -	$ -	$ -
Streetscapes	2,401,465	1,829,273	-	-	-
Park improvements	5,045,271	5,045,271	-	-	-
Community Center	4,000,000	9,825,456	2,027,410	2,364,541	4,391,951
Acquisition of land for parks and greenspace	3,000,000	500,000	-	-	-
Totals	$ 17,401,464	$ 17,200,000	$ 2,027,410	$ 2,364,541	$ 4,391,951

NOTE: Current year expenditures of $2,364,541 as shown above are reflected as a transfer out to the COPS 2009 Fund on the Statement of Revenues, Expenditures and Changes in Fund Balance for repayment of the debt associated with the construction of the Town Center.

STATISTICAL SECTION

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

Contents **Page**

Financial Trends ..... **60 - 65**
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... **66 - 71**
These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity ..... **72 - 74**
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.

Demographic and Economic Information ..... **75 and 76**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... **77 - 79**
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.

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.

CITY OF RIVERDALE, GEORGIA

NET ASSETS BY ACTIVITY
LAST EIGHT FISCAL YEARS

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

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

CITY OF RIVERDALE, GEORGIA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

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

(Continued)

CITY OF RIVERDALE, GEORGIA

CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

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

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

CITY OF RIVERDALE, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund									
Reserved	$ 430,855	$ 915,023	$ 642,829	$ 441,885	$ 444,365	$ 259,087	$ 180,393	$ 324,781	$ 256,931
Unreserved	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	$ 3,692,255	$ 5,059,661	$ 3,556,129	$ 2,983,378	$ 4,067,480	$ 4,758,499	$ 4,270,069	$ 4,459,638	$ 3,658,571
All Other Governmental Funds									
Unreserved, reported in:	$ 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	$ 839,217	$ 529,131	$ 1,245,431	$ 884,358	$ 1,074,374	$ 1,779,443	$ 2,324,653	$ 18,202,842	$ 6,221,810

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

CITY OF RIVERDALE, GEORGIA

FUND BALANCES, GOVERNMENTAL FUNDS
CURRENT FISCAL YEAR

	Fiscal Year 2011
General Fund	
Nonspendable	$ 247,706
Unassigned	2,204,550
Total General Fund	$ 2,452,256
All Other Governmental Funds	
Restricted, reported in:	
Special revenue funds	$ 151,483
Capital project funds	6,070,803
Assigned, reported in:	
Special revenue funds	59,469
Capital project funds	788,686
Unassigned, reported in:	
Special revenue funds	(2,195)
Total all other governmental funds	$ 7,068,246

Note: GASB 54 was implemented during fiscal year 2011.

CITY OF RIVERDALE, GEORGIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Taxes	$ 4,938,194	$ 5,538,768	$ 6,860,170	$ 7,189,197	$ 7,711,595	$ 8,138,608	$ 8,344,262	$ 7,962,354	$ 7,789,960	$ 7,573,484
Licenses and permits	947,441	1,076,319	273,213	257,641	323,348	373,705	324,787	266,167	289,219	315,875
Intergovernmental	125,580	88,986	175,708	137,606	298,132	156,972	273,473	659,901	2,726,135	3,057,459
Charges for services	694,286	824,551	307,937	303,691	362,451	355,953	513,494	513,690	474,219	524,651
Fines, forfeitures, and fees	2,838,165	3,144,176	2,318,405	1,723,058	2,224,364	2,222,713	2,018,225	2,388,661	3,584,387	2,307,477
Investment earnings	143,644	93,269	107,096	131,172	149,729	156,927	98,134	78,588	65,859	71,292
Miscellaneous	97,998	48,649	46,391	38,972	42,030	25,125	101,581	26,514	26,974	38,416
Total revenues	9,785,308	10,814,718	10,088,920	9,781,337	11,111,649	11,430,003	11,673,956	11,895,875	14,956,753	13,888,654
Expenditures:										
General government	979,829	1,130,724	1,539,608	1,640,892	1,864,107	2,387,395	2,838,844	2,822,119	2,871,716	3,198,537
Judicial	923,264	1,017,959	891,283	812,225	825,046	454,913	514,076	591,127	1,582,394	677,397
Public safety	5,465,744	6,229,708	6,285,646	6,183,625	5,899,321	5,170,877	5,727,710	5,569,540	5,722,595	5,488,204
Public works	1,519,492	1,466,378	1,081,953	1,062,864	921,828	656,396	408,017	297,026	85,674	117,184
Parks and recreation	-	-	2,500	-	27,535	617,083	1,100,065	861,852	149,666	636,404
Community development	376,409	495,409	323,903	347,536	361,631	4,600	92,500	45,614	893,991	836,451
Capital outlay	90,834	908,251	576,805	792,287	45,061	645,768	730,447	4,397,803	13,912,491	5,256,331
Debt service:										
Principal	86,568	125,654	156,957	111,495	111,872	123,707	147,394	126,812	1,760,527	2,270,000
Interest and fiscal charges	100,388	61,250	25,444	69,452	64,506	60,932	58,123	238,320	892,916	968,163
Issuance costs	-	-	-	-	-	-	-	637,941	-	249,625
Total expenditures	9,542,528	11,435,333	10,884,099	11,020,376	10,120,907	10,121,671	11,617,176	15,588,154	27,871,970	19,698,296
Excess (deficiency) of revenues over (under) expenditures	242,780	(620,615)	(795,179)	(1,239,039)	990,742	1,308,332	56,780	(3,692,279)	(12,915,217)	(5,809,642)
Other financing sources (uses)										
Proceeds from the issuance of debt	-	-	-	-	-	87,856	-	19,697,078	-	5,399,981
Proceeds from the sale of capital assets	3,050	-	13,885	-	65,528	-	-	12,959	1,360	49,782
Insurance reimbursements	-	-	-	-	51,025	-	-	-	-	-
Transfers in	-	-	-	197,873	166,823	1,045,624	1,486,901	1,486,901	4,755,466	4,012,238
Transfers out	-	(8,015)	(5,938)	-	-	(1,045,724)	(1,486,901)	(1,486,901)	(4,623,708)	(4,012,238)
Total other financing sources (uses)	3,050	(8,015)	7,947	197,873	283,376	87,756	-	19,710,037	133,118	5,449,763
Net change in fund balances	$ 245,830	$ (628,630)	$ (787,232)	$ (1,041,166)	$ 1,274,118	$ 1,396,088	$ 56,780	$ 16,017,758	$ (12,782,099)	$ (359,879)
Debt service as a percentage of noncapital expenditures	1.98%	1.78%	1.77%	1.77%	1.75%	1.95%	1.89%	8.96%	19.01%	24.15%

CITY OF RIVERDALE, GEORGIA

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

Tax Digest Year	Real and Personal Property	Motor Vehicle	Public Utility	Less: Tax Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate
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
2010	293,480,487	19,513,950	4,188,360	(640,214)	316,542,583	7.50

Notes:

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

Source: Clayton County Tax Commissioner

Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 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%
126,617,033	40%

CITY OF RIVERDALE, GEORGIA

PROPERTY TAX RATES
LAST TEN TAX DIGEST YEARS

Tax Digest Year	State of Georgia	City of Riverdale			Clayton County	School District	Total Millage Rate
		Maintenance and Operations	Sales Tax Reduction	Total City			
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	14.80	7.30	7.50	8.76	18.92	35.43
2007	0.250	15.74	8.24	7.50	13.45	20.00	41.20
2008	0.250	15.23	7.73	7.50	13.45	19.84	41.04
2009	0.250	15.93	8.43	7.50	16.45	19.84	44.04
2010	0.250	16.37	8.87	7.50	16.45	20.00	44.20

Source: Clayton County Tax Commissioner.

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

CITY OF RIVERDALE, GEORGIA

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

	2011			2007		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Ellis Edward C & Clarice B	$ 44,084	1	0.014%	$ 49,405	2	0.013%
Lowes	39,835	2	0.013%	19,748	9	0.005%
Chateau Forrest Associates LP	39,512	3	0.012%	55,367	1	0.015%
HD Development of Maryland Inc.	28,935	4	0.009%			
Bank of America	27,563	5	0.009%			
Wal Mart Supercenter	24,905	6	0.008%	26,998	7	0.007%
IPF / Merchants LP	23,486	7	0.007%	36,765	4	0.010%
Georgia Power	23,402	8	0.007%	21,240	8	0.006%
Institute of Radiation	20,415	9	0.006%			
More Cherry Hill Plaza LLC	18,692	10	0.006%			
Home Depot				48,800	3	0.013%
H/S Riverlo LLC				32,579	5	0.009%
Brookscrossing Apts Ltd				32,427	6	0.009%
Wrens Crossing LLC				16,758	10	0.004%
Total	$ 290,829		0.092%	$ 340,087		0.091%

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
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%	88,947	2,343,613	100.00%
2008	2,416,377	2,110,139	87.33%	153,542	2,263,681	93.68%
2009	2,592,901	2,435,314	93.92%	157,587	2,592,901	100.00%
2010	2,374,069	2,339,869	98.56%	34,200	2,374,069	100.00%
2011	2,230,527	1,905,031	85.41%	177,933	2,082,964	93.38%

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 EIGHT FISCAL YEARS

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

Notes:

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

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

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

Source: City of Riverdale records.

CITY OF RIVERDALE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS

Fiscal Year	Governmental Activities: Certificates of Participation	Governmental Activities: Bonds Payable	Governmental Activities: Notes Payable	Governmental Activities: Capital Leases	Total Primary Government	Percentage of Estimated Actual Value of Taxable Property	Percentage of Personal Income	Per Capita	Personal Income	Population
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
2011	16,437,000	5,500,000	-	-	21,937,000	6.93%	56.81%	1,431.36	38,613	15,326

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
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%
2011	316,542,583	31,654,258	-	31,654,258	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, 2011

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Riverdale[(a)]	Amount Applicable to the City of Riverdale
Clayton County, Georgia- Overlapping Debt	$ 35,066,615	4.35%	$ 1,526,190
Subtotal Overlapping Debt			1,526,190
City of Riverdale, Georgia- Direct Debt	21,937,000	100.00%	21,937,000
Total Direct and Overlapping Debt			$ 23,463,190

Sources: Assessed value data used to estimate applicable percentages provided by the County. Debt outstanding provided by the County (as of June 30, 2011) and City Finance Departments.

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

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

CITY OF RIVERDALE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Total Personal (1)	Per Capita Personal Income (1)	Median Age(1)	Unemployment Rate (2)	School Enrollment (3)
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
2011	15,326	591,783	38,613	29.50	11.90%	4,682

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 FOUR YEARS AGO

	2011			2007		
Business	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Wal-Mart	349	1	9.37%	341	1	5.00%
Kroger	239	2	6.41%	126	3	1.85%
City of Riverdale	139	3	3.73%	123	4	1.80%
Riverdale Senior High School	124	4	3.33%	143	2	2.10%
Riverdale Place Care	113	5	3.03%			
Home Depot	96	6	2.58%	118	5	1.73%
Church Street Elementary	92	7	2.47%	100	6	1.47%
Riverdale Elementary School	88	8	2.36%	92	9	1.35%
Super H Mart	75	9	2.01%			
Car Spa	72	10	1.93%			
Lowes				105	7	1.54%
Cattle Exchange, Inc.				106	8	1.55%
Publix				90	10	1.32%

Source: Georgia Department of Labor

Note: Information prior to 2007 was not available.

CITY OF RIVERDALE, GEORGIA

FULL TIME EQUIVALENT CITY EMPLOYEES BY DEPARTMENT
LAST SEVEN FISCAL YEARS

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

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

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

Source: City of Riverdale Finance Department

Note: Information prior to 2005 was not available.

CITY OF RIVERDALE, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Number of stations	1	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	2,787
Traffic violations	20,236	15,806	11,070	6,760	12,152	21,302	18,483	19,263	19,518	17,199
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of fire related calls	448	156	247	789	374	359	285	317	333	370
Number of EMS related calls	1,417	1,605	1,817	1,621	1,748	1,678	1,758	1,712	2,063	2,455
Inspections	578	891	910	565	245	214	180	517	339	353
Public Works										
Street resurfacing (miles)	2.29	1.97	3.03	3.87	3.41	5.00	-	-	-	0.09
Potholes repaired	34	52	38	20	18	24	-	-	-	28
Community Development										
Business licenses issued	N/A	N/A	N/A	N/A	294	1,214	1,150	1,089	1,252	1,243
Building permits issued	N/A	N/A	N/A	N/A	144	67	66	45	60	44

Source: City of Riverdale records.

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

CITY OF RIVERDALE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST EIGHT FISCAL YEARS

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program								
Police								
Stations	2	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1
Patrol units	N/A	N/A	34	35	35	38	38	41
Fire stations	2	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	5.70
Parks and recreation								
Acreage	2.27	2.27	2.27	2.27	2.27 (3)	0.00	0.00 (4)	80.63
Playgrounds	1	1	1	1	1	0	0	1

Source: Various City of Riverdale departments.

Notes:

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

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

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

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

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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

To the 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, 2011, which collectively comprise the City of Riverdale, Georgia's basic financial statements and have issued our report thereon dated December 29, 2011. As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 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

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonably possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2011-1 through 2011-2 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 deficiency described in the accompanying schedule of findings and responses as item 2011-3 to be a significant deficiency.

Compliance and Other Matters

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

We also noted certain matters that we reported to management of the City of Riverdale, Georgia in a separate letter dated December 29, 2011.

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 29, 2011

CITY OF RIVERDALE, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	X yes ___ no
Significant deficiencies identified not considered to be material weaknesses?	X yes ___ none reported
Noncompliance material to financial statements noted?	___ yes X no

Federal Awards

There was not an audit of major federal award programs as of June 30, 2011 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2011 – 1. Recording of Accounts Payable – Repeat Finding

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

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

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, 2011.

Effect: An audit adjustment was required to be recorded in the Solid Waste Fund to increase accounts payable and cash by $40,337.

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, 2011

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

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

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

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

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 increase revenues and amounts due from other funds in the amount of $68,994, and an adjustment was recorded in the General Fund to decrease revenues and increase amounts due to other funds in the same amount. In addition, an audit adjustment was required to be recorded in the Solid Waste Management Fund to increase revenues and receivables in the amount of $17,055.

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.

2011 - 3. Capital Asset Management – Repeat Finding

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

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

Context: During testing of capital assets, it was determined that (1) certain assets added in the current year were either improperly added or improperly valued, and (2) asset lives were incorrectly entered for certain assets added in the current year.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2011 - 3. Capital Asset Management – Repeat Finding (continued)

Effect: Adjustments to decrease capital assets in the amount of $85,609 and to decrease accumulated depreciation in the amount of $111,413 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.

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, 2011

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.

Status: Unresolved. See current year finding 2011-1.

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.

Status: Unresolved. See current year finding 2011-3.

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.

Status: Resolved.

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.

Status: Resolved.

CITY OF RIVERDALE, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

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.

Status: Unresolved. See current year finding 2011-2.

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.

Status: Resolved. A budget was adopted for the Confiscated Assets Fund. No budget was adopted for the LCI Grant Fund; however, there was no activity in this fund in the current year.